

# PARLIAMENTARY DEBATES

(HANSARD)

**SIXTH SERIES—VOLUME 605**

## HOUSE OF COMMONS

OFFICIAL REPORT

FIRST SESSION OF THE FIFTY-SIXTH PARLIAMENT  
OF THE UNITED KINGDOM OF GREAT BRITAIN  
AND NORTHERN IRELAND  
SIXTY-FOURTH YEAR OF THE REIGN OF  
HER MAJESTY QUEEN ELIZABETH II

**SESSION 2015–2016**

COMPRISING PERIOD  
25 January 2016—11 February 2016



# HER MAJESTY'S GOVERNMENT

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# THE PARLIAMENTARY DEBATES

## OFFICIAL REPORT

IN THE FIRST SESSION OF THE FIFTY-SIXTH PARLIAMENT OF THE  
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND  
[WHICH OPENED 18 MAY 2015]

### SIXTY-FOURTH YEAR OF THE REIGN OF HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES

VOLUME 605

TENTH VOLUME OF SESSION 2015-2016

## House of Commons

*Monday 25 January 2016*

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

### PRAYERS

[MR SPEAKER *in the Chair*]

## Oral Answers to Questions

### EDUCATION

*The Secretary of State was asked—*

#### Mental Health

1. **Liz McInnes** (Heywood and Middleton) (Lab): What estimate she has made of the number of children in schools with mental health problems; and what assessment she has made of the capacity of schools and sixth-form colleges to appropriately support those children.

[903199]

8. **Ben Howlett** (Bath) (Con): What steps the Government are taking in schools to support young people with their mental health.

[903207]

**The Secretary of State for Education (Nicky Morgan):** First, may I take this opportunity to welcome the new shadow Ministers for childcare, the hon. Member for Darlington (Jenny Chapman), and for mental health, the hon. Member for Liverpool, Wavertree (Luciana Berger), to their places on the Opposition Front Bench?

This Government are committed to helping all young people fulfil their potential. Mental health is a personal priority for me as Secretary of State and we are committed to helping schools provide the necessary support. This includes a pilot to improve access to specialist services where needed, and guidance on counselling, behaviour and teaching about mental health. The Government are also investing an additional £1.4 billion in children and young people's mental health services, which will deliver a step-change in the way these services are commissioned and delivered.

**Liz McInnes:** The number of children going to A&E with mental health issues has more than doubled since 2010, and schools are having to manage a growing crisis. Decreased access to support from child and adolescent mental health services is making this much harder. I appreciate the Secretary of State's warm words, but what guarantee can she give pupils, parents and teachers that this Government are serious about acting on these issues?

**Nicky Morgan:** Importantly, there is interest in this matter in all parts of the House, and I recognise and welcome that. That is the first step to tackling the stigma associated with mental health and getting people to talk about it, but the hon. Lady is absolutely right that we have to go further. That is why my right hon. Friend the Prime Minister announced £1.4 billion for young people's mental health services, and a portion of the funding for that was announced recently. Also, the Department is contributing £1.5 million to joint training pilots to look at having single points of contact in schools and CAMHS. Teachers are not mental health workers, but they do have the opportunity to spot problems. They must know, and be able to work with, those in their local health services.

**Ben Howlett:** It is clear that this Government are committed to ensuring that young people have good access to mental health support. Does the Secretary of State agree that the Department for Education's mental health service and "schools link" pilot, bringing in a single point of contact in 255 schools, will mean there is a more joined-up approach between schools and health

services, which will positively impact on the mental health of our young people across the UK, and the south-west in particular?

**Nicky Morgan:** I am pleased to be able to say that the first round of training workshops has been successfully delivered to 255 schools and the second round is now under way. Schools and clinical commissioning groups are taking part in an evaluation of the programme to help us understand whether, and how, having the named lead roles has improved the working between schools and CAMHS and to look at any wider changes across participating schools.

**Andrew Gwynne (Denton and Reddish) (Lab):** Access to these services for all children and young people is absolutely crucial. With pressures increasing on school budgets, what guarantees can the Secretary of State give that all children and young people who need access to good quality mental health and counselling services are able to get them?

**Nicky Morgan:** I have already mentioned the joint training pilots. As a Department we have also provided £4.9 million this year to support 17 voluntary sector projects, and this is the first time that mental health services have been a part of that. The teacher voice omnibus survey carried out last summer found that 54% of teachers reported feeling that they knew how to help pupils with mental health issues access appropriate support and 62% reported that their school provided counselling services for pupils needing extra support, but I would be the first to admit we have further to go on this.

**Dr Sarah Wollaston (Totnes) (Con):** In the last Parliament, the Health Committee heard compelling evidence of the need to focus on prevention and early intervention. Much of that, as the Secretary of State will know, is being funded from public health budgets. Will the Secretary of State set out what discussions she will have, and reassure the House that as those budgets come under pressure the very valuable services being put in place will not be affected?

**Nicky Morgan:** I read with interest the Health Committee report in the last Parliament, and I and the Under-Secretary, my hon. Friend the Member for East Surrey (Mr Gyimah), have regular conversations with our colleagues in the Department of Health and across Government on this issue. Early insights from the local transformation plans, which my hon. Friend the Member for Totnes (Dr Wollaston) will know about, indicate that some areas are already running their own activities to decrease stigma and discrimination, or are planning to do so. Sadly, there remains discrimination against the prioritisation of mental health services even within some parts of the NHS. We have to change that.

**Carol Monaghan (Glasgow North West) (SNP):** I am feeling rather abandoned on the Scottish National party Benches today, and I am wondering whether my colleagues are off celebrating an early Burns Night. I wish any Members who will be taking part in such events a very enjoyable time.

The link between mental health problems and poverty is well documented, with young people from the poorest 20% of households three times more likely to suffer from

poor mental health than those from the most affluent 20%. What plans does the Secretary of State have to study the impact of removing the education maintenance allowance on the mental health of the most disadvantaged young people in society?

**Nicky Morgan:** I agree with the first part of the hon. Lady's question, although I am afraid that I could not agree with the second part because I could not quite see where she was heading with it. The overall issue is that the mental health of young people from all backgrounds needs to be addressed, in the sense of tackling early intervention and prevention and of ensuring that we produce strong, resilient young people. That is why I have been talking a lot about character education, which is something that I want to prioritise in the schools system in England.

**Damian Green (Ashford) (Con):** I am delighted by the announcements that the Prime Minister and the Secretary of State have made on this issue, not least because many families in my constituency and in other parts of east Kent have great difficulty in accessing mental health services, particularly for adolescents. Can the Secretary of State reassure the House that her Department's involvement in these matters will mean that people throughout the education system will be much more alert to the early signs of mental health problems and have quicker access to the medical mental health services?

**Nicky Morgan:** I agree with my right hon. Friend. That is precisely why the Department has made this a priority. We understand that, although teachers are not mental health workers, they work with young people day in and day out, week in and week out, and they will be able to spot the issues. However, they need to know that when the cases get referred, they will be dealt with speedily by the medical service, which is why we are working closely with the NHS as well. I also want to ensure that teachers are fully equipped to tackle mental health problems and mental health stigma in classrooms, and that is why we have funded the Personal, Social, Health and Economic Education Association to produce guidance and lesson plans to support age-appropriate teaching on mental health issues which can be used in this academic year.

**Luciana Berger (Liverpool, Wavertree) (Lab/Co-op):** I should like to thank the Speaker for kindly giving me permission to join this departmental question session and others in order to raise these important issues on mental health. At least half the adults who have mental health problems are diagnosed in childhood, so it is vital that we intervene early to promote good mental health in children. I listened carefully to what the Secretary of State said, but it is on her Government's watch that they will underspend by £77 million on the child and adolescent mental health budget. Concerns have been raised by no fewer than four Select Committee Chairs about this Government's dire record on PSHE, and we have seen a dramatic increase in the number of children turning up at A&E with mental health problems because the thresholds to access services are increasing. When will the Secretary of State stop the warm words and give us proper action to support the child and adolescent mental health services that this country desperately needs?

**Nicky Morgan:** I welcome the hon. Lady's appointment. She will know of my personal interest in this matter, and that I am the first Secretary of State to task one of the Ministers in my Department with specific responsibility for mental health education. It is a shame that she did not have a chance to amend her question—or perhaps her statement—before she stood up. If she had done so, she could have reflected the fact that I have already talked about the joint training pilots, about the £1.25 billion my right hon. Friend the Prime Minister has already announced, about the PSHE Association, about training for schools and about the provision of counselling. I look forward to working with her on this very important issue.

### Free Childcare

2. **Mr Ranil Jayawardena** (North East Hampshire) (Con): What progress the Government have made on implementing their policy to provide 30 hours of free childcare for working parents. [903200]

5. **Graham Evans** (Weaver Vale) (Con): What progress the Government have made on implementing their policy to provide 30 hours of free childcare for working parents. [903203]

**The Parliamentary Under-Secretary of State for Education (Mr Sam Gyimah):** We are making rapid and substantial progress towards our manifesto commitment to provide 30 hours of free childcare for working families. The Chancellor has committed to an increase in funding for free places of more than £1 billion a year by 2020. The Report stage and Third Reading of the Childcare Bill will take place this afternoon, and early implementation is on track for this autumn, with full roll-out in 2017.

**Mr Jayawardena:** In rural areas, nurseries are often smaller which can result in higher costs per pupil. Can the Minister assure me that those nurseries will not be adversely affected, and will he visit my constituency to see some of those nurseries at first hand?

**Mr Gyimah:** May I reassure my hon. Friend that our review of childcare costs, in consultation with the sector, took into account the cost of childcare for every type of provider right across the country? We have announced an increase in the average national funding rate from £4.56 an hour to £4.88 for three and four-year-olds from 2017-18 and will be consulting to ensure that that reaches the frontline. In response to my hon. Friend's request, I would be delighted to visit nurseries in Hampshire, which, I know, are at the forefront of innovation in the sector.

**Graham Evans:** Next month, I will be holding my fifth annual jobs and apprenticeships fair at the outstanding Mid Cheshire College. Does my hon. Friend welcome the extension of this Government's commitment to 30 hours of free childcare to help parents get back to work?

**Mr Gyimah:** I congratulate my hon. Friend on the Weaver Vale jobs fair. He is absolutely right that the purpose of the 30-hour commitment is to help make work pay, help with the cost of living and give children the best start in life. May I suggest that he invites local childcare providers to his jobs fair so that parents can talk to them as well as to potential employers, and I encourage all colleagues to do the same?

**Ms Karen Buck** (Westminster North) (Lab): Does the Minister agree that a parent's childcare needs do not end when a child reaches four, and that after school and school holiday childcare is absolutely essential, particularly for working parents? Does he therefore share my disappointment that Westminster City Council is ending all funding for its school-age childcare service, or play service, as part of a £665,000 cut to their children's services budget?

**Mr Gyimah:** The hon. Lady asks a very important question about childcare for school-age children. I cannot comment on the specific case of Westminster City Council, but I do know that tax-free childcare, which we have legislated for and which comes into force from 2017, will allow parents to purchase childcare out of school for children from nought to 12, and for disabled children up to the age of 18.

**Valerie Vaz** (Walsall South) (Lab): Will the Minister say what support schools will be given to accommodate the extra intake?

**Mr Gyimah:** That is an excellent question. There are many excellent school nurseries available. She may be aware that, as part of our last spending review, we announced £50 million of capital funding, and that we will be working with schools that need to expand to be able to deliver the cost of childcare.

**Carol Monaghan** (Glasgow North West) (SNP): The Government's plans for introducing 30 hours of free childcare for working parents have rightly received cross-party support, but, as we have already heard, there is still some way to go with regard to parents seeking employment. What work will the Minister do with parents who are currently seeking employment to enable them to access the childcare?

**Mr Speaker:** The hon. Lady appears to have phoned not one friend, but two. We are deeply grateful to her and to those hon. Members.

**Mr Gyimah:** It is encouraging to see that the Scottish National party has followed the Conservative party's lead and is now pledging 30 hours of childcare in the upcoming Scottish elections. The hon. Lady will be aware that we have the childcare element of tax credits in England, so that parents who do not qualify for the second 15 hours can get support for up to 75% of their childcare costs through that policy.

**Jenny Chapman** (Darlington) (Lab): On 14 April last year, the Prime Minister boasted—I cannot do a David Cameron impression—that with a Conservative Government

“you will get 30 hours of free childcare a week”.

As I recall, there was much rejoicing throughout the land. However, can the Minister now confirm that one in three of the families who he said would get the 30 hours of free childcare—and they believed it because the Prime Minister told them that they would—will receive no additional hours at all?

**Mr Gyimah:** I welcome the hon. Lady to her post. I look forward to her future contributions as vice-chair of Progress, especially as I now understand that to be a front for hard-right views in the Labour party. She will know that for the first 15 hours, the offer is universal—

99% of four-year-olds and 94% of three-year-olds get it. We have been very clear that the second 15 hours is a work incentive. Surely she does not believe that Islington parents on £100,000 a year should be entitled to free childcare. I know that she wants to represent the new core constituency of the Labour party.

### Post-16 Education

3. **Alex Cunningham** (Stockton North) (Lab): What discussions she has had with education providers on reviews of post-16 education and training. [903201]

10. **Mike Kane** (Wythenshawe and Sale East) (Lab): What discussions she has had with education providers on reviews of post-16 education and training. [903210]

**The Minister for Skills (Nick Boles)**: I have had several meetings with college leaders, often represented by hon. Members, and will continue to do so as the area review process unfolds.

**Alex Cunningham**: The Minister will be aware of the area review of colleges in the Tees valley, which could lead to one or more mergers. The banks will be big winners in this, and I am told that if colleges become liable for penalties for breaking loan contracts that could run into millions of pounds. How much will the banks benefit from these mergers?

**Nick Boles**: This is absolutely the first I have heard about that, and it is certainly not my intention that a single pound of taxpayers' money should go to benefit banks. The whole point of the area review process is to strengthen institutions so that, like Middlesbrough College in the Tees area, they can offer an excellent service by providing high-quality technical and professional education to local people.

**Mike Kane**: How does the Minister reconcile the Government's commitment to a devolved skills settlement in Greater Manchester with slashing a quarter of the further education college budget and slapping an apprentice tax on business?

**Nick Boles**: It is fairly amazing to hear an Opposition Member attack the apprenticeship levy, which is something that the Opposition thought was so extraordinarily left-wing that they were not willing to propose it in their manifesto. I should have thought that the modern Labour party would consider it a thoroughly mainstream suggestion. As for the hon. Gentleman's other comments, he will have observed that his party organised an Opposition debate to attack the 25% to 40% slashing of further education budgets, which did not happen when the Chancellor stood at the Dispatch Box and confirmed that we were going to maintain adult skills funding and 16 to 19 funding.

**Neil Carmichael** (Stroud) (Con): Returning to the subject at hand, does the Minister agree that it is really important to focus on technical and professional training, and that the best way to do so is to provide apprenticeships that have quality as a hallmark, and attract people who know that that will lead to a job, and know the value of being an apprentice?

**Nick Boles**: I agree entirely with my hon. Friend, the Chairman of the Select Committee on Education. It is particularly welcome to see that the number of apprenticeship starts have, yet again, gone up in the latest quarter. That is true not just for apprenticeships generally but for higher and degree apprenticeships, which give young people the reassurance that an apprenticeship can take them to whatever level they aspire to reach.

**Amanda Milling** (Cannock Chase) (Con): The National Design Academy, Stafford University and GMP Design are jointly seeking to locate a 737 aeroplane in Rugely, which would be converted into a design studio to house their new experiential design course. Does my hon. Friend agree that such innovative thinking could inject new energy into post-16 education and training?

**Nick Boles**: I was not aware of that example, but it sounds fantastic. It is exactly what the most innovative colleges are doing, and we want, through the area review process, to enable more colleges to become as innovative as that.

**Ruth Smeeth** (Stoke-on-Trent North) (Lab): I have the privilege of representing the best people in the country, but they have been failed by the Government. My constituents awoke today to learn that the people of Stoke-on-Trent are less likely than people in any other city to leave school with the formal qualifications that they need. A report by the Centre for Cities revealed that 39,700 people in Stoke-on-Trent have no formal qualifications, putting us at the bottom of the league table. Will the Minister meet us to discuss how post-16 education and training providers can best be used to help my city?

**Nick Boles**: First, I should be delighted to meet the hon. Lady, but I would gently point out to her that those constituents who were failed went to school under a Labour Government.

### High-performing Teachers

4. **Mr Alan Mak** (Havant) (Con): What steps her Department is taking to ensure that schools in every part of the country have access to high-performing teachers. [903202]

13. **Chris Davies** (Brecon and Radnorshire) (Con): What steps her Department is taking to ensure that schools in every part of the country have access to high-performing teachers. [903213]

16. **Chris Green** (Bolton West) (Con): What steps her Department is taking to ensure that schools in every part of the country have access to high-performing teachers. [903216]

**The Minister for Schools (Mr Nick Gibb)**: We are committed to ensuring that children in every part of the country, regardless of their background or circumstances, benefit from an excellent education. High-quality teachers are central to that ambition. We have recently announced the establishment of the national teaching service, which will place some of our best teachers, including heads of

department, in schools that need most support, particularly in areas of the country that find it hardest to retain and recruit good teachers.

**Mr Mak:** I thank the Minister for that answer. Roxanne Vines, the outstanding headteacher of Mill Hill Primary School in my constituency, took up her post following support and guidance from the Future Leaders Trust. Will the Minister join me in congratulating Roxanne on her headship and confirm that the Government will continue to support charities that help great teachers become great headteachers?

**Mr Gibb:** I am delighted to congratulate Roxanne Vines on taking up her post as headteacher at Hill Mill Primary School and wish her all the very best. High-quality headteachers are vital if we are to achieve our ambition of excellence everywhere. We are currently funding a range of prestigious development and leadership programmes and qualifications for headteachers and senior teachers through the hugely effective and successful Teaching Leaders and Future Leaders organisations.

**Chris Davies:** My local authority has declared its intention to close a number of schools in Brecon and Radnorshire, including Nantmel, Dolau and Llanbister Primary Schools and Gwernyfed and Brecon High Schools. Does my hon. Friend agree that the best way for pupils to have access to great and talented teachers is to keep excellent local schools open and not allow Powys County Council and the Labour-run Welsh Assembly to close the door on our children's education?

**Mr Gibb:** My hon. Friend is of course right that high-quality teaching is the single most important influence on academic standards. In England, we have more and better qualified teachers than ever before, with the proportion of graduates entering the profession holding a first or a 2:1 rising from 63% to 74% since 2010. I am sure that parents in his constituency will come to their own view about whether Powys County Council's decision to close schools is an effective or ineffective way of improving the education of their children.

**Chris Green:** Eatock Primary School in my constituency is now among the 100 top-performing schools in terms of progress made between key stages 1 and 2. Will the Minister join me in congratulating the whole school, and especially the headmistress and teaching staff?

**Mr Gibb:** I am very happy to join my hon. Friend in congratulating Mrs Flannery, the headteacher of Eatock Primary School. In fact, I recently wrote to her to congratulate her and her staff on their exemplary key stage 2 results, as 100% of the pupils are making at least expected progress in reading, writing and maths.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): May I bring the Minister down to earth? He trumpets the successes of this Government's education policy, but the fact is that every time the chief inspector speaks he says that the Government are failing to deliver the best possible education for our children up and down the country?

**Mr Gibb:** I do not recognise the statements from Sir Michael Wilshaw that the hon. Gentleman is citing. As a former Chair of the Education Committee, he should know better. We are determined to see excellence

in every part of the country. Where there are patches where schools are not performing, whether in rural or coastal areas, we are taking action swiftly, and certainly more swiftly than the Government he supported before 2010.

**Chris Leslie** (Nottingham East) (Lab/Co-op): The Minister will know that there are schools in my constituency and elsewhere that want to improve rapidly but are struggling with the challenge of recruitment. One academy principal told me last week that he has spent over £60,000 just on the advertising costs. Is not it time that the Department set up a single pooled vacancies site so that we can have that money going to the frontline?

**Mr Gibb:** It is not necessary to spend that kind of money recruiting teachers, because there are many free websites for teacher recruitment. I have been to many schools that have very imaginative ways of recruiting—going into sixth forms, local employers and universities to recruit graduates for their School Direct scheme—and they find very high-quality graduates coming into teaching. The challenge we face in this country is that we have a very strong economy, which is something we would not have were the hon. Gentleman to become Chancellor in a future Labour Government.

**Nic Dakin** (Scunthorpe) (Lab): Demand for teachers is growing. Are the Government, despite Ofsted's warnings, still burying their head in the sand about the teacher recruitment and supply crisis on their watch? If they are not, what are they doing about it?

**Mr Gibb:** We are certainly not burying our head in the sand. We have the highest number of teachers—there are now 455,000, so 13,000 more today than there were in 2010. We are also taking action to deal with the challenge of having a strong economy. We have introduced bursaries—up to £30,000 for top physics graduates. We have introduced the “Your future their future” advertising campaign. We have removed the cap on physics and maths recruitment. We have expanded Teach First. We have incentives for returners; some 14,000 returners came back into teaching last year, which is a record number. We are improving behaviour in our schools to improve retention, and we are dealing with the workload, which is one of the reasons why teachers say they leave the profession.

### Quality in Careers Standard

6. **Graham Stuart** (Beverley and Holderness) (Con): If she will make it her policy to require all schools to work towards a quality award for careers education, information, advice and guidance recognised by the quality in careers standard. [903205]

**The Secretary of State for Education (Nicky Morgan):** We want to spread excellent practice in schools in respect of careers and employment engagement activity to help prepare young people for successful working lives. That is why I launched the Careers & Enterprise Company, which is connecting employees from firms of all sizes with schools through a network of enterprise advisers drawn from business volunteers. I know that my hon. Friend has met the chairman and chief executive of the company. Its role is to harness exceptional schemes

such as the Humber careers gold standard, which my hon. Friend has championed and which encourages the delivery of inspiring careers advice.

**Graham Stuart:** It was great to hear at the weekend that the Secretary of State was going to act to give further education colleges and apprenticeship providers access to our schools, but the central challenge in the careers space is the lack of incentives for schools to play with when they have so many high incentives in relation to exams. Will the Secretary of State change Government guidance to introduce a requirement to work towards an award that fits the quality in careers standard?

**Nicky Morgan:** I thank my hon. Friend for welcoming the announcements that were made at the weekend. He is right: the quality of careers advice is paramount. That is why we have published more robust statutory guidance, and why Ofsted already has to inspect and pass judgment on the ways in which schools prepare young people for their careers.

We are considering how to create the right incentives. We will consult a range of organisations, including the Gatsby Charitable Foundation and the Quality in Careers Consortium Board, and will publish a new careers strategy in the spring.

15. [903215] **Yvonne Fovargue** (Makerfield) (Lab): It is bad enough that the Government do not value face-to-face careers advice, but, according to Ofsted, only 8% of young people have even heard of the national careers telephone helpline. What plans has the Secretary of State to raise its profile and prepare our young people properly for the world of work?

**Nicky Morgan:** I have already mentioned the Careers & Enterprise Company, which will be working with schools and local enterprise partnerships all over the country to create a network of enterprise advisers and co-ordinators with the aim of ensuring that young people can engage in a range of activities. This is not just about calling a telephone helpline; it is about a mixture of work experience, inviting speakers to schools, understanding why young people are studying certain subjects, and enabling them to get out and experience mini-apprenticeships.

**Danny Kinahan** (South Antrim) (UUP): I lost my voice at the weekend, and I am afraid that that makes it a bit harder for me to speak.

The all-party parliamentary group for education will shortly launch an inquiry into how well our education system is preparing children for the world of work. Will the Secretary of State ensure that schools have enough resources to teach “soft” skills, such as IT skills, so that young people are well prepared for their careers?

**Mr Speaker:** The hon. Gentleman’s mellifluous tones can still be heard. I am pleased to inform both him and the House of that.

**Nicky Morgan:** I very much enjoyed listening to the hon. Gentleman’s question, and I welcome the work of the all-party parliamentary group. We are, of course, already teaching computing throughout all the key stages of the national curriculum, having introduced coding

last year. The hon. Gentleman is right to draw attention to the important role of our education system in preparing young people for the world of work and for 21st-century Britain, and I look forward to hearing more from the all-party parliamentary group.

**Mr Gordon Marsden** (Blackpool South) (Lab): Four years after scrapping work experience at key stage 4, shredding Connexions and local careers service funding, and giving schools careers advice responsibilities but no resources, the best that the Secretary of State could do yesterday was blame schools for outdated snobbery over apprenticeships. Is it not a fact that she has been stung into action by the continued barrage of concern—the director general of the British Chambers of Commerce spoke of a “national embarrassment”—and that the Minister for Skills needs some sticking plaster for his appearance before the Select Committee this afternoon as part of its urgent inquiry on careers advice?

Will the Secretary of State ensure that careers advice and apprenticeship take-up are included in Ofsted’s assessment? Does she think that volunteer enterprise advisers—however hard-working—and a mere £20 million for her enterprise company will undo the damage that we see in the Government’s previous record?

**Nicky Morgan:** If the hon. Gentleman wants to talk about previous records, he should think about the previous record of his own party in government, when it completely failed to prepare young people for the world of work. In fact, it perpetuated fraud on them by allowing them to do technical and professional qualifications that did not lead either to satisfying the requirements of employers or to university. He clearly failed to listen to my earlier answer in which I said that Ofsted already inspects on careers advice and almost £70 million is being spent during this Parliament in relation to careers.

### Social Mobility and Child Poverty

7. **Tom Brake** (Carshalton and Wallington) (LD): What steps she is taking to implement the recommendations of the Social Mobility and Child Poverty Commission’s report, “State of the Nation 2015: Social Mobility and Child Poverty in Great Britain”, published in December 2015. [903206]

**The Parliamentary Under-Secretary of State for Education (Mr Sam Gyimah):** The Prime Minister made it clear in his first major policy intervention this year that improving life chances is a key priority for this Government. We will, in due course, publish a strategy setting out all the ways in which we will be fighting disadvantage and spreading opportunity. The strategy will focus on the root causes and human dimensions of child poverty. We will work with the reformed Social Mobility and Child Poverty Commission, which will play an important role in this.

**Tom Brake:** I am sure that the strategy that the Minister mentions will recognise that early intervention is key to improving social mobility. Has he looked at the impact of the removal of the ring-fencing of the early intervention grant, which has led to a 40% drop in the money available for early intervention? What will the impact of that be on social mobility?

**Mr Gyimah:** The right hon. Gentleman will know that Conservative Members take social mobility very seriously, and we have an excellent record on it; we even allowed the Liberal Democrats into government once. On the early intervention grant, we have increased the amount of money for troubled families and are deploying it in a very targeted way to help the families who need it most.

#### School Places: Thirsk and Malton

9. **Kevin Hollinrake** (Thirsk and Malton) (Con): What plans the Government have to meet demand for school places in Thirsk and Malton. [903209]

**The Minister for Schools (Mr Nick Gibb):** The Government are spending £23 billion on school buildings to create 600,000 new school places by 2021, open 500 new free schools, and address essential maintenance needs. Supporting local authorities in their responsibility to ensure sufficient school places in their area is one of our top priorities. North Yorkshire received £12 million in funding for new school places between 2011 and 2015 and has been allocated a further £40 million to create the further places required by 2018.

**Kevin Hollinrake:** Across North Yorkshire we are seeing a 10% increase in the demand for primary school places, and many of my constituents are concerned that we provide the infrastructure to meet rising populations and the increased numbers of houses being built. Will the Minister confirm that the capital funding will be provided to meet that ongoing demand for new places?

**Mr Gibb:** As I said, the Department has allocated £40 million to North Yorkshire for places required by 2015. This is based on the local authority's own forecast of how many places it will need. We encourage local authorities to negotiate significant developer contributions for new places where they result from developments. I would be delighted to meet my hon. Friend to discuss this matter in more detail. Perhaps, through him, I can persuade North Yorkshire County Council to encourage more free school applications.<sup>1</sup>

#### Childcare

11. **Marie Rimmer** (St Helens South and Whiston) (Lab): What assessment she has made of the affordability of childcare. [903211]

**The Parliamentary Under-Secretary of State for Education (Mr Sam Gyimah):** This Government understand that for many parents childcare is the main issue. That is why we will be helping parents with the cost of childcare to the tune of £6 billion a year from 2019 onwards.

**Marie Rimmer:** Childcare and early education are vital to help children to get the best start in life, particularly in the most disadvantaged families, yet this policy does nothing to help the most disadvantaged children, and the Minister's decision to change eligibility means that those who may benefit most will miss out on the extra 15 hours. What plan does he have to raise its quality in the early years, particularly to address the issue of disadvantaged children who will not benefit?

1. [Official Report, 1 February 2016, Vol. 605, c. 5-6MC.]

**Mr Gyimah:** Disadvantaged children are at the heart of our childcare policy. This Government introduced 15 hours of childcare for disadvantaged two-year-olds, and all three and four-year-olds get the first 15 hours free. As for the second 15 hours, which is a work incentive, it is logical to say that before someone gets 16 hours of childcare, given that they get 15 free, they work one additional hour. That makes total sense.

#### School Starting Age

14. **Stephen Hammond** (Wimbledon) (Con): What progress the Government are making in giving summer-born and premature children the choice to defer starting school. [903214]

**Mr Gibb:** I pay tribute to my hon. Friend for his work in supporting and campaigning for summer-born children. Subject to parliamentary approval, we have decided to amend the school admissions code to support summer-born children to enter school in the reception year if their parents decide to defer their start at school. We are now considering other, consequential changes to the code, including whether the due date rather than the birth date of premature children should be used for determining when they will begin school, and we will conduct a full public consultation in due course.

**Stephen Hammond:** I thank my hon. Friend for his hard work in ensuring that the Department is listening to the campaign. Is there any chance he could provide a timeline so that parents who are planning their children's future can do so with some security?

**Mr Gibb:** I understand my hon. Friend's impatience to secure the legislative changes, but it is important that we consider the other changes we need to make to the school admissions code at the same time as making changes to the rules regarding summer-born children. The work is ongoing, and we will begin the consultation in due course.

#### Online Safety

17. **Lucy Frazer** (South East Cambridgeshire) (Con): What steps the Government are taking to keep children safe online at school and at home. [903219]

**The Minister for Children and Families (Edward Timpson):** Schools, internet providers and parents all have a role to play in keeping children safe online. All schools must have regard to the statutory guidance, "Keeping children safe in education", when carrying out their duties to safeguard and promote children's welfare. Every school is required by law to have measures in place to prevent all forms of bullying, including cyber-bullying, and e-safety has been a statutory requirement in the computing curriculum since September 2014.

**Lucy Frazer:** I am very grateful to the Minister for that response because this is key. The Education Committee recently heard from a number of children in care, who raised the issue of the internet and safety on the internet, particularly in relation to self-harm. We heard that when someone types "self-harm" into Tumblr, they get a message of support and are directed to particular websites that will help them. Will the Minister encourage other social media sites to do the same?

**Edward Timpson:** My hon. and learned Friend is right to push on this issue. We encourage, and will of course continue to encourage, social media, search engines and blogging sites to help to signpost vulnerable users, including children in care, to accessible sources of information and support through the UK Council for Child Internet Safety board and elsewhere. Most schools filter content and monitor children's internet usage to protect them from harmful websites, but not all of them do so. That is why we are consulting on requiring all schools to use filters and monitoring systems, so that we can be confident that all children are kept safe online as well as off.

### Post-16 Education

18. **Anna Turley** (Redcar) (Lab/Co-op): What discussions she has had with education providers on reviews of post-16 education and training. [903220]

**The Minister for Skills (Nick Boles):** I refer to my answer to question 3.

**Mr Speaker:** It is in our minds.

**Anna Turley:** I appreciate the Minister's response. My constituency of Redcar has obviously just experienced a huge and extreme tragedy with the loss of our steelworks. The challenge now for our further education campuses is to use the £3 million that the Government have provided to ensure that people get back into work. However, the campus at Redcar college has been under threat, and in the light of the review, there is some concern that we may not be able to retain that campus. I want to impress on the Government how extremely important that is for the economic and social regeneration of our area.

**Nick Boles:** First, I want to congratulate the hon. Lady on the absolutely tireless work she has been doing to represent her constituents at this very difficult time. I am glad that we were able to introduce some flexibilities. For instance, budgets have been used to help people to get HGV licences, which would not normally be eligible for state funding. I had the good fortune to visit her constituency and meet some of the SSI apprentices who have found new places. I do not want to anticipate the conclusion of the area review, but I certainly understand how important this kind of skills support is particularly in her community.

**Kevin Foster** (Torbay) (Con): Will the Minister's discussions include South Devon College, which is the main FE provider for Torbay, and particularly its exciting masterplan to create a new campus on the site of a closed factory? That might give some hope to the hon. Member for Redcar (Anna Turley).

**Nick Boles:** My hon. Friend brought the principal of the college to a meeting to explain its plans to me, and I was extremely impressed by the ambition and innovation that it is displaying. I am sure that colleges all around the country could learn from it.

**Caroline Flint** (Don Valley) (Lab): South Yorkshire is currently undergoing an area review of further education. How important does the Minister think it is, when

looking at post-16 education, that all providers of post-16 education—FE colleges, schools and others—should come together to plan strategically what kids need in their area?

**Nick Boles:** It is absolutely important that the area review starts with a proper analysis of all the different provision in the area, including sixth forms in schools. The right hon. Lady will understand that there are hundreds and hundreds of schools with sixth forms. It is hard enough to get a group of 15 institutions to agree on a plan—they have to agree on a plan: they are not “undergoing an area review”; they are conducting an area review, and it has to be their plan—and it might be hard to include schools in the meetings, but she will be reassured to know that regional schools commissioners are involved in the area reviews.

### School Places: Buckinghamshire

19. **Mrs Cheryl Gillan** (Chesham and Amersham) (Con): What plans the Government have to meet demand for school places in Buckinghamshire. [903221]

**The Minister for Schools (Mr Nick Gibb):** Buckinghamshire received £34 million between 2011 and 2015 to create new school places, and it has been allocated a further £27 million for the places that will be required by 2018. That support helped to create more than 5,000 new school places between 2010 and 2014. Many more have been delivered since then or are in the pipeline. In addition, as my right hon. Friend will know, the Sir Thomas Fremantle Secondary School opened in September 2013 through the free schools programme and will provide 420 places when at full capacity.

**Mrs Gillan:** Notwithstanding that answer from the Minister, we know that the demand for schools in Buckinghamshire continues to grow. The local government settlement for the area is so poor that the county council has warned that it cannot resource the housing growth plans and provide the key infrastructure that is required for new schools and additional places. What support can he give to the Buckinghamshire MPs who have been campaigning together at the Department for Communities and Local Government and the Treasury to ensure that proper support is given to our county council so that Buckinghamshire school children do not lose out?

**Mr Gibb:** We are committed to making school funding fairer. In 2015-16, we have made an extra £390 million available to the 69 worst funded local authorities. Buckinghamshire has received an additional £18 million and it will continue to receive that additional funding, as we have included it in the baseline. In future years, we will ensure that funding is fairly matched to need by introducing a national funding formula for schools, as well as for high needs and early years. My right hon. Friend the Secretary of State will bring forward and consult on our proposals this year.

**Mr Steve Baker** (Wycombe) (Con): With 50,000 new houses expected in Buckinghamshire over the next 15 years, how will the Government ensure that the school places are established in the right locations?



**Mr Gibb:** That is a matter for the local authority. We are allocating sufficient funding to the authority to ensure that there are sufficient school places. Where there is development, we expect there to be a contribution from the developers.

#### School Places: Chelmsford

20. **Sir Simon Burns** (Chelmsford) (Con): What plans the Government have to meet demand for school places in Chelmsford. [903222]

**The Minister for Schools (Mr Nick Gibb):** As I have said, the Government are investing £23 billion in school buildings to create 600,000 new school places. Essex received £71 million between 2011 and 2015 to create new school places. It has been allocated a further £127 million for the places that will be required by 2018.

**Sir Simon Burns:** Although I am grateful for that answer, my question referred to Chelmsford, rather than Essex. Does the Minister have the figures for Chelmsford?

**Mr Gibb:** I am very happy to meet my right hon. Friend to go through the figures for Chelmsford. In Essex, we created more than 2,000 new places between 2010 and 2014. Many more have been delivered since then or are in the pipeline. I am very happy to discuss his constituency in more detail.

**Mr Speaker:** Put the details in the Library, so that we can all see them.

#### Careers and Enterprise Company

21. **Karen Lumley** (Redditch) (Con): What progress the Careers and Enterprise Company has made on improving the provision of careers education and inspiring young people about the world of work. [903223]

**The Parliamentary Under-Secretary of State for Education (Mr Sam Gyimah):** The Careers and Enterprise Company has made significant progress since its incorporation last February. It has set up a national network of enterprise advisers to improve the employer-school link, it has launched a £5-million fund to help in areas where careers provision is particularly poor, and it is developing an enterprise passport for all young children in school.

**Karen Lumley:** More than 3,000 apprenticeships have been created in Redditch since 2010. What will the new company do to ensure that there are another 3,000 by 2020?

**Mr Gyimah:** First, I congratulate Redditch on its excellent work to create apprenticeships. That is at the heart of the work this Government are doing. Pupils should be given every opportunity to fulfil their potential. As my hon. Friend knows, the Government will create 3 million apprenticeships. The Careers and Enterprise Company will help young people find the right route to continue their development.

**Stephen Timms** (East Ham) (Lab): The CBI said in its "Future possible" report 18 months ago that

"the transfer of responsibility for careers guidance to schools has been a failure."

Will the Minister recognise that the CBI is correct?

**Mr Gyimah:** There are a number of ways to develop comprehensive careers advice and guidance. The Careers and Enterprise Company, in which we invested £20 million, is one part of that. As my right hon. Friend the Secretary of State has said, in the spring we will publish a comprehensive strategy for how schools can work with the company and the plethora of other organisations out there to deliver the right level of careers education, starting from primary level right through to the end of school.

#### Topical Questions

T1. [903189] **Cat Smith** (Lancaster and Fleetwood) (Lab): If she will make a statement on her departmental responsibilities.

**The Secretary of State for Education (Nicky Morgan):** First, let me congratulate the 107 people who were recognised for their services to education and children's services in the latest new year's honours list. They include headteachers, classroom teachers, school governors, foster carers, children's social workers and people working in adoption and early years settings. I am sure the whole House will want to congratulate them and thank them for the work they do.

May I also extend my support to all the pupils, teachers and communities affected by the recent floods in the north of England? I saw for myself the impact on schools in Carlisle recently, and the Minister for Schools has visited Yorkshire and Lancashire to see the impact for himself.

**Cat Smith:** The Minister will be aware of the case of Poppi Worthington, a constituent of my hon. Friend the Member for Barrow and Furness (John Woodcock), and her tragic death. Does she support the calls from both sides of the House for an independent investigation into the circumstances and failings before and after Poppi's death?

**Nicky Morgan:** Poppi's death was clearly an absolute tragedy. It is vital that we understand what has happened and have the opportunity to learn any lessons. The serious case review into her death will be published shortly, and I welcome the announcement by the Crown Prosecution Service that it will review the case. We do have concerns about Cumbria children's services. They were inspected in May last year and found to be inadequate. There have been some improvements, but not enough. We will review progress in the workings of the children's services in March and take a further decision. It is right to wait for the serious case review and the CPS review, but of course we will keep this matter actively under review, including the demands for an independent inquiry.

T3. [903191] **Graham Evans** (Weaver Vale) (Con): As we approach Holocaust Memorial Day this Wednesday, will the Secretary of State and my hon. Friend the Minister for Schools reaffirm her Department's commitment to continue funding the Holocaust Educational Trust's "Lessons from Auschwitz" project, which has enabled 28,000 students and teachers to visit Auschwitz-Birkenau?

**The Minister for Schools (Mr Nick Gibb):** My hon. Friend is right: every young person should learn about the holocaust and the lessons it teaches us today. In recognition

of its significance, teaching of the holocaust is compulsory in the national curriculum. For the past 10 years the Department for Education has funded the Holocaust Educational Trust's "Lessons from Auschwitz" project, which, as my hon. Friend said, has taken more than 28,000 students to visit the site of the Auschwitz-Birkenau concentration camp. We will continue to promote, support and fund teaching of the holocaust.

**Mr Speaker:** Of course, as some Members will know, we commemorated Holocaust Memorial Day in a reception in Speaker's House last week. Many survivors of the holocaust were there, and I do not think anybody present is likely to forget the occasion.

**Lucy Powell** (Manchester Central) (Lab/Co-op): As somebody who went on a "Lessons from Auschwitz" visit with schoolchildren from Manchester in the last few weeks, may I echo earlier comments about how moving and important it is?

In their manifesto of 2010—notably dropped in 2015—the Conservatives pledged to

"close the attainment gap between the richest and poorest".

Revised GCSE results published last week showed that, despite Lib Dem policies such as the pupil premium, the GCSE attainment gap between pupils on free school meals and their peers has actually widened since 2010. With the Conservatives now governing alone, can the Secretary of State tell the House whether closing the attainment gap is still an objective and, if so, why she is allowing it to widen on her watch?

**Nicky Morgan:** I welcome the hon. Lady's comments about the "Lessons from Auschwitz" project. Like her, I have visited Auschwitz with schools in my constituency. It was an incredibly moving experience, and I recommend that all Members of the House take the opportunity to do so.

Of course closing the attainment gap remains absolutely a goal—and not just a goal, but something we are moving and working towards in Government, which is why we continue to fund the pupil premium. *[Interruption.]* The difficulty with the hon. Lady's statements on this and other matters is that she needs to understand and interrogate the figures that are published, because the changes we have made to the accountability of the examination system make it impossible to compare GCSE threshold measures across the years. If she had interrogated them, she would know that the attainment gap between disadvantaged pupils and their peers has narrowed by 7.1% at key stage 2 and 6.6% at key stage 4 since 2011.

**Lucy Powell:** The Minister is moving the goalposts, as ever. All the evidence tells us that the most important factor in determining how well children do is the quality of teaching, especially for the most disadvantaged, yet at the start of this academic year half of all schools were struggling to cope with unfilled teaching positions, relying on supply teachers, non-specialists and unqualified staff. Teacher shortages are particularly acute in maths, science and English. Talk to any head anywhere in the country and they will say that such challenges are the biggest challenge they face. Given that the situation is getting worse, will the right hon. Lady, first, admit to this House that there is a problem—indeed, a crisis; secondly, agree that she should urgently look again at

her Government's chaotic and confusing approach to recruitment; and, finally, come forward with a proper strategy for retaining excellent teachers by looking at workload issues and the constant chopping and changing being inflicted on schools by her Department?

**Nicky Morgan:** What the hon. Lady calls moving the goalposts, I call restoring rigour to the exam system, making sure that our young people are getting qualifications that will set them up for life and for the world of work. Yet again, I am afraid to say that she has missed the point, because we have already talked about teacher recruitment and we have already announced plans for the National Teaching Service to help schools to recruit. Again, if the hon. Lady interrogated the figures properly rather than jumping for the quickest soundbite, she would know that not only have we increased the number of teachers we are seeking to recruit in subjects such as English and maths, but we have exceeded our recruitment targets for precious years—in fact, we have recruited more postgraduates in both English and maths, and we recruited 116% of the teachers that we needed at primary schools. It is extraordinary that she should seek to give lessons to this House, as she was the lady who not only commissioned the "Ed stone"—the carving of the promises—but then managed to lose the receipt.

T6. [903194] **Nigel Huddleston** (Mid Worcestershire) (Con): Will the Secretary of State join me in encouraging schools in my constituency and right across the country to participate in Clean for the Queen from 4 to 6 March this year and help to tidy up their local communities ahead of Her Majesty's 90th birthday?

**The Minister for Children and Families (Edward Timpson):** What an invitation! Just as my hon. Friend has the Litter Free Evesham campaign in his own constituency, so we have the Crewe Clean Team and Nantwich Litter Group in mine and they do fantastic selfless work. They set an excellent example to schools and others, all of whom, I am sure, would be delighted to get involved with the Clean for the Queen campaign. As we know, through the National Citizens Service, social action is a wonderful way for young people to build those all-important character traits—respect, motivation and community pride.

T2. [903190] **Paula Sherriff** (Dewsbury) (Lab): St John's infant school in my constituency is struggling to obtain support for its breakfast club because eligibility is now linked to pupil premium funding. With free school dinner already provided for all pupils, there is no incentive for parents to apply for the premium, despite the vast majority of pupils coming from some of the most deprived areas in the country. Will the Minister take action to ensure that children from deprived backgrounds do not lose out on breakfast because they have lunch?

**Nicky Morgan:** We do not want any pupils to lose out, which is why we have continued with the pupil premium in this Parliament, having spent more than £6.5 billion on the pupil premium in the previous Parliament. It is also why we introduced the universal infant free school meals. There are some fantastic breakfast club schemes. If the hon. Lady wants to write to me, I or one of the Ministers will happily have a further conversation with her about this.

T7. [903195] **Philip Davies** (Shipley) (Con): We have a desperate need for extra school places in my constituency, most acutely secondary school places in Wharfedale. Bradford council says that it received only £727,000 for school place funding for 2017-18, compared with £9.6 million in the previous year. Will the Minister ensure that sufficient money is given to resolve the issue of school place requirement in Wharfedale, and will he ring-fence any such money given to Bradford council to ensure that it is spent in Wharfedale?

**Mr Gibb:** As my hon. Friend knows, the Government allocate funding for new school places on the basis of forecasts of need provided by local authorities, and these forecasts change from year to year, reflecting local demographics and the effect of previous years' capital spending. I know that the Department's officials are in close contact with Bradford Metropolitan District Council, but I would be happy to meet my hon. Friend if he would find a further discussion helpful, and perhaps liaise through him with Bradford council.

T5. [903193] **Tulip Siddiq** (Hampstead and Kilburn) (Lab): Swiss Cottage School in my constituency is an outstanding school that looks after children with special, complex and emotional needs. Regrettably, it is having to turn away pupils because of limited capacity. Does the Secretary of State believe that her Department is doing enough to look after children with special, complex and emotional needs, and does she believe that there is adequate provision for such vulnerable children across the country?

**Nicky Morgan:** I actually visited the school in the course of the past year and found it to be truly exceptional. It is staffed by a wonderfully talented headteacher and members of staff. We have invested in all schools, both those catering for special educational needs and those in the mainstream, but there is more we can do to prepare teachers for teaching children with special educational needs. We have a dedicated capital funding stream for schools catering for children with special educational needs. I strongly encourage her school to apply.

T10. [903198] **Nigel Mills** (Amber Valley) (Con): Many headteachers in Amber Valley report that they have real problems supporting pupils who are keen to learn but who suffer from chaotic home lives. What more can the Government do to help headteachers in that situation so that they do not end up being a co-ordinator of a social services operation?

**Edward Timpson:** My hon. Friend raises an important question that many schools raise on how they ensure that every child is in the best possible place at home so that they can learn at school. He will know that the troubled families programme during the last Parliament, which turned around 99% of the 120,000 families, was extremely successful in supporting schools with those difficult families. We now have a more ambitious programme over the next five years involving 400,000 more families, including in the Amber Valley, to ensure that they get the support they need so that their children can go to school to learn and make a good future for themselves.

T8. [903196] **Rachael Maskell** (York Central) (Lab/Co-op): Becoming an adoptive parent or a kinship carer marks a lifelong commitment to a child, and yet social services do not have that ongoing obligation to parents. Will the Minister urgently review the long-term support available to parents and kinship carers and fund that vital provision?

**Edward Timpson:** The hon. Lady will know that, through the work we did in the last Parliament, support for kinship carers through the family and friends guidance has set out very clearly the expectations on local authorities. Through the review of special guardianship orders, we have looked at the support that is needed post-placement for children who find themselves in that type of arrangement. Part of our overall strategy that we set out last week on children's social care shows the ambition we have to ensure that every child gets the support they need, whatever the type of long-term placement they happen to be in.

**Several hon. Members rose—**

**Mr Speaker:** Order. I would like to get a couple more in if possible, so pithy questions and pithy answers.

**James Berry** (Kingston and Surbiton) (Con): According to analysis in *The Daily Telegraph*, Kingston was the best local educational authority in the country for GCSE results. Will my right hon. Friend the Secretary of State join me in paying tribute to teachers and pupils in Kingston? Will she explain to the House how learning from the best schools will be rolled out across the country to help those schools that still have some way to go?

**Nicky Morgan:** As somebody who was educated in Kingston, I pay tribute to all the schools and teachers who operate there—they are much better than they were in my day. I pay tribute to the fact that my hon. Friend is talking about excellence and positivity, and about learning from other schools, which is much better than the constant negativity we hear from the Opposition.

**John Woodcock** (Barrow and Furness) (Lab/Co-op): Is the Secretary of State as alarmed as I am that Poppi Worthington was not previously known to social services despite the fact that her mother had previously had a child taken into care, and her father had been investigated on two separate occasions due to child sexual abuse?

**Nicky Morgan:** I pay tribute to the work the hon. Gentleman has done as the local Member of Parliament in speaking up on this case. Yes, I am alarmed. As I said in my earlier answer, Cumbria is in formal intervention from my Department and is being supported by an interventions adviser. In the most recent inspection, the services were found still to be inadequate. As I have said, we will review progress in March this year as part of the broader package of reforms we know we need to introduce to tackle failing children's social services departments, which only let down the most vulnerable.

**Nusrat Ghani** (Wealden) (Con): East Sussex County Council offers award-winning children's services, but there is always more to learn. What plans do the Government have to reform child and family social work?

**Nicky Morgan:** I thank my hon. Friend for raising an important point, which my hon. Friend the Minister for Children and Families has already touched on. We are looking at raising the qualifications of social workers, attracting the brightest and the best into the profession, and making sure there is strong leadership for them to benefit from. We are also looking at setting up a new body to regulate the training of children's social workers, who form a hugely vital, but often under-appreciated service, and we want to make sure that it gets the same attention as our teachers and schools rightly do.

**Mr Speaker:** Last, but not least, the voice of East Antrim, Mr Sammy Wilson.

**Sammy Wilson (East Antrim) (DUP):** Thank you, Mr Speaker.

Many churches, youth groups and youth organisations are concerned that they may be subject to Ofsted regulation as a result of the nationwide registration scheme. The Prime Minister has said that they will be exempt: the head of Ofsted has said that they will not. Will the Minister tell us who is right?

**Nicky Morgan:** It is right that we are asking the question about registration of out-of-school settings and therefore inspection, but the Prime Minister and I are clear that that is not to apply to organisations such as Sunday schools. Indeed, I am a Sunday school and Bible camp teacher myself. The hon. Gentleman should also look at the statement issued by the head of Ofsted after his recent appearance, in which he clarified that he was not correct and that we are right to say that Sunday schools and others will be exempt.

## Speaker's Statement

3.36 pm

**Mr Speaker:** I must inform the House that the hon. Member for Ogmere (Huw Irranca-Davies) has written to me, giving notice of his wish to resign from the Chair of the Environmental Audit Committee. I therefore declare the Chair vacant. I know the House will wish to join me in expressing its collective appreciation of the commitment to, and passion for, the remit of that Committee that the hon. Gentleman has exhibited since he took up the Chair shortly after the general election.

The following will be the arrangements for electing a new Chair of the Environmental Audit Committee. Nominations should be submitted in the Lower Table Office—[*Interruption.*] If Members would have the courtesy to listen, it would be appreciated—by 5 pm on Monday 8 February. Following the House's decision of 3 June 2015, only Labour Members may be candidates in this election. If there is more than one candidate, the ballot will take place on Wednesday 10 February from 10 am to 1.30 pm in Committee Room 16. Briefing notes with more details about the election will be made available to Members and published on the intranet.

## HMRC and Google (Settlement)

3.37 pm

**John McDonnell** (Hayes and Harlington) (Lab) (*Urgent Question*): To ask the Chancellor of the Exchequer to make a statement on the settlement reached between HMRC and Google.

**The Financial Secretary to the Treasury (Mr David Gauke):** I am proud of the work the Government have done to make our tax system internationally competitive, but also to make sure that those taxes are paid. Time and again, we have taken the lead, domestically and internationally, when it comes to getting international companies to pay their fair share of tax. This is the Government who, working through the G20 and OECD, led on the base erosion and profit shifting project—BEPS—making the international tax rules fit for the 21st century. This is the Government who introduced a diverted profits tax to address the contrived movement of profit out of the country, so that profits from UK activities are taxed in the UK. And this is the Government who have invested heavily in HMRC to strengthen its compliance activity, which has allowed HMRC to secure around £100 billion in additional compliance yield over the last Parliament, including more than £38 billion from big businesses.

We have competitive taxes—that is why we have cut our rate of corporation tax so that it is the lowest in the G7—but we are also making sure those taxes are paid, reforming the international tax rules, introducing a diverted profits tax and investing in HMRC's capacity. That is action taken by this Government that was sadly lacking in 13 years of Labour rule.

The statement made by Google at the end of last week is solid evidence that companies are changing their models and reviewing their structures because we have strengthened the rules. The statement comes at the conclusion of a lengthy inquiry by HMRC. The tax that individuals and companies pay is collected by HMRC enforcing the law, not politicians who are, rightly, not engaged in or informed of particular cases. I am therefore unable to go into the details of the inquiry's conclusion beyond those made public at the end of last week. I would point out, however, that the National Audit Office examined the HMRC settlement process in 2012 and examined specific settlements. In all cases, the NAO concluded that HMRC obtained a reasonable settlement for the Exchequer. It also made recommendations on the process by which HMRC should operate when reaching a settlement—recommendations that have been implemented.

It might be helpful to the House if I reiterate what the law is and how the corporation tax rate works, both in the United Kingdom and around the world. The first thing to note is that corporation tax is charged on profits, not on turnover. Equally important, corporation tax is not calculated on the basis of profits attributed to sales in the United Kingdom, but to economic activity and assets located in the United Kingdom. To illustrate my point, imagine a UK company—a car manufacturer, for instance—manufactures its vehicles in the United Kingdom, but half its profits come from sales in the United States. The law as it stands in the UK, as elsewhere, would mean that those profits would be taxed in the United Kingdom, the place of activity, and not the United States, the place of sales.

[Mr David Gauke]

Ever since 2010, we have been engaged in reforming the tax system both domestically and internationally. Government action is levelling the playing field among businesses, giving worldwide tax authorities more effective tools to tackle aggressive tax planning and helping us to better align the location of taxable profits with the location of economic activity. We are incentivising businesses to do the right thing and come to the table early. Last week's announcement represents an important result of those actions. I can assure hon. Members that we will continue to tackle the tax risks posed by multinational companies over the coming years, giving the Exchequer more money to fund the public services we all rely on.

**John McDonnell:** I thank the Minister for his statement. However, many will feel it is a display of disrespect to this House that the Chancellor of the Exchequer confirmed the deal with a tweet over the weekend, but has refused to come here today personally to make a statement.

I pay tribute to the former and current Chairs of the Public Accounts Committee, my right hon. Friend the Member for Barking (Dame Margaret Hodge) and my hon. Friend the Member for Hackney South and Shoreditch (Meg Hillier), as well as all the campaigners for tax justice who have forced this issue on to the agenda. The Chancellor has managed to create an unlikely alliance between myself, the *Sun* newspaper, the Mayor of London and, according to reports, even No. 10 this morning. All of us think this deal is not the "major success" the Chancellor claimed at the weekend.

The statement offered today has left a number of questions unanswered, which I turn to now. Does the Minister not agree that it is important in our tax system that everybody is treated equally and fairly, whether they be large multibillion-pound corporations or small businesses? In that respect, independent experts have suggested that the effective tax rate faced by Google is now about 3%, despite estimated profits of £1 billion in 2014 alone. Will the Minister confirm whether this is the effective tax rate faced by Google over the past 10 years? In the interests of openness and transparency, will he now publish details of the deal and how it was reached? Will the Minister confirm that Google is not changing the company structures that enabled this avoidance to take place over the past decade? Are the Government not concerned that the agreement creates a precedent for future deals with large technology corporations, such as Facebook and Amazon? Will the Minister assure us that this deal does not undermine international co-operation on tax avoidance, such as the OECD base erosion and profit shifting scheme that the Chancellor once supported?

I also ask the Minister, once more, to halt the programme of HMRC staffing cuts, which is undermining morale and removing the very staff with the collective experience and expertise in collecting these taxes. Finally, will he address a confusion that seems to have arisen? Does he agree with the Chancellor, who thinks the deal was a major success; with the Prime Minister's Office, which said this morning it was only a step forward; or with the Mayor of London, who described it as derisory?

**Mr Gauke:** I welcome the progress the Government have made over the past six years in ensuring that large companies pay more tax. At a time when we have been cutting the rate of corporation tax, corporation tax

receipts, excluding North sea oil, have remained buoyant, partly because we have been more effective than ever at collecting tax from large companies. HMRC's operational capability in this area has been strengthened—by the way, HMRC staff numbers are going up, not down, this year.

The shadow Chancellor mentioned the 3% figure. That is the very reason I drew attention to how corporation tax is worked out. It is worked out on the basis not of sales profits in a country, but of the economic activity and assets held in a country, and there would be severe dangers to moving in the direction of basing it on sales profits. He is right that every taxpayer should be treated fairly and has to pay the rate determined by the law; there is no lower, special rate for Google or any other taxpayer in this country.

We are collecting more tax, which is evidence of the steps we have taken, in both the BEPS process and the diverted profits tax, forcing companies to change their behaviour. That should be welcomed around the House. The real threat to collecting tax revenue from big businesses would be the anti-business policies of the Labour party.

**Mr Andrew Tyrie (Chichester) (Con):** Last week, the Treasury Select Committee agreed the terms of reference for an inquiry into, among other things, problems with the corporate tax base. Does the Minister agree that Google might be a symptom but is probably not the cause of these problems; that those lie with the immense complexity of the tax system, which is rendered more problematic by the globalisation of tax liability; and that therefore fundamental reform of the corporate tax base probably now needs to be considered?

**Mr Gauke:** My right hon. Friend raises an important point. Our international tax system is based largely on that set up in the 1920s, but the world has moved on and the way multinational companies operate has changed significantly. That is why, some years ago, led by my right hon. Friends the Prime Minister and the Chancellor, we encouraged the OECD to establish the BEPS project. We are now seeing the first signs that that is working—that companies are changing their behaviour and the tax system is becoming better suited to the modern world.

**Stewart Hosie (Dundee East) (SNP):** First, the diverted profits tax, set at 25%, came into effect last April. May we have the Minister's assurance that the Google deal does not cover any of the period when diverted profits tax should have applied? Secondly, the rules on disclosed evasion are clear: tax should be paid at 100%, plus interest, plus a 30% penalty. May we have his assurance that that was rightly not applied in this case? Finally, given the difficulty the Netherlands got into with the Starbucks deal and Luxembourg got into with the Fiat deal, when the Commission insisted they recoup between €20 million and €30 million extra, should the Google deal not be put to Commissioner Vestager to ensure that it complies with state aid rules?

**Mr Gauke:** The United Kingdom does not engage in special deals with any taxpayer. When accusations to that effect were made before, Sir Andrew Park, a retired High Court judge, investigated them on behalf of the National Audit Office and concluded that in every case he had investigated the settlement was reasonable and the overall effect of the arrangements was good. For the very reasons I set out, I cannot comment on the individual

matter beyond what is in the public domain. I do believe that there is an important principle here—that tax should be collected on the basis of the law, and that a Department that is independent from Ministers should be able to make the assessment of the right level of tax due under the law without politicians interfering in operational matters. I hope that that has the support of Members of all parties.

**Mrs Anne Main** (St Albans) (Con): Will my hon. Friend assure me that some investigation will be made into how HMRC managed to allow this to go on for such a long period of time? Given that this started under the last Government and it has taken this Government to tackle the issue and bring it to book, will my hon. Friend help me to understand what lessons should be learned?

**Mr Gauke:** The information is in the public domain that HMRC launched an inquiry into the tax affairs of Google in 2009. This is a complex matter, but I am pleased that that inquiry has reached a conclusion. It would be fair to say that the progress made on bringing in a diverted profits tax and the reforms involved in the base erosion and profit shifting project appear to represent a shift in the behaviour of a number of companies, which is to be welcomed.

**Caroline Flint** (Don Valley) (Lab): I am sure that my other colleagues on the Public Accounts Committee will be looking forward to hearing from Google and HMRC about this deal. The inquiry into the tax situation that many of these companies seem to be applying to what they should pay in a fair way to the UK public purse was started under Labour, and yes, it continued over the last five years, but last year, in the Budget before the general election, the Chancellor said that he would not tolerate this behaviour, declaring:

“Let the message go out”—[*Official Report*, 18 March 2015; Vol. 594, c. 772.]

and claiming that there would be an end to this sort of play. Given the £24 billion-worth of UK revenues over this period, experts have said that Google should have paid taxes of almost £2 billion, so does £130 million really meet the test of no tolerance?

**Mr Gauke:** I want to address this point and engage seriously with Members on the calculations that we have seen in the press, suggesting some of these very large numbers. As far as I can see, those calculations are based on looking at the profits attributed to the sales in the United Kingdom, and there is a very important distinction between profits attributed to sales versus profits attributed to economic activity and assets. The UK is a country that is very creative. We have a very strong scientific base. As a country, much economic activity goes on here that is involved in then exporting goods and services, and the profits from those exports should, I believe, be taxed in the UK where the economic activity occurs, not in the countries where the sales may occur. If we accept that principle, it does, I have to say, rather discredit the claims of a 3% tax rate.

**Mark Garnier** (Wyre Forest) (Con): Although we fully appreciate in the House that the international rules are ferociously complex and that there can sometimes be variations in how they can be interpreted, will my hon. Friend please assure the House one way or the

other whether Google has actually broken any laws that were in place between 2005 and 2011—or is this just an outcome of negotiations?

**Mr Gauke:** Again, I cannot comment on that—in large part because I am not privy to information that is not in the public domain—but I can say that an inquiry has been in place for some years and that it has now reached a conclusion. The consequence of the conclusion of that inquiry is, as Google has stated, that an additional £130 million is being paid to the Exchequer. Google has also made it clear that it has made changes in how it structures some of its arrangements, and that will obviously have an implication for future tax liabilities.

**Mr Dennis Skinner** (Bolsover) (Lab): Why, on the one hand, should Italy put in a claim for £1 billion from Google while Britain, on the other hand, is prepared to settle for a paltry £130 million? It is not very good for Cameron, is it?

**Mr Gauke:** There is a difference between putting in a claim and determining the final result under the law of the land. That is what HMRC has done.

**Mark Field** (Cities of London and Westminster) (Con): No one should underestimate the complex nature of trying to tax globally active corporations such as this. It is speculation to talk in terms of the numbers that have been bandied around. However, in view of the Government's desire to get an international arrangement in place, can the Minister tell us today whether he believes this deal sets some sort of precedent, or is it just a one-off arrangement?

**Mr Gauke:** The important point to note is that the individual tax affairs depend on the application of the facts in the case; as I have mentioned a number of times, it depends on the economic activity and assets that are held in the UK, or indeed other jurisdictions. But I do think this signifies that companies are looking at their tax arrangements and there is a closer alignment between tax and economic activity, which I certainly welcome. That is what the BEPS—base erosion and profit shifting—process is designed to achieve, and that is what the UK Government have been advocating for some years now, and I believe we are making progress on that.

**Wes Streeting** (Ilford North) (Lab): The reality is that the practice of companies organising their business over multiple jurisdictions to minimise their tax liability is not new, and even if the diverted profits tax were to apply it would barely make a dent on Google's real tax liability. Given that this week all our constituents and small businesses will be filing their tax returns and do not have the luxury of negotiating their own sweetheart deals, what message does the Chancellor think he is sending to those individuals and businesses by saying this paltry sum of money from Google can possibly be considered, as he says, a major success? Does this now show how complacent Ministers are?

**Mr Gauke:** All businesses have to pay tax under the law. It is under this Government that we have seen the diverted profits tax brought in, and it is under this Government that we are seeing the BEPS process change the behaviour of companies. We did not see any of this

[Mr Gauke]

from the last Labour Government, and all we end up with is unsubstantiated claims about sweetheart deals, insulting HMRC staff, who have worked for years to ensure that Google and other companies pay the tax due under the law.

**Mr Steve Baker** (Wycombe) (Con): Does the Minister agree that in the mad world of corporation tax on international companies this sum of money is at once derisory, substantial, lawful and completely unacceptable to the public, and will he therefore also agree that it is time for a complete overhaul of the corporate tax system?

**Mr Gauke:** The point I would make is that this is a highly complex area, but there is a need for international co-operation in it, which is why we instigated the OECD looking at this as part of the BEPS process. That process has come forward with a number of recommendations. We have already legislated for two of those recommendations. There is a third that we are specifically looking at and consulting upon in terms of interest deductibility. It is right that we bring the international tax system up to date to reflect the way multinational companies are working. This has been left for too long; we are taking action.

**Caroline Lucas** (Brighton, Pavilion) (Green): Does the Minister recognise that people's anger is very legitimate and even more justifiable given that Google is effectively freeriding on publicly funded infrastructure, not least the £1.2 billion the Government have invested in superfast broadband, and may I urge him again to make sure these calculations are put in the public domain so people can see how the figures are arrived at?

**Mr Gauke:** We will see if the National Audit Office wishes to look at this particular area, but again I point to the fact that previously when people have made allegations about particular arrangements, it has turned out on closer inspection that that has not turned out to be true.

**Alberto Costa** (South Leicestershire) (Con): As the former Labour Chief Secretary to the Treasury, the right hon. Member for Birmingham, Hodge Hill (Liam Byrne), left that well-known note stating, "I am afraid there is no money," does my hon. Friend agree that this is evidence that not only did the former Labour Government spend too much of our money, but they did not collect appropriate taxes?

**Mr Gauke:** My hon. Friend puts it very well. It is a pity that previous Governments have not taken this matter as seriously as we have.

**Christian Matheson** (City of Chester) (Lab): The problem is that the Conservatives have form when it comes to arranging mates' rates for taxation. They gave a massive tax cut to big City banks, particularly in relation to profits brought in from abroad. They also gave a massive tax cut to hedge funds, £25 million of which arrived in the Conservative party's coffers last year, and now we have this deal. City banks, hedge funds and globalised corporations—the three bodies

the modern Conservative party exists to serve. So let me ask the Minister: why should my constituents in Chester, who work hard and play by the rules, subsidise these big globalised corporations?

**Mr Gauke:** The fact is that in the last Parliament we increased taxes on banks and on hedge funds. The hon. Gentleman's constituents should be asking why their Member of Parliament could not ask a better question.

**Hon. Members:** Ooh!

**Mr Speaker:** Order. This is very unseemly. Let us hear these important exchanges. People beyond this place might be taking an interest in them, and I think that they would like a decorous atmosphere. Let us hear what Mr Philp has to say.

**Chris Philp** (Croydon South) (Con): Thank you, Mr Speaker. Is the Financial Secretary to the Treasury familiar with the report from the Oxford University Centre for Business Taxation that was published a short time ago? It itemised 42 anti-tax-avoidance measures that the coalition Government put in place, including the general anti-avoidance provisions, the banking code of conduct and the diverted profit tax, which will raise an additional £34 billion between 2011 and 2020.

**Mr Gauke:** Yes, I am aware of that report and I am grateful to my hon. Friend for drawing the House's attention to it.

**Alison McGovern** (Wirral South) (Lab): I and many other Members on this side of the House have seen representatives of small businesses queueing up at our surgeries to complain about the sweetheart deals that big businesses seem to be able to get while they themselves cannot get assistance from HMRC. I wrote to the Minister to ask him to meet me to talk about small businesses, but sadly he said no. May I take this opportunity to ask him again? Please will he meet me to talk about the impact of tax on small businesses in Wirral?

**Mr Gauke:** Well, the position is—[HON. MEMBERS: "Go on!"] As it is the hon. Lady, I will.

**Mr David Nuttall** (Bury North) (Con): Does the Minister agree that the best way to help HMRC to collect more tax is for this House to pass tax laws that are clear, precise and understandable without the need to refer to tax lawyers and accountants?

**Mr Gauke:** My hon. Friend has set out a laudable objective. We have to recognise that the nature of international businesses is often inherently complicated, but we also have to ensure that our legal system and our tax laws are brought up to date to reflect the way in which businesses work in the 21st century.

**Greg Mulholland** (Leeds North West) (LD): If any of the thousands of wonderful small businesses in this country failed to pay their taxes for 11 years, they would not be sitting negotiating with HMRC; they would be sitting down with the police. Can the Minister therefore understand the anger of small businesses and taxpayers when a quarter of calls to HMRC are not even answered? Will some of this money go into sorting that out?



**Mr Gauke:** First, on customer service, the hon. Gentleman makes a fair point. Taxpayers are understandably exasperated when customer service is not good enough, although I am pleased to say that at the moment the service is performing better than in any January in recent years. I stress to the hon. Gentleman and the House as a whole that it is very important that we have one tax system and fairness applied to every taxpayer. We must also recognise, however, in relation to some of the accusations, that some of the calculations that are used do not reflect the reality for particular companies. It is absolutely right that HMRC pursues all companies, even over many years, to make sure that the right amount of tax is paid.

**Matt Warman** (Boston and Skegness) (Con): As a journalist, I had the dubious privilege for a couple of years of breaking the story of how much tax Google had paid. With that in mind, I had to look at the international arrangements that Google also makes. Is the Minister aware of any country outside of America—other than Britain—that has a deal with Google that is as good as this one?

**Mr Gauke:** Not as yet, but we wait to see future developments.

**Sammy Wilson** (East Antrim) (DUP): At a time when the Government expect small businesses to do tax returns four times a year, does the Minister not understand that many of those small businesses will be outraged that a firm such as Google can get off with paying no tax for 10 years and then finish up with a paltry bill that includes fines and interest? At the same time, we have a refusal by the Government to show how that sum was raised. Surely, to avoid the feeling of cynicism among many taxpayers, we should at least have some transparency about how the figure was reached.

**Mr Gauke:** We are determined to ensure that all businesses pay the tax that is due. May I specifically address the hon. Gentleman's point about quarterly returns? There will be a Westminster Hall debate on that matter in 25 minutes, and the point that I shall make is that there is no requirement for quarterly returns. Businesses should keep their information digitally and send summaries of that information on a quarterly basis. That is very, very different from quarterly returns.

**Several hon. Members** *rose*—

**Mr Speaker:** If we are finished by then, the Minister will be on time for the Westminster Hall debate. If we are not, he can make a grand entrance at a later stage. We look forward to that with eager anticipation.

**David Mowat** (Warrington South) (Con): When it is in the public domain that one technique used by Google, Facebook and others is the so-called double Irish arrangement, by which profits in the first instance leave the UK and go to Ireland, is there not more that we can do with our European partners to use state aid rules on countries such as Ireland and Luxembourg, which undermine our tax base in that way?

**Mr Gauke:** My hon. Friend raises an important point. There is a need for international co-operation at an OECD level, which is the principal focus, and at an EU

level. He will be aware of action that the European Commission has taken in respect of other member states that have had concerns about state aid.

**Diana Johnson** (Kingston upon Hull North) (Lab): The Minister says that this deal does not amount to a 3% tax rate for Google, so for the sake of public confidence will he say what the actual tax rate is?

**Mr Gauke:** No—[*Laughter.*] That is because of taxpayer confidentiality. The point that I was trying to make was that the rate cannot be calculated by looking at profits from sales in the United Kingdom. The tax rate is currently 20%, and that applies to everybody, but the effective tax rate depends on the particular circumstances of any business.

**Peter Heaton-Jones** (North Devon) (Con): Does the Minister agree that it is worth remembering that this matter has been outstanding not for one year or five years, but since the middle of the previous Labour Government, who failed to do anything about it? It is this Government who have taken effective action to collect these tax receipts. The Opposition should check their facts; perhaps they could google them.

**Mr Gauke:** I am grateful to my hon. Friend for his question. He is absolutely right that it is the action that we have been taking that has meant that companies are changing their behaviour and that we are getting in revenue.

**Hywel Williams** (Arfon) (PC): The deadline for submission of self-assessment tax returns is in six days' time, on 31 January. What consideration has the Minister given to reaching deals, victorious or otherwise, with any of my self-employed constituents who miss that deadline?

**Mr Gauke:** Let me return to this case. There has been a lengthy inquiry by HMRC into the affairs of Google. That inquiry has now come to an end and reached a conclusion. There is nothing to suggest that anything other than the proper enforcement of the law as it stands has led the way to this particular conclusion.

**Mr Robin Walker** (Worcester) (Con): The Minister has said much about bringing our tax system up to date for the 21st century and about closing the tax gap, which I welcome. None the less, we have in our business rates system, a tax regime that is hopelessly out of date, and the cross-party Business, Innovation and Skills Committee called for fundamental reform of it under the previous Government. May I urge him to be as ambitious as possible in that reform so that we can close the gap between online businesses and the bricks and mortar businesses on our high streets?

**Mr Gauke:** As my hon. Friend will be aware, the Government are reviewing the business rates system, and will report shortly. As far as my right hon. Friends the Chancellor and the Prime Minister are concerned—and as the Chancellor has made clear—we are looking to do that in a fiscally neutral way, and we have received many representations on that point.

**Helen Jones** (Warrington North) (Lab): Does the Minister not accept that this deal with Google, which most of us believe to involve a corporation tax rate of less than 3%, simply encourages tax avoidance by companies? If the issue was the amount of economic activity and assets held by Google in the UK, why are the Government not prepared to test that in the courts if necessary, and call its bluff?

**Mr Gauke:** HMRC has been conducting an inquiry in this specific case for a number of years, and has reached the conclusion that it is satisfied with the position that Google has reached. As for the additional payment, it is based on the facts that HMRC has seen, and on the detailed inquiry and exhaustive work that it has undertaken over many years, not numbers drawn up on the back of an envelope.

**Steve Double** (St Austell and Newquay) (Con): Hon. Members on both sides of the House share the public's anger that Google has been able to get away with paying so little tax for so long, and many of them also share the feeling that this deal is unsatisfactory, but will the Minister confirm that the £130 million that the Government have extracted from Google is precisely £130 million more than the Labour Government ever got from it?

**Mr Gauke:** It is the action that we have taken that has enabled this achievement by HMRC.

**Roger Mullin** (Kirkcaldy and Cowdenbeath) (SNP): Mr Speaker:

“O wad some Pow'r the giftie gie us/

To see oursels as ithers see us!”

I agree with the hon. Member for East Antrim (Sammy Wilson) that this will be seen by many small businesses the length and breadth of the country as unfair and not understandable. Surely, part of the problem, as a number of Members have said, is the sheer complexity of the system. Will the Government commit themselves to addressing that matter?

**Mr Gauke:** We always look to try to find ways to simplify the tax system. I would make the point that if a company operates in many jurisdictions, its tax affairs are inherently more complex than if it existed in just one country, but the Government are determined to ensure that where the economic activity occurs in the United Kingdom, we tax it in the United Kingdom.

**Richard Graham** (Gloucester) (Con): Everyone wants business to pay its fair share of tax, and most people will welcome the additional £130 million of tax revenue to fund important services, but many will wonder, given that the period of the settlement covers 2005 to 2011, what other multinational tax bills are out there that have still not been settled and what, if anything, the Labour party did in government to highlight those questions?

**Mr Gauke:** On the latter question, it may be the case that astronomers have located the ninth planet, but I am not sure that they have found any evidence of the Labour party doing very much on tax avoidance in government.

**Nick Smith** (Blaenau Gwent) (Lab): May I gently chide the Minister, particularly given his last remark? Will he acknowledge the work of the cross-party Public

Accounts Committee in the last Parliament? Its campaign on fair taxes by multinational companies was chaired by a Labour MP, the right hon. Member for Barking (Dame Margaret Hodge)?

**Mr Gauke:** There has been a shift in public opinion in recent years, and the pressure on companies to pay the tax that is due under the law is greater than ever before. I welcome that, and I welcome that change in public opinion, but it is the measures taken by this Government that mean that we are getting additional sums from large companies, as has been demonstrated in the past couple of days.

**Mr Alan Mak** (Havant) (Con): Following the successful Google settlement, will the Minister confirm that the Government will continue to work with our international partners and organisations such as the OECD to continue taking a lead to ensure that our tax laws are complied with—action that Labour failed to take over 13 years?

**Mr Gauke:** My hon. Friend makes an important point. It was very much the Prime Minister who got the OECD and the G20 to focus on how multinational companies are taxed. It is right that we did that and that we are making progress, and I am pleased that this is coming to fruition.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): Will the Minister rise above the political bickering for a moment and, with Opposition Front Benchers, look at the real problem? These massive global companies are extremely clever. With great respect to the people at HMRC, who work so hard, those companies can hire the best accountants, the best tax experts and the highest paid lawyers. However we change the law, they will find a way around it. In Europe and in this country, we have to look at this in a much more sophisticated way.

**Mr Gauke:** I appreciate the hon. Gentleman's comments, but he should not be quite so defeatist. If he looks at what happened over the previous Parliament, he will see that HMRC's large business team brought in £38 billion in additional tax as a consequence of their intervention. The UK has a reputation as somewhere with competitive tax rates but where taxes do have to be paid. That is a reputation that we should all seek to maintain.

**Robert Jenrick** (Newark) (Con): Although £130 million might seem low for a business as large as Google, is not the reality that the Revenue cannot do as much to collect back-taxes as we would like it to, because they come from a significantly more lax era? This morning one tax expert described the situation under the previous Labour Government thus: “Everything was above board, and the board was set at floor level.” Under this Government, the diverted profits tax gives us the opportunity to change the landscape, but is there not a concern that letting Google off paying the diverted profits tax suggests that the Revenue will find this significantly more complex to implement than we would like? What more can we do to give the Revenue the support it needs to apply that evenly and to all?

**Mr Gauke:** We always seek to ensure that HMRC has the powers and resources it needs. For example, in the July Budget last year we announced a requirement for

large tax companies to set out explicitly what their tax strategy is, and we will be legislating for that in the Finance Bill.

**Valerie Vaz** (Walsall South) (Lab): To clarify the misinformation, under the law of the land what is Google's theoretical tax liability?

**Mr Gauke:** The statutory rate for Google is exactly the same as the statutory rate for everybody else.

**Andrew Bridgen** (North West Leicestershire) (Con): Human nature and ingenuity being what they are, from the moment taxes were invented there has always been a difference between the tax that Governments expect to receive and the tax that is actually paid—that is known as the tax gap. Will the Minister explain to the House in what direction the tax gap has been going since we came to office in 2010?

**Mr Gauke:** As a percentage of tax liability, the tax gap has been falling. Corporation tax avoidance, or corporate avoidance, has been falling at an even faster rate.

**Marie Rimmer** (St Helens South and Whiston) (Lab): Will the Minister comment on the effectiveness of the OECD's current BEPS proposals in responding to the globalisation of business? What would the impact have been on the situation in which we currently find ourselves with Google and HMRC had those proposals been implemented?

**Mr Gauke:** The hon. Lady asks a very good question. We are in the process of implementing those recommendations. The BEPS process is more closely aligning economic activity with taxing rights. That is the direction in which we believe we should go. Having led the way in getting the BEPS process started, this Government want to lead the way in implementing its recommendations.

**Several hon. Members** *rose*—

**Mr Speaker:** Order. I note in passing that over the past few minutes further Members have started bobbing. There is no problem with that, but if it delays the Minister he will know why.

**Nigel Mills** (Amber Valley) (Con): When the Minister makes large businesses publish their tax strategy, will he also make them publish their tax returns so that we can all see how much tax they are declaring and how they got from their cash profit to that tax bill? That would improve transparency and confidence in the system.

**Mr Gauke:** The United Kingdom's position on taxpayer confidentiality is hardly unique. Indeed, it is the mainstream approach. Knowing what a company's tax liability might be depends on a detailed understanding of the whereabouts

of its assets and activities, and not all of that information would necessarily be apparent from a straight tax return. As I have said, there is greater transparency now because companies have to set out their strategies, which has never been the case before.

**Andrew Gwynne** (Denton and Reddish) (Lab): The Minister is trying to have it both ways. These are companies, not individuals, so the confidentiality excuse does not wash with me. We know what the profits, assets and the liabilities are, because they are in the companies' accounts. We also know that the corporation tax rate is 20%. On the basis of both those pieces of information, how much does Google actually owe the Exchequer?

**Mr Gauke:** The principle of taxpayer confidentiality is not new. It has existed for as long as we have had a tax system. If the hon. Gentleman wants to make a case for abandoning it, he ought to consider what the overall consequences would be for the attractiveness of the UK as a place in which to do business. Let me add that, without fully understanding the whereabouts of a company's assets and activities, no one is in a position to make a judgment about how much tax it should pay. HMRC is able to do that, and HMRC is bringing in more money than ever.

**Alex Chalk** (Cheltenham) (Con): I welcome the fact that the Government have raised £130 million, but does my right hon. Friend agree that it should not have had to take five years—and, no doubt, considerable public resources—to prise that money out? Do not multinationals themselves need to change their culture?

**Mr Gauke:** My hon. Friend has made an important point. The way in which to change the culture of multinational companies—and, indeed, we have already started to see signs of such a change—is to take the action that we have taken in implementing the BEPS recommendations and introducing a diverted profits tax. Those are the achievements of this Government.

**Nic Dakin** (Scunthorpe) (Lab): I really cannot believe that the Government see this deal as a major success. Why are they so supportive of sweetheart deals for companies like Google, but so slow and reluctant to address the business rates burden on the steel industry?

**Mr Gauke:** As I have said, we are reviewing business rates, and, in fact, we have cut them by £1 billion in recent years. I should add that there is no sweetheart deal. HMRC does not undertake sweetheart deals. What it undertakes are thorough inquiries, and when companies accept their liabilities, those inquiries can be brought to a conclusion. However, we are ensuring that HMRC succeeds in delivering the revenue that is due under the law.

## Child Refugees in Europe

4.23 pm

**Yvette Cooper** (Normanton, Pontefract and Castleford) (Lab) (*Urgent Question*): To ask the Home Secretary to make a statement on child refugees in Europe.

**The Minister for Immigration (James Brokenshire):** The Government are at the forefront of the international response to the unprecedented migration flows into and across Europe. We want to stop the perilous journeys that are being made by migrants, including children, which have had such terrible consequences.

In respect of the majority of refugees of all ages, the clear advice from experts on the ground is that protection in safe countries in their region of origin is the best way of keeping them safe and, crucially, allowing them to return home and rebuild their lives once the conflict is over. That is why we are providing more than £1.1 billion in humanitarian aid for the Syria crisis, but it is also why we have a resettlement scheme for the most vulnerable Syrian refugees—those in the most need. Some 1,000 arrived before Christmas, about half of them children. A further 19,000 will be resettled by the end of this Parliament, and many of those will be children too.

Our resettlement scheme is based on referrals from the United Nations High Commissioner for Refugees. We already consider referrals of separated children or orphans under the Syrian resettlement scheme where the UNHCR assesses that resettlement is in the best interests of the child. The UNHCR has a clear view that it is generally better for separated children and orphans within the region to stay there, as they are more likely to be reunited with family members or to be taken into extended family networks.

Last week the International Development Secretary announced an additional £30 million for shelter, warm clothes, hot food and medical supplies, including for 27,000 children and babies. This assistance will be distributed to aid agencies, including UNICEF, the UNHCR, the Red Cross and the International Organisation for Migration, to support vulnerable people, including children on the move or stranded in Europe or in the Balkans.

We have heard calls for the UK to take more unaccompanied children from within the EU. The Prime Minister has committed to looking again at this issue, and it is currently under review. Such a serious issue potentially affecting the lives of so many must be considered thoroughly, and no decisions have yet been taken. The Government are clear that any action to help and assist unaccompanied minors must be in the best interests of the child, and it is right that that is our primary concern. We take our responsibilities seriously, and this issue is under careful consideration. When this work is completed, we will update the House accordingly. I commend this statement to the House.

**Yvette Cooper:** The aid for refugees, particularly children, is of course welcome, but Save the Children has estimated that 26,000 children have arrived alone in Europe: some who fled alone; some who have been trafficked by gangs, perhaps into prostitution, slavery or the drugs trade; and some separated from parents or family along the way, such as the 10-year-old whose case I heard of

who was separated from his parents as a gang pushed them on to a lorry, and they now do not know where he is.

The Government have said repeatedly that they are looking at the call from across parties and from Save the Children for Britain to take 3,000 lone child refugees, but there has still been no answer, and we hear rumours that they will look only at helping child refugees from camps in the region. That is not enough. In Greece, in Italy and in the Balkans, the reception centres and children's homes are full, and children are disappearing. The Italian authorities estimate that about 4,000 children who were alone in Italy disappeared last year. I met 11 and 12-year-olds in Calais who were there alone with just one British volunteer looking after them. That is a similar age to my children, and they should not be there alone.

We should especially be helping those who have family in Britain who are desperate to care for them. Last week, a tribunal ruled that three teenagers and a vulnerable adult should be able to stay with close relatives here while their asylum cases are heard rather than being alone in France because the French system and the Dublin III agreement are not working for lone refugee children. May I urge the Minister to see this judgment as another reason to reform the system so that it helps child refugees? One case that was due to go to the tribunal was unsuccessful—that of a teenager from Afghanistan whose sister lives here. It was unsuccessful because he died, suffocated in a lorry just a few weeks ago, taking crazy risks: because he did not wait for the lawyers; because he was 15 years old and that is what teenagers do.

This week, many of us will sign the Holocaust Memorial Day book of commitment. Our colleague in the House of Lords, Lord Alf Dubs, was saved from the holocaust by the Kindertransport many generations ago. Now he is asking us, through his Lords amendment, to back Save the Children's campaign to help a new generation of vulnerable children. Please will the Government agree to this before more children disappear or die? Please let us do our bit again to help child refugees.

**James Brokenshire:** I say to the right hon. Lady that this Government are taking a number of steps to assist child refugees both in the region and, with some of the specialist support we are providing to process asylum claims, in countries such as Greece and Italy. Indeed, looking at the situation in Calais and northern France, the support the Government are providing to the French in identifying those who are victims of slavery and trafficking is a key part of the agreement reached last August between the Home Secretary and Bernard Cazeneuve, the French Minister of the Interior.

It is important to acknowledge the right hon. Lady's point about the role of trafficking and of those seeking to sell false hope who are very directly putting lives at risk. The way in which traffickers seek to place refugees in appalling conditions—literally not caring whether they live in die—is quite horrific. In that context, it is notable that work by Europol indicates that about 90% of those coming to Europe have been trafficked in some form or other by those involved in organised immigration crime. That is why the work we are doing in setting up the organised immigration crime taskforce is so important in working with Europol to confront and combat the heinous acts of the traffickers.

On the issue of reunion, the Dublin arrangements are in place. The right hon. Lady mentioned the court case last week, which was specific to the four individuals concerned. Although we will look at the judgment, which has not yet been received, to understand the court's decisions and the reasons it has set out for the order it made last week, it is important to recognise that a claim of asylum still had to be made in France to ensure, as we understand it, that the reunification arrangements were operative under the Dublin arrangements. We will wait to see the judgment.

On the Save the Children report and its request for us to consider taking the 3,000 children, I have already said—the Prime Minister said the same in the House a short while ago—that we are actively considering the proposal. We will obviously return to the House when we have investigated and concluded our consideration of that matter.

**Sir Eric Pickles** (Brentwood and Ongar) (Con): It is important not to stretch the analogy with the Kindertransport too far. We need to remember that on the last train, which was disrupted by the war, only two of the children survived and the rest, along with their families, were killed. However, there are some clear parallels that we need to address. We need to remember the enormous contribution that the Kindertransport made to this country: distinguished doctors, surgeons and Members of both Houses were saved by it.

I am pleased that the Prime Minister is looking at this matter again. He is quite right to try to keep children in the region, but to use one of those phrases, we are where we are. There are children at risk, and I urge the Government to look carefully at that. After all, today is 25 January. A month ago, we were celebrating that great Christian festival of children, and I hope that that spirit lingers beyond Boxing day.

**James Brokenshire:** My right hon. Friend is obviously right to recall Holocaust Memorial Day, which we will mark on 27 January. I was at the Home Office earlier this afternoon for our own recognition of that very important event, given the context of what happened then and the need to ensure that the lessons of the past are remembered today.

Our focus is clearly on trying to assist the children who are most in need and the refugees who are most in need. That is why we have taken the approach of providing aid assistance and of having the vulnerable persons relocation scheme. The resettlement scheme is aimed at the issues of vulnerability, part of which is about children and about orphans, and it is very much focused on those who have suffered most.

**Andy Burnham** (Leigh) (Lab): The thought of any child alone in a foreign country is abhorrent to any parent, but for them to be alone in dangerous conditions—without food, warmth, comfort or protection—is genuinely terrifying. Sadly, that is the reality today for thousands of Syrian children and those fleeing other conflicts. The truth is that some of these frightened young souls are on our own doorstep, as my right hon. Friend the Leader of the Opposition saw for himself at the weekend. No child should be left to fend for themselves, wherever they are and wherever they are. I have no doubt that, when faced with this issue, the vast majority of British

people would see a moral duty to act, as the right hon. Member for Brentwood and Ongar (Sir Eric Pickles) has just said.

I congratulate my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper) on asking the question and welcome the Minister's commitment to look seriously at the issue, but may I press him on some of the points that my right hon. Friend made? In particular, will he consider children who are here in Europe, as well as those who are in the camps? The Government's policy to date has been to take only refugees from the region, rather than those who have crossed the sea. Does he not accept that, as the crisis develops, that distinction is becoming harder to maintain?

There are 26,000 unaccompanied children in Europe today. They cannot, as the Government claim, be described as the fittest and the strongest. They are instead highly vulnerable to trafficking, prostitution and other forms of abuse. They urgently need someone to reach out a hand. I appreciate the concern that doing so could create an unhelpful precedent and an incentive for families to send children alone, but surely that can be dealt with by making it clear that this is an exceptional move and by working with the UNHCR and others to identify children who are genuinely alone?

This is the biggest humanitarian crisis since the second world war, but instead of playing our full part, the Prime Minister has spent recent weeks stomping around Europe with his own list of demands. Does the Minister not accept that, to countries that are trying to deal with the enormity of this crisis, that might make us look a little selfish and blinkered? By doing more to help our partners in Europe, might not the Prime Minister build good will and get a better hearing for his renegotiation demands?

As others have said, this week we will remember the awful events of the holocaust and the Kindertransport. Surely now is the time to take inspiration from those British heroes of the last century and act to change the course of history in this.

**James Brokenshire:** This country can be proud of the record that we have maintained and the work that we are doing to provide aid and assistance to vulnerable people in the region. Some £1.1 billion has been committed.

I say to the right hon. Gentleman that we are working closely with the UNHCR on the resettlement programme and in our consideration of this issue of children. The UNHCR and UNICEF have made it very clear that the best way to help children is to work in the region itself, because that is often where the connections with family are.

The right hon. Gentleman highlighted the issue of Europe. We are acting in solidarity in Europe by providing expertise to the European Asylum Support Office; providing support to Frontex for the search and rescue operations; and supporting Europol and the activities in the Mediterranean to confront the people traffickers and smugglers to deal with this issue at the border. We are also working beyond the borders of Europe in the source and transit countries to provide the long-term stability and security that are fundamental to dealing with all of this.

[James Brokenshire]

We have to be very careful that the stance that we take does not make an extraordinarily difficult situation even worse. We know that the people traffickers exploit anything that we say and twist it in a perverse manner to encourage more people to travel and put more lives at risk. That is why we are looking at this issue very closely to determine what is in the best interests of the child, to ensure that more lives are not put at risk and to see how we can support this activity. I have highlighted the direct support that we are giving to provide aid and assistance to children and refugees in flight across Europe and in the Balkans.

The combination of approaches that we have taken sets a clear record, but as I have indicated, we continue to look at this issue very closely.

**Tim Loughton** (East Worthing and Shoreham) (Con): I do not think that it helps to confuse this issue with reform of the EU.

Notwithstanding the considerable aid that we have given to displaced Syrians in the area, which is the right thing to do, there is a humanitarian case for helping the children who are in limbo and very vulnerable to traffickers, the elements and so on. Given that doing so will be fraught with problems, and that there is a record high number of children in the care system in this country already and a shortage of foster carers, what assessment has the Minister made of our capacity to take these children and to give them the specialist support that clearly they will need in the absence of the networks that they have been used to?

**James Brokenshire:** My hon. Friend makes an important point, because the figures for asylum applications from unaccompanied asylum-seeking children show that last year there were 2,500. That is already putting strain on a number of local authorities, and Kent in particular has been bearing a lot of that burden. We are working closely with local government, and he may be aware that in the Immigration Bill, which is currently in the other place, we are also seeking to set out a mechanism to distribute that burden more fairly across local authority areas.

**Patrick Grady** (Glasgow North) (SNP): May I associate myself with the comments about Holocaust Memorial Day? Today we mark Robert Burns day, for one of Scotland's great humanitarians. My hon. Friend the Member for Kirkcaldy and Cowdenbeath (Roger Mullin) has already quoted the lines:

“O wad some Power the giftie gie us

To see oursels as ithers see us!”

How do the Government think this looks? The proposal to take our fair share of children from Europe has been around for months, so when will they stop prevaricating and reach a decision, before more children continue to die in the freezing cold of the European winter? Are the Government considering taking children from Europe and not just from the camps? Can the Minister say a bit more about the support being provided to European countries to support these children, who are lone and vulnerable, and victims of a crisis that they did not create?

**James Brokenshire:** I have already set out the additional funding that DFID has committed to support those across Europe and how some of that money is being provided to UNICEF, for example, to look at how we can best support children in that overall approach. I want to underline the fact that UNICEF itself has emphasised

“the importance of first and foremost assessing the individual situation of unaccompanied children, and their best interests, before any actions are taken; noting that in these situations children who may appear unaccompanied are in fact being supported by family members, or others, and decisions on how they are cared for should take this into account.”

That is precisely the approach the Government are taking.

**Sir Edward Leigh** (Gainsborough) (Con): No one doubts the humanity of the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper)—it is very difficult to argue against it—but surely the duty of Government is to balance natural emotion with hard-headed realism. Net migration into this country has been far bigger in last 20 years than for any other country, and we are at the limit of what the public will accept. We are also spending more than the whole of the rest of Europe put together on helping people in Syria. For every child refugee we take from a camp in Dover or Calais, we will simply have to take many other people who will come as part of the family. I urge the Government to stick to their present policy—their humane and correct policy—of spending money to help in the region and not to listen to the Leader of the Opposition and his daft policy of taking people from Dover and Calais.

**James Brokenshire:** We want to see children who are affected by this appalling crisis given help and assistance at the earliest opportunity. That is why we have committed the aid and support that we have in the region. It is also why in Calais, for example, we have been giving support to the French Government to ensure that claims can be made as quickly as possible. The French Government have set up 78 new centres away from Calais to help migrants to make their claims as quickly as possible. That way, we see people get help at the earliest chance.

**Keith Vaz** (Leicester East) (Lab): Last year, 300,000 child refugees entered through Greece and 16,000 entered through Italy. The problem has been that the countries at the EU's external border are just not given the support they need from the European Union. As a result, reception centres have not been opened up in places such as Greece. Will the Minister tell us what has happened with the deal made between the EU and Turkey, which would have provided Turkey with additional resources to try to help us to deal with this terrible crisis?

**James Brokenshire:** Work is continuing in respect of Turkey and the Government have a commitment to providing funding in support of that. The right hon. Gentleman is right to highlight the issue of the external border in countries such as Greece and Italy. This country has provided more support for asylum processing, in terms of experts, than any other country in the EU, and that sense of how we can support the external border is very much at the forefront of our work.

**Helen Whately** (Faversham and Mid Kent) (Con): As my right hon. Friend has mentioned, Kent is already looking after hundreds of unaccompanied asylum-seeking children. Kent has asked other councils to help to look after these children, but few have been forthcoming. We have to do a good job with the young people who are already here seeking our help, so as we rightly consider whether we can help more Syrian child refugees, can my hon. Friend assure me that he will press on with ensuring effective dispersal of the young asylum seekers already in the UK?

**James Brokenshire:** I can assure my hon. Friend that the Home Office is working closely with the Department for Education. I have the Minister for Children and Families on the Bench alongside me. To see that children are given the support they need in counties such as Kent, which are taking on a considerable burden, we are working with the Local Government Association and others, as well as maintaining that backstop provision in the Immigration Bill to ensure a fair allocation of young people in need of support.

**Frank Field** (Birkenhead) (Lab): I commend the Minister for his statement about our responsibilities to some of the most vulnerable children, but may I also make a plea for the very poorest in each of our constituencies, who already have almost no hope of getting a decent home, who find social services under huge pressure when it comes to meeting their needs, and have almost no chance of ever getting a place at a school of their choice? When the Government are considering the priorities and the needs of those children, will they also consider that they are committed to bring in 20,000 refugees, and ensure that any proper concessions on this front are taken from that total of 20,000?

**James Brokenshire:** As I have said to other right hon. and hon. Members, we are closely considering the issue of children. I have already indicated that of the 1,000 refugees who arrived through the resettlement scheme before Christmas, around a half were children. We are very conscious of the need for support for local authorities. We have announced additional funding to meet the needs under the resettlement scheme for years 2 to 5, recognising the pressures that the right hon. Gentleman has outlined.

**Mr Andrew Turner** (Isle of Wight) (Con): We were told that 100,000 people would be admitted to this country each year. In fact, 320,000 people have been admitted in the past year. If we admit another 20,000 people over the next five years, or 4,000 per year, does that mean that 4,000 are not admitted from other parts of the world?

**James Brokenshire:** The vulnerable persons resettlement scheme is meeting our rightful obligation to respond to the crisis that we see in Syria, which is the basis for the figure of 20,000 that we have outlined for the course of this Parliament. Obviously, we have certain other arrangements with UNHCR, but we need to meet that commitment and respond to the crisis that we see before us.

**Liz Saville Roberts** (Dwyfor Meirionnydd) (PC): Volunteers to Calais talk of refugee families struggling with a dilemma—whether to buy black market substances

to dope their children, or to face the prospect that they will reveal the family to the authorities in transit across the channel by crying in fear. Surely the Government can better safeguard children by also adopting proper selection and identification processes for families before they reach the UK to avoid these terrible situations.

**James Brokenshire:** The most effective way to do that is to see that those families claim asylum in France. There have been around 2,800 claims of asylum in and around Calais. The French Government have put in place the new arrangements that I described so that people can be moved away from Calais into better reception centres. That is the clear message that I would give, which may well identify some of the family reunion issues that the hon. Lady has highlighted.

**Andrew Bridgen** (North West Leicestershire) (Con): Many Members of this House are suggesting that we rescue unaccompanied minors from other European Union countries and bring them to Britain. Does the Minister agree that one of the dangers of that is that their relatives will appear, and human rights lawyers in this country will insist that they have a right to join those minors in the UK because they have a right to a family life?

**James Brokenshire:** We need to consider these issues carefully. What is at the forefront of my mind is not seeing more children being put at risk and their lives being put at risk. That is what the people smugglers and traffickers will do, and why we need to act with such great care so that we do not make the situation even worse than it is.

**Stephen Doughty** (Cardiff South and Penarth) (Lab/Co-op): I wholeheartedly support the call from Save the Children and my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper), but I want to ask the Minister specifically about the treatment and dignity of children asylum seekers and their families when they arrive in this country. He will be well aware of the concerns expressed about Clearsprings, which operates accommodation in my constituency and in that of my hon. Friend the Member for Cardiff Central (Jo Stevens), stigmatising asylum seekers by forcing them to wear red bands, but I have heard reports of short-notice evictions, lack of female housing workers and asylum seekers being forced to sign documents before seeing properties. Shockingly, I was told by the Home Office that a manager may enter an individual's bedroom without consent. Will the Minister investigate that company and find out what exactly is going on in the treatment of those vulnerable individuals?

**James Brokenshire** *rose*—

**Mr Speaker:** Order. If we were playing cricket, which we are not, the hon. Gentleman's bowling would be a little wide of the wicket, but I am sure the Minister is dextrous enough to deal with it sensitively and pithily.

**James Brokenshire:** I will certainly try to do so, Mr Speaker. As I indicated to the House in response to the urgent question last week, I expect the highest standards from all contractors, including no stigma being attached to those under their care. If there is evidence to suggest that that is not the case, it will be treated with the utmost seriousness.

**Gavin Robinson** (Belfast East) (DUP): I apologise for my vocal frailty; I will struggle through my question.

The Government's response to the crisis has at times been frustratingly slow and has appeared to lack compassion, but I support it and believe that the Minister is on the right track. I was bolstered at the weekend by the view of Kofi Annan, who believes that the UK Government's approach is in the right vein. I support the reconsideration that the Government are undertaking on refugee children, but will the Minister give a timescale for that, bearing in mind that a knee-jerk reaction for selfish political gain that is not based on the right interests or the best interests of the child will be wholly fruitless and counter-productive?

**James Brokenshire:** It is right that we take some time to consider the issue properly because of what the hon. Gentleman highlights: the best interests of the children. The advice we have had from the UNHCR is that the best way is to help children in the region. The aid investment we have given in the region, and the focus on education to ensure that children there have hope, have that sense of compassion behind them. That is why assistance has been structured in that way.

**Mike Kane** (Wythenshawe and Sale East) (Lab): As a primary educator, my heart was broken on Thursday when I saw the conditions of the children in the Jungle camp in Calais. It would be the same for people no matter what side of the argument they are on. From a round table with Secours Catholique and the Caritas Social Action Network, we understand that 200 to 300 families with many children probably have leave to remain in the UK but do not know their legal rights. Will the Minister commit to putting a legal resource into that camp to help those families to avoid the traffickers, because they have the right to come here in the first place?

**James Brokenshire:** Ultimately, those are matters for the French Government, but we have committed resourcing in terms of arrangements in people's own country. I underline that claiming asylum in France means that assistance will be provided at the earliest opportunity. We have committed to support the French Government in that activity. We have provided funding to assist them in creating those reception centres outside Calais so that people can travel away from the area and get the support they need.

**Andy Slaughter** (Hammersmith) (Lab): When will the Government decide to support Lord Dubs's amendment? I ask because when I was in the Calais camp on 21 December, I met a former Afghan interpreter for UK forces who was trying to look after some of the unaccompanied children, including 15-year-old Masud. By the time I recounted that visit in Westminster Hall on 6 January, Masud was dead. Time is of the essence. Would not this Wednesday—Holocaust Memorial Day—be a suitable date for the Minister to make up his mind and let the children in?

**James Brokenshire:** The appropriate thing to do is to consider the best interests of the child and get further input from the UNHCR and others, because of the risk of making the situation worse, and the risk of seeing more children put their lives on the line by making

those perilous journeys across the Mediterranean. That is at the forefront of our minds, and why we will consider the matter in that way.

**Diana Johnson** (Kingston upon Hull North) (Lab): Putting victims of exploitation and trafficking first was at heart of the Modern Slavery Act 2015. In this case, it is clear that unaccompanied children are among the most vulnerable victims of exploitation and trafficking. Will the Minister say exactly what is happening to identify very vulnerable children who have been trafficked and who are at risk of exploitation, and to take a decision to get them to this country?

**James Brokenshire:** As part of the joint declaration that was signed last August, we are providing specific financial assistance to fund a project aimed at the most vulnerable people in and around Calais. That project aims to increase observation in the camps to identify vulnerable migrants; to provide medical help and protection where required; to put in place a system to transfer them briskly to places of safety; and to ensure they are offered the appropriate advice and support from the French system.

**Alison McGovern** (Wirral South) (Lab): Can I ask the Minister not to listen to the hon. Member for Gainsborough (Sir Edward Leigh), with his separation of rationality and emotion on this issue? My right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper) laid out the facts and we are merely responding to them—the hon. Gentleman has no monopoly on rationality here. Does the Minister recall—*[Interruption.]*

**Mr Speaker:** Order. The hon. Lady is asking a question and she has referred to a Member who is listening courteously, but a conversation is taking place between two other Members who think that what they have to say to each other is more important than what she is saying to the House. Mr Bridgen, your remarks can wait for another time, man. We are discussing a very sensitive matter. Your thoughts have been heard: let us hear others.

Ms McGovern, please feel free to start again and go through your question. This issue is important, and courteous attentiveness is also important.

**Alison McGovern:** Thank you, Mr Speaker. I will not detain the House by repeating my entreaties on rationality, but we are talking about the facts. It is a fact that two years ago on 29 January 2014 the Government refused our calls to join the UNHCR scheme for the settlement of refugees, and it took a brave media to change their mind. I simply say to the Minister, "Don't leave it too long again. Open our doors now."

**James Brokenshire:** The focus of the Government is providing the most appropriate support to the vulnerable. That is why we have established the resettlement scheme and are providing aid assistance in the region. It is about helping the most people possible. We do that most effectively in those areas and through some of the additional funding that I have outlined to the House this afternoon. In all honesty, we are considering the issue carefully, but it is right that we get it right, rather than running to any specific timetable, because of the issues involved and because we are talking about children.



**Alex Chalk** (Cheltenham) (Con): This is of course an extremely difficult issue, and our hearts go out to the poor children in the Jungle in Calais. But we need to be careful about confusing the clear message of the UK's aid effort that it is in children's best interests to remain in the region, where hundreds of millions of pounds of UK aid is available, and not encourage them into the clutches of evil traffickers who frankly do not care if they live or die.

**James Brokenshire:** My hon. Friend has made his point concisely and well. It is that risk of the exploitation of people traffickers that we have at the forefront of our minds. Equally, social media is being used to sell false hope and false opportunity, putting lives at risk.

**Tom Brake** (Carshalton and Wallington) (LD): I thank the seven colleagues from seven different political parties, including the Conservative party, who signed a joint letter to the Prime Minister on this subject. The right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper) also signed it. We obviously welcome the fact that the Government are still considering this issue, although we would like them to do so with a greater degree of urgency. If the Government are considering taking the 3,000 children, I hope that they will not suggest that that should happen over five years, because then some of those children would be at risk of freezing to death for the next four years or falling into the hands of traffickers.

## CHILDCARE BILL [LORDS] (PROGRAMME) (NO. 2)

*Ordered,*

That the Order of 25 November 2015 (Childcare Bill [Lords] (Programme)) be varied as follows:

(1) Paragraphs (4) and (5) of the Order shall be omitted.

(2) Proceedings on Consideration shall (so far as not previously concluded) be brought to a conclusion, at today's sitting, one and a half hours after the commencement of proceedings on the motion for this order.

(3) Proceedings in Legislative Grand Committee and proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion, at today's sitting, three hours after the commencement of proceedings on the motion for this order.—  
(*Mr Gyimah.*)

**Mr Speaker:** As I informed the House on 26 October, before a Report stage begins on a Bill I will seek to identify in advance those changes made in Committee which I would expect to certify, together with any Government amendments tabled for Report stage which, if passed, would be likely to lead me to issue a certificate. My provisional certificate, based on those changes, is available on the "Bills before Parliament" website and in the Vote Office. At the end of the Report stage on a Bill, I am required to consider the Bill, as amended on Report, for certification. As I informed the House on 26 October, I have accepted the advice of the Procedure Committee not, as a rule, to give reasons for decisions on certification during this experimental phase of the new regime. Anybody wishing to make representations to me prior to any decision should send them to the Clerk of Legislation.

## Childcare Bill [Lords]

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

### New Clause 1

#### EVALUATION OF THE IMPLEMENTATION OF THE SECTION 1 DUTY

"(1) Within 12 months of this Act coming into force, the Secretary of State must lay before both Houses of Parliament a report containing an evaluation of the impact of discharging the duty under section 1(1) on—

- (a) the supply of childcare places;
- (b) the quality of childcare provision;
- (c) the readiness of children to start school;
- (d) the proportion of parents that are in employment;
- (e) the availability and quality of childcare for disabled children;

(f) the cost of childcare to parents who do not receive free childcare under this Act or Section 7 of the Childcare Act 2006; and

(g) any other related matters, which she considers should be reported.

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

(a) administrative obligations on parents wishing to access 30 free hours of childcare a week;

(b) administrative obligations on childcare providers delivering childcare under the Act; and

(c) the adequacy of funding provided to childcare providers delivering childcare under the Act."—(*Jenny Chapman.*)

*This new clause would require the Secretary of State to review the impact of providing 30 free hours of childcare a week on the supply of childcare places, the quality of childcare provision, the proportion of parents in employment and other related matters.*

*Brought up, and read the First time.*

5.1 pm

**Jenny Chapman** (Darlington) (Lab): I beg to move, That the clause be read a Second time.

**Mr Speaker:** With this it will be convenient to discuss the following:

New clause 2—*Attainment and development of children*—

"(1) In discharging the duty under section 1(1), the Secretary of State must have regard to narrowing the attainment and development gap between young children—

- (a) of different genders;
- (b) of different ethnic backgrounds;
- (c) of different socio-economic backgrounds;
- (d) living in different regions; and
- (e) who do and do not have a disability.

(2) Within 12 months of the passing of this Act the Secretary of State must lay before both Houses of Parliament a report containing an evaluation of the impact of discharging the duty under section 1(1) on narrowing the attainment and development gap between young children—

- (a) of different genders;
- (b) of different socio-economic backgrounds;
- (c) of different ethnic backgrounds;
- (d) living in different regions; and
- (e) who do and do not have a disability."

[Mr Speaker]

*This new clause would require the Secretary of State, in discharging her duty under this Act, to have regard to the attainment and development gap between different groups of children. The Secretary of State would also have to publish a report on the impact of discharging her duty on such gaps.*

Amendment 1, clause 1, page 2, line 8, at end insert—

“(4A) Regulations under subsection (4) must provide for victims of domestic violence who have left paid employment in order to escape such violence to continue to be eligible for 30 hours of free childcare per week under section 1.”

*This amendment seeks to ensure that provision is made for people who are suffering domestic violence who leave paid employment in order to escape their situation to continue to receiving 30 hours of free childcare per week.*

Amendment 2, page 2, line 8, at end insert—

“(4A) Regulations under subsection (4) must set out in what circumstances a parent or partner who is a student nurse will be considered to meet any conditions relating to paid work.”

*This amendment seeks to ensure that provision is made for student nurses to be eligible for 30 hours of childcare per week under this Act.*

**Jenny Chapman:** I spent five years on the shadow Justice team and had to speak to many really quite dreadful Bills. It is a soft landing for me to be greeted by the remaining stages of this Bill, which is, essentially, uncontroversial. We enthusiastically support its aims.

I pay tribute to my hon. Friend the Member for North West Durham (Pat Glass) for her sterling work in challenging the Minister as the Bill made its way through Committee. She is, as everybody here will know, a ferocious champion of quality provision for all children, and she has particular expertise in services for children with disabilities. Having read the *Hansard* record of the debates in Committee, it is obvious how valuable her contributions were. She will be a miss to the shadow Education team, but in her new role she will be a robust champion and defender of Britain’s membership of the European Union as we approach the forthcoming referendum, whenever that may be.

New clause 1, tabled in my name and those of my hon. Friends, requires the Government to evaluate the implementation and effectiveness of the Bill, should it become an Act. As well as spending five years on the shadow Justice team, I spent five years serving on the Procedure Committee. In that time, we pondered the value of pre-legislative scrutiny and longed for a position in which Governments consulted meaningfully on their plans. I believe post-legislative scrutiny would be of similar value. The principal problem with the Bill is that it does not do what the Prime Minister claimed it would. During the election campaign—I know those are heady moments for all of us and there are those in my party, too, who occasionally get carried away—the Prime Minister, in one particularly effervescent moment, proclaimed in a press release:

“For families with young children, this is not one issue among many—it is the issue. They’re asking ‘How can this work? How can we afford it?’ It shouldn’t have to be this way. It is why we already fund 15 hours of free childcare a week to working parents of three and four-year-olds.”

He said:

“I can tell you today we’re going further a lot further. We’re going to take that free childcare and we’re going to double it.”

**Nic Dakin** (Scunthorpe) (Lab): It’s all good stuff.

**Jenny Chapman:** It’s fantastic stuff, isn’t it? There is more:

“With a Conservative Government, you will get 30 hours of free childcare a week”.

Marvellous! Had I believed it, I might just have voted for it myself.

The trouble is that thousands of families did believe the Prime Minister when he promised to double the 15 hours of free childcare per week. How disappointed they will be to discover that the promise was false! Even those who dug deep and read the small print will be disappointed. When he made the promise, there was a caveat in the notes at the bottom of the press release: children will get the free childcare only if their parents are working more than eight hours a week. Thousands of families in which both parents worked more than eight hours a week each could plan on that basis, or so they thought—the Bill says nothing about eight hours. The Government now say that both parents must be working at least 16 hours a week, at the minimum wage, or, just to confuse things a bit more, earning above the equivalent earnings of 16 hours per week on the minimum wage but in fewer hours.

The Government, in their spin, misled the public, then they misled families with the detail, and now they are confusing parents and providers with the implementation. That is why I support new clause 1. It is necessary to ensure the Government examine the Bill after its enactment, which could have some serious unintended consequences. The first potential consequence I would like the Government to monitor is the impact on the supply and quality of childcare places.

**The Parliamentary Under-Secretary of State for Education (Mr Sam Gyimah):** All parties at the last general election promised to increase the free entitlement. Labour promised to increase it from 15 hours to 25 hours for working parents. The Conservative party promised to increase it from 15 hours to 30 hours for working parents. Who would she have included or excluded from Labour’s definition of working parents?

**Jenny Chapman:** As I will explain, the problem is with who the Government are excluding. People earning more than the minimum wage but working fewer hours would be entitled to the Minister’s 15 additional free hours, whereas someone working 15 hours on the minimum wage will not be entitled to them. If I am wrong, I will gladly let him intervene to correct me.

**Mr Gyimah:** The hon. Lady mentioned the hon. Member for North West Durham (Pat Glass), who, at the end of the Committee stage, said it was a good Bill and that she could find nothing in it with which to disagree. I hope, in their handover, they had that discussion. The eligibility criteria are very straightforward. Eligibility will be judged on income. If someone is under 25 and earning the national living wage, they will need to earn £107 a week. If they are over 25 and earning the national living wage, which the Government are introducing, the calculation will be the national living wage times the number of hours they can work. It is very straightforward.

**Jenny Chapman:** Well, I am glad that’s as simple as it gets. I said at the outset that I supported the Bill reasonably enthusiastically, but it is a bit arrogant of

the Minister to suggest that it is a perfect Bill and that it has no complexity. As he just demonstrated incredibly well, there is huge complexity. Somebody on low earnings and working fewer than 16 hours a week will not qualify, but someone on higher earnings—

**The Exchequer Secretary to the Treasury (Damian Hinds):** Universal credit.

**Jenny Chapman:** The Minister says that universal credit will help improve the system. I venture to suggest that it might well further complicate the situation.

The new clause is designed to ensure that these perceived and anticipated complications do not have unintended consequences. As I have said, I accept that they are unintended, but the Minister would be rather naive to think that these consequences could never occur.

**Chloe Smith (Norwich North) (Con):** I am extremely grateful to the hon. Lady for giving way, but I struggle somewhat to understand how anything that she has spoken about will be achieved through new clause 1.

**Jenny Chapman:** Is the hon. Lady looking at the wrong piece of paper? I shall go on to explain what is in new clause 1, and if she listens carefully, she will understand what we are trying to get at.

The new analysis by the House of Commons Library reveals a black hole of £480 million in the funding of this childcare offer. That shortfall represents £470 per child each year for those taking up the full 30 hours of free childcare. Independent research undertaken by research company Ceeda, as commissioned by the Pre-School Learning Alliance, suggests that the Department's funding review has underestimated the cost of delivering childcare. The researchers found that, if funded at the average rate of £4.83 an hour—£4.88 minus the early years pupil premium, which the Department claims is worth 5p an hour—announced by the Government on 25 November, nurseries and pre-schools would face an annual shortfall of £233.70 per child for three and four-year-olds taking up the existing 15-hour entitlement, and £467.40 for those taking up the full 30 hours.

What could be the consequence of that funding gap? Childcare providers will have some difficult choices to make. There is every possibility that in an attempt to make ends meet, the gap will be met through driving down quality, while some providers might leave the market altogether, resulting in less choice for parents and a lack of supply. The Pre-School Learning Alliance warns, rather ominously, that as the existing scheme is significantly underfunded, it is now “crunch time” for the sector. The sector is already in a precarious position, and the Minister needs to reflect on the fact that the Family and Childcare Trust reports that a quarter of local authorities have a shortage of places for children in their existing schemes. There are 40,000 fewer places now than there were in 2010. Given that the Government failed to build capacity in the sector, how are the extra hours going to happen and how does the Minister think providers are going to pay for it? New clause 1 flags up those issues for the Government and asks Ministers to monitor the effect of the new arrangements.

**Mr Gyimah:** I thank the hon. Lady for being so generous in giving way. The Conservative party promised at the election to increase the average funding rate and it is delivering on that promise. The Labour party did

not promise to increase the hourly rate. If the hon. Lady is arguing that the funding rate is not enough, will she tell us what the Labour party considers to be the right funding rate for the entitlement?

**Jenny Chapman:** I do wish it was my Bill that we were debating here. I really do, but it is not; it is the Minister's Bill and it is for him to defend it and to argue against my new clause. That is why we are here. This is not a re-run of the election campaign. I am sure we are all glad about that—I know I am!

New clause 1 also asks the Government to evaluate the impact on parental employment and the administrative burdens placed on parents and providers. What parents want, aside from high-quality and affordable provision, is a scheme that is easy to understand and predictable. After someone has had a baby, deciding when to return to work and for how many hours is a difficult and finely balanced choice. Employers and parents need certainty. As parents fret over the balance between work and family life, employers and co-workers also make choices about their hours and staffing. We want those parents who choose to work to be able to do so. Any opacity about eligibility is damaging to take-up of the scheme and harms the confidence that the Government will not move the goalposts once complex family arrangements have been put in place. The proposed scheme, under which someone earning £107 in half a day would be eligible for 30 hours per week of free childcare but someone who works 15 hours a week on the minimum wage is not eligible, will seem bonkers to most people. I therefore urge the Government to do as new clause 1 suggests and monitor the impact of this change, in particular on parental employment patterns.

5.15 pm

It is not just the complexity of the scheme that will put some parents off; so, too, will the potential administration involved in proving they are entitled to the free additional hours. How exactly does the Minister envisage parents will be asked to prove to providers that they are entitled? What about parents working on zero-hours contracts, who have unpredictable hours? We are all aware of the difficulties encountered in the tax credit system when earnings fluctuate. What will happen when a parent is entitled to 30 hours of free childcare, but then their hours dip below the threshold for some reason? Who will be responsible for policing that or putting mistakes right?

I notice that there are provisions in the Bill for HMRC to become involved, as well as tribunals and local authorities, and the Minister has explained previously that he secured £1 million—well done—of emergency funding from the Contingencies Fund to pay for the development of a joint online childcare application checking system, to be devised by HMRC. The Minister says he thinks this system will be simple and straightforward and save parents valuable time. New clause 1 simply asks that the Minister be held to this assertion. We are not asking him not to do it; we just want to hold him to it.

Experience tells us that schemes that are administratively burdensome are open to abuse, deliberately or inadvertently, and are off-putting to potential beneficiaries. So the purpose of new clause 1 is to ensure that these unintended consequences of the Bill—of which the Government have been warned by stakeholders in the sector, not just

by us—are closely monitored, so that steps can be taken to ensure the new measures in no way harm availability or quality and do not place unreasonable burdens on parents or providers.

**Mr Gyimah:** The hon. Lady raises important questions about parents on zero-hours contracts and how they will be monitored. The first point is that parents on zero-hours contracts are self-employed; they are all entitled to the childcare under this scheme. HMRC will check the income levels, and in the case of the self-employed will know how much they earn over a period of time. In addition, and more importantly, there is a grace period so that if someone falls out of work for a period they will not lose their childcare.

**Jenny Chapman:** I am, of course, grateful to the Minister for his intervention, but I might just suggest that he will get the opportunity to make his own speech when I have finished, and he might want to answer some of my questions then. I will move on—

**Alex Cunningham** (Stockton North) (Lab): Will my hon. Friend give way?

**Jenny Chapman:** I will move on by giving way to my hon. Friend.

**Alex Cunningham:** I am grateful to my constituency near-neighbour for giving way. I was pleased to serve on the Bill Committee and I have never seen a Minister intervene so often during others' speeches with reassurances such as "the Prime Minister's promise will be fulfilled," or "There will be sufficient quality places," and all manner of other such statements. Would not the Minister be seen to be really reassuring us if he accepted new clause 1 and the scrutiny put down in law?

**Jenny Chapman:** My hon. Friend makes a good point, and does so very well. We all like a keen and perky and eager Minister, but it would be good if he were more willing to hold himself to account, after the introduction of this Bill, by adopting new clause 1. However, I shall move on to new clause 2.

This new clause, also in my name and that of my hon. Friends, requires the Government to monitor and report on the state of the attainment gap between young children, and it specifies between "different genders", "different ethnic backgrounds", "different socio-economic backgrounds", those living in different parts of the country, and those

"who do and do not have a disability".

Our experience tells us that unless Ministers monitor, and are required to report on, the gap, focus will be lost and equality of opportunity for all young people will never be achieved.

I would like to acknowledge the invaluable work of the Social Mobility and Child Poverty Commission in helping us to prepare new clause 2. I believe that setting up the commission was relatively easy for the Government, but listening to it and acting on what it says seem to be a step too far for them. The new clause would provide an opportunity to put that right in a very small way. The commission states that the Britain we should all aspire to help to build is

"one where opportunities are shared equally and are not dependent on the family you were born into, the place where you live or the school you attend. It is a society where being born poor does not

condemn someone to a lifetime of poverty. Instead it is a society where your progress in life—the job you do, the income you earn, the lifestyle you enjoy—depends on your aptitude and ability, not your background or your birth."

The commission's most recent report warns that Britain is on the verge of becoming a "permanently divided nation", and exposes some of the deep divisions that characterise our country. Those at the top in Britain today look remarkably similar to those who rose to the top 50 years ago. For example, 71% of senior judges, 62% of senior armed forces personnel and 55% of civil service departmental heads attended private schools, compared with just 7% of the general population.

Britain could become the most open, fair and mobile society in the modern world, but the policy and practice of this Government need to change, and that all starts with the early years. All children, whatever their background, should be school-ready by the age of five. However, less than half of the poorest children in England are ready for school by that age, compared with two thirds of the others, and a deep gender divide means that girls from the poorest families do almost as well as boys from the better-off families at that point. The commission has found that,

"efforts to improve the school-readiness of the poorest children are uncoordinated, confused and patchy."

It also comments that,

"the complexity of the childcare funding system is hampering efforts to increase maternal employment."

The commission has some straightforward suggestions for the Government to help to narrow the gap at the age of five. It says that the

"Government should end the strategic vacuum in the early years by introducing two clear, stretching, long-term objectives: to halve the development gap between the poorest children and the rest at age five; and to halve the gap in maternal employment between England and the best-performing nations, both by 2025."

Further, the commission argues in relation to childcare that the Government

"should radically simplify the multiple streams which finance it".

New clause 2 tells the Government that willing the gap in attainment and development of children to narrow is not enough. However, I believe that they have the will to do it. I have heard some of their mutterings and comments, and I believe that they have the will—

**Lucy Powell** (Manchester Central) (Lab/Co-op): They are not intervening now, though, are they?

**Jenny Chapman:** No, they are very quiet now.

Willing the ends without the means will cause more resentment and division, rather than less. The new clause would force the Government to assess and report on the gap in development and attainment, which would ensure that progress was measured. Unless that happens, opportunities to intervene will be missed and inequality will be further entrenched.

**Mike Kane** (Wythenshawe and Sale East) (Lab): My hon. Friend is making an excellent speech. As the equality gap widens in Tory Britain in 2016, is not the most important decision for a young person to choose their parents in the womb if they want to get on in life?

**Jenny Chapman:** I dread to think what my kids would say to that.

New clause 2 is a modest request, given the scale of the challenge that we face. It is also something that the Government should be doing anyway. The strategy to narrow the gap with properly co-ordinated policies and regular reporting to Parliament is urgently needed. The measures in the Bill have the potential to diminish the supply and quality of childcare, and we want to know that that gap-widening risk will be closely tracked and acted on by the Government.

New clause 2 encourages the Government to do some of the strategic thinking that we need. If it is adopted, the Government would have carefully to track the take-up of the offer among, say, the 40% most disadvantaged, better to understand the reasons for low take-up, and then they can seek to address them. The key to improving the attainment of the poorest children—high quality early education as opposed simply to childcare—is at risk due to the question marks over funding, which is why I encourage the Government to support the new clause. We know that poorer areas have a higher proportion of providers than the maintained sector, mainly pre-schools and children's centres. Those providers face particular capacity challenges, and the National Association of Head Teachers has warned that they are unlikely to be able to deliver the increased hours, as they tend to take just two groups of children—one in the morning and one in the afternoon—and physically do not have the space to double their numbers.

Schools have also tended to cross-subsidise the funding of their early years provision from elsewhere in their budgets to ensure quality. The Government have committed £50 million of new capital funding to help with that, thereby acknowledging that there is a problem, but the figure is unlikely to meet the need and may leave some areas without new provision. All this clause does is seek to ensure that this problem does not result in a widening of the attainment gap.

**Alex Cunningham:** Does my hon. Friend agree that the Minister could win his place in education history by accepting this new clause, which has some great ideas? He believes that those ideas will narrow the attainment gap, and that everything will work. What has he got to fear from the scrutiny associated with this particular clause?

**Jenny Chapman:** My hon. Friend makes a good point. Not only would the Minister win his place in the history of education teams in Parliament, but it would be the first time ever in Parliament that a Government accepted a new clause tabled by the Opposition on Report. We can live in hope.

The Institute for Fiscal Studies says:

“We have already stumbled a long way in the dark in this policy area. It is time to stop stumbling, shine a light on the policy landscape, and plot an effective route forward.”

If the Government plan to spend £6 billion a year on childcare by 2019-20, I would argue—and I think that they would, too, if they were in opposition—that the risks of an ill-targeted and inefficient system should not be ignored. New clause 2 asks that the Government turn their head to narrowing the gap in early years attainment, and monitor the impact of their policy on this issue to ensure that the nation's investment is rewarded.

Let me briefly speak to amendment 2, which is a probing amendment and is intended to assess the Government's appetite for supporting a particular

group—in this case, student nurses. This matter arose in Committee, and it is worth flagging up our concern about that particular group and its needs at this time. Members will recall that last week thousands of student nurses and midwives marched through London in protest at plans to scrap training bursaries. Many student nurses already have financial obligations such as mortgages, and many also have children. The Nursing and Midwifery Council requires them to have completed at least 4,600 hours while studying, with half of those in practice. The student nurses work the equivalent of 37 and a half hours a week at least. They work nights, days and weekends. It is very difficult for that particular group to get a part-time job to support dependants while training.

Have the Government made an assessment of the cost of extending the additional entitlement to student nurses with eligible children? I tried to do so, but I do not think that the data exist, so it would be interesting to see whether the Minister has been able to obtain an estimate of the cost. My parents were both nurses, and at the time there were hospital social clubs and a crèche. Obviously that was not recent, but the amendment encourages the Government to work with other Departments to ensure that particular groups—in this case, student nurses—are not disproportionately disadvantaged by a combination of Government policies. I commend new clauses 1 and 2 to the House.

5.30 pm

**Mr Gyimah:** I am grateful for the opportunity to hold this important debate, and I once again welcome the hon. Member for Darlington (Jenny Chapman) to her position. The amendments that have been tabled raise a number of interesting issues, which I shall deal with in turn. Let me say at the outset, however, that extending the 15 hours to 30 hours is primarily a work incentive. That is why the first 15 hours are universal, but the second 15 hours are based mainly on economic eligibility criteria. In judging and evaluating the impact of the policy we should bear in mind the work incentive.

**Jenny Chapman:** What the Minister says is correct—that is his intention—but does he accept that in new clause 1 our intention is simply to hold him to that and to assess the success of the Bill in delivering that intention?

**Mr Gyimah:** The hon. Lady is right to ask the questions. However, I shall resist the new clause, and the main reason is that a number of evaluations, which she has asked for, are under way. There are important programmes, as I shall explain, that focus on reducing the gap between disadvantaged children and other children.

New clause 1 asks us to evaluate the impact of the new entitlement for working parents. That is extremely important and I hope that Members will be reassured to know that we have a very strong evidence base about the impact of free early education entitlements. We know, from studies such as the effective pre-school, primary and secondary education project that early education has a significant impact on child outcomes. Children attending high-quality provision for two or three years before school have a seven or eight-month developmental advantage in literacy compared with their peers.

The Department for Education has commissioned another longitudinal study, if the hon. Member for Darlington will listen: the study of early education and development, which follows 8,000 two-year-olds from

[Mr Gyimah]

across England to the end of key stage 1. It looks at how childcare and early education can help to give children the best start in life and at what is important for high-quality childcare provision. The study is being carried out by NatCen Social Research, working with Frontier Economics, the University of Oxford and 4Children, on behalf of the Department.

**Mrs Flick Drummond** (Portsmouth South) (Con): Will my hon. Friend congratulate Portsmouth, where children do extremely well in their early years? The chief inspector's report of April 2015 ranked Portsmouth as 12th out of 150 authorities, which is a massive improvement and great for the good development of children, who are entitled to free school meals at the age of five.

**Mr Gyimah:** My hon. Friend makes a very good point. The quality of early years provision has improved significantly; 85% of early years settings are now rated good or outstanding. The previous Government introduced the common inspection framework for early years education, which has raised the bar and will continue to do so over the course of this Parliament.

Regular surveys commissioned by the Department also provide rich data. These include the childcare and early years provider and parent surveys. The provider survey collects information about childcare and early years providers, including the composition and qualifications of the workforce. The parent survey collects data on parents' use of childcare and early years provision and their views and experiences.

**Alex Cunningham:** Various groups have raised concerns about capacity and quality of provision and stressed the need, to which the Minister has just referred, to have the best trained people in order to deliver it. They do not accept his reassurances, but the new clause gives him an opportunity to have his achievements measured all together. I know that he says that some of the issues are covered elsewhere in legislation, but this would pull it all together in one big round circle that he could fill in over time. Why does he not just accept the scrutiny that the new clause offers him?

**Mr Gyimah:** The Government will be spending £6 billion a year from 2019-20 on early years and childcare. The suggestion that we will be doing that without measuring or evaluating it is simply not true. The question is where we carry out this evaluation and whether it needs to sit in primary legislation. Had the hon. Gentleman been listening, he would have heard me explain that we currently have a survey following 8,000 two-year-olds across England, so what he is asking for is already under way. We do not need primary legislation to evaluate the impact of the important investment to achieve very important goals in this sector.

The latest early years foundation stage profile data reveal that an increasing proportion of children are achieving a good level of development at age five—66% in 2015, compared with 52% in 2013. That is an impressive 14.6 percentage point increase over the past two years. I know that there is more we can do to understand the impact of this extended entitlement. However, as drafted, the proposed amendments are not workable. They call for an evaluation of the impact of discharging the Secretary of State's new duty within 12 months of the

Act coming into force, which is far too soon to make any judgment about impact. That would not be adequate time to collect the data, assess the impacts and produce a report.

**Melanie Onn** (Great Grimsby) (Lab): Many kinship carers of young children are pensioners, so they will not meet the work thresholds to access the 30 hours of free childcare, despite arguably being in greatest need of support and respite. Does the Minister plan to take any steps to address the needs of these unsung carers in our nation?

**Mr Gyimah:** Every three and four-year-old is entitled to 15 hours of free childcare. The question is who is entitled to the second 15 hours. [Interruption.] If Opposition Members will bear with me, I will answer the question. Lone parents are entitled to it, as are self-employed parents and parents looking after disabled children. I will seek inspiration from the officials' box specifically on kinship carers. But the issue is that everybody gets the first 15 hours if they work, and the second 15 hours is a work incentive. If people are not working, they do not need that amount of childcare.

**Alex Cunningham:** But that is not the point. Kinship carers are some of the most pressed individuals in our society. They need respite care. The Minister says that there might be 15 hours available, but they need respite care and comprehensive support, perhaps even more than working parents. Surely he should be considering this.

**Mr Gyimah:** Under the current regime, kinship carers will get three hours of respite care a day for five days of the week. Is the hon. Gentleman seriously arguing that he wants more than three hours of respite care a day? If so, why was that not in the Labour party's manifesto?

**Melanie Onn:** I thank the Minister for being so generous in giving way. I want to echo the sentiment expressed by my hon. Friend the Member for Stockton North (Alex Cunningham), and reinforce it by pointing out that many kinship carers are pensioners who cannot work and cannot meet their thresholds. When it comes to respite care, children often need additional educational or emotional support, which takes an incredible toll. Those carers are saving the state huge amounts of money, because they are not foster carers.

**Mr Gyimah:** Again, the hon. Lady has made a very good point. If the children of kinship carers need additional care, the early years pupil premium that was introduced by the Conservative-led Government will ensure, to the tune of £50 million, that any additional educational needs are funded. That is a completely different issue from that of how many hours of childcare are needed.

**Melanie Onn:** Does the Minister not think that it would be more appropriate for very young children to be in settings where there are mixed social and accessibility needs, so that if they have special educational needs, there is no division between them? Such children will not require access to the additional funding that the Minister has mentioned, but they will need socialisation in those early-years settings.

**Mr Gyimah:** The hon. Lady is now asking a very different question. If a disadvantaged child has additional educational needs in a mixed setting, there will be additional funding for that child. In response to the

hon. Lady's original question, I can say that a kinship carer who formally takes parental responsibility for a child will be able to access the 30 hours of free childcare.

New clause 1 concerns evaluation. While we are committed to monitoring and collecting data on the impact of the Act, assessing all the issues together would not be feasible, or the most effective way of evaluating the policy. As I have said, the Department has already begun to consider the feasibility of conducting an impact evaluation, and to consider what data would be necessary effectively to monitor the take-up and impact of the new entitlement. I assure Members that the implementation of the extended entitlement will be tested before roll-out. It will be introduced a year early in some areas, from September this year, which will provide an important opportunity to test it and to show that it can be rolled out in a way that meets the needs of working parents. I am pleased to say that local authorities and providers expressed a strong interest in taking part in the early implementation phase, and that the successful candidates will be announced shortly.

**Pat Glass** (North West Durham) (Lab): When the Minister and I met after the Committee stage, we talked a great deal about how we would implement the entitlement and make it work for the parents of disabled children. The Minister referred to the early implementers, and we talked about how he would measure their success. Has any progress been made? We discussed talking to parents' groups, for instance, to ensure that they could contribute to the early implementation process.

**Mr Gyimah:** It was a pleasure to meet the hon. Lady in the Department, along with some of my officials, to discuss how we could test the early implementers for children with special educational needs and disabilities. I assure her that that will be at the heart of the process. We will conduct specific research with parents' groups to establish how they access childcare and what challenges they experience during the early implementer phase.

More broadly, the Department and HMRC recently commissioned a feasibility study to consider how best to evaluate the labour and childcare market impacts of both tax-free childcare and the free early education entitlement, both of which policies are aimed at working parents. The study is due to be published in February, and will inform the development of an evaluation framework for both the 30 hours and tax-free childcare.

**Chris Davies** (Brecon and Radnorshire) (Con): Will people undertaking apprenticeships be eligible for the 30 hours, and what scope is there for the childcare sector to support more apprenticeships themselves?

**Mr Gyimah:** My hon. Friend makes an excellent point. The eligibility criteria are based on whether a person is under 25 and working 16 hours a week on the minimum wage, so the amount they earn is roughly £107. If an apprentice is earning that, then of course they will be entitled to the free entitlement. I agree that the early years sector can benefit from the huge investment in apprenticeships that this Government are making.

5.45 pm

**Simon Hoare** (North Dorset) (Con): Although I endorse and support the main thrust of what my hon. Friend is saying, and indeed the Government's agenda, will he

and the Department, and ministerial colleagues, make certain that parents who decide that getting back to work is not for them and prefer to stay at home to look after their children, particularly in the early years, do not feel penalised or ostracised from Government thinking? A number of my constituents have said to me that having taken that decision they feel slightly obligated to take a different one to try to meet different agendas.

**Mr Gyimah:** My hon. Friend makes a good point about a concern felt by some parents. The first 15 hours is universal, but it is voluntary—parents do not have to take it. The previous Government were very mindful of supporting parents who chose to do something else, so we introduced the marriage tax allowance, which supports those parents. In terms of school readiness, the key thing is that the evidence shows that it is helpful for children to attend an early years setting little and often. The universal part of this offer is 15 hours so that those children do not lose out.

Where a family choose to work because that is right for their family circumstances, it is right that the Government respond to the cry from many parents that childcare is too expensive. That is precisely what this Bill does. Rather than widening divisions in society, as the hon. Member for Darlington suggested, this Bill, by enabling more parents to fulfil their aspirations to work, is helping to narrow the economic gap that she mentioned.

**Jenny Chapman:** The Minister is making quite a bold assertion about the impact of this measure. He does not know that his Bill will narrow the gap, nor does he know that the most disadvantaged children will be able to benefit from the 15 hours, because in fact they will not.

**Mr Gyimah:** The early years foundation stage profile data show that the gap is already being narrowed. Economically enabling more parents to work if they want to is a positive thing for us to do for the growth of our economy.

Funding has been mentioned several times. This Government have invested a record amount—more than any other—in the early years entitlement and in childcare more broadly, but we also know that there are inefficiencies in the system. For example, not all the money that is allocated is distributed fairly to different local authorities, and not all of it reaches the frontline. We will therefore engage in a comprehensive package of reform by introducing a national funding formula for the early years so that funding is transparently and fairly matched to need, and fairly distributed between different types of provider in different parts of the country.

**Chloe Smith:** I welcome the announcement of the funding increase, which is very important as a reassuring message to many providers who sometimes have concerns about what it costs to provide these places. May I urge the Minister to press local authorities to pass as much of this money as possible on to their frontline and to review their own funding formulas where appropriate?

**Mr Gyimah:** My hon. Friend makes an excellent point. If central Government make the funding available but we do not have an efficient way of distributing the money to the providers on the frontline, we should not be surprised if those providers then say that they are not

[Mr Gyimah]

seeing the increased funding. That is why it sits alongside a package of reforms to ensure that the money reaches the frontline—the providers who are delivering these high-quality places for parents.

The hon. Member for Darlington touched on the attainment gap, and I now want to turn briefly to new clause 2 on the important issue of attainment and development. Let me reassure hon. Members that the Government want all children to have the best possible start in life and the support that will enable them to achieve their potential. We want high-quality early education and childcare for all children, wherever they live and whatever their background.

The early years foundation stage framework sets the standards that all early years providers must meet to ensure that children learn and develop well and are kept healthy and safe. The framework recognises that children develop and learn in different ways and at different rates. It is an inclusive framework that seeks to provide quality and consistency in all early years settings so that every child makes good progress and no child gets left behind.

Our approach is working. As I mentioned earlier, more children are achieving a good level of development. There have also been improvements in provision for disadvantaged children, for whom high-quality childcare can help to mitigate the risk of falling behind early on. For children with eligibility for free school meals, there has been a 6 percentage point increase in the number achieving a good level of development in 2015 compared with 2014. That is the equivalent of an extra 5,800 children with free school meal eligibility achieving a good level of development, which the whole House should welcome. Furthermore, the gender gap has also continued to narrow. Although girls continue to outperform boys, the gap is narrowing—falling from 16.3 percentage points in 2014 to 15.6 percentage points in 2015.

Children with special educational needs and disabilities are also benefiting from our policies. Early years providers must ensure that the necessary arrangements are in place to support children with SEN or disabilities, and providers delivering funded places must have regard to the SEN code of practice. In preparation for that, we will of course meet our duty, under the Equality Act 2010, to consider the potential impact on groups with protected characteristics. We will also undertake the families test and consider the potential impacts on family relationships.

Finally on the new clauses, I will briefly mention the qualification levels of the early years workforce, which have risen in recent years. Continuing this increase is a key aim of the Government's workforce strategy, through the introduction of early years educator qualifications, which are equivalent to A-level standard, and early years initial teacher training.

As far as evaluation is concerned, I hope I have reassured the House that a substantial amount of work is already going on to evaluate all our policies in the early education area. [Interruption.] It is a two-year study. If the Labour Front Benchers had been listening to me, rather than chuntering from a sedentary position, they would know that I have discussed it in detail. We are following 8,000 children from the age of two, and we will publish the study's conclusions.

The hon. Member for Darlington mentioned student nurses and their eligibility for the free entitlement, and I will now turn to amendment 2. The current funding system means that two out of every three people who want to become a nurse are not accepted for training. In 2014, universities were forced to turn down 37,000 nursing applicants. This means that the NHS suffers from a limited supply of nurses, and has to rely on expensive agency nurses and overseas workers. The changes announced by the Chancellor in his autumn statement will place trainee nurses on the same system as all other students, including teachers and doctors. As I outlined in my letter to the hon. Member for North West Durham (Pat Glass), the Department of Health and the Department for Business, Innovation and Skills plan to run a consultation on the detail of the Government's reforms early this year.

Specifically in relation to support with childcare costs from 2017, students can be reimbursed under the student support regulations for up to 85% of their childcare costs—up to a maximum of £155.24 a week when they have one child and up to £266.15 a week when they have two children. The child must be under 15 years of age, or under 17 years of age when they are registered with special educational needs. In addition, students may also be entitled to the means-tested parent learning allowance of up to £1,573. That recognises some of the additional costs that a student incurs from supporting children while training.

I make it clear that, aside from the support available under student support provisions, parent student nurses, along with all parent students, can and will continue to benefit from the existing 15 hours of free early education for all three and four-year-olds. This is a universal entitlement, regardless of whether or not parents are in work. Parent student nurses may also be entitled to 15 hours of free early education for two-year-old children, depending on their circumstances.

I hope I have reassured the House that although student nurses do not qualify for the second 15 hours, other student support programmes, reimbursing them to the tune of 75% of their childcare costs, will achieve the same objective as that of amendment 2. In addition, those entitled to any tax credits would receive support in that way.

I hope my arguments have reassured hon. Members that we care about the robust evaluation of our policies and that it would be inappropriate to evaluate the impact of the policy according to the timescales in the new clauses. We care about children, and no one wants to get this right more than the Government. We put the Bill into the Queen's Speech—the first childcare Bill in a Queen's Speech—and we are determined to get it right. That is why we have put evaluation at the heart of what we are doing. I do not believe that stating that in the Bill in the way drafted in the new clauses—within a year—would actually work.

**Jess Phillips** (Birmingham, Yardley) (Lab): Although I am not sure Mr Speaker saw me do so, I almost fell over when I tried to catch his eye earlier. As I am doing dry January, I assure hon. Members that it was not for the usual reasons why people fall over in Parliament. In fact, my heel got caught on my bag.

I rise to speak to amendment 1 in my name, which is about victims of domestic violence. I give credit to my hon. Friend the Member for Great Grimsby (Melanie Onn) for finding another vulnerable group in kinship



carers, whose needs may not be well met by the Bill. I would put them in a similar category to the people I am going to talk about. She made some very interesting points. I hope the Minister will take them away and try to understand what it is like for senior citizens to take on children who have been in very traumatic circumstances.

The purpose of the amendment I have tabled is to ask the Government once again to look at the possibility of exempting those fleeing domestic violence from the 16-hour employment threshold. As someone with years of experience working in this field, I know that one of the single biggest barriers to women attending and seeking recovery services is access to childcare. For example it is pretty difficult for a woman to engage in trauma counselling for the repeated rapes she has suffered with a four-year-old running around her feet.

When women flee their homes and seek refuge for them and their children, they are very often forced to give up their jobs as well. That is usually brought about by an anomaly in the benefits system regarding rates of housing benefit in supported accommodation. Similarly, however, many women find that, in order to give up their home and surroundings, they are forced out of work for a period of time, as staying in work becomes totally impossible logistically. A woman who came to my surgery just a few weeks ago—she was living in her car, while her children stayed on relatives' floors—had to give up her job as a care worker once we were able to place her in a refuge. That is not uncommon.

I ask all Conservative Members to imagine for a second leaving all their belongings, shutting the door of their home, and giving up their job and their financial security. Most women I have met do this for the sake of their children, but imagine the effect of that on a three-year-old. There are only so many times they can be convinced that it is just a big adventure before the difficult reality sets in.

Now, this Bill will tell those children that they will lose their place in nursery too. That might be the only consistent thing left in their chaotic lives. I can see that there is confusion among Government Members. If a woman loses her home and her job and is no longer working 16 hours, she will lose the nursery places she had for her children. I just wanted to clear that up. *[Interruption.]* Would a Minister like to intervene? They seem confused.

6 pm

**Mr Gyimah:** The hon. Lady raised this point in Committee and we debated it extensively. I promised to write to her about the needs of women in refuges. Having looked at the matter, I want to give her an assurance. First, I want to put it on the record that £40 million of extra support is going to women who find themselves in that tragic situation. In terms of childcare, they will get the first 15 hours for their three and four-year-olds, as everyone does. If they are entitled to the extended entitlement and, as a result of their situation, their children have to leave childcare, there will be a grace period of three months, which we have discussed.

**Jess Phillips** *rose*—

**Mr Gyimah:** Perhaps I may finish my point. I am happy to look into how we can extend the grace period for this particular group of people, given the very persuasive case the hon. Lady has made.

**Jess Phillips:** I am delighted at the Minister's—erm—willingness, when it had seemed that those on the Government Front Bench were confused.

**Lucy Powell:** Commitment.

**Jess Phillips:** Yes, that is the word I will use. There is now a firm commitment from the Government.

I was about to say that I recognise that the Bill includes a three-month grace period, which I welcome, but that the children will still have to give up their place in the end. I do not need to say that anymore because the Minister has made his commitment. He has recognised that it is laughable that a woman, after escaping violence, would be tickety-boo, back in another property and gainfully employed after just three months. Unfortunately, the reducing availability of social housing for families to move on to means that many women and children live in refuge for much, much longer than three months. The cuts in local authority spending have meant that newly localised social funds, which are there to help such families, have limited women in respect of where they can and cannot move across local authority boundaries. That leaves them stuck in supported accommodation, even if they are ready and safe to move on.

These children need and deserve consistency. I welcome the Minister's intervention because he said that he will give it to them.

**Mr Gyimah:** I wholeheartedly agree with the hon. Lady that such children need consistency and support. To extend the commitment that I have made, I will meet her to discuss how we can do that. We will be consulting on the grace period and I want to get her input on what we can do for this particular group.

**Jess Phillips:** I was going to say that, whereas other Departments have shown a clear commitment to taking their role in the fight against domestic violence—the Minister has mentioned the £40 million—I had felt, until now, that the record of the Department for Education, with the constant wrangling over personal, social, health and economic education and healthy relationships education, could be described as woeful. I am delighted that the Minister has proven me wrong. As someone who has masses of experience, I would be delighted to meet him and talk about how this policy will work in practice.

I will say no more on the matter, other than to thank the Minister for his commitment.

*Question put.* That the clause be read a Second time.

*The House divided:* Ayes 188, Noes 263.

**Division No. 173]**

**[6.3 pm**

**AYES**

Abbott, Ms Diane	Betts, Mr Clive
Abrahams, Debbie	Blenkinsop, Tom
Alexander, Heidi	Blomfield, Paul
Ali, Rushanara	Bradshaw, rh Mr Ben
Ashworth, Jonathan	Brennan, Kevin
Austin, Ian	Brown, Lyn
Bailey, Mr Adrian	Bryant, Chris
Barron, rh Kevin	Buck, Ms Karen
Beckett, rh Margaret	Burden, Richard
Benn, rh Hilary	Burgon, Richard
Berger, Luciana	Burnham, rh Andy

Butler, Dawn  
 Campbell, rh Mr Alan  
 Campbell, Mr Ronnie  
 Carswell, Mr Douglas  
 Champion, Sarah  
 Chapman, Jenny  
 Coaker, Vernon  
 Cooper, rh Yvette  
 Coyle, Neil  
 Crausby, Mr David  
 Creagh, Mary  
 Creasy, Stella  
 Cruddas, Jon  
 Cryer, John  
 Cummins, Judith  
 Cunningham, Alex  
 Cunningham, Mr Jim  
 Dakin, Nic  
 Danczuk, Simon  
 David, Wayne  
 De Piero, Gloria  
 Doughty, Stephen  
 Dowd, Peter  
 Dromey, Jack  
 Dugher, Michael  
 Eagle, Ms Angela  
 Efford, Clive  
 Elliott, Julie  
 Ellman, Mrs Louise  
 Esterson, Bill  
 Evans, Chris  
 Farrelly, Paul  
 Fitzpatrick, Jim  
 Ffello, Robert  
 Fletcher, Colleen  
 Flint, rh Caroline  
 Flynn, Paul  
 Fovargue, Yvonne  
 Gardiner, Barry  
 Glass, Pat  
 Glindon, Mary  
 Green, Kate  
 Greenwood, Lilian  
 Greenwood, Margaret  
 Griffith, Nia  
 Gwynne, Andrew  
 Haigh, Louise  
 Hamilton, Fabian  
 Harman, rh Ms Harriet  
 Hayes, Helen  
 Healey, rh John  
 Hendrick, Mr Mark  
 Hermon, Lady  
 Hillier, Meg  
 Hoey, Kate  
 Hollern, Kate  
 Hopkins, Kelvin  
 Howarth, rh Mr George  
 Huq, Dr Rupa  
 Hussain, Imran  
 Irranca-Davies, Huw  
 Jarvis, Dan  
 Johnson, rh Alan  
 Johnson, Diana  
 Jones, Gerald  
 Jones, Graham  
 Jones, Helen  
 Jones, Mr Kevan  
 Jones, Susan Elan  
 Kane, Mike  
 Keeley, Barbara  
 Kendall, Liz

Kyle, Peter  
 Lamb, rh Norman  
 Lammy, rh Mr David  
 Lavery, Ian  
 Leslie, Chris  
 Lewell-Buck, Mrs Emma  
 Lewis, Clive  
 Long Bailey, Rebecca  
 Lucas, Caroline  
 Lucas, Ian C.  
 Mactaggart, rh Fiona  
 Madders, Justin  
 Mahmood, Shabana  
 Malhotra, Seema  
 Mann, John  
 Marris, Rob  
 Marsden, Mr Gordon  
 Maskell, Rachael  
 Matheson, Christian  
 McCabe, Steve  
 McCarthy, Kerry  
 McDonagh, Siobhain  
 McDonald, Andy  
 McDonnell, John  
 McFadden, rh Mr Pat  
 McGinn, Conor  
 McGovern, Alison  
 McInnes, Liz  
 McMahan, Jim  
 Mearns, Ian  
 Miliband, rh Edward  
 Morden, Jessica  
 Morris, Grahame M.  
 Mulholland, Greg  
 Murray, Ian  
 Nandy, Lisa  
 Onn, Melanie  
 Osamor, Kate  
 Pearce, Teresa  
 Pennycook, Matthew  
 Perkins, Toby  
 Phillips, Jess  
 Pound, Stephen  
 Powell, Lucy  
 Pugh, John  
 Qureshi, Yasmin  
 Rayner, Angela  
 Reed, Mr Jamie  
 Reed, Mr Steve  
 Rees, Christina  
 Reeves, Rachel  
 Reynolds, Emma  
 Rimmer, Marie  
 Robinson, Gavin  
 Robinson, Mr Geoffrey  
 Rotheram, Steve  
 Saville Roberts, Liz  
 Sheerman, Mr Barry  
 Sherriff, Paula  
 Shuker, Mr Gavin  
 Siddiq, Tulip  
 Simpson, David  
 Skinner, Mr Dennis  
 Slaughter, Andy  
 Smeeth, Ruth  
 Smith, rh Mr Andrew  
 Smith, Angela  
 Smith, Cat  
 Smith, Nick  
 Smith, Owen  
 Smyth, Karin  
 Starmer, Keir

Stevens, Jo  
 Streeting, Wes  
 Stringer, Graham  
 Stuart, rh Ms Gisela  
 Tami, Mark  
 Thomas, Mr Gareth  
 Thomas-Symonds, Nick  
 Thornberry, Emily  
 Timms, rh Stephen  
 Trickett, Jon  
 Turley, Anna  
 Turner, Karl  
 Twigg, Derek

Adams, Nigel  
 Aldous, Peter  
 Allen, Heidi  
 Amess, Sir David  
 Andrew, Stuart  
 Ansell, Caroline  
 Argar, Edward  
 Atkins, Victoria  
 Bacon, Mr Richard  
 Baker, Mr Steve  
 Baldwin, Harriett  
 Barwell, Gavin  
 Bellingham, Sir Henry  
 Benyon, Richard  
 Beresford, Sir Paul  
 Berry, Jake  
 Berry, James  
 Bingham, Andrew  
 Blackman, Bob  
 Boles, Nick  
 Bone, Mr Peter  
 Bottomley, Sir Peter  
 Bradley, Karen  
 Brazier, Mr Julian  
 Bridgen, Andrew  
 Brine, Steve  
 Buckland, Robert  
 Burns, Conor  
 Burns, rh Sir Simon  
 Burrowes, Mr David  
 Cairns, Alun  
 Carmichael, Neil  
 Cartledge, James  
 Caulfield, Maria  
 Chalk, Alex  
 Chishti, Rehman  
 Churchill, Jo  
 Clark, rh Greg  
 Cleverly, James  
 Clifton-Brown, Geoffrey  
 Coffey, Dr Thérèse  
 Collins, Damian  
 Colville, Oliver  
 Costa, Alberto  
 Cox, Mr Geoffrey  
 Davies, Byron  
 Davies, Chris  
 Davies, Glyn  
 Davies, Dr James  
 Davies, Mims  
 Davies, Philip  
 Davis, rh Mr David  
 Dinenage, Caroline  
 Djanogly, Mr Jonathan  
 Double, Steve  
 Dowden, Oliver

Vaz, rh Keith  
 Vaz, Valerie  
 Watson, Mr Tom  
 Whitehead, Dr Alan  
 Wilson, Sammy  
 Winterton, rh Dame Rosie  
 Woodcock, John  
 Wright, Mr Iain  
 Zeichner, Daniel

**Tellers for the Ayes:**  
**Vicky Foxcroft and**  
**Holly Lynch**

#### NOES

Doyle-Price, Jackie  
 Drax, Richard  
 Drummond, Mrs Flick  
 Duncan, rh Sir Alan  
 Dunne, Mr Philip  
 Ellis, Michael  
 Ellison, Jane  
 Eustice, George  
 Evans, Graham  
 Evennett, rh Mr David  
 Fabricant, Michael  
 Fallon, rh Michael  
 Fernandes, Suella  
 Field, rh Mark  
 Foster, Kevin  
 Fox, rh Dr Liam  
 Frazer, Lucy  
 Freeman, George  
 Freer, Mike  
 Fuller, Richard  
 Fysh, Marcus  
 Garnier, rh Sir Edward  
 Garnier, Mark  
 Gauke, Mr David  
 Ghani, Nusrat  
 Gibb, Mr Nick  
 Gillan, rh Mrs Cheryl  
 Glen, John  
 Goodwill, Mr Robert  
 Grant, Mrs Helen  
 Grayling, rh Chris  
 Green, Chris  
 Green, rh Damian  
 Greening, rh Justine  
 Grieve, rh Mr Dominic  
 Griffiths, Andrew  
 Gummer, Ben  
 Gyimah, Mr Sam  
 Halfon, rh Robert  
 Hall, Luke  
 Hammond, rh Mr Philip  
 Hammond, Stephen  
 Hancock, rh Matthew  
 Hands, rh Greg  
 Harper, rh Mr Mark  
 Harrington, Richard  
 Harris, Rebecca  
 Hart, Simon  
 Haselhurst, rh Sir Alan  
 Heald, Sir Oliver  
 Heapey, James  
 Heaton-Harris, Chris  
 Heaton-Jones, Peter  
 Henderson, Gordon  
 Herbert, rh Nick  
 Hinds, Damian

Hoare, Simon  
 Hollingbery, George  
 Hollinrake, Kevin  
 Hollobone, Mr Philip  
 Holloway, Mr Adam  
 Hopkins, Kris  
 Howarth, Sir Gerald  
 Howlett, Ben  
 Huddleston, Nigel  
 Hurd, Mr Nick  
 Jackson, Mr Stewart  
 James, Margot  
 Jayawardena, Mr Ranil  
 Jenkyns, Andrea  
 Jenrick, Robert  
 Johnson, Boris  
 Johnson, Gareth  
 Johnson, Joseph  
 Jones, Andrew  
 Jones, rh Mr David  
 Jones, Mr Marcus  
 Kennedy, Seema  
 Knight, rh Sir Greg  
 Knight, Julian  
 Kwarteng, Kwasi  
 Lancaster, Mark  
 Leadsom, Andrea  
 Lee, Dr Phillip  
 Leigh, Sir Edward  
 Leslie, Charlotte  
 Letwin, rh Mr Oliver  
 Lewis, Brandon  
 Lidington, rh Mr David  
 Lopresti, Jack  
 Lord, Jonathan  
 Loughton, Tim  
 Lumley, Karen  
 Mackintosh, David  
 Main, Mrs Anne  
 Mak, Mr Alan  
 Mann, Scott  
 Mathias, Dr Tania  
 Maynard, Paul  
 McLoughlin, rh Mr Patrick  
 McPartland, Stephen  
 Menzies, Mark  
 Mercer, Johnny  
 Merriman, Huw  
 Metcalfe, Stephen  
 Miller, rh Mrs Maria  
 Milling, Amanda  
 Mills, Nigel  
 Milton, rh Anne  
 Mordaunt, Penny  
 Morgan, rh Nicky  
 Morris, Anne Marie  
 Morris, David  
 Morris, James  
 Morton, Wendy  
 Mowat, David  
 Mundell, rh David  
 Murray, Mrs Sheryll  
 Murrison, Dr Andrew  
 Neill, Robert  
 Newton, Sarah  
 Nokes, Caroline  
 Norman, Jesse  
 Nuttall, Mr David  
 Offord, Dr Matthew  
 Opperman, Guy  
 Parish, Neil  
 Pawsey, Mark

Penning, rh Mike  
 Penrose, John  
 Percy, Andrew  
 Perry, Claire  
 Phillips, Stephen  
 Philp, Chris  
 Pickles, rh Sir Eric  
 Pincher, Christopher  
 Poulter, Dr Daniel  
 Prentis, Victoria  
 Prisk, Mr Mark  
 Pursglove, Tom  
 Quin, Jeremy  
 Quince, Will  
 Raab, Mr Dominic  
 Redwood, rh John  
 Rees-Mogg, Mr Jacob  
 Robertson, Mr Laurence  
 Rosindell, Andrew  
 Rudd, rh Amber  
 Rutley, David  
 Sandbach, Antoinette  
 Selous, Andrew  
 Shapps, rh Grant  
 Sharma, Alok  
 Simpson, rh Mr Keith  
 Skidmore, Chris  
 Smith, Chloe  
 Smith, Julian  
 Smith, Royston  
 Solloway, Amanda  
 Soubry, rh Anna  
 Spelman, rh Mrs Caroline  
 Spencer, Mark  
 Stevenson, John  
 Stewart, Iain  
 Stewart, Rory  
 Streeter, Mr Gary  
 Stride, Mel  
 Stuart, Graham  
 Sturdy, Julian  
 Sunak, Rishi  
 Swayne, rh Mr Desmond  
 Swire, rh Mr Hugo  
 Syms, Mr Robert  
 Thomas, Derek  
 Timpson, Edward  
 Tomlinson, Justin  
 Tomlinson, Michael  
 Tracey, Craig  
 Tredinnick, David  
 Trevelyan, Mrs Anne-Marie  
 Truss, rh Elizabeth  
 Tugendhat, Tom  
 Turner, Mr Andrew  
 Tyrie, rh Mr Andrew  
 Vaizey, Mr Edward  
 Vara, Mr Shailesh  
 Vickers, Martin  
 Villiers, rh Mrs Theresa  
 Walker, Mr Charles  
 Walker, Mr Robin  
 Warburton, David  
 Warman, Matt  
 Watkinson, Dame Angela  
 Wharton, James  
 Whately, Helen  
 Wheeler, Heather  
 White, Chris  
 Whittaker, Craig  
 Whittingdale, rh Mr John  
 Wiggin, Bill

Williams, Craig  
 Williamson, rh Gavin  
 Wilson, Mr Rob  
 Wollaston, Dr Sarah  
 Wragg, William

Wright, rh Jeremy  
 Zahawi, Nadhim

**Tellers for the Noes:**  
 Simon Kirby and  
 Stephen Barclay

*Question accordingly negatived.*

## **New Clause 2**

### **ATTAINMENT AND DEVELOPMENT OF CHILDREN**

“(1) In discharging the duty under section 1(1), the Secretary of State must have regard to narrowing the attainment and development gap between young children—

- (a) of different genders;
- (b) of different ethnic backgrounds;
- (c) of different socio-economic backgrounds;
- (d) living in different regions; and
- (e) who do and do not have a disability.

(2) Within 12 months of the passing of this Act the Secretary of State must lay before both Houses of Parliament a report containing an evaluation of the impact of discharging the duty under section 1(1) on narrowing the attainment and development gap between young children—

- (a) of different genders;
- (b) of different socio-economic backgrounds;
- (c) of different ethnic backgrounds;
- (d) living in different regions; and
- (e) who do and do not have a disability.”—(*Jenny Chapman.*)

*This new clause would require the Secretary of State, in discharging her duty under this Act, to have regard to the attainment and development gap between different groups of children. The Secretary of State would also have to publish a report on the impact of discharging her duty on such gaps.*

*Brought up, and read the First time.*

*Question put, That the clause be read a Second time.*

*The House divided: Ayes 185, Noes 265.*

**Division No. 174]**

**[6.16 pm**

### **AYES**

Abbott, Ms Diane	Coyle, Neil
Abrahams, Debbie	Crausby, Mr David
Alexander, Heidi	Creagh, Mary
Ali, Rushanara	Creasy, Stella
Ashworth, Jonathan	Cruddas, Jon
Austin, Ian	Cryer, John
Bailey, Mr Adrian	Cummins, Judith
Barron, rh Kevin	Cunningham, Alex
Beckett, rh Margaret	Cunningham, Mr Jim
Benn, rh Hilary	Dakin, Nic
Berger, Luciana	Danczuk, Simon
Betts, Mr Clive	David, Wayne
Blenkinsop, Tom	De Piero, Gloria
Blomfield, Paul	Doughty, Stephen
Bradshaw, rh Mr Ben	Dowd, Peter
Brennan, Kevin	Dromey, Jack
Brown, Lyn	Dugher, Michael
Bryant, Chris	Eagle, Ms Angela
Buck, Ms Karen	Efford, Clive
Burden, Richard	Elliott, Julie
Burgon, Richard	Ellman, Mrs Louise
Burnham, rh Andy	Esterson, Bill
Butler, Dawn	Evans, Chris
Campbell, rh Mr Alan	Farrelly, Paul
Campbell, Mr Ronnie	Fitzpatrick, Jim
Champion, Sarah	Fiello, Robert
Chapman, Jenny	Fletcher, Colleen
Coaker, Vernon	Flint, rh Caroline
Cooper, rh Yvette	Flynn, Paul

Fovargue, Yvonne  
 Gardiner, Barry  
 Glass, Pat  
 Glindon, Mary  
 Green, Kate  
 Greenwood, Lilian  
 Greenwood, Margaret  
 Griffith, Nia  
 Gwynne, Andrew  
 Haigh, Louise  
 Hamilton, Fabian  
 Harman, rh Ms Harriet  
 Hayes, Helen  
 Healey, rh John  
 Hendrick, Mr Mark  
 Hermon, Lady  
 Hillier, Meg  
 Hoey, Kate  
 Hollern, Kate  
 Hopkins, Kelvin  
 Howarth, rh Mr George  
 Huq, Dr Rupa  
 Hussain, Imran  
 Irranca-Davies, Huw  
 Jarvis, Dan  
 Johnson, rh Alan  
 Johnson, Diana  
 Jones, Gerald  
 Jones, Graham  
 Jones, Helen  
 Jones, Mr Kevan  
 Jones, Susan Elan  
 Kane, Mike  
 Keeley, Barbara  
 Kendall, Liz  
 Kyle, Peter  
 Lammy, rh Mr David  
 Lavery, Ian  
 Leslie, Chris  
 Lewell-Buck, Mrs Emma  
 Lewis, Clive  
 Long Bailey, Rebecca  
 Lucas, Caroline  
 Lucas, Ian C.  
 Mactaggart, rh Fiona  
 Madders, Justin  
 Mahmood, Shabana  
 Malhotra, Seema  
 Mann, John  
 Marris, Rob  
 Marsden, Mr Gordon  
 Maskell, Rachael  
 Matheson, Christian  
 McCabe, Steve  
 McCarthy, Kerry  
 McDonagh, Siobhain  
 McDonald, Andy  
 McDonnell, John  
 McFadden, rh Mr Pat  
 McGinn, Conor  
 McGovern, Alison  
 McInnes, Liz  
 McMahan, Jim  
 Mearns, Ian  
 Miliband, rh Edward  
 Morden, Jessica

Morris, Grahame M.  
 Mulholland, Greg  
 Murray, Ian  
 Nandy, Lisa  
 Onn, Melanie  
 Osamor, Kate  
 Pearce, Teresa  
 Pennycook, Matthew  
 Perkins, Toby  
 Phillips, Jess  
 Pound, Stephen  
 Powell, Lucy  
 Pugh, John  
 Qureshi, Yasmin  
 Rayner, Angela  
 Reed, Mr Jamie  
 Reed, Mr Steve  
 Rees, Christina  
 Reeves, Rachel  
 Reynolds, Emma  
 Rimmer, Marie  
 Robinson, Gavin  
 Robinson, Mr Geoffrey  
 Rotheram, Steve  
 Saville Roberts, Liz  
 Sheerman, Mr Barry  
 Sherriff, Paula  
 Shuker, Mr Gavin  
 Siddiq, Tulip  
 Simpson, David  
 Skinner, Mr Dennis  
 Slaughter, Andy  
 Smeeth, Ruth  
 Smith, rh Mr Andrew  
 Smith, Angela  
 Smith, Cat  
 Smith, Nick  
 Smith, Owen  
 Smyth, Karin  
 Starmer, Keir  
 Streeting, Wes  
 Stringer, Graham  
 Stuart, rh Ms Gisela  
 Tami, Mark  
 Thomas, Mr Gareth  
 Thomas-Symonds, Nick  
 Thornberry, Emily  
 Timms, rh Stephen  
 Trickett, Jon  
 Turley, Anna  
 Turner, Karl  
 Twigg, Derek  
 Vaz, rh Keith  
 Vaz, Valerie  
 Watson, Mr Tom  
 Whitehead, Dr Alan  
 Wilson, Sammy  
 Winterton, rh Dame Rosie  
 Woodcock, John  
 Wright, Mr Iain  
 Zeichner, Daniel

**Tellers for the Ayes:**

**Holly Lynch and  
 Vicky Foxcroft**

**NOES**

Adams, Nigel  
 Aldous, Peter  
 Allen, Heidi

Amess, Sir David  
 Andrew, Stuart  
 Ansell, Caroline

Argar, Edward  
 Atkins, Victoria  
 Bacon, Mr Richard  
 Baker, Mr Steve  
 Baldwin, Harriett  
 Barwell, Gavin  
 Bellingham, Sir Henry  
 Benyon, Richard  
 Beresford, Sir Paul  
 Berry, Jake  
 Berry, James  
 Bingham, Andrew  
 Blackman, Bob  
 Boles, Nick  
 Bone, Mr Peter  
 Bottomley, Sir Peter  
 Bradley, Karen  
 Brazier, Mr Julian  
 Bridgen, Andrew  
 Brine, Steve  
 Buckland, Robert  
 Burns, Conor  
 Burns, rh Sir Simon  
 Burrowes, Mr David  
 Cairns, Alun  
 Carmichael, Neil  
 Carswell, Mr Douglas  
 Cartledge, James  
 Cash, Sir William  
 Caulfield, Maria  
 Chalk, Alex  
 Chishti, Rehman  
 Churchill, Jo  
 Clark, rh Greg  
 Cleverly, James  
 Clifton-Brown, Geoffrey  
 Coffey, Dr Thérèse  
 Colvile, Oliver  
 Costa, Alberto  
 Cox, Mr Geoffrey  
 Davies, Byron  
 Davies, Chris  
 Davies, Glyn  
 Davies, Dr James  
 Davies, Mims  
 Davies, Philip  
 Davis, rh Mr David  
 Dinenage, Caroline  
 Djanogly, Mr Jonathan  
 Double, Steve  
 Dowden, Oliver  
 Doyle-Price, Jackie  
 Drax, Richard  
 Drummond, Mrs Flick  
 Duncan, rh Sir Alan  
 Duncan Smith, rh Mr Iain  
 Dunne, Mr Philip  
 Ellis, Michael  
 Ellison, Jane  
 Eustice, George  
 Evans, Graham  
 Evennett, rh Mr David  
 Fabricant, Michael  
 Fallon, rh Michael  
 Fernandes, Suella  
 Field, rh Mark  
 Foster, Kevin  
 Fox, rh Dr Liam  
 Frazer, Lucy  
 Freeman, George  
 Freer, Mike  
 Fuller, Richard

Fysh, Marcus  
 Garnier, rh Sir Edward  
 Garnier, Mark  
 Gauke, Mr David  
 Ghani, Nusrat  
 Gibb, Mr Nick  
 Gillan, rh Mrs Cheryl  
 Glen, John  
 Goodwill, Mr Robert  
 Gove, rh Michael  
 Grant, Mrs Helen  
 Grayling, rh Chris  
 Green, Chris  
 Green, rh Damian  
 Greening, rh Justine  
 Grieve, rh Mr Dominic  
 Griffiths, Andrew  
 Gummer, Ben  
 Gyimah, Mr Sam  
 Halfon, rh Robert  
 Hall, Luke  
 Hammond, rh Mr Philip  
 Hammond, Stephen  
 Hancock, rh Matthew  
 Hands, rh Greg  
 Harper, rh Mr Mark  
 Harrington, Richard  
 Harris, Rebecca  
 Hart, Simon  
 Haselhurst, rh Sir Alan  
 Heald, Sir Oliver  
 Heapey, James  
 Heaton-Harris, Chris  
 Heaton-Jones, Peter  
 Henderson, Gordon  
 Herbert, rh Nick  
 Hinds, Damian  
 Hoare, Simon  
 Hollingbery, George  
 Hollinrake, Kevin  
 Hollobone, Mr Philip  
 Holloway, Mr Adam  
 Hopkins, Kris  
 Howarth, Sir Gerald  
 Howlett, Ben  
 Huddleston, Nigel  
 Hurd, Mr Nick  
 Jackson, Mr Stewart  
 James, Margot  
 Jayawardena, Mr Ranil  
 Jenkyns, Andrea  
 Jenrick, Robert  
 Johnson, Boris  
 Johnson, Gareth  
 Johnson, Joseph  
 Jones, Andrew  
 Jones, rh Mr David  
 Jones, Mr Marcus  
 Kennedy, Seema  
 Knight, rh Sir Greg  
 Knight, Julian  
 Kwarteng, Kwasi  
 Lancaster, Mark  
 Leadsom, Andrea  
 Lee, Dr Phillip  
 Leigh, Sir Edward  
 Leslie, Charlotte  
 Letwin, rh Mr Oliver  
 Lewis, Brandon  
 Lidington, rh Mr David  
 Lopresti, Jack  
 Lord, Jonathan

Loughton, Tim  
 Lumley, Karen  
 Mackinlay, Craig  
 Mackintosh, David  
 Main, Mrs Anne  
 Mak, Mr Alan  
 Mann, Scott  
 Mathias, Dr Tania  
 Maynard, Paul  
 McLoughlin, rh Mr Patrick  
 McPartland, Stephen  
 Menzies, Mark  
 Mercer, Johnny  
 Merriman, Huw  
 Metcalfe, Stephen  
 Miller, rh Mrs Maria  
 Milling, Amanda  
 Mills, Nigel  
 Milton, rh Anne  
 Mitchell, rh Mr Andrew  
 Mordaunt, Penny  
 Morgan, rh Nicky  
 Morris, Anne Marie  
 Morris, David  
 Morris, James  
 Morton, Wendy  
 Mowat, David  
 Murray, Mrs Sheryll  
 Murrison, Dr Andrew  
 Neill, Robert  
 Newton, Sarah  
 Nokes, Caroline  
 Norman, Jesse  
 Nuttall, Mr David  
 Offord, Dr Matthew  
 Opperman, Guy  
 Parish, Neil  
 Pawsey, Mark  
 Penning, rh Mike  
 Penrose, John  
 Percy, Andrew  
 Perry, Claire  
 Phillips, Stephen  
 Philp, Chris  
 Pickles, rh Sir Eric  
 Pincher, Christopher  
 Poulter, Dr Daniel  
 Prentis, Victoria  
 Prisk, Mr Mark  
 Pursglove, Tom  
 Quin, Jeremy  
 Quince, Will  
 Raab, Mr Dominic  
 Redwood, rh John  
 Rees-Mogg, Mr Jacob  
 Robertson, Mr Laurence  
 Rosindell, Andrew  
 Rudd, rh Amber  
 Rutley, David  
 Sandbach, Antoinette

Selous, Andrew  
 Shapps, rh Grant  
 Sharma, Alok  
 Simpson, rh Mr Keith  
 Skidmore, Chris  
 Smith, Chloe  
 Smith, Julian  
 Smith, Royston  
 Solloway, Amanda  
 Soubry, rh Anna  
 Spelman, rh Mrs Caroline  
 Spencer, Mark  
 Stevenson, John  
 Stewart, Iain  
 Stewart, Rory  
 Streeter, Mr Gary  
 Stride, Mel  
 Stuart, Graham  
 Sturdy, Julian  
 Sunak, Rishi  
 Swayne, rh Mr Desmond  
 Swire, rh Mr Hugo  
 Syms, Mr Robert  
 Thomas, Derek  
 Timpson, Edward  
 Tomlinson, Justin  
 Tomlinson, Michael  
 Tracey, Craig  
 Tredinnick, David  
 Trevelyan, Mrs Anne-Marie  
 Truss, rh Elizabeth  
 Tugendhat, Tom  
 Turner, Mr Andrew  
 Tyrie, rh Mr Andrew  
 Vara, Mr Shailesh  
 Vickers, Martin  
 Villiers, rh Mrs Theresa  
 Walker, Mr Charles  
 Walker, Mr Robin  
 Warburton, David  
 Warman, Matt  
 Watkinson, Dame Angela  
 Wharton, James  
 Whately, Helen  
 Wheeler, Heather  
 White, Chris  
 Whittaker, Craig  
 Wiggin, Bill  
 Williams, Craig  
 Williamson, rh Gavin  
 Wilson, Mr Rob  
 Wollaston, Dr Sarah  
 Wragg, William  
 Wright, rh Jeremy  
 Zahawi, Nadhim

**Tellers for the Noes:**  
 Stephen Barclay and  
 Simon Kirby

*Question accordingly negated.*

**Mr Speaker:** Consideration completed. I will now suspend the House for about five minutes in order to make a decision about certification. The Division bells will be rung two minutes before the House resumes. Following my certification, the Government will be tabling the appropriate consent motion, copies of which will be available shortly in the Vote Office and will be distributed by Doorkeepers.

6.28 pm

*Sitting suspended.*

6.33 pm

*On resuming—*

**Mr Speaker:** I can now inform the House of my decision about certification. For the purposes of Standing Order No. 83L(2), I have certified that clauses 3 and 5 of the Bill relate exclusively to England on matters within devolved legislative competence, as defined in Standing Order No. 83J. For the purposes of Standing Order No. 83L(4), I have certified that amendment 3 to clause 2 made to the Bill in Committee, which is now Clause 1(5) in the Bill as amended, relates to England. Copies of my certificate are available in the Vote Office. Under Standing Order No. 83M, a consent motion is therefore required for the Bill to proceed. Does the Minister intend to move the consent motion?

**Mr Gyimah indicated assent.**

**Mr Speaker:** I am grateful to the Minister for the requisite nod. [*Interruption.*] I am quite sure the Minister does know to what he is agreeing.

**Mr Gyimah indicated assent.**

**Mr Speaker:** That was a useful lead in to another nod, which the Minister has graciously provided.

*The House forthwith resolved itself into the Legislative Grand Committee (England) (Standing Order No. 83M).*

[MR LINDSAY HOYLE *in the Chair*]

6.34 pm

**The Chairman of Ways and Means (Mr Lindsay Hoyle):** I remind the House that although all Members may speak in the debate, only Members representing constituencies in England may vote on the consent motion.

*Resolved,*

That the Committee consents to the following certified clauses of the Childcare Bill [Lords] and certified amendment made to the Bill:

*Clauses certified under Standing Order No. 83L(2) as relating exclusively to England and being within devolved legislative competence*

Clauses 3 and 5 of the Bill as amended in Committee (Bill 107);  
*Amendments certified under Standing Order No. 83L(4) as relating exclusively to England*

Amendment 3 made in Committee to Clause 2 of the Bill as introduced (Bill 84), which is Clause 1(5) of the Bill as amended in Committee (Bill 107).—(*Mr Gyimah.*)

*The occupant of the Chair left the Chair to report the decision of the Committee (Standing Order No. 83M(6)).*

*The Deputy Speaker resumed the Chair; decision reported.*

*Third Reading*

6.36 pm

**The Secretary of State for Education (Nicky Morgan):** I beg to move, That the Bill be now read the Third time.

The Bill clearly demonstrates the Government's commitment to supporting working families. We recognise the barriers that the cost of childcare can pose to parents who want to work, and the Bill seeks to tackle them. By offering working parents an unprecedented

[Nicky Morgan]

30 hours of free childcare, the Bill will give mothers and fathers across the country real choice about how they balance raising their children with their working life. For too long, childcare costs often outweighed the gains of returning to work or working more hours. Policy Exchange's "Time to Care" report, published today, argues that the Bill could be transformational in the lives of working families.

I thank the Opposition for their engagement on the Bill and for supporting the Government to implement our manifesto commitment. I and the Under-Secretary of State for Education, my hon. Friend the hon. Member for East Surrey (Mr Gyimah), who has responsibility for childcare, found the debate on Report both helpful and interesting. I understand the intention behind the amendments discussed this afternoon, and although I share the sentiments, I hope hon. Members were reassured that my Department and others will be managing these issues through other legislation such as the Equality Act 2010 and the Children and Families Act 2014, as well as through other practice and policy.

**Lady Hermon** (North Down) (Ind): I appreciate the Secretary of State's allowing me to intervene on her. I am curious. The consent motion has just been passed to say that this is an exclusively English measure, but I would like the Secretary of State to take a moment to explain what is in the Government's mind in clause 1(8), which states:

"The Secretary of State may by regulations make provision about the circumstances in which a child is, or is not, in England for the purposes of this section."

If the child were in Northern Ireland and this Bill applies to them, surely it is not exclusively English.

**Nicky Morgan:** I thank the hon. Lady very much indeed. I think that that is a matter for the authorities. I will happily write to her, but Mr Speaker has certified that the Bill applies to England. My understanding is that it is not a devolved matter, but I am very happy to write to her to provide any clarity she might require.

After Opposition Lords' attempts to delay the Bill—

**Lady Hermon:** Will the Secretary of State give way?

**Nicky Morgan:** I will give way briefly but I want to make progress on the substance of the Bill.

**Lady Hermon:** With the greatest respect, this is a matter of substance in this Bill. I emphasise that I do not wish in any way to challenge the certification by Mr Speaker. He certified clauses 3 and 5 of the Bill as exclusively English. This is a question about clause 1 and a child being in England.

**Nicky Morgan:** My understanding is that clauses 1 to 5 relate to England only. I am happy to write to the hon. Lady and clarify the point, but this is a matter that Mr Speaker has certified as applying to England.

After attempts to delay the Bill, I am glad that the Labour party has recognised the demands of parents who want to see it become law and to have the opportunity to access the 30 hours entitlement without delay. I am

pleased that amendments to clause 1 which could have set back the implementation of the free entitlement by months have now been removed.

The hon. Member for Manchester Central (Lucy Powell) is on the record as saying that she wants to see our childcare policies become a reality. I hope that she is pleased to see the progress made with the Bill and its speedy implementation, which is due to benefit 390,000 three and four-year-olds.

The importance and impact of quality early education and childcare are beyond dispute, which is why my party has put it at the heart of our agenda for government over the past five years. In that time we have introduced the two-year-old offer, supporting more than 157,000 two-year-olds from disadvantaged backgrounds to access 15 hours a week of quality early education. We have extended the universal three and four-year-old entitlement from 12 hours to 15 hours, with 96% of three and four-year-olds now taking up a place. We have introduced the early years pupil premium to target additional resources at children from disadvantaged backgrounds. We have legislated for tax-free childcare, under which up to 2 million working families can benefit by up to £2,000 per child, per year. We have also increased the direct support for childcare costs under universal credit from 70% to 85% from April this year.

Now we are going even further by doubling the 15 hours entitlement for working parents, which represents a substantial commitment to childcare by the Government. That commitment is backed up by the investment and funding it requires. As the Chancellor announced in the autumn statement, and, as I confirmed straight afterwards on Second Reading, by 2019-20 we will be investing over £1 billion more per year to fund the free entitlements. That includes £300 million for a significant increase in the hourly rate paid to providers, delivering on the commitment the Prime Minister made during the general election campaign.

Those funding levels were directly informed by the review of the costs of providing childcare published on 25 November last year. I am sure that the House will agree that this is a significant piece of research and a sound evidence base on which to ensure that the childcare market is properly funded.

It is worth reiterating to the House that we have been able to make this extra investment only because of the difficult decisions we have taken elsewhere in government as part of our long-term economic plan, a further reminder that we can only have strong public services if we have the strong economy to support them—*[Interruption.]* I shall say it again, shall I? Perhaps it will get a bigger cheer this time. I thank the Opposition Front Bench for inviting me to make the point about our long-term economic plan again—[HON. MEMBERS: "Hear, hear."]

The next stage of our funding reforms will be to ensure that funding is being allocated fairly across the country and that as much as possible is reaching childcare providers on the frontline.

**Graham Stuart** (Beverley and Holderness) (Con): Does my right hon. Friend agree that one of the greatest achievements of the last five years has been the reduction in the number of workless households? Research shows the scarring, long-term negative effect that that has on

children. This is another step to build on the already strong foundations we have put in place to make sure that fewer children are brought up in workless households, with all the negative results that follow.

**Nicky Morgan:** I thank my hon. Friend, who is a former Chairman of the Education Committee, and he is absolutely right. At least 300,000 fewer children are living in workless households this year than in 2010. I had a conversation in my constituency on Friday with the local co-ordinator for those at risk of being excluded from school, and he said how much of an impact seeing a parent or parents getting up and going out to work has on children, their work ethic and their ability to think about their work and career choices in the future.

We will consult on the proposals on the early years funding formula in due course. We are lucky to have in this country a thriving childcare market that is well placed to begin delivering the 30 hours entitlement. The market showed with the introduction of the two-year-old offer that it can respond quickly and effectively to deliver increased places and meet parental demand. That is why we have felt able to bring forward by a year the introduction of the extended entitlement for early testing in a series of areas. However we are not complacent about ensuring that sufficient places are available and are taking further steps to build capacity. That includes creating nursery provision as part of new free schools, and an additional £50 million of capital funding to support the creation of early years places for the free entitlement. We are confident that the capital investment, combined with an attractive, increased rate to providers, will also enable them to seek further investment to expand their offer.

We are committed to ensuring that the free entitlements are flexible and can be accessed in a way that fits with parents' working patterns. The early implementation areas will look at ways to encourage different and diverse types of providers to enter the market and will incentivise innovative approaches to providing flexibility in terms of the type and timing of childcare on offer. Alongside that, we are consulting on a new right to request for parents. That right will allow parents to request that their children's school makes their premises available for providers to offer childcare. That will not only ensure that parents who already have children of school age do not have to move their children between different places, but will also lead to an increase in the number of childcare places on offer.

Throughout the passage of the Bill through the House and the other place, there have rightly been lengthy discussions about the issues that matter most to parents—flexibility, quality and access for children with special educational needs and disabilities. I am clear that the Bill and the subsequent roll-out of the extended entitlement will be better because of that scrutiny. Parliament's scrutiny will not end with the Bill: as agreed in Committee, regulations made to support the 30 hours free entitlement will be debated and approved by both Houses on their first use, ahead of early implementation later this year. Ahead of bringing the regulations back to Parliament, my Department will run a full consultation on the regulations and statutory guidance for local authorities. I look forward to engaging with providers, local authorities and parents over this period so that we can be certain we are getting it right and ensure that parents get what they need from this offer.

Before I conclude, let me thank all hon. Members who served on the Bill Committee and all those who provided written evidence. I would also like to take this opportunity to thank the Under-Secretary of State for Education, my hon. Friend the Member for East Surrey (Mr Gyimah), for steering the Bill through the House and his work on the childcare task force to prepare for implementation. I also thank officials in my Department and here in the House for their support.

As I said earlier, the Bill starts with one goal—to help working families with the cost of childcare. I hope that the Bill will now make further progress quickly so that early implementation of 30 hours free childcare can begin and parents across the country can start realising the benefits that this significant offer provides.

6.47 pm

**Lucy Powell:** I rise to support the Bill on Third Reading.

I welcome my hon. Friend the Member for Darlington (Jenny Chapman) to her new role as our early years spokesperson. She is a passionate campaigner for social mobility, and she has done a brilliant job today on Report, raising several important issues. Of course, I also pay tribute to her predecessor, my hon. Friend the Member for North West Durham (Pat Glass). She did a fantastic job on the Bill in Committee and she will be missed by our team, but she goes on to fight a great cause for this country.

Opposition Members have long campaigned for and supported more investment in childcare. Childcare is an investment in our economic success. More childcare means more opportunities for families and it may begin to reduce the growing gender pay gap. Better childcare can also do a great deal to give all children a better start in life. Far too many women are still priced out of work by the high cost of childcare, particularly those on low and middle incomes. Childcare can help women into work and enable them to work more hours. That is why in government Labour introduced the original 12.5 hours free childcare for all three and four-year-olds. We created the Sure Start centres, massively extended maternity leave, introduced paternity leave and developed the first, and only, 10-year childcare strategy.

Our introduction of free early years education was designed to help to support child development and enable children with disadvantages to attend a high-quality early years setting in an attempt to close the school-readiness gap that is so present by the age of five.

Aside from our specific concerns about the deliverability of the scheme, which I will come on to, there is a larger problem with the Government's approach to childcare: the widening attainment gap between children on free school meals and their peers. The Government seem focused only on the maternal employment needs of childcare—important as they are—while having no vision or action plan for narrowing that gap. My hon. Friend the Member for Darlington made a powerful case, based on the recommendations of the Social Mobility and Child Poverty Commission, for a comprehensive and joined-up approach to early years to address this issue.

It is the job of the Opposition to scrutinise the Government's plans and try to make them better, but the Government have not really listened to many of the points we raised in both Houses. I will give it one last go

[Lucy Powell]

and set out the measures by which we will judge the success or otherwise of the scheme. The detail of the policy and the Government's legislative approach have not been the best. Ministers have failed to give us, parents or the House confidence that their plan to extend free hours is deliverable, affordable and sustainable. Even now, so many months since it was announced, we are none the wiser on how the extra hours and the necessary expansion of places will be found, funded and facilitated.

A key concern about the policy is whether it is adequately funded. There are three key funding issues: whether the overall budget is sufficient; whether the new hourly rate is sustainable; and the scaling back of the eligibility criteria. Before the general election, the Early Years Minister said that Labour's plans to extend free childcare from the current 15 hours to 25 hours would cost an additional £1.5 billion, yet the pledge of 30 hours in the Conservative party manifesto was costed at just £350 million. That was then revised to £650 million, once Ministers returned to the Department. That still leaves a massive funding shortfall, which the Institute for Public Policy Research identified as £1 billion. This gives a whole new meaning to back-of-the-fag-packet policy making and I hope Ministers will be able to provide us with some reassurance on that. An extra £300 million was allocated in the autumn statement to increase by 30 pence the hourly rate paid to providers, less than half of which will go on the new offer. I welcome that, yet even with that review, independent analysis for the Pre-School Learning Alliance shows there is still a £450 million shortfall, over the course of this Parliament, for providers in meeting this offer. I will say more on the consequences of that in a moment.

It seems to me that the Government made all those figures add up by slashing eligibility. We now know that one in three families who were promised more childcare at the election will not get it. Ministers had said that all families in work would gain an extra 15 hours of childcare if they had three and four-year-olds. Their original press release said that this would mean 630,000 three and four-year-olds. That figure has now been slashed to 390,000. Of course, parents earning over £100,000 a year do not need extra help with childcare and we agree it is right to reduce eligibility at the top end. However, the Government have now taken their offer away from many low-paid families at the bottom end of pay scale.

The new offer is intended to support parents returning to work or support them to work more hours. Both parents, or a lone parent, need to work the equivalent of 16 hours a week at the minimum wage to qualify. Those in low-income jobs are more likely to lose out under these eligibility rules. For many parents on the edge of the labour market, short hours, part-time work and zero-hours work are often the first and best route back to work. The Government have cut those parents out and damaged the scheme as a work incentive for them. For example, an investment banker or a lawyer would earn eligibility for the extra hours by working one day a week—or one hour a week, in some cases—whereas someone on the national minimum wage would have to work for 16 hours.

There is an inherent unfairness here. Strivers will be working longer to get free childcare than people higher up the income scale. That is not something that Government

Members should be proud of. The cost of childcare is a big barrier to parents; we know this for a fact. A low-income second earner would have to find an extra eight hours of work to gain from this new benefit. The policy will hit women particularly hard. Gingerbread says that 20,000 lone parents will now lose out.

Another key issue with the Bill is the lack of capacity in the system, and key question marks remain about the sustainability of the scheme. These could lead to a shrinkage in the market and we have not received sufficient reassurance on that. Some 40,000 early years childcare places have disappeared on the Government's watch. To deliver this offer is not as simple as saying that eligible three and four-year-olds will just stay in the same setting for an additional 15 hours in the afternoon. In many cases, the afternoon sessions are full of children who are eligible for the 15-hour offer only. We have seen the problems Ministers have had in expanding provision for two-year-olds, particularly in schools where space is at a premium. With three and four-year-olds, the problems will be greater. Facilities will need kitchens to serve lunch, and some settings currently providing 15 hours will not be able to expand because they are sessional and taken up by other community groups at other times. This is not just about money, albeit the £50 million is welcome; it is about logistics and practicalities.

There are issues, too, in the private and voluntary sector. Many say that offering 30 hours to parents would leave their businesses on the brink of collapse. Currently, many providers are only able to offer the 15 hours free childcare by cross-subsidising with full-paying parents. This is why so many providers say that doubling the free offer to 30 hours a week would make their businesses unsustainable. The Government face a big task in convincing parents that providers will actually offer the extra 15 hours without caveats and in real terms. The overall impact of this market intervention without a proper strategy could lead to an exacerbation of trends that we have already seen over this Parliament and the last—a reduction in childcare places and an increase in cost to parents. For parents not in receipt of free hours, the mix of complicated cross-subsidy and price inflation will mean that the cost of childcare could rocket further. What plan do Ministers have to ensure that that does not happen? We still need reassurance on that.

As my hon. Friend the Member for Darlington so eloquently said on Report, the Government seem to have no strategy for raising quality in childcare, or for reducing the stark gaps in development that exist by the age of five. Indeed, with the decimation of early intervention, early years support services and the virtual disappearance of Sure Start children's centres from our communities, and with family support services impossible to access, the Prime Minister's latest speech, in a long line of speeches, on the importance of family frankly rings hollow.

The Government urgently need to turn their rhetoric into reality. Not only are they not doing enough; it is quite possible, for the reasons outlined this evening, that only focusing on maternal employment drivers could damage the objectives of raising quality and of encouraging disadvantaged families to access high-quality early education. I ask the Secretary of State once again to bring forward a comprehensive long-term strategy for reducing early years inequalities and thereby give a step change to social mobility.



In conclusion, as I have made clear, we support the Bill. We want parents of three and four-year-olds to have an additional 15 hours of free childcare, and for this to be a real offer that helps parents to find and afford childcare, so that they can do well for themselves and their families. I worry, however, that the Government will turn a deaf ear to constructive concerns. I fear Ministers are going in the wrong direction if they continue to ignore the problems this policy could have for the childcare market, and for families if they fail to act. We need a bigger vision for childcare: a system that delivers flexibility, price and stability for parents, while providing the best start for children and closing the developmental gap that already exists in pre-school.

Childcare is too important to get wrong—*[Interruption.]* Would the Minister like to make an intervention? No, he is just chuntering from a sedentary position. As he admits in private, he is concerned about the developmental gap but he has no strategy to deal with it. Childcare is too important to get wrong, yet the Government's piecemeal approach endangers the market and the efficacy of the system. We stand willing to work with the Government to secure a winning approach for parents. We will support the Bill in that spirit, and we will keep a watchful eye on delivery as the scheme progresses.

*Question put and agreed to.*

*Bill accordingly read the Third time and passed, with amendments.*

**Lady Hermon** (North Down) (Ind): On a point of order, Mr Deputy Speaker. I might have misunderstood, but when last autumn we discussed the new certification process for English votes for English laws, it was my understanding that it would be used only rarely. Since the House returned from the Christmas recess, however,

we have used it on the Housing and Planning Bill, on a statutory instrument last week and on the Childcare Bill this evening. Have you, or has the Speaker's Office, had any indication of whether this dreadful procedure will become routine, or will it be used only on rare occasions—all the rare occasions having occurred this month?

**Mr Deputy Speaker (Mr Lindsay Hoyle)**: The trouble is it depends on the Bills. Standing Orders dictate when the procedure is used. We could go a long time without it being used or it could be used every day. I am not sure. The procedures are laid down in Standing Orders, but the hon. Lady has now put her point on the record.

**Sir Edward Leigh** (Gainsborough) (Con): Further to that point of order, Mr Deputy Speaker.

**Mr Deputy Speaker**: Sir Edward, are you sure it is a point of order? Last time you promised me it was, but it was not.

**Sir Edward Leigh**: I am sometimes a bit naughty.

**Mr Deputy Speaker**: I would not say sometimes.

**Sir Edward Leigh**: The hon. Lady should not get too worried, because EVEL will not change a single part of a single Bill in this or any other Parliament. There is an overall Conservative majority in this one, and, as all the other parties are opposed to it, if we do not have a majority next time, they will cancel it.

**Mr Deputy Speaker**: Thank you, Sir Edward, for that non-point of order. I was absolutely correct: you are naughty.

# Backbench Business

## Central and East Africa

7.1 pm

**Stephen Phillips** (Sleaford and North Hykeham) (Con): I beg to move,

That this House recognises the importance of stability in Central and East Africa to the security of the United Kingdom; welcomes the Government's continued engagement in the region and commitment to the spending of development aid to ensure good governance and the eradication of corruption and extreme poverty; deplores the use of violence or terror by any party to secure political aims; and calls on the Government to adopt further measures, together with the international community, to prevent civil war and ensure that the rule of law is maintained.

The motion stands in my name and that of my hon. Friend the Member for Stafford (Jeremy Lefroy). In many senses, this debate, which I am grateful to the Backbench Business Committee for having granted, is opportune, but in some respects it has come on extraordinarily quickly, given that it was only asked for last Tuesday. Many Members who would have wished to speak are not here because the International Development Committee is currently in Brussels. I am grateful to my right hon. Friend the Minister for responding to the debate, but, as I understand it, my hon. Friend the Minister for Africa is also currently overseas.

I myself returned from east Africa this morning in something of a hurry. I should record my considerable thanks to the hon. Members who threatened—if I can put it in those terms—to stand in for me, had I not managed to make a rather convoluted journey from Nairobi to Addis Ababa and back to London. In particular, I thank my hon. Friends the Members for Newbury (Richard Benyon), for Aldridge-Brownhills (Wendy Morton) and for Harrow East (Bob Blackman), who, in the absence of my hon. Friend the Member for Stafford, all offered to move the motion if I was not here.

The UK's diplomatic and developmental policies in Africa are a wide topic, which, in one sense, has been made no less wide by limiting the debate to two regions. Although patterns in their experiences can be seen across the continent, the nations of east and central Africa have particular problems that call for consideration in the House. It is important, therefore, that the House has a chance to debate the issues and how the UK's response can best achieve peace and stability not only in the region, but for us.

Everyone in the House knows that Africa is growing, but recent UN estimates have changed how we look at the continent's demography. In 2004, the UN predicted that Africa's population would grow to 2.3 billion by the end of the century, within a global population of 9.1 billion. It now estimates, however, that the global population will in fact be 11.2 billion and that almost all of those extra people will be in Africa. According to the UN, the continent will be home to 4.4 billion people—an increase of 2 billion on its previous estimate.

If the new projections are right, the effect on geopolitics across the world will be huge. It will mean that by the end of this century almost 40% of the world's population will be African. To put it in perspective, that is four

times the share of Europe and north America combined and almost the same as the share of Asia. Currently, Africa has only one of the world's 10 most populous countries, but the UN says that by 2100 it will have five: Nigeria, Tanzania, Niger, Ethiopia and the Democratic Republic of Congo. All of them, of course, feature in the regions being considered today.

Much could change over the next eight decades, and things might be different by the end of the century, but at present none of these countries is either particularly prosperous or has demonstrated incredible stability over the last decades. Even if they make progress, the pressure caused by a quadrupling of their populations will, at best, hinder their efforts to secure that stability and, at worst, derail them entirely. Those pressures will be felt by every country in the region in different ways and at different times.

We and our constituents might ask why that should be a problem for the UK. Even if we set aside the humanitarian and moral considerations, which I know many people in the House and the country do not, we have to understand that this is not just a problem for Africa; it affects our own security, because, if population pressures are not properly dealt with and if African Governments do not embrace stable democracy and tackle corruption, the continent will not move forward, and that will have implications for us. Stable economies are not possible without stable government, and only stable economies can lift people out of the poverty endemic in the region and allow them to live dignified and meaningful lives.

Corruption and political infighting are rife across east and central Africa—indeed, across the entire continent—and if nothing is done to tackle them, things will not only stay the same but get worse.

**Sir Edward Leigh** (Gainsborough) (Con): One of the advantages of this sort of debate is that it allows us to raise constituency problems. My hon. and learned Friend will know of my constituent, Nicholas Monson, whose son, Alexander Monson, was beaten to death—the evidence is overwhelming—in a police cell in Kenya. Will he encourage the Minister to go on encouraging our high commissioner in Kenya to ensure that justice is done and that Kenya has a proper judicial system? This poor boy lost his life.

**Stephen Phillips:** As my hon. Friend says, I do know about the case, and I am very happy to encourage the Minister and his colleagues in the Foreign Office to do everything they can to ensure that the Kenyan authorities do everything they can to bring those responsible to justice, not just for the family but for everybody who has sustained some injustice in Kenya or elsewhere in the developing world.

As we have seen on our shores in recent months, another problem caused by increasing populations across Africa is people wanting to travel here in search of a better life. We know from past and present experiences that their numbers are increasing. The House has to grapple with this issue. Ensuring stable development, democracy and politics across east and central Africa is most definitely our problem, because without it we will see more of the sort of migration we have on our shores now.

The region is wide and comprises many states—right hon. and hon. Members will no doubt wish to discuss a number of them—but I want to concentrate on eight. Four are extremely fragile: Burundi, Chad, the Central African Republic and the Democratic Republic of Congo. The other four are doing rather better but are at risk of instability: Rwanda, Uganda, Tanzania and Kenya. While each nation is perhaps unhappy in its own way—to borrow a phrase—patterns and themes emerge that play out not only regionally but across the continent. We must recognise those themes, some of which I have already highlighted, if we are to play a successful role in helping Africa to develop and thrive, for its benefit and, as I hope I have made clear, ours.

One pattern that emerges strongly when we look at the region is that of democratic process. We all know that elections are extremely important, and we need to continue to encourage democracy whenever we can. When there are problems with the process, they can become a flashpoint for violence and instability, particularly in this part of the world. Multi-party democratic states are touted, where they are set up, as a way of ensuring peace and prosperity for individual nations. When those in charge are seen to be flouting the rules or feathering their own nests, as is sometimes the case, populations understandably react.

A particularly prolific source of violence at the moment stems from the continued attempts of some of those who hold political office to extend constitutional term limits. It happened, for example, in Chad, where the two-term presidential limit was scrapped in 2004 by President Déby, who has now been in charge since 1990 and is expected to win again comfortably in the elections taking place this April. He has a tight grip on power, and it is fair to say that he strives to silence dissenting voices. Amid heightened social tensions and the regional spread of Islamist activism from Boko Haram in Nigeria, Chad will remain vulnerable to destabilisation attempts. We have to be aware that although violence has thus far been minimal, there is a risk of more widespread instability that could give safe haven to armed militias and violent Islamist groups.

An example of the serious instability to which the extension of presidential constitutional time limits and tinkering with them can lead, is currently being played out in Burundi. It began in April last year when President Nkurunziza announced his intention to run for a third term, arguing, as Members know from the debate led by my hon. Friend the Member for Stafford, that he had not reached his constitutional two-term limit because he was appointed rather than elected for his first term. It was a position with which few agreed, but he stayed in office none the less.

While he was out of the country in May, there was a failed army coup, and he was easily re-elected in July. Since then, we have heard a familiar tune, with independent media shut down, opponents murdered and opposition-leaning neighbourhoods raided. Young men are taking up arms in a way that we have not seen since the 1990s, which is extremely concerning for those of us who are old enough to have witnessed the genocide that took place in Rwanda in 1994. In Burundi, of course, there have been attempted assassinations, and we know that security forces have gone from house to house, murdering suspected opposition fighters.

The UN estimates that more than 200,000 Burundians have fled since April, with many going to Rwanda. Rumours are flying that Tutsis forced to leave Burundi will join with their fellow tribesmen in the Rwandan Government to intervene against the Hutu-dominated Burundian regime. The whole region is therefore something of a flashpoint. Memories of the genocide are all too recent. Thankfully, a descent into out-and-out ethnic violence has so far not happened, but the fears are well placed and widespread, as I know from spending the last three days in Kigali, where, I should make it clear to the House, the better part of team Phillips is currently working for the Government.

**Mark Field** (Cities of London and Westminster) (Con): Will my hon. and learned Friend give way, albeit not on that last point? My hon. and learned Friend is telling a tale of woe about Burundi. It is perhaps more within the British sphere of influence than Chad, which is part of the more Francophone part of Africa. He is imparting to the House his intimate knowledge of this particular area, but what about the solutions? Many of our fellow citizens will throw their hands in the air, thinking that this is a hopeless case and wondering what we are doing putting yet more money into general budgets for these sorts of nations. Although it is not a view with which I would agree, there is that sense of despair. Does my hon. and learned Friend have any idea how, slowly but surely, we can play our part, along with other UN partners, to ensure that we get a better state of affairs in Burundi and in the wider region?

**Stephen Phillips:** I am grateful for that intervention. A number of things could be done in the long term, some of which I shall come on to. Deterring the corruption that has been rife in Burundi is one of them. Having proper enforcement of the anti-corruption convention and, indeed, the African Union's convention on preventing and combating corruption would assist not just in Burundi, but elsewhere. Specific things could be done immediately, too.

I would like to commend the Under-Secretary of State for Foreign and Commonwealth Affairs, my hon. Friend the Member for Rochford and Southend East (James Duddridge), who has responsibility for Africa, for travelling to the region just before Christmas and speaking to the Burundian Government about some of the language used, which was reminiscent of the language used prior to the 1994 Rwandan genocide. I am also very pleased to see in his place on the Front Bench the Minister of State, Department for International Development, my right hon. Friend the Member for New Forest West (Mr Swayne). He will know that as a result of the corruption in Burundi, his Department withdrew its support for the Government. One issue that the Government need to look at and consider is restoring that support. Without it, it is fair to say that the UK will have a voice that is less likely to be listened to by the existing Government of Burundi and elsewhere.

**Richard Benyon** (Newbury) (Con): A number of us were privileged to hear Bill Gates speak earlier today. One thing he said was that, generally speaking, the better off a country is, the more it is inclined towards democracy, good systems of government, health care and everything that flows from it. My right hon. Friend the Member for Cities of London and Westminster (Mark Field) asked about solutions, and clearly one key

[Richard Benyon]

point is that we should be focused on trying to improve the economic state of these countries and, therefore, the systems of governance that flow from that.

**Stephen Phillips:** My hon. Friend is absolutely right; I agree with him. Perhaps when the Minister responds to this debate, he will tell us that that is a particular focus of the Government, which I think would be a useful thing for the Government to say.

**Mr Andrew Mitchell** (Sutton Coldfield) (Con): It is important to clarify the situation in Burundi. Following the bilateral aid review in 2010, Britain ceased to have the very small programme it previously had in Burundi, partly because the costs of running the programme were so great, but secondly because France and Germany had a much bigger stake in the country. Britain—quite rightly, in my view—prioritised its interventions in many of the other countries that my hon. and learned Friend is addressing, in the interest of focusing on those we could most directly affect rather than those we could not affect.

**Stephen Phillips:** Having made those decisions, my right hon. Friend will know far more about them than anyone else. I do not say that they were bad decisions at the time, but in answer to my right hon. Friend the Member for Cities of London and Westminster (Mark Field), the UK has probably had something of a lesser voice in the counsels of Burundi than might otherwise have been the case. I have made a suggestion—the Minister may be aware of it—that given his ministerial responsibilities, he might like to encourage his counterparts in China, who do have a strong voice in Burundi, to discourage President Nkurunziza from going down the route that he appears to be attempting to go down.

**Graham Jones** (Hyndburn) (Lab): Does the hon. and learned Gentleman accept that one consideration in withdrawing aid from Burundi, which comes through from speaking to British aid workers in the region, is simply the level of corruption and the inability to deliver an aid programme against that backdrop?

**Stephen Phillips:** I do accept that. Indeed, extensive corruption and the lack of assurance that the aid was reaching its intended targets were among the reasons I gave to explain why aid was withdrawn from Burundi.

**Mary Creagh** (Wakefield) (Lab): I congratulate the hon. and learned Gentleman on securing this debate. On my visit to Burundi in 2009, I visited a Save the Children hospital that was helping women who needed Caesarean sections to deliver their babies safely. That was one of the many projects that we funded in country, and it made a real difference in a country where one in five under-fives did not make it to their fifth birthday. I agree that by withdrawing from the country, we have a lesser voice and less influence. I gently say to all hon. Members that what Chad and the Central African Republic have in common is their abject poverty and the fact that they are so-called aid orphans. There are ways to channel aid into those countries through the UN and perhaps through partnering with other Governments. We need to be a bit more flexible in the future.

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Order. It is intended that the opening speech lasts between 10 and 15 minutes. We are running over already and many Members wish to speak. I know that the hon. and learned Gentleman will want to conclude his speech shortly.

**Stephen Phillips:** I am grateful for your guidance, Mr Deputy Speaker. The hon. Lady makes a strong point. There is a balance to be struck between deciding whether aid will be displaced and the influence for good that British aid can have.

With your injunction in mind, Mr Deputy Speaker, let me move on to the Democratic Republic of the Congo, which has similar problems. The constitution says that President Joseph Kabila must stand down this year, but many doubt that he will. He has been in charge since his father was assassinated in 2001. DRC has itself been the subject of an appalling civil war in the past and the worry must be that if he does not stand down, and instead seeks to circumvent the constitutional time limits, that will lead to violence and instability in the region.

There is also concern about the ongoing elections in the Central African Republic. Ongoing violence between rival Christian and Muslim armed groups since 2012 has displaced about 1 million people, and countless different militias control various parts of the country. Although the first round of presidential elections last month seems to have gone well and, thankfully, to have passed off peacefully, no winner has emerged yet and it is not entirely clear what is going on in the CAR and what the state of its Government is. It might be suggested that it is something of a tinderbox—some in the print media have said that—and if there is not a smooth run-off vote, that could spark a new round of violence.

The important point is about political stability. Constitutions are there to be observed, and if they are not—if people treat themselves as having a right to govern and to govern for as long as they want—that is detrimental to fragile democracies and is likely to lead to political violence, and runs the risk of leading to civil war. Such civil war is what Rwanda went through in 1994. One of my earliest political memories is of the appalling pictures we saw on our televisions of the genocide, in which approximately 1 million were killed during a period of several months. We must keep those images in mind, because we must try to avoid such a genocide and the political instability that leads to appalling acts of violence against the people of countries in the region, which in turn leads to our having to go into the region and spend British taxpayers' money to try and restore order and stability, and can lead to problems on these shores in terms of economic migration and terrorism.

I said I would speak about eight countries, but with your injunction in mind, Mr Deputy Speaker, although I have spoken only about four or five I will conclude, as I know many Members wish to contribute. I look forward to hearing those contributions and the Minister's position and that of the Opposition in due course.

7.23 pm

**Stephen Doughty** (Cardiff South and Penarth) (Lab/Co-op): It is a pleasure to speak in this debate, and I congratulate the hon. and learned Member for Sleaford and North Hykeham (Stephen Phillips)—and the hon. Member for Stafford (Jeremy Lefroy), who could not be here this evening, which is a shame—on securing it and enabling us to discuss a wide range of topics.

As the hon. and learned Gentleman has pointed out, the title of the debate could encompass many countries, subjects and themes. I will focus on a few specific issues, on which I would be interested to hear the views of the Government and other Members. I wish to discuss Somaliland, which as many Members will know is of great interest to many of my constituents. Cardiff South and Penarth has a strong tradition of Somalilanders and of a Somaliland community. Secondly, I want to talk about the relationship between the security and development situation there and some of the other less satisfactory examples across central and eastern Africa, and the crucial role the UK can play in responding to them. Thirdly, I want to talk about the Welsh local community contribution to development across the region.

Many hon. Members will know that I have long been a supporter of recognition for Somaliland and Somaliland people. That is a long-stated objective of Somalilanders. There has been a referendum that made that very clear. This is a long, complex, historical situation, which has lasted ever since the 1960 decolonisation when Somaliland declared independence first from the UK—it was a British colony—and then the rest of Somalia took its independence and eventually they came together in one country. There has been a long history of tragic conflict between the different parts of the horn of Africa and particularly in that region, and we have come today to a situation where there is a de facto functioning independent Somaliland which has a strong record of development and growth and of looking after its citizens, and indeed of fostering democracy and a plural political system, which is sadly lacking in many other areas across the region and Africa. I pay tribute to the Government in Somaliland and the work they have done over many years, particularly recently, to foster that, and to the commitment of all Somalilanders, including many in the diaspora, who have made a contribution to that both financially, through political support and by getting engaged in the prospects of their home country.

There have been some very positive developments in recent months. Last year we saw a crucial Somaliland trade and investment conference, which was supported by the UK Government. We saw much interest from business and others in investing in Somaliland and taking part in fruitful trading relationships with it. Positive engagement in that region is where stability and growth and support for wider development is going to come from. That was welcome progress. We have also seen a welcome development here in the UK, with cities such Cardiff and Sheffield, and boroughs such Tower Hamlets in London, recognising Somaliland and that historical relationship between Somaliland and the UK, and fostering those links and taking them forward.

However, we also see the risks. We have obviously seen the insecure situation in the rest of the horn of Africa. We see threats from terror groups such as al-Shabaab. We see the instability caused by refugees fleeing the terrible situation in Yemen, for example, across the Red sea, and other such situations in the region, whether in Eritrea, Djibouti or elsewhere, threatening the stability of a region that does have one beacon of stability within it. It is important to recognise the crucial role the UK Government have played through support from the Royal Marines, through training security forces and preparing them to deal with threats to international security—piracy off the coast, for example—and by

ensuring there are well-resourced and trained security forces there that can respond to threats not only to the stability and security of Somaliland citizens, but to the wider region.

There are two crucial issues that I would be interested in hearing the Minister's comments on. First, elections in Somaliland have been postponed until next year. That is not unusual in Somaliland, but it is important that elections continue and that we continue on that democratic path and ensure the people of Somaliland can have a democratic choice about their future Government. I understand from contact with the Government in recent days that the crucial task of voter registration has started, but I would be interested to hear the Minister's views on what the international community can do to ensure that registration continues and that we have a passage to important presidential and parliamentary elections, and on what we can do to observe and make sure those elections go forward.

**Mr Mitchell:** There have of course been elections in the past in Somaliland with very close results whereby just a few thousand votes separated the two candidates, and power has transferred peacefully and effectively, so I think the hon. Gentleman will want to make it clear that this present glitch does not besmirch a very considerable record in respect of elections in Somaliland.

**Stephen Doughty:** The right hon. Gentleman, who knows a lot about this issue, makes a crucial point, and all of us who care about Somaliland want to see that progress and stability continue. It has a vibrant political scene with active political parties. I have met representatives from a number of the different parties in recent weeks and they all want to see this go forward. We must play whatever role we can in ensuring both voter registration and elections go ahead.

Lastly on Somaliland, I want briefly to touch on the talks between Somalia and Somaliland being held under the auspices of the Turkish Government. There were some important high-level talks in Turkey between senior representatives of the Somalia federal Government and its Somaliland counterpart in 2014, and there were various contacts over a series of confidence-building measures and practical issues that could be addressed around aviation and telecommunications and so on. However, there has been a fall-back since those talks, and I would be interested to know the Government's view on the status of the talks and whether they see them as having any value. If not, could other confidence-building activities take place between Somalia and Somaliland, in the light of their very different positions, to encourage contact between the two countries?

The hon. and learned Member for Sleaford and North Hykeham rightly highlighted the wider trends in security and development across eastern and central Africa, and I want briefly to mention a few countries that are of great concern to me and to other hon. Members. We had an excellent Adjournment debate here in the Chamber a couple of months ago on Eritrea, secured by my hon. Friend the Member for Greenwich and Woolwich (Matthew Pennycook). The debate rightly highlighted the grave situation in that country and the many human rights abuses that are occurring there. I know that the Government share those concerns, and I would be interested to hear from the Minister how he sees that situation developing. I am also deeply worried by the activities of Eritrean

[Stephen Doughty]

Government representatives pursuing Eritrean citizens here in the UK for payment of taxes, and for other reasons, in allegedly intimidating ways. We do not want to see those kinds of activities on these shores; they certainly do not contribute to the fostering of good relations between the Eritrean diaspora and the country itself.

Many concerns are also being expressed about the situation in the Central African Republic. The Minister for Africa—the Under-Secretary of State for Foreign and Commonwealth Affairs, the hon. Member for Rochford and Southend East (James Duddridge), who sadly cannot be with us this evening—answered a question from me recently in which he made it clear that the security situation in the CAR was grave and that outside the capital, Bangui, violence, looting, hostage-taking and human rights abuses continued to occur with relative impunity. These countries do not always make the headlines here or globally, but these matters should be of concern to all of us here in the House as humanitarians and as proponents of development, democracy and good governance around the world. We cannot just pay attention to the countries that make the headlines. If we are concerned about these issues, we should be concerned about them wherever they occur. Similarly, great concern has been expressed about the situation in Chad, and we have also heard at length about the fears about the way in which the situation in Burundi might develop.

All those situations underline the fact that it is crucial that the UK Government continue to pursue a joined-up approach to development, diplomacy and defence and security issues in their relationships with this region. I was pleased to hear the announcement by the Secretary of State for International Development on further investment in fragile and conflict states. I know that the right hon. Member for Sutton Coldfield (Mr Mitchell) also pursued this matter while he was in office. Indeed, it was started under the last Labour Secretary of State for International Development, Douglas Alexander. I worked in the Department at that time, and we certainly felt that it was important to focus on that issue.

We need to be putting more resources into these situations in order to do preventive work, rather than simply responding to conflict. That could include supporting the development of democratic governance, the rights of women and girls, elections and electoral processes, low-level security measures and justice measures. All those things give confidence to populations and enable us to get on to the important issues such as health, education and the wider development that is absolutely crucial. Our development assistance plays a crucial role in that.

**Mark Field:** The hon. Gentleman makes a good point. I suspect that he would agree that the Government have got it right in this regard and that the new aid strategy is a definite step forward in trying to integrate security, intelligence and defence with what one might call the slightly more traditional aid and international development goals. Does he agree that we have got the balance right in ensuring that roughly 50% the Department's budget goes into those fragile nation areas, rather than repeating what happened in the past, with un-earmarked amounts of money finding their way into more general budgets that could not be properly accounted for?

**Stephen Doughty:** Yes, I agree with the hon. Gentleman in principle. It is important that we focus on those fragile countries that are affected by conflict, but I would gently make two points. It is important to support Governments directly, albeit with important criteria attached. Unless we support the development of strong governmental systems—for example, in healthcare and education—we will not see the necessary consistency and co-ordination of approach involving the non-governmental and international organisations operating in the country. In this country, it was only through forming the national health service and a unified education system that we were able to make the necessary progress in our own history. So I would not want us to move completely away from providing Governments with support, but it is important that it should be properly scrutinised and accounted for.

It is also important that considerations such as human rights should be taken into account. I remember a particular example that the previous Labour Government were involved with, when the then President of Malawi was proposing to spend an awful lot of money on a presidential jet. It was made very clear that that was not acceptable, and the money was subsequently funnelled through alternative channels to ensure that it got to the people who needed it rather than being used for that sort of corruption.

**Mark Field:** It is probably fair to say that virtually everyone here in the Chamber tonight is a great supporter of the Government's strategy of allocating 0.7% of GDP to international aid. However, we should also accept that there is probably a silent minority in the House, and a rather less silent majority in the country at large, who do not buy into that idea. Having a strategy along the lines of the one that the Government have put in place will therefore make it easier to sell the idea, not only in our own self-interest but in recognition of the fact that there is a dangerous and uncertain world out there, and that the security and defence aspects of our policy have an important part to play and need to be integrated into our entire development budget.

**Stephen Doughty:** I agree with the broad point that the hon. Gentleman is making. When I am speaking to my constituents about these matters, I regularly make clear the links between what happens in those countries and what happens on our own streets. We have historic links with those countries, but there have also been tragic occurrences involving, for example, young men from my constituency trying to travel abroad to fight for al-Shabaab and an individual who had studied in Cardiff going to Nigeria to become involved with Boko Haram. What happens in those countries can have a direct and serious impact on what happens on our own streets. It is always been clear to me that development is primarily a moral duty for us, but it is also in our common interest across the piece. It is in our common global interest and in the common national interest of this country, and I am never afraid to make that point.

The hon. Gentleman made an important point about co-ordination across Departments. Again, I agree with that in principle but I have experience of certain figures from certain Departments, such as the Ministry of Defence, looking at the DFID budget with an eagle eye and saying, "Well, you can have so much for this and so much for that." There is sense in having co-ordination

and co-operation, but they should not be seen as a way of hiving off chunks of funding and re-labelling them as something else. I know that those on the Opposition Front Bench will be doing an awful lot to scrutinise these matters and to ensure that we see real co-operation rather than the hiving off of parts of budgets for other purposes.

**Nusrat Ghani** (Wealden) (Con): Does the hon. Gentleman agree that we do not do enough to tell people when we get things right? One such example is Ethiopia, where the UK's support has reduced child mortality by a quarter, put 4 million more children into primary school and protected almost 8 million people from needing humanitarian food aid. Perhaps if we shared more of those positive stories about getting it right, it would enable people to understand the donations that we make and to appreciate what we are doing overseas.

**Stephen Doughty**: I absolutely agree with the hon. Lady. Many Members taking part in the debate tonight also put forward that argument. It is crucial that we continue to build confidence in that way. I have seen with my own eyes the impact that UK aid can have not only on helping people directly but on fostering stability, development and security, which in the end benefit the whole of Africa and indeed the whole world.

**Mary Creagh**: On the question of success stories, may I remind my hon. Friend of the great success of the last Labour Government in setting up the Rwandan revenue collection authority? We sent representatives of HMRC—which has been in the news again today—over to help to design tax collection systems in Rwanda. That £20 million investment by the UK Government has now reaped hundreds of millions of dollars in tax revenues for Rwanda. I suggested a similar scheme to a senior Minister in the South Sudanese Government when I was in that country in 2012 but, to my disappointment, he rejected the offer to help him to set up his own South Sudanese revenue collection authority.

**Stephen Doughty**: My hon. Friend gives an important example. She makes the wider point that international development matters that affect this country and the rest of the world need to rest across many of our Departments, not just DFID, the Foreign Office and the Ministry of Defence. We need to look at other ways, and other places, in which co-operation can happen.

That leads me neatly to my last point, which is the role of the devolved Administrations in development in eastern and central Africa. I want to take this opportunity to pay tribute to the work of a new partnership that is developing in Wales, the Hub Cymru Africa. It is bringing together the work of Wales Africa Community Links, the Wales for Africa Health Links Network, the Sub-Saharan Advisory Panel, Fair Trade Wales and the Wales International Development Hub. Wales has a strong tradition of internationalism and of caring outside its borders. We have many local and Wales-wide organisations that care deeply about matters of development, human rights, international justice, climate change and so on. The sector in Wales is growing, with more than 350 community groups and micro-organisations working on international development. There is a large fair trade movement, supporting Wales as the first ever fair trade nation, as declared in 2008, and a Welsh Government-supported scheme, which delivers grants to many of those organisations enabling them to take their work forward.

Let me touch on a couple of examples that are relevant to this region of east and central Africa. The Hayaat Women's Trust from Cardiff uses the expertise of Welsh mental health social workers and psychiatrists to provide training for hospital and outreach workers in Somaliland. It offers help in the identification and treatment of serious mental health disorders, depression and stress and post-conflict trauma reactions. Such assistance is particularly important in regions such as Somaliland that have seen serious conflict and human rights abuses in their history, the effects of which may be coming to the fore only now.

SaddleAid, an interesting scheme in Anglesey, has developed inflatable saddles for emergency transport in Ethiopia. Emergency medical facilities can be taken by donkeys or small horses to the most remote areas. It is a very simple and effective way of getting resources out there, and also of transporting pregnant women to the nearest healthcare facility where they might be supported.

Community Carbon Link based in Lampeter is planting half a million trees for Kenyan schools, and it has run grassroots projects in Kenya for more than eight years. Other organisations include PONT, which is well known in Rhondda Cynon Taf, and has had strong links with Mbale in Uganda for the past 10 years. Over that time, it has trained more than 1,000 healthcare workers, supporting a population of nearly 250,000. Many of those organisations, including Hayaat, have a base in my constituency. Another organisation that plays a crucial role is Penarth and District Lesotho Trust, which is based in Penarth in my constituency. Clearly, the UK Government have a role to play, but so too do individual citizens, and I am proud to say that they are playing it.

**Several hon. Members** *rose*—

**Madam Deputy Speaker (Natascha Engel)**: Order. Before I call the next speaker, let me say that it might seem as though we have an endless amount of time, but we have eight Members wishing to speak and three Front-Bench speakers, so if we want a fair allocation of time, people need to stick to about 12 minutes, so that we can get everyone in. I call Mr Andrew Mitchell.

7.42 pm

**Mr Andrew Mitchell** (Sutton Coldfield) (Con): I draw the House's attention to my entry in the Register of Members' Interests. I congratulate my hon. and learned Friend the Member for Sleaford and North Hykeham (Stephen Phillips) on securing this debate today and on his excellent speech, which he must have written in the small hours of the morning at Addis Ababa airport. He certainly launched this debate extremely effectively.

The debate gives us a chance to pay tribute to the outstanding officials and staff from the Foreign Office and the Department for International Development. The DFID officials, whom I had the privilege to lead for some two and a half years, are doing such outstanding work in the area that we are discussing. We should also pay tribute to the many non-governmental organisations and charities that do such dangerous and vital work in desperate parts of the world. We need only to think of the recent injuries and deaths that have afflicted Médecins Sans Frontières to understand why. Our hearts have to go out to all those who have been maimed or worse serving their fellow men and women in a very difficult part of Africa.

[Mr Andrew Mitchell]

This debate is timely. As my hon. Friend the Member for Wealden (Nusrat Ghani) said so eloquently, the scale of the difficulties in this part of the world sometimes mask the scale of our development success. The very great difficulties hide the huge differences that international development can make. Let us be absolutely clear that international development works and that Britain is a key mover and shaker in the deployment of soft power.

British initiatives are being copied all around the world—in America, Australia, throughout Scandinavia, and among UN agencies. Even the European Union is beginning to make some progress in this regard. Let us also be clear that this progress from Britain has happened under both Labour and Conservative Prime Ministers.

Before I come directly to east and central Africa, let me say this: now is the time; we are the generation that can make a colossal difference to these huge discrepancies of opportunity and wealth that exist in our world today, and disfigure it so very greatly. Britain has done extraordinary humanitarian work around the poor and conflicted parts of the world. We think of Syria where Britain's support for Syrian refugees is greater than all the rest of the European Union added together. We think of the way that Britain has managed to help to get children, particularly girls, into school. In 2000, there were 100 million children in our world who could not go to school, because they did not have a school to go to. Today, that number is heading down from 57 million. The Girls Education Challenge Fund was set up to get 1 million girls into school in parts of the world where there was no state structure in which to do it. It encouraged the private sector, humanitarian organisations, charities and philanthropic organisations to join in that project.

We have been leading the way in tackling disease through vaccination. In the previous Parliament, we vaccinated a child in the poor world every two seconds, and saved the life of a child every two minutes from diseases from which, thank goodness, our own children do not suffer. We are on the way to eradicating polio. Today's announcement on malaria—the £500 million going forward to 2020—is an important continuation of a policy that the Chancellor of the Exchequer, as he now is but then was not, announced in 2008 when he said that a Conservative Government would contribute £500 million until the disease was eradicated. He has now extended that promise so that it will last for 12 years.

Britain has taken leadership on family planning. If all countries stick to their promises, we will have, by 2020, reduced by half the number of women in the poor world who want access to contraception and who currently do not have it. There is also the extraordinary success, particularly in the Horn of Africa, in combating HIV/AIDS. With our 0.7% commitment enshrined in law, Britain is clearly continuing to lead the way and putting its money where its mouth is, but the 0.7% spending of taxpayers' money is justifiable only if we show that it is delivering real results so that hard-pressed taxpayers can see that for every pound that they are contributing to the development budget, they are getting 100 pence of delivery on the ground.

All the way across sub-Saharan Africa and central and east Africa, as my hon. and learned Friend the Member for Sleaford and North Hykeham made so clear, poverty and conflict are breeding instability. There is a belt of

misery that is fuelling discontent and anger among very poor people. There is appalling suffering in the Democratic Republic of the Congo, particularly in the east. There are 25 or 28 bands of villains going around terrorising the population. It is a rich irony that some of the poorest people in the world live on top of some of the richest real estate.

In northern Nigeria, where DFID has done such good work, Boko Haram has been destroying the lives of ordinary people, although the position has got far more difficult for it under the new President of Nigeria. In Mali, we have seen the terror that has gripped local people. It is worth noting that Mali produces cotton, but, despite excellent attempts by Britain to try to ease trade distortions—particularly because of the American and EU subsidies—it cannot sell its cotton for a living wage, and that needs to be addressed by the international community.

In the Central African Republic, half of the population is now underfed. It is a real flashpoint, with warnings of Islamic fundamentalism from leading Muslims in the country. I wish to praise the work of Aegis that has done so much good work in Rwanda at combating genocide. I say to the Minister that Aegis may well have something beneficial to say about the disorder in the Central African Republic, although it is of course an area very much in the French zone, and we would be looking for the French and the European Union to use their international development spending to tackle those difficulties.

In Sudan, Britain, Norway and the US have done what they can to deal with the extraordinary number of displaced people, as in the south freedom fighters seek to morph themselves into a Government. In Eritrea, as has already been said in this debate, that migration is fuelling the migration that comes across into Europe. Despite international arbitration, the conflict with Ethiopia is still not yet resolved, which I hope the Minister will mention when he comes to contribute to the debate. I believe that Chris Mullin, when a Minister, and I, when a shadow spokesman, are the only two Members of Parliament to have visited Eritrea in living memory. That benighted country certainly needs to see the benefit of order and development.

In northern Uganda, the Lord's Resistance Army has caused chaos with decades of war. There are huge numbers of jobless youngsters who do not have enough to eat. Voluntary Services Overseas, an outstanding British organisation, has made a significant contribution. We have seen the way in which terrorism, for example, in Kenya, but also in Tunisia and Egypt, destroys tourism, on which those countries rely. It is not an accident that the terrorists make those dispositions. We have heard about Burundi, where there is disorder and death, and hundreds of thousands of refugees. What a contrast to Rwanda next door, which is peaceful and stable, and an extraordinary development partner for Britain. It has lifted 1 million citizens out of poverty in the past four years, and seen great progress. It is a country where, from the top, corruption is stamped out. We know that it will do exactly what it says with the money that it receives from the international community.

Ten years ago, Rwanda could fund only 38% of its budget; today, it funds more than 60%, and it is an example of the progress that can be made. As I have said, it stands in stark contrast with what is happening next



door in Burundi. There is more to do on political and media space, and it has not always been an easy relationship. I shall pass over the extraordinary and wholly wrong imprisonment of the Rwandan director of security under a European arrest warrant issued by Spain last year. We should not forget the essence of this relationship: following the genocide, Britain has been a powerful partner and influencer of the Rwandan Government, and the British people, in their relationship with the Rwandan people, have seen a tremendous growth in security, stability and, increasingly, in prosperity.

Finally, I visited Somalia four times as Secretary of State and saw the way in which Mogadishu—in the past, a beautiful city—had been reduced to rubble, with al-Shabaab rampant. That was a direct danger to the UK, and an example of how conflict not only mars and destroys the lives of the people of Somalia but threatens us on the streets of Britain. Not long ago, there were more British passport holders training in terror camps in Somalia than in Afghanistan or Pakistan. Those people were a direct danger to the UK, but now progress is slowly being made. The African Union Mission in Somalia is much better equipped, and the initiatives launched by the Prime Minister at the London conference in 2012, following the dreadful famine, have been very successful, and have made steady if disjointed progress.

In all those countries, climate change hits the poorest people first and hardest. One reason for the massacres in Darfur—the pastoralists versus the crop growers—was the effect of climate change on crops and the ability of animals to withstand the droughts that are increasing in frequency. Britain has made an important contribution in the area of conflict, which has rightly been described as development in reverse. The key aim of British policy is to stop conflicts starting or, once they have started, to stop them, and once they are over, reconcile people. Much closer relations between development, defence and diplomacy, to which Members have alluded, came about because the coalition Government set up the National Security Council. The decision in the strategic defence and security review in 2010 to spend 30% of the DFID budget on tackling conflict—now increased to 50%—was absolutely right although, as I mentioned to the House, it was pretty hard to find ways of spending 30%, and it may be quite difficult to spend 50%.

The third key limb of all of this is prosperity and boosting economic activity with the transformation of the Commonwealth Development Corporation, which has invested in some of the countries that we have discussed. The poorest people can lift themselves out of poverty if they have a job and are economically active. The fourth thing that Britain has championed is getting girls into school, which is the single most effective way of changing the world, because girls who are educated tend to be economically active. They educate their own children, they have children later, and they understand the opportunities for family planning. They have influence as a result of their education in their family, in their community and, increasingly, as we see in Afghanistan, in national government as well.

There is much to celebrate in the success and effectiveness of British development policy and the real contribution that it has made. Perhaps everyone in the House should do a little more to make that clear to our constituents who I think, in the medium term, can easily be won round to its importance.

7.55 pm

**Graham Jones** (Hyndburn) (Lab): I congratulate the hon. and learned Member for Sleaford and North Hykeham (Stephen Phillips) and the hon. Member for Stafford (Jeremy Lefroy) on securing this timely debate, particularly given the situation in Rwanda, on which I shall focus; the fact that this week we are commemorating Genocide Memorial day on 27 January; and the events that continue to take place in the region. It is a pleasure to follow the right hon. Member for Sutton Coldfield (Mr Mitchell), who gave an outstanding speech. He always speaks with honesty and integrity on the region.

Rwanda has long been one of the UK's closest allies in Africa and certainly in east Africa. Since the genocide in 1994, the UK Government have helped Rwanda probably more than any other nation. In the past decade or so, Rwanda has experienced some of the highest economic growth rates anywhere in the world. The World Bank report, "Doing Business 2010", which tracked global business regulation, put Rwanda at the top of the reform table, stating that Kigali had lowered more barriers to investment than anywhere else in the world. When I visited Rwanda, that was certainly the impression I gained.

It is evident that Rwanda has made significant improvements in reducing poverty, as the right hon. Member for Sutton Coldfield said: 1 million children have been lifted out of poverty in the past four years, and a poverty reduction programme has been under way for more than two decades. Partly as a result of UK aid, partly as a result of UK policy in Rwanda and partly because of our bilateral relationship, we have been able to attract other donors. Crucially, we have managed to get that through general budget support to the Rwandan Government, which has been highly effective.

Our own Foreign and Commonwealth Office country advice states:

"President Kagame and the [Rwandan Patriotic Front] have achieved significant advances in poverty reduction and economic development through a strong vision for the transformation of Rwanda following the genocide. Rwanda has significantly lower levels of crime, violence and corruption than other countries in the region."

The report adds:

"Rwanda is an open economy and has achieved impressive economic growth. Between 2001 and 2012 GDP growth averaged 8%".

That contrasts with Burundi, its neighbour, which continues to struggle, with a per capita income that is just 25% of that of Rwandans.

On my two visits to Rwanda, I noticed the number of billboards advertising an anti-corruption hotline. That concurs with the FCO report. FCO country advice is that there is very little corruption in Rwanda due to an ongoing Government commitment to eliminate it. I have personal experience of that, as I was prevented from getting on a flight leaving Rwanda. That was not my fault—due to strict adherence to rules by a junior member of staff, I was not allowed to leave the country.

Today, we find ourselves conflicted on Rwanda, and too easily taken in by those who seek to change Rwanda from the outside and wish to impose the level of democracy that they want, irrespective of the wishes of the people of Rwanda. The recent referendum on an extension of presidential terms is an example. The United States and

[Graham Jones]

European Union warned that the move undermined democratic principles. The US Department of State said in a statement that Washington was “deeply disappointed”, and the US ambassador, Samantha Power stated :

“We expect President Kagame to step down at the end of his term in 2017”.

Sections of the international press followed suit and viewed the referendum as a

“manipulation of democracy to breed a dictatorship.”

All of this threatens to undermine development and stability in Rwanda. This strategy risks emboldening terrorist organisations such as the FDLR militia, which is hiding out on Rwanda’s border and still seeks Hutu power. Its sympathisers, including in Europe, are given credence as a result of these statements. Also, policies on aid are shifted for political purposes, not for a beneficial purposes. It is acknowledged through UK aid’s general budget support that the Rwandan Government have long been one of the best conduits for efficient aid spending. UK aid’s primary purpose is to spend UK taxpayers’ money in a way that is most effective in meeting millennium development targets and reducing long-term poverty.

For Britain, there is a third consequence: our friendship with Rwanda is becoming unnecessarily frayed. International election observers described the referendum as “free and fair”. In my time there, it was abundantly clear to me that Kagame had phenomenal support, in public and in private. He emphasised Africa’s biggest problem as

“a lack of good governance”

and posed the question,

“Why has Africa remained the poorest continent, meaning its people are the poorest, yet the continent is the richest?”

The west is in the paradoxical position of criticising free and fair elections yet denouncing the will of the Rwandan people, 3.7 million of whom—more than 60% of voters—signed the petition to change the part of the constitution limiting the President to two terms. In that vote, 98.3% were in favour of the change. That sounds like a phoney figure, but when I went there and spoke with taxi drivers and ordinary people in private, I found that the level of support for the Government was immense. It is easy to see why: growing incomes and living standards; free education; free healthcare; phenomenal development across the country, often targeting the poorest; and streets that are safe at night. It was also easy to see the fear of a return to Hutu Power. Speaking to recent FDLR militia soldiers, it is worrying that the FDLR seems able to recruit new members and, importantly, that they share the arguments and tone of the opposition against Kagame.

It does the west no good in east Africa, or indeed anywhere, to make over-the-top statements about Rwanda, and I am pleased that the UK Government refrained from such statements on the recent referendum. I was pleased that France and Belgium, as far as I could see, also refrained from direct criticism. For too long their former colonial interests have trumped their international responsibilities in the region. The effect of this 20-year dispute has been not only to strain relations—although I am concerned that the wider European Union was allowed to repeat the criticisms of Rwanda by the United States on the recent referendum—but to destabilise

the politics of the region and the international community and to promote the causes of those who wish to see the current Rwandan Administration fall.

Rwanda has real concerns with Belgium and France, particularly in relation to the genocide, leading to its acceptance within the British-led Commonwealth in 2009. Rwanda has adopted English as the first language in place of French as a result of these tensions. It is important that these politics do not influence or shape our aid commitments through the international media or institutions that wish to influence us. Speaking to officials both in UK aid and in Rwanda, it is clear that this flexibility has helped them achieve remarkable developmental and economic achievements. Sadly, that has now changed due to the politics that comes with aid.

Following the UN report, which I have read, of Rwanda’s involvement in illegal military support in the Democratic Republic of the Congo, supporting the M23 militia, our aid programme was changed away from general budget support towards direct budget support or targeted programmes, reducing the Rwandan Government’s ability to function and deliver services that it had previously delivered. The UN report is considerable and provides plentiful anecdotal evidence against Rwanda, but it lacks documentary evidence—guns, munitions, photos, attributable quotes, dates and times of events are all missing. I have no doubt that Rwanda has engaged against the supporters of Hutu Power in neighbouring countries; they are fearful even today, 20 years on. The threats from the militia still exist, and they see a west that has long had a policy of liberal interventionism in self-defence in its own interests, but that seems to have a hypocritical position.

As a result of the UN report and growing criticism by opponents of Rwanda, in 2012 the UK Government held back £21 million in aid, reversing a decision by the then Secretary of State, the right hon. Member for Sutton Coldfield, who part-authorised the aid payment. It is no surprise that this aid change caused consternation in Kigali. Central Government budget programmes supported by UK aid were put in jeopardy and the trust in donors was eroded. It is seen as an intrusion into sovereignty. UK and western donors would be wise to consider fully the consequences of such changes in aid provision.

Rwanda has been at the forefront of poverty reduction in Africa. It is unusual in that it has a popular and stable Government, which is something we should be mindful of. It is also a close ally of the UK—a special relationship—and we should value that friendship as well as the progress Rwanda has made.

The reason we should value that relationship can be seen in Burundi, which is another country I have had the opportunity to see at first hand. Crossing the border, we noticed the differences immediately. In Rwanda we saw well-dressed people going about their business, walking freely along the road, but that gave way to impoverished Burundians, lacking substantial clothes, often barefoot and hanging about aimlessly along roadsides. Half the population are under the age of 16. Per capita income has fallen to a quarter of that in Rwanda over the past 20 years. Burundi is the fourth poorest country in the world, and the UK and the European Union have stopped providing aid because we cannot guarantee that it will not be lost to corruption. Such instability makes it difficult to find structures to deliver aid.

Burundi has elections that we consider, on paper, to be more democratic than those in Rwanda, but is that a meaningful comparison? Outside of the capital, Bujumbura, it is a country without much structure and with endemic poverty. With the collapse of presidential support, the country is once again on the verge of widespread violence. Hundreds of Burundians have died so far in the disturbances. It is a democracy led by patronage and corruption. Magazine sellers in Kigali can sell anti-Kagame magazines—they do so outside the Milles Collines hotel—and the country has a universal healthcare system, a low level of crime, and free education. By contrast, the people of Burundi have to live in poverty, with little state support and under the dark cloud of sectarian violence and killing.

However noble the aim, Burundi is an example of the west's failure to support or uphold a healthy democracy, despite much effort, and the casualties are some of the poorest people in the world. The comparator with Rwanda should teach us that we should be far more careful in our criticism, for the forces of terror and Hutu Power seek solace and support from our easy criticisms.

8.8 pm

**Craig Tracey** (North Warwickshire) (Con): I intend to speak well within the time that you have given us as a guideline, Madam Deputy Speaker. It is a pleasure to follow the hon. Member for Hyndburn (Graham Jones). I am very pleased to speak in this important debate, which has been sponsored by the Backbench Business Committee. I congratulate my hon. and learned Friend the Member for Sleaford and North Hykeham (Stephen Phillips) on securing it. He has a deserved reputation for taking a detailed interest in, and having a deep concern for, the situation in central and east Africa.

I will confine my remarks today to one country. It is a country with which our country has an equally deep connection and that, despite its many opportunities, has suffered a troubled history. That country is Kenya. To many British people, Kenya meant safari, “Born Free” and Elsa the lioness. For the older generation, perhaps it means the Mau Mau and the dark episode of the Hola camp. But today it means terrorism and kidnap, al-Shabaab and the terrible attack on a Nairobi shopping mall. Even as recently as 15 January, the Kenyan Government warned that, because of their involvement in attacking terrorists in Somalia, the likelihood of further attacks has only increased.

The battle against terrorism in Kenya has been costly. In a single attack in 2015 on a university college, 140 people were killed. That is why I welcome the steps taken by our own Government to help Kenya to tackle the threat to its stability and realise its potential for future prosperity.

In September 2015, the United Kingdom and Kenya committed themselves to a new defence co-operation agreement, which will significantly boost the defence relationship between our countries. It will enable the United Kingdom to give additional support to Kenya's maritime security, and will ensure the continuation of British military training in the country. That is important to the fitness and readiness of our own servicemen and women to tackle problems on foreign terrain that may threaten us on the streets of our constituencies. The agreement will result in improved military capabilities on both sides, and I congratulate the Foreign Office and the Ministry of Defence on their successful efforts to secure it.

**Kevin Foster** (Torbay) (Con): My hon. Friend is making some very interesting points. Does he agree that, as I have said a few times myself, international development aims and military capability are not mutually exclusive but work together and complement each other, and that this agreement is a perfect example of that process?

**Craig Tracey**: I could not agree more. My hon. Friend has put it very well.

A stable Kenya can be a prosperous Kenya. The country has the largest, most diversified and most innovative economy in East Africa. However, that potential is currently not being fulfilled. The number of poor people in Kenya is thought to be constant or growing, owing to low growth and rising inequality. In 2005, 43% of the population were living on under £1 a day. I believe that, while we must of course help Kenya militarily, we must also play our part—because of our long and shared history—in supporting its development economically, as well as in terms of education and training. I am pleased that the Department for International Development has recognised that and is promoting broad-based, sustainable economic development and job creation by improving the investment climate, market development, trade, and access to finance. I am also reassured by the fact that DFID aid is strengthening systems for the delivery of health, education and social protection services.

However, British help must ensure that no one is left behind in the development processes. That includes women and girls, as well as the extreme poor who live in Kenya's arid and semi-arid lands, and refugees from neighbouring countries. If we do not help to stabilise the economy, improve education and offer hope to the most marginalised, we cannot hope that some of them—perhaps many—will not become radicalised, and fall under the spell of Kenya's enemies and ours.

Crucial to winning my constituents' support for these initiatives is a determined effort to stamp out corruption. We cannot expect British taxpayers to support the funding of international projects if they fear that the money they advance will fall not into the hands of those who need it or know how to use it, but into the bank accounts of corrupt officials. Kenya is ranked 136 out of 177 countries on Transparency International's Corruption Perception Index, and impunity remains a key challenge. No significant convictions have arisen for economic crimes, criminal violence or terrorism, despite several corruption scandals, large-scale organised political violence following the 2007 elections, and numerous terrorist attacks. Both the President and the Deputy President have been indicted by the International Criminal Court. While I support the help that we give to Kenya, I ask Ministers to make it absolutely clear to the recipients of aid—and to my constituents in North Warwickshire and Bedfordshire who are helping to pay for it—that we will accept no hint of corruption or money laundering, and that any individual or organisation who is responsible for it will be strongly held to account.

Despite its troubled past and difficult present, Kenya has the opportunity to secure a bright future. Our own Government recognise that, which is why our aid support for Kenya has increased by nearly 50% over the last six years. I hope that we, as Members of Parliament, will recognise it as well, and will ask our Government to continue their work—with the authorities in Nairobi—to bring about stability, transparency and an end to the

[Craig Tracey]

dual threats of poverty and corruption that bedevil Kenya in particular and, sadly, so many central and east African countries in general.

8.14 pm

**Stuart Blair Donaldson** (West Aberdeenshire and Kincardine) (SNP): I congratulate the hon. and learned Member for Sleaford and North Hykeham (Stephen Phillips) on securing the debate.

I, too, want to focus on Kenya, a country that I had the privilege of visiting for the first time last year. During my visit, I went to see a number of projects supported by DFID in collaboration with other organisations. They included—please excuse my Swahili—Utu Wema primary school, a school in the middle of one of Nairobi's informal settlements which is funded jointly by DFID and the United States Agency for International Development. Although the school was barely a quarter of the size of the Chamber, there were more than 300 children in attendance. Despite the lack of space, the children seemed to be happy and enjoying their education.

We were also shown an education tool, funded by DFID, called Tusome, which means “Let's read” in Kiswahili. It is an early-grade reading resource for English and Kiswahili, and it provides teachers with real-time resources and teaching tools which they use to support and monitor children's early development. It was good to see at first hand what international development spending can achieve. However, I was acutely aware that what I saw during my visits were good examples, and that not everywhere could be like that.

While I was in Kenya, I also visited a wellness centre in Nakuru. It was run by Hope Worldwide, with support from the Kenyan Red Cross and the Global Fund, and was set up to provide services for Kenya's most at-risk populations, including commercial sex workers, MSM—men who have sex with men—and intravenous drug users. The centre primarily offers HIV prevention services, but we were able to sit in on an MSM peer counselling group session.

As Members may know, existing Kenyan law criminalises same-sex conduct with up to 14 years' imprisonment, so it was with some anxiety for our hosts—the men who were attending the session—that I sat in on that informal session with at least 10 Kenyan Government officials while the men discussed the causes and disadvantages of erectile dysfunction. I commend the bravery of those young men in, first, admitting to being gay—people must refer to themselves as being MSM—and, secondly, taking the opportunity provided by our visit to lecture the Government officials on what more they could be doing to assist the local lesbian, gay, bisexual, transgender and intersex population.

As many Members will know, criminal sanctions against same-sex conduct exacerbate abuse by police and other state agents who subject LGBTI persons to harassment, extortion, arbitrary arrest and detention without charge on trumped-up charges of denial of services, sexual assault, and even rape. Along with members of the all-party parliamentary group on global LGBTI rights, I recently met a Kenyan man who campaigns for justice for LGBTI persons in Kenya. He told us that,

because of the work that he did, he was subject to phone-tapping, interception of mail, and general harassment and intimidation. Given the security concerns outlined by the hon. Member for North Warwickshire (Craig Tracey), one would think that those agencies would have better spending priorities. That demonstrates that, although the hon. Gentleman described Kenya as one of the more stable countries, it still has some distance to travel to protect some of its most vulnerable people.

The 10th of the global goals for sustainable development is the reduction of inequalities. One of its aims is, by 2030, to empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic status. That is why it is so important for us to support LGBTI communities in central and east Africa. In their policy paper “Leaving no one behind”, published by DFID on 24 November 2015, the Government pledged to ensure that every person had a fair opportunity in life, no matter who or where they were. People who are the furthest behind, who have the least opportunity and who are the most excluded will be prioritised. Every person counts. Specifically, the Under-Secretary of State for International Development, Baroness Verma, said in a written answer that the Government

“will prioritise the interests of the world's most vulnerable and disadvantaged people including lesbian, gay, bisexual, transgender and intersex (LGBTI) people.”

Along with, I am sure, many Members on both sides of the House, I shall wait with interest to see what support and protection the Government will give LGBTI people in Kenya, in Africa as a whole, and around the world.

8.19 pm

**Victoria Prentis** (Banbury) (Con): It is a pleasure to follow so many interesting and wide-ranging speeches and to take part in this debate secured by my hon. and learned Friend the Member for Sleaford and North Hykeham (Stephen Phillips), who ranged widely both geographically and over the issues in central and east Africa. I look forward to other opportunities for him to tell us about the countries he was not able to reach in his speech this evening.

Westminster Group, a British-based but internationally focused security group, has its headquarters in my constituency. The company is active in many parts of east Africa in providing security and safety services and solutions: its aim is to protect people, assets and infrastructure. It tells me that east Africa is a paradox. It is a region that has experienced impressive economic growth over the past decade, and yet one of the most high-conflict areas in the world. There is fighting across the region, with no-go areas for travellers, particularly westerners, in large areas of Sudan, South Sudan, Somalia, Eritrea, and Ethiopia. Piracy is a major worry in the Gulf of Aden and the Indian ocean. Widespread corruption and poor governance hold these countries and their people in a state of poverty, and, as we have heard, this fuels insurgency.

I would like, if I may, to focus on just one country in the region that nobody has yet touched on—South Sudan. It is a country with which Britain has old connections, but is also one of the very newest countries on our maps. It faces some of the oldest problems that have afflicted

Africa. Since independence from Sudan, which it was given on 9 July 2011, South Sudan has struggled with enormous developmental challenges. Decades of war have left a legacy of chronic poverty, inequality, and limited capacity in infrastructure.

The first part of 2013 saw some initial progress, but this was soon reversed by the outbreak of yet more conflict. Since the start of the violence, thousands of people have been killed. Over 1 million have fled their homes, including to neighbouring countries. Despite the signing of a ceasefire, fighting has continued, and by April 2014, 4.9 million people were in urgent need of humanitarian aid. Despite the internationally mediated peace deal signed by President Salva Kiir in August last year, under which another rebel leader was returned as his vice-president, there have been continued delays in the formation of the transitional Government of national unity. My predecessor as Member for Banbury, who knows the area very well, spoke at length about this almost two years ago. It is very sad that so little progress has been made in the intervening period. There continue to be breaches of the ceasefire in the states of Unity and Upper Nile.

Just before I came into the Chamber to speak, I was told that the Under-Secretary of State for Foreign and Commonwealth Affairs, my hon. Friend the Member for Rochford and Southend East (James Duddridge), has today landed in Juba where, we hope, he will assist in the production of a new peace deal. I am sure that all Members of this House join me in wishing him and the people he is working with all the best in the next few days. [HON. MEMBERS: "Hear, hear."]

One issue for humanitarian relief is that access is poor in many areas of South Sudan. As a result, almost 4 million people are facing severe food shortages—an 80% increase on this time last year. South Sudan is one area of the world where, because of instability, food production has actually fallen in the past 50 years. Starvation is endemic across the country, especially in the beleaguered Unity state. Like many Members, I am proud that the United Kingdom is playing a leading role in the humanitarian response to the current instability in South Sudan. We are the second largest bilateral donor. In 2014, we were one of the largest donors to the UN humanitarian appeal, which helped to avert famine and ensured that 3.5 million of the South Sudanese people were reached with life-saving assistance. We are obviously determined to do our bit to meet the challenge, but limited access for humanitarian workers, particularly in Unity state, has increased the problem of famine.

I hope that despite these challenges the Department for International Development, along with other parts of Government, will continue to look for ways in which we can help this area. If we do not, I fear that radicalisation and terrorism will grow, increasing the threat to the entire region and ultimately to us all. To secure long-term stability, it is important that South Sudan develops its infrastructure. Last year, the Prime Minister offered military engineering expertise to the South Sudanese Government to help with building bridges, roads and other key pieces of infrastructure.

This is also an opportunity for British businesses to link trade to aid to help stabilise the country. I would welcome assurances from the Minister that he will encourage UK Trade & Investment, our trade Ministers

and our diplomatic teams to pay a great deal of attention to South Sudan. I wonder whether there might be some benefit to liaising closely with Africa House in London to see how British employers can better do business in the region. My hon. Friend the Member for Tewkesbury (Mr Robertson) runs Westminster Africa Business Group, which looks at how closer links could be forged. Let us hope that the new chapter in the history of South Sudan is a more productive one.

8.25 pm

**Wendy Morton** (Aldridge-Brownhills) (Con): I congratulate my hon. and learned Friend the Member for Sleaford and North Hykeham (Stephen Phillips) on securing this important debate, as well as my hon. Friend the Member for Stafford (Jeremy Lefroy), who is sadly unable to join us, and I welcome the opportunity to speak in it.

Many Members have spoken about various countries in the African region. My hon. Friend the Member for North Warwickshire (Craig Tracey) made some interesting points about Kenya and the need to tackle corruption—something that is important to us all, and to our constituents. I want to touch on the two countries that I have visited most in Africa—there are hon. Friends in the House with whom I have visited them—which are Rwanda and Burundi. I first travelled to Rwanda about 10 years ago, on my first ever trip to central Africa. Over the years, I have gone back regularly, and I have been incredibly impressed and moved by two things. The first is the friendships that I have developed there and the way that people have shared with me their experiences of the terrible genocide 20 years ago. With that memory, we must ensure that we never let that happen again.

Secondly, I have noticed the huge steps forward that have been made in Rwanda in infrastructure development. On my first visit, travelling down towards the border with Burundi was incredibly difficult. The route was literally a red dirt track, which, over the years, has developed. Economic development has gone at a tremendous pace, as has education, as other Members have said. I have seen many examples of the work that DFID has done there, as well as the FCO and the many NGOs and civil society groups. I have seen how people have expanded the country's economic development way beyond gorilla tourism, tea and coffee. I have been fortunate to have the opportunity to meet many small entrepreneurs—people who have been given a chance, a hope, and a lot of support. The British Government and DFID have a very long and proud history of working not just in Rwanda, but in many other countries.

More recently, I was able to travel to Burundi, which has also been deeply affected by conflict. As the hon. Member for Hyndburn (Graham Jones) said, there is a huge contrast between Burundi and Rwanda in terms of development. I, too, took that away from my visit. For me, the main message is the reminder that stability and peace really matter—not only for the countries I have visited and about which I am speaking tonight, but for the whole region and indeed way beyond it.

The region has a history of instability and fighting. We have heard many examples of the ongoing issues. I find it particularly worrying to hear reports of the deepening political, humanitarian and security crisis unfolding in Burundi. I believe that more than 200,000 have fled the country to the neighbouring countries of

[Wendy Morton]

Tanzania, Rwanda, Uganda and the Democratic Republic of the Congo. Not only is there a deepening political crisis, but a deepening refugee crisis.

**Graham Jones:** The hon. Lady makes a very good point. Will she respond to this point, which I nearly mentioned, but wanted to raise? The stability in Rwanda enables it to supply forces to the African Union—I believe its forces are operating in four other countries with the African Union—and bringing such stability must be welcome.

**Wendy Morton:** When it comes to the region, the role of the African Union must be recognised, as should the strength that comes from countries working together. It is not only about Rwanda. To take the example of Burundi, its peacekeeping force has been doing worthy work in Somalia. This is about working with the region for the benefit of the region and way beyond it.

**Mr Mitchell:** It is worth adding to my hon. Friend's point, in connection with the intervention by the hon. Member for Hyndburn (Graham Jones), that when what George Bush described as genocide was taking place in Darfur, the first country to offer troops for an AU force was Rwanda, because those living there knew what had happened to them and they wanted to stop that happening to those living in Darfur.

**Wendy Morton:** I am grateful to my right hon. Friend, who always speaks with such knowledge on matters concerning Rwanda and, indeed, Africa. Conflict rarely stops at international borders—refugees do not stop at a border—so when there is instability and insecurity, the worry is that that will spill over into a much wider area.

**Kevin Foster:** My hon. Friend is making an interesting point. As we regularly see on our TV screens, the focus is on the issues in the Mediterranean, but does she agree that the long-term solution is about tackling the causes of poverty and conflict in sub-Saharan and central Africa? That is what prompts people to start on the journey through the Sahara, where many of them die even before getting to the Libyan coast.

**Wendy Morton:** My hon. Friend makes a very interesting and valid point. I was about to move on to the issue of migration and to talk a little about refugees. We are hearing and seeing—as well as holding such discussions in the Chamber—many debates about economic migrants, asylum seekers and refugees, and about the movement of people across Europe. It is even more important that we tackle the root causes and do what we can to maintain stability in the home country. That means that democracy is a crucial element in development. Strengthening global security also matters, as does corruption, which we have already discussed this evening.

To bring my short contribution to a conclusion, I want to thank my hon. and learned Friend the Member for Sleaford and North Hykeham for bringing this debate to the Chamber because it is important to remember and keep in our minds Burundi, Rwanda and the whole of the region. It is sometimes very easy to think about different parts of the world, which are also important, but there are ongoing issues in many such countries and

the countries of the region need us to keep them in mind. We must ensure that the Government's diplomatic and humanitarian actions continue, and that we keep the focus on such countries. I will listen carefully to what I am sure will be an interesting update from the Minister.

8.33 pm

**Bob Blackman** (Harrow East) (Con): It is a pleasure to follow such a knowledgeable and thoughtful speech by my hon. Friend the Member for Aldridge-Brownhills (Wendy Morton). I am deeply grateful to my hon. and learned Friend the Member for Sleaford and North Hykeham (Stephen Phillips) not only for securing this debate, but for ensuring that he arrived to lead it. I had several contacts from his office today desperately asking me to take his place if he did not make it in time. His presence allows me to concentrate on the areas that I want to speak about, rather than speaking generally about the whole of central and east Africa.

One of the beauties of representing a constituency such as mine is that we have diasporas from every country in the world. We have one very strong diaspora that emanates from east Africa. I refer, of course, to the so-called Ugandan Asians, who were forced out of their homes in the 1970s by the evil dictator Idi Amin. Of the 45,000 people who were given literally two days' notice to leave, 28,000 settled here, some in Leicester, but most in Harrow and Wembley in north-west London.

**Stephen Doughty:** I want briefly to make the point that a significant part of that community settled in my constituency in Grangetown in south Cardiff. They have made a huge contribution, as I am sure they have to the hon. Gentleman's community.

**Bob Blackman:** I note the contribution that the diaspora has made right across the UK, but it settled predominantly in Leicester and north-west London.

Uganda's loss was Britain's gain. We have gained tremendously in the fields of politics and business, and every other field one can imagine. The people who ran the economy in Uganda came here and built a life and built businesses. The benefits that that section of the community has brought are testimony to its hard work.

People have come to this country not just from Uganda, but from Kenya and Tanzania. That gives us a tremendous advantage, because people who not only lived in those countries but worked in them now live in this country. They want to give something back to the countries where they were born, where their families grew up and where they have deep roots. Across those nations, there are various different issues.

Uganda seems to be progressing quite well under President Museveni. He has provided stability, helped spread prosperity and given Uganda an increased role in regional affairs. The economy in Uganda is growing by about 5% a year. There is an opportunity to diversify the economy, expand education and invest in infrastructure. The forthcoming elections on 18 February will show how the Ugandan people are participating in democracy and how they feel the country is progressing.

In Kenya, the situation is much more of a mixed bag. There will be elections next year in about 18 months. President Kenyatta won in 2013 in an alliance with

William Ruto, who has since been arraigned at the International Criminal Court for instigating violence in 2007. There are concerns about corruption. President Kenyatta recently said that corruption posed a threat to national security after the main Opposition party claimed that the Government could not account for almost half of last year's eurobond sale. There are pressures on the public finances and I understand that the fiscal deficit is at 9% of GDP. The Government recently secured a syndicated loan for infrastructure projects in November and a loan from China for the extension of the standard gauge railway in December. However, the Government remain relatively popular. We recently had a delegation of Kenyan MPs here in Parliament who were very upbeat about their future, while making clear the need to tackle corruption.

In Tanzania, following the presidential elections in October 2015, the new President, John "The Bulldozer" Magufuli, has proved popular domestically, but is causing tensions in the region. In 2014, many donors suspended aid to Tanzania following a scandal in which \$100 million went missing. I would be grateful for an update from the Minister on the current position. Tanzania languishes in the bottom third of Transparency International's corruption index. Despite Tanzania having abundant natural resources and being the second largest aid recipient in sub-Saharan Africa, poverty remains endemic, with 70% of the population living on less than \$2 a day. The new President has undertaken a war on corruption and wasteful government spending.

**Stuart Blair Donaldson:** Does the hon. Gentleman agree that one way to tackle corruption is through transparency of data? For example, if communities know how much money they are supposed to be getting and what it is supposed to be paying for, that is one way to put pressure on those who are guilty of corruption to stop engaging in it.

**Bob Blackman:** The UK has been a champion in that regard, with DFID leading the way. One thing that Members from all parts of the House have done is to ensure on all visits that DFID funding is spent in the best way possible, so that it is clear that the 0.7% of GDP that we are spending is ensuring improvements to people's lives.

If I may continue on the problems that Tanzania is facing, the country intends to become a major gas exporter, but that has been disrupted by the announcement of a 12.5% royalty for onshore oil and gas production. Echoes of the Idi Amin regime have resurfaced with Operation Timua Wageni, a Government directive that foreigners working illegally should leave their jobs with immediate effect to make way for local workers. This has been particularly poorly received in Kenya and threatens previously strong East Africa Community co-operation, as Kenyan residents make up the majority of foreign workers in Tanzania. Co-operation has been further hampered by the cancellation of a regional conference for port managers in eastern and southern African in Dar es Salaam, following a shake-up of the management of the Tanzanian ports authority by President Magufuli. However, Tanzania's growth prospects are robust, with GDP predicted to expand by 6.8% this year.

We have an opportunity not just to provide aid but to trade with Africa, which will clearly be the route out of poverty for many of the African states. Although some

of the economic boom in Africa is slowing down, parts of east and central Africa have among the fastest growth rates in the world. If we are to increase our exports and reduce our balance of payments deficit, it is vital that we build Britain's presence in these emerging economies, and in east Africa we have a built-in advantage. Not only is English the language of choice, but our reputation as traders and the high-quality image of our goods and services help us to gain an advantage over our competitors. Yet for decades our approach to Africa has been driven by aid rather than trade. We need to change that, both in business and in Government. We have failed to acknowledge the huge strides that Africa has made. Our competitors have not been so slow. We are losing out to rivals such as China because of our failure to recognise the change.

I am therefore delighted that my good friend and colleague in the other place, Lord Popat, has this week been appointed as our trade envoy to Uganda and Rwanda. This is part of the Prime Minister's new approach to exports, and it is a very welcome development. Trade envoys can play a vital part in bringing together different Departments and should be encouraged, particularly when, like Lord Popat, they have strong connections to the Governments and businesses in a region. I urge my right hon. Friend the Minister to lay out a policy and a strategy to increase UKTI's presence to include every African country in the lifetime of this Parliament, so that we can emphasise the importance of trading with countries that are developing and open up the opportunities for British industry and British people to export, but also enable those countries to trade and grow their economies, rather than being dependent on foreign aid.

8.44 pm

**Patrick Grady** (Glasgow North) (SNP): I congratulate the hon. and learned Member for Sleaford and North Hykeham (Stephen Phillips) on securing this debate. The wide range of contributions that we have heard today may have stretched the definition of the region of east and central Africa, but the United Nations' definition—I looked this up in advance—of sub-regions of eastern and middle Africa encompass more than 20 countries—from Chad, Cameroon and South Sudan in the north to Malawi, Zambia and Zimbabwe in the south—and between us we have covered just about everywhere in between. I shall focus on a couple of countries in particular and reflect on some of the themes that we have heard from the Members who have spoken.

Eritrea was mentioned. It has one of the worst human rights records on the continent. It has been described as the North Korea of Africa. As has been said, the hon. Member for Greenwich and Woolwich (Matthew Pennycook) led a very useful Adjournment debate before Christmas on the situation in Eritrea, and I know that there are ongoing efforts to establish an all-party parliamentary group, so it would be useful to hear from the Minister what recent representations have been made to the Eritrean Government about their continued use of indefinite conscription and the detention without trial of human rights campaigners, and what discussions he has had with the Home Office about the treatment of refugees from Eritrea here in the United Kingdom. I have heard from constituents and campaign groups that the current Home Office assessment guidance is totally unsuitable. People are being returned to a country where

[Patrick Grady]

the Foreign and Commonwealth Office itself advises against travel to areas within 25 km of the Ethiopian border.

Irrespective of UK citizens travelling to Africa, many citizens from central Africa wish to travel here, not to stay, claim asylum or soak up benefits, but simply to visit family and friends, to promote business or to promote human rights and good governance. Too often, we hear stories of visa applications being knocked back, or application processes being beyond the reach of many citizens in countries with poor infrastructure. What discussions has the Minister had with the Home Office on that matter?

The broader issue of population movement and displacement has been a theme of this debate. It demonstrates how very few crises are contained within one set of borders, particularly when the borders are the result of a colonial or post-colonial dividing up of the map, rather than any democratic or consultative process. This is particularly true of the discussions that have been held about the situation in Burundi and the close link that exists with the previous situation in Rwanda. Hon. Members have emphasised the contrast that now exists between the two.

I declare an interest, as Members might have heard me do before. I worked for SCIAF, the Scottish Catholic International Aid Fund, which has projects in Burundi. I have heard stories of beneficiaries and partners who are subject to fear, restricted freedom of movement and of the economic impact of the violence on them. SCIAF is part of the global Caritas Internationalis family, which estimates that at least 400 people and probably more have been killed since April, 3,500 have been arrested and 220,000 have fled to neighbouring countries which, as we have heard throughout the debate, increases pressure within those societies. In addition, there are many internally displaced people.

The warnings about Burundi from Zeid Ra'ad Al Hussein, the UN High Commissioner for Human Rights, are stark: "all alarm signals flashing red," he has said. Hundreds are dead as a result of political violence in recent months, and there have been reports of sexual and gender-based violence and, most worryingly of all, reports of systemic ethnic targeting that are far too reminiscent of the genocide in Rwanda and the previous civil war in Burundi. We cannot, and must not, stand by and allow this to happen again. Later this week we mark Holocaust Memorial Day, and this year's theme is exactly that—not to stand by, but rather to learn the lessons of the past, speak out and never again permit genocide to happen.

The Government of Burundi have international obligations to protect their citizens, and the international community has a role in preventing violence and any degeneration of the situation. It would be interesting to know what role the Minister sees the UK Government playing to support international efforts to end the cycle of violence in Burundi. What steps are the Government taking to support a humanitarian response and the protection of humanitarian organisations already on the ground? In particular, what role do the Government see for the African Union? The hon. Members for Aldridge-Brownhills (Wendy Morton) and for Hyndburn (Graham Jones) both touched on this. Are the Government,

for example, prepared to back the African Union diplomatically if it decides to send in peacekeepers, even without the invitation of the Burundian Government? This is an important moment for the African Union to demonstrate its authority and mandate, and not only to try to resolve the situation in Burundi, but to send a message to the rest of continent about the role it intends to play in supporting development, peace and stability.

Civil society has a hugely important role to play in Burundi and across the region. Strong civil societies that can hold Governments to account ought to be—and must become—an alternative to violent protests that can spin out of control. Front-line civil society organisations play an important role protecting or supporting some of the poorest and most vulnerable people in their societies.

One of the poorest and most vulnerable societies not only in the region but in the entire world is the Democratic Republic of the Congo. As the right hon. Member for Sutton Coldfield (Mr Mitchell) mentioned, the greatest irony is that, in fact, the DRC should be one of the richest countries in the world. We all carry around with us in our pockets a little bit of the DRC in the form of either coltan or cobalt, which are essential ingredients in mobile phone devices. Instead of being one of the richest countries in the world, the DRC is one of the poorest—it is 176th out of 188 on the UN human development index. To me, that sums up everything that is not just wrong but perverse about the systems we have in place to regulate global trade and protect human rights. How can it be that something so valuable that we take for granted in this part of the world can be so cheapened?

**Graham Jones:** The hon. Gentleman makes a valuable point about the connection between some of the mining companies, which are in essence the wealth of Africa and eastern DRC, and some of the Administrations in Africa, particularly South Africa, that benefit from the mining interests in eastern DRC and across the Congo. Nothing seems to be done about that relationship and there is an ongoing problem. The wealth of eastern DRC and Africa is taken and nothing is done about it by those who could do more in terms of the ethics of that mining.

**Patrick Grady:** That is a very valuable exposition of the point I am trying to make on the regulation of multinationals. It is hugely important that they are able to report on their supply chains and who their suppliers are; the relationships they have with the producers of the minerals they use; and the tax they raise and profits they make—so-called country-by-country reporting. There is a role for the UK Government as part of the European Union and the broader global community to place those issues front and centre. As I have said, Amnesty International and others regularly produce, including recently, evidence of the use of child labour in mines. Those mines go on to supply major electronic brands, including Apple, Samsung and Sony, with the kind of things that we carry around and interact with every single day. It would be useful to know how the Government will take steps on many of those issues, and what steps they will take to work with NGOs on the ground that are trying to extend protections for artisanal miners and to end the worst forms of child labour.

As we have also heard, the DRC is, like much of the region, experiencing climate change. Climate change exacerbates the problems of food and security, access to



water, and population displacement. In many ways, it ultimately fuels the kind of instability that leads to the conflicts we have heard about. The Government have a responsibility to live up to their commitments on climate change. It will be interesting to hear what steps they have taken, for example, to promote the adoption of renewable energy on the continent rather than tying developing countries into fossil fuel infrastructure that will quickly become redundant.

Hon. Members have mentioned other countries. My hon. Friend the Member for West Aberdeenshire and Kincardine (Stuart Blair Donaldson) and the hon. Member for North Warwickshire (Craig Tracey) mentioned Kenya, which is experiencing instability—there are worrying reports of human rights abuses. The Scottish National party manifesto called for a special envoy in the Foreign and Commonwealth Office on global lesbian, gay, bisexual, transgender and intersex issues to show leadership on discrimination, which is all too prevalent in many of those countries. It would be useful to hear what consideration the Minister will give to that proposal.

Respect for human rights is at the core of much of what we have heard and debated today. If Government and non-state actors alike were to show more respect for basic human rights—both rights to material needs such as food, clothing and shelter, and political rights to freedom of thought, speech and assembly—perhaps the humanitarian need would not be so great.

Today, of course, we mark one of Scotland's great humanitarians, Robert Burns. Perhaps in our approach to central and eastern Africa, like so many other areas, we should be guided by his great anthem to solidarity and egalitarianism:

“Then let us pray that come it may,  
(As come it will for a' that,)
 That Sense and Worth, o'er a' the earth,  
Shall bear the gree, an' a' that.  
For a' that, an' a' that,  
It's coming yet for a' that,  
That Man to Man, the world o'er,  
Shall brothers be for a' that.”

8.54 pm

**Fabian Hamilton** (Leeds North East) (Lab): I will not attempt to compete with the eloquent poetry of Robbie Burns on this Burns night.

**The Minister of State, Department for International Development (Mr Desmond Swayne):** Hallelujah.

**Fabian Hamilton:** Yes, I thought you would be pleased.

I, too, congratulate the hon. and learned Member for Sleaford and North Hykeham (Stephen Phillips) on obtaining this debate from the Backbench Business Committee. It is very appropriate that we are discussing these issues today. I am sorry that the hon. Member for Stafford (Jeremy Lefroy)—the hon. and learned Gentleman's co-applicant for the debate—is not with us for this evening's debate. He is extremely knowledgeable on these issues and always adds a lot to any debate on the subject of east Africa.

It is good that the hon. and learned Member for Sleaford and North Hykeham was able to get back promptly this morning, and I expect that he is feeling the effects of his long journey from Rwanda via Addis Ababa. I thank him for returning and enlightening us

with the eloquent points that he made, which have set the tone for our whole debate this evening.

The Library's introduction to the debate identified eight countries as the ones we would talk about this evening—the Central African Republic, the Democratic Republic of the Congo, Chad, Burundi, Rwanda, Kenya, Tanzania and Uganda. Indeed, those are the countries that we have discussed at some length. As we have heard this evening, the Department for International Development currently has bilateral aid programmes in five of those eight countries—DRC, Rwanda, Kenya, Tanzania and Uganda. As has been said, the bilateral programme in Burundi—which has slipped back into political violence and crisis over the last year—was closed during the last Parliament, a decision criticised not only by the former Secretary of State for International Development but the International Development Committee, of which I was a member until last week. There are now many calls for the programme to resume once the current crisis is over, but even in 2014 £6.1 million was spent in bilateral aid from the United Kingdom. That compares with a total of £587.4 million for those other five countries in 2014—a considerable sum of taxpayers' money.

The hon. and learned Member for Sleaford and North Hykeham spoke eloquently about the lack of stability in many of the countries we have discussed this evening. He mentioned the estimated growth in population—the United Nations estimates that it will double by the end of the century, with 4.4 billion people living in Africa by 2100. He also said that stable economies allow stable Governments, but I would perhaps argue that stable government often flows from economic development and wealth creation. Is stable government a prerequisite for economic progress? That is a question that we need to discuss and decide, and I wonder whether the Minister would care to comment on which comes first.

The hon. and learned Gentleman also mentioned several other countries, and sadly we do not have time to go through them in detail this evening. He made the point about DRC, a country that has been in the news over the last 10 years or so, following the appalling civil war and strife there. Its current situation was summed up in a book called “Blood River”, written about eight years ago by the former *Daily Telegraph* journalist, now author, Tim Butcher. I recommend the book to anyone who wishes to know more about the origins and current state of DRC.

The hon. and learned Gentleman also mentioned the Rwanda genocide, which other right hon. and hon. Members have mentioned this evening. In this week in which we remember the holocaust—remembrance services happened up and down the country yesterday and will continue this week—the genocide of 1994, which I remember all too clearly, must also be remembered, although it must never be repeated.

My hon. Friend the Member for Cardiff South and Penarth (Stephen Doughty), who was my immediate predecessor in this role on the shadow Foreign Office team, talked eloquently about Somaliland. It is interesting that he supports recognition, Somaliland being part of a former United Kingdom colony. He said that, de facto, it is already a separate, democratic, plural and stable region within the benighted country of Somalia. Somaliland has seen many positive developments in trade and investment, and made huge progress.

[*Fabian Hamilton*]

My hon. Friend mentioned that Cardiff, Sheffield and Tower Hamlets recognise Somaliland. I was not aware that they were able to recognise other countries. Of course, that beacon of stability, as he so eloquently put it, in the horn of Africa is subject to serious threats from al-Shabaab and other extreme organisations that would destroy all the progress that has been made. Elections in Somaliland have been postponed but, as the right hon. Member for Sutton Coldfield (Mr Mitchell), the former Secretary of State, mentioned in his very important contribution, we should not be too worried. Somaliland has proved it has a democratic tradition and will abide by the will of the people expressed through the ballot box, even if the election is won or lost by just a few thousand votes. That is very important indeed.

Tonight's debate has fused political and Foreign and Commonwealth Office interests with issues of governance, which come under the FCO and DFID. Of the "10 International Development Priorities for the UK" in the Overseas Development Institute's excellent document, we have discussed at least seven this evening: leave no one behind; support for women and girls; a focus on transformative economic growth, which many Members raised; support for conflict-affected countries; support of the private sector in helping to develop economies; and bringing trade and development together. I just want to mention one of those extremely important aims, on which the International Development Committee and DFID have concentrated over the years.

When I joined the Select Committee in 2013, it was producing an excellent report on violence against women and girls. The Committee visited villages in Ethiopia and looked at the work being done to educate women and girls. It found what many right hon. and hon. Members have mentioned this evening: where there is more equality between men and women, and where girls are educated and able to make an economic contribution to their communities, societies are more prosperous and peaceful, and violence abates. There is an interesting statistic from the ODI report: every day 800 women still die from preventable diseases and causes related to pregnancy and childbirth. It remains the leading cause of adolescent deaths for 15 to 19-year-olds. The report compares the risk of dying in childbirth in Europe, one in 3,300, with the risk of dying in the regions of Africa we are discussing: one in 40. We should be ashamed of that statistic. It is beginning to change, but not fast enough.

My hon. Friend the Member for Hyndburn (Graham Jones) has a huge interest in, and knowledge of, Rwanda. He talked about the extraordinary progress it has made since the terrible genocide in 1994. He rightly pointed out that it has lower levels of crime and corruption, and an average growth in GDP of 8% over the past 10 years. Efforts to eliminate corruption have come from the very top. Rwanda is perhaps also a beacon to other countries in the region.

I recently met the chief commissioner of the Independent Commission on Aid Impact, an organisation set up by the right hon. Member for Sutton Coldfield when he was Secretary of State for International Development. Indeed, I had the privilege to chair the International Development Sub-Committee on ICAI. The new chief commissioner, Alison Evans, called Rwanda the Switzerland

of Africa. In many ways, that is very true. As my hon. Friend the Member for Hyndburn pointed out, there are concerns with perhaps the increasingly authoritarian nature that some say Paul Kagame has shown, but that has to be balanced against the enormous progress that has been made in Rwanda.

I pay tribute to the many Members, on both sides of the House, including my friend—I hope she does not mind me calling her that—the hon. Member for Aldridge-Brownhills (Wendy Morton), with whom I served on the International Development Committee, who have spent a lot of time and effort visiting and upholding the cause of countries such as Rwanda. It is the reason relations are so good between our two nations and the reason much progress can be made. Let us hope that Rwanda can be an example to other parts of Africa, so that violence and conflict may end and prosperity, economic growth and peace may break out. We continue to hope.

9.5 pm

**The Minister of State, Foreign and Commonwealth Office (Mr Hugo Swire):** I join in the general congratulations to my hon. and learned Friend the Member for Sleaford and North Hykeham (Stephen Phillips) on having secured this excellent debate. As has been said, my hon. Friend the Minister for Africa is in South Sudan discussing many of the issues that hon. Members have raised. My hon. Friend the Member for Stafford (Jeremy Lefroy) was also unable to attend because he is travelling in the region with the International Development Committee, although I am sure the House will join me in wishing him every success in his new role as the Prime Minister's trade envoy to Ethiopia.

The UK has strong ties with the countries of east and central Africa. Building stability and security in the region matters as much to us now as it always has. Members on both sides of the House have demonstrated a great understanding and affection for Africa. Indeed, I got the distinct impression that had we had the time, they would have like to have covered Africa from the top to the bottom and from west to east. As they have eloquently set out, achieving greater stability across this part of the continent requires a broad and multifaceted approach that works with African partners. In the words of my right hon. Friend the Prime Minister, that approach is linked by a golden thread of the rule of law, good governance and economic success.

I wish to respond to the key themes raised by hon. Members: peacebuilding and security, development, governance and corruption. If I cannot address each question in the time available, I will ensure that hon. Members get a reply either from my hon. Friend the Minister for Africa, when he returns, or from my good friend, the Minister of State, Department for International Development, my right hon. Friend the Member for New Forest West (Mr Swayne), who has sat in for most of this excellent debate.

I turn first to peacebuilding and security. As elsewhere on the continent, too many of the countries in the region have too often been blighted by violence. That is why, last year, the Government's conflict, stability and security fund allocated £80 million to Africa—the second-largest regional fund, behind that for the middle east and north Africa. We are leading stabilisation, security and justice programmes that deliver results. For example,

security in Burundi is on a downward trajectory; there is a real risk of civil war, as was pointed out by the hon. Member for Glasgow North (Patrick Grady) and others. During his visit last month, my hon. Friend the Minister for Africa pressed for dialogue without preconditions between the parties. We also led efforts to put in place EU sanctions against four human rights offenders. Should Burundi continue to refuse to come to the negotiating table, we will push for further sanctions against those blocking progress towards peace. If an African Union protection mission is deployed, the UK will provide financial and logistical support.

**Stephen Doughty:** Importantly, the Minister is talking about the situation in Burundi, and he mentioned EU sanctions. Does he accept that Britain plays an important role in many of these countries as part of the EU in tackling these challenges, not just in terms of sanctions but through our development aid and co-operation with other European countries?

**Mr Swire:** Indeed. We play a role both through the EU and bilaterally, and we should never forget that 16% of any EU spend is British taxpayers' money.

The UN Security Council visited Burundi at the weekend and left its Government in no doubt that the international community was united in its desire for a swift end to the violence in the country.

In South Sudan, we strongly supported the regionally-led peace process that resulted in the peace agreement signed in August 2015. As I explained in my introduction, my hon. Friend the Minister with responsibility for Africa is in South Sudan this week, urging the parties to implement that agreement in full and to form the transitional Government of national unity. We will deploy up to 300 troops to support the UN mission in maintaining the fragile peace.

Recent attacks in Mogadishu and on African Union forces in Gedo show that al-Shabaab remains a threat to the stability of Somalia and the wider region. Despite recent events, it is more stable and secure now than it has been for many years. We have helped build the capacity of the Somali authorities to fight al-Shabaab, and we will continue to deploy UK military expertise to provide essential logistical support and training. In parallel, DFID is helping to widen access to justice and security for Somali citizens, providing over 20,000 Somalis—not least some 8,000 women—with legal assistance. It is helping to tackle corruption through its work on public financial management.

The hon. Member for Cardiff South and Penarth (Stephen Doughty) asked about the political process in Somalia. Important progress has been made over the last four years on the political track towards a federal Somalia. Stability now depends on holding a peaceful, legitimate and transparent electoral process in August 2016. A decision must now be made by Somali political leaders on the electoral model.

**Stephen Doughty** *rose*—

**Mr Swire:** How can I resist?

**Stephen Doughty:** The Minister is generous. I wanted to say gently that I was asking specifically about the electoral process in Somaliland rather than in Somalia, important though progress there south-centrally is. What are we doing to support the electoral process in Somaliland?

**Mr Swire:** I will write to the hon. Gentleman on that subject; I was aware that he had made that distinction at the beginning.

Through the work of our British peace support teams in eastern Africa, we are developing capability and accountable leadership for the long term. In November, my right hon. Friend the Prime Minister announced £5 million to establish and support a new Commonwealth unit to counter extremism.

A number of hon. Members mentioned the Central African Republic. Indeed, it remains fragile, but the first round of presidential elections in December passed off largely peacefully and with high voter participation. The second round of the election, scheduled for 31 January, will be the next test. It is vital that whoever is elected then forms an inclusive Government, so that the country can move on from the divisions of the past.

Let me deal with the theme of development. As hon. Members have said, building stability is not just a task for security forces. Development plays an equally vital role. Stability requires respect for human rights, fundamental freedoms and democratic values. People need to feel part of a vibrant domestic economy, with access to education, jobs and a predictable business environment—a future that any of us would want for ourselves.

That is why in the last financial year, bilateral UK official development assistance to Africa totalled £2.64 billion. That represents some 58% of our bilateral ODA spend. We provide a further £2 billion to Africa through multilateral partners such as the UN and the World Bank. This is helping to transform lives. Because of British aid, an additional 7 million children a year are in primary and lower secondary education across Africa. We have helped 30 million people with water, sanitation and hygiene prevention interventions.

In Ethiopia, our aid is helping millions of people lift themselves out of poverty. Right hon. and hon. Members also mentioned the protests in its Oromia region. Let me reassure them that we have repeatedly raised with the Government of Ethiopia our concerns about the handling of these protests and the use of force. We believe there should be a credible and independent investigation into these allegations. If evidence emerges that members of the security services have used excessive force, they should be held accountable.

Beyond humanitarian support we are helping African countries strengthen basic service delivery, create economic opportunities and build their resilience to cope with shocks and disasters. In Kenya, for example, our aid has supported economic development by creating jobs, giving people access to financial services and markets and making Mombasa port more efficient. My hon. Friend the Member for Gainsborough (Sir Edward Leigh), who is not in his place, raised the question of his constituent Nicholas Monson's son. I am aware of that case and we will give him an update, although I understand the inquest is under way; I will ensure the high commissioner in Nairobi gives us and him an update on that. To support that drive for economic growth the Prime Minister has appointed four trade envoys to countries of eastern and central Africa, echoing the calls so to do of my hon. Friend the Member for Harrow East (Bob Blackman).

Promoting education is a key part of this. As Minister with responsibility for the Chevening scholarship programme, I am proud that last year we tripled the

[Mr Swire]

number of Chevening scholarships for Africa to 454, and the British Council is active across the region, supporting teachers and schools in countries such as Rwanda.

The hon. Member for Leeds North East (Fabian Hamilton), who speaks for the Opposition, posed the question of whether stable government gives rise to economic development or it is economic development that leads to political stability. I would argue that stable government can give rise to economic development. Indeed, it is difficult to have economic development without stable government. It is a chicken and egg situation, but certainly we need to have stable government and the right environment for countries to thrive and come out of poverty.

Governance is also a factor. Alongside peace, security and development, good governance is crucial to Africa's success. That is why, with our international partners in the EU and UN, we are working to strengthen the rules-based system in Africa. That is why we regularly make clear the importance of free and fair elections, and that constitutions should not be altered on the whim of a leader. That is also why we will continue to work closely with the noble Baroness Scotland, the incoming secretary-general of the Commonwealth, and our partners across the Commonwealth to uphold member states' commitment to equality and respect for the protection and promotion of civil, political, economic, social and cultural rights, including LGBT rights, which we have been raising time and again and which are embedded in the Commonwealth charter signed by all Commonwealth countries.

My hon. and learned Friend the Member for Sleaford and North Hykeham and others are correct to draw attention to the fact that progress on all of this needs action on corruption. Corruption corrodes the fabric of society, deters private-sector investment and creates barriers to doing business. Corruption facilitates organised crime and terrorist activity. It costs Africa over £100 billion a year. The key point about corruption is that it is the richest who get away with it and the very poorest who end up paying for it. The given figure for additional costs in terms of procurement is about 10%.

That is why I am pleased to say the UK is leading the way in tackling corruption. My right hon. Friend the Prime Minister will host an anti-corruption summit in May, which will include many African partners. Our goal is to put fighting corruption at the heart of our international institutions, to support the investigators and prosecutors who can help bring the perpetrators to justice, and to maximise the way we use aid to drive better governance and to fight against corruption.

Perhaps the migration crisis is the best example of why all of this matters. Last year over 40,000 people from the horn of Africa risked the dangerous journey across the Mediterranean. No one in the House can fail to be moved by their harrowing experiences. If this does anything, it underlines the importance for people to have opportunities in their own countries, without feeling the need to risk their lives and those of their loved ones.

That relates to all that I have talked about this evening: insecurity, poor governance and a lack of opportunity. With our EU partners, we are taking a comprehensive approach to this new challenge. At the Valletta summit last November before the Commonwealth Heads of

Government meeting we agreed a new €1.8 billion trust fund that will help deal with the reasons people leave their homes in the first place.

My right hon. Friend the Department for International Development Minister, has sat throughout this debate, and I am sure he has been listening and will be prepared to answer Members' questions in greater detail.

In conclusion, let me reassure right hon. and hon. Friends across the Chamber that the Government share their sense of urgency. Together with our international partners, we must work towards a future in which the people of eastern and central Africa will all be able to live dignified lives free from violence and extremism and to build prosperous futures from the bottom up for themselves and their communities. That is precisely what we will continue to do.

9.20 pm

**Stephen Phillips:** It is almost impossible in two minutes to do credit to the contributions that have been made not only by Back Benchers but by the Minister of State, Foreign and Commonwealth Office, my right hon. Friend the Member for East Devon (Mr Swire) and the hon. Member for Leeds North East (Fabian Hamilton) on the Front Benches. This has been one of the most powerful debates on foreign affairs in which I have ever participated in this Chamber.

A number of themes have arisen, the first of which is one of hope and success. Britain is engaged in the world, not only through the Foreign and Commonwealth Office but through the Department for International Development, in a way which is not at all party political and which crosses the boundaries of the Floor of the House. There is general support among those here this evening, even though it is not always understood by our constituents, for hitting that 0.7% target, not only because it is the right thing to do and the moral thing to do but because it actually matters to them.

The other messages that have gone out loud and clear to the world from the House this evening are that Britain is still engaged in the region and that we care about what happens in eastern and central Africa, and indeed across the continent as a whole. That is why the House will, I hope, return to this issue in the future and why I have been so grateful for, and moved by, the contributions that we have heard tonight.

In closing, I want to echo a point that was made by my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell). We are privileged to have the ability to stand in this Chamber and give our views on this matter, but it is the workers on the frontline in the Foreign and Commonwealth Office, in DFID and—as we saw during the Ebola crisis—in the military who deliver what we advocate in this House in support for Africa and the developing world. As parliamentarians, we send out our thanks to those people this evening. I commend the motion to the House.

*Question put and agreed to.*

*Resolved,*

That this House recognises the importance of stability in Central and East Africa to the security of the United Kingdom; welcomes the Government's continued engagement in the region and commitment to the spending of development aid to ensure good governance and the eradication of corruption and extreme poverty; deplors the use of violence or terror by any party to

secure political aims; and calls on the Government to adopt further measures, together with the international community, to prevent civil war and ensure that the rule of law is maintained.

## Business without Debate

### DELEGATED LEGISLATION (COMMITTEES)

*Ordered,*

That the draft Warrington (Electoral Changes) Order 2016 be referred to a Delegated Legislation Committee.—(*George Hollingbery.*)

## Financial Ombudsman Service: Strathclyde Mining Group Pensions

*Motion made, and Question proposed,* That this House do now adjourn.—(*George Hollingbery.*)

9.22 pm

**Marion Fellows** (Motherwell and Wishaw) (SNP): I am a girl from Ayr, and on a night like this I cannot help but quote Burns. This is a short extract from a poem for all the Right Honourable and Honourable Scotch Representatives in the House of Commons, and I am taking it to heart.

“Some o’ you nicely ken the laws,  
To round the period, an’ pause,  
An’ wi’ rhetoric clause on clause  
To mak harangues;  
Then echo thro’ Saint Stephen’s wa’s  
Auld Scotland’s wrangs.”

I applied for this Adjournment debate having been approached by a number of former employees of the Anderson Mining Group who are still seeking justice following a mis-selling of pensions. In 1996, Godwins, the insurance company—now part of the Aon group—persuaded almost 400 employees of the Scottish-based company to transfer their excellent final salary pension scheme to a section 32 personal pension scheme, a move that would never be allowed today.

There was a suggestion at the time that the existing pension scheme was under threat due to a deficit. This proved not to be the case and, interestingly, none of the senior executives of the company transferred their pensions. In fact, the former personnel manager of the group has since written an open letter outlining the concerns that he raised with the senior management at the time. He was instructed by the new owners of the company not to interfere with the process.

In September 1997, Godwins confirmed that the Personal Investment Authority had found errors in its procedures—namely, that it did not confirm the contents of the discussion of the options available to its clients and did not write to confirm the discussion, that it contravened the rules of the regulator and, significantly, that the two members of its staff who provided the advice were no longer authorised to give advice to clients.

Godwins did not advise that it was recalculating the transfer values for retirement to age 60; it had used 65. Despite its assurances that its clients had no cause for concern, almost 50% of the claims to the Financial Ombudsman Service were successful. I understand that at least one claim resulted in compensation of around £200,000. The client checklist or agreement the employees then received with the letter was a three-page document, not the one-page document used at the time of transfer. That is when the employees realised that the independent financial advisers had, at the time of transfer, used only page 3, allowing them to reduce the time spent at each one-to-one interview to less than 10 minutes.

It was not until 2000 that some employees began to realise that the pensions they were to receive fell well short of the final salary scheme from which they had been removed. They formed a committee and started investigating various avenues, including requesting a transfer report from another well-known financial investment company, Jardine Lloyd Thompson, which confirmed that the

[Marion Fellows]

calculations used by Godwins were wrong and would not yield the amount of pensions they were expecting based on what they had been told.

Jardine Lloyd Thompson told the employees that the ombudsman's decision on mis-selling cases was usually based on two things: critical yield and the attitude to risk. This committee started examining critical yield—the investment rate of return required to provide the selected level of income. Although each individual's original transfer report gave their critical yield for age 65, which they now know to be wrong, they were not given the new calculated figure at that time. Had they been, they would have noticed that the new figure was not high enough to return the same investment for a pension that would be paid out five years earlier, with five years less contributions and investment.

The employees calculated that the five-year age difference would require the critical yield to be 2% to 3% higher at a retiring age of 60, making the transfer unsafe, even under the guidelines enforced at the time. These calculations were confirmed by JLT and Scottish Mutual—the original company used by Godwins. The employees also traced four ex-employees who were given transfer reports for age 60 and 65, clearly showing a difference in the critical yields of 2% to 3%. Many employees launched a mis-selling claim to the ombudsman including all that information, believing that their claim was an open and shut case for everyone.

A number of these claims were based on that of my constituent, Mr John Aitken. The initial claims were mostly rejected. Within the rejection letters, claimants then saw, for the first time, their new critical yield calculations, which were well below what they believed to be correct—for example, a difference of only 0.4 of 1% rather than 2% to 3%.

In the meantime, Godwins had been taken over by Aon, which had previously refused individual requests for these figures. In subsequent communications with the ombudsman's office, the employees learned that Aon had employed another company to do the recalculation of the critical yield—the original company used being Scottish Mutual. The employees contacted Scottish Mutual and asked whether the new critical yield figures could be correct. Its reply was, "Generally speaking, based on the length of time the investments were set up for, I believe that it is highly unlikely that a difference of five years—that is between aged 60 and 65—would only require an increase of yield of 0.3% to 0.4% to achieve the same pension." That confirmed that Aon's figures were wrong.

During each claim, the ombudsman requested that the employee complete the ombudsman's multi-page document on attitude to risk. However, evaluating the claims, the ombudsman rejected that document, finding in favour of the simple answer given to the independent financial adviser's question at the transfer meeting:

"What is your attitude to risk?"

During the 16 years in which the employees have fought this injustice, almost 200 claims to the ombudsman have been launched. Fortunately, almost 50% have been successful. That fact alone highlights a severe problem, as the average success rate is 3% to 4%. Having heard a summary of this fiasco of financial transfer, which has

seriously affected almost 300 people, one can only conclude that the ombudsman's office did not act with due diligence in dealing with those cases.

To confirm that conclusion, I wish to ask the following questions: why were the independent financial advisers allowed drastically to shorten the transfer interview, omitting much of the company's checklist? Godwins made a serious error in the transfer report, so why were the employees not given the opportunity to review their transfer decision based on an updated transfer report, as that was a significant change? Having given ample information that the critical deal calculations were wrong, why did the ombudsman not check the figures or use an independent source? Why did the ombudsman not react to Aon's suspicious decisions, which I have described? Why was the ombudsman's multi-page attitude to risk analysis ignored in favour of Aon's?

Although those questions were raised in the claims, none of those points was mentioned in the ombudsman's rejection letters; they were simply ignored. Why did the almost 50% success rate of the complainants not flag up the fact that something was seriously wrong in the transfer? All those employees transferred on the same day to the same scheme plan, but only half the claims were upheld. My constituents firmly believe that the ombudsman did not act with due diligence in this case, and failed properly to investigate their claims. Employees who have lost out on millions of pounds in total of their hard-earned pensions must be compensated. Not only have they been mis-sold pensions, but they have been mistreated by a Government body that was set up to be fair and impartial.

As the Minister is aware, the Financial Ombudsman Service was set up to resolve individual cases and, indeed, it wrote to my constituent, Mr John Aitken, saying exactly that. It pointed out that if there was a systemic problem it would be a matter for the Financial Services Authority to consider. However, when the FSA was approached by my predecessor, Mr Frank Roy, it responded that it did not have the power to investigate individual disputes between consumers and regulated firms. At what point do individual complaints become a matter for the FSA? A previous complaint to the ombudsman was rejected, because too much time had elapsed, and the documentation was not available. That is not an acceptable response, as all documents that the ombudsman creates are archived, and the employees have sufficient documentation to prove every claim that I have made today.

I provided the Minister with documentation before the debate, and I am happy to provide anything further if necessary. These workers have fought the mis-selling for 16 years, and they will continue to do so until they get justice and compensation. This is a blatant case of mis-selling by an insurance company such that those who transferred their pensions did so in the belief that they would receive a pension comparable to the one they expected under the original scheme.

The Financial Ombudsman Service met Aon, but did not meet the individuals concerned, who were let down badly by the regulatory authorities, who appear to have taken no action against Godwins or Aon.

I could speak at much greater length, as I am sure the Minister is aware, but I have decided not to go into the minute detail because much of it is technical, and much

of it I would have to spend some time trying to understand. However, I have set out what I believe is a very just case on behalf of my constituents.

9.35 pm

**The Economic Secretary to the Treasury (Harriett Baldwin):** Despite my Scottish grandmother, I will not be able to quote Burns quite as beautifully as the hon. Member for Motherwell and Wishaw (Marion Fellows) did tonight—[*Interruption.*] But I did have the haggis in the Tea Room. I congratulate the hon. Lady on securing the debate. She has expressed powerfully the issues surrounding the Strathclyde Mining Group pensions and the Financial Ombudsman Service.

As Economic Secretary, my key priority is to ensure that financial services firms are on the side of people who work hard, do the right thing and get on in life. Financial services should be there to help them achieve their aspirations at every stage of their lives, whether that is saving for their first home, taking out a mortgage, buying a car or, as in this case, saving and investing for their retirement. It is only by displaying and upholding the highest standards of behaviour that the financial services industry can regain the public trust it lost following the financial crisis.

I am therefore very sorry to hear about the problems that the hon. Lady's constituents have been facing in this case. Understandably, given the importance we all attach to having savings to provide for our retirement, her constituents are very concerned about the issue. I would like to reassure her, and all other Members, that the Financial Ombudsman Service also takes the matter extremely seriously.

As the hon. Lady has set out, a number of Anderson Mining Group employees have raised concerns that they were not made aware in 1995 and 1996 that a transfer to a buy-out scheme could result in a loss of benefits, and that the advice provided used an assumed retirement age of 65, whereas benefits could have been taken from their occupational pension schemes at age 60. They have therefore complained to the Financial Ombudsman Service about the financial advice they received from Godwins Ltd between 1995 and 1996 to transfer their occupational pension schemes into buy-out policies. I understand that in many of these cases, but not all—she mentioned 50%—the ombudsman found in favour of the complainants.

I know that both the hon. Lady and her predecessor have been in contact with the Financial Ombudsman Service to ask it to re-examine some of the complaints that were not upheld. We all recognise that it is of the utmost importance that people are given suitable advice about their retirement savings and that, when things go wrong, they have access to a swift and low-cost means of redress. It is important to recognise that since these events occurred in the 1990s the Government have made changes to introduce a tough new financial regulator,

the Financial Conduct Authority, to protect consumers and promote competition. We took that action because we were not prepared to tolerate the level of consumer detriment we have witnessed in the past.

The hon. Lady will understand that I am unable to comment on specific circumstances relating to the individual cases she has raised today, but I am able to explain the Financial Ombudsman Service model and what she can do when she is not happy with the outcome of that model. The model includes what routes there are to complain about the level of service in dealing with a complaint, as well as the further routes that may be available for seeking redress. The Financial Ombudsman Service was set up by Parliament in 2000—its duties were enshrined in law under the Financial Services and Markets Act 2000—to provide a proportionate, prompt and informal means of resolving disputes between a consumer and a financial service firm. It plays a valuable role in providing consumers with a swift and effective means of resolving disputes, and some of the hon. Lady's constituents have benefited from that service.

Importantly, once the consumer accepts an ombudsman's final decision, that decision becomes binding on the firm. As I have said, the Financial Ombudsman Service was specifically designed to provide a swift and relatively low-cost alternative to the courts, which is provided free of charge to consumers. There are many stages in its determination process, providing both parties the opportunities to make further representations before the complaint reaches the final stage of an ombudsman's decision.

Adding another level of appeal would make the process costlier and lengthier, which could deter consumers from using the service and would generate additional costs for firms. However, it is possible for parties to challenge the way in which an ombudsman has reached a decision by means of judicial review. It is also possible for them to take complaints about the level of service provided to the independent assessor. When a consumer does not accept the ombudsman's decision, that consumer's right to pursue redress through the courts remains unaffected.

The individuals who are affected in this particular case have concerns that need to be addressed. I shall be meeting the chief executive of the Financial Ombudsman Service later this week, and I will ask her to write to the hon. Lady responding to the concerns that she has rightly expressed this evening.

Let me thank the hon. Lady again for raising these issues, and stress that both the Government and the Financial Ombudsman Service understand their importance to her constituents.

*Question put and agreed to.*

9.41 pm

*House adjourned.*





# House of Commons

*Tuesday 26 January 2016*

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

## PRAYERS

[MR SPEAKER *in the Chair*]

## Oral Answers to Questions

### JUSTICE

*The Secretary of State was asked—*

#### Prison Governors

1. **Nigel Huddleston** (Mid Worcestershire) (Con): What his policy is on the autonomy of prison governors; and if he will make a statement. [903234]

**The Lord Chancellor and Secretary of State for Justice (Michael Gove):** Our prison system needs reform, and, in particular, we need to give governors greater freedoms to innovate to find better ways of rehabilitating offenders.

**Nigel Huddleston:** In December, the outgoing chief inspector of prisons said that he was concerned about Islamic extremism in prisons. In some prisons, including in Long Lartin in my constituency, the Muslim population is as high as 40% of inmates. What additional powers or support are the Government giving to tackle religious extremism?

**Michael Gove:** My hon. Friend makes an important point. Radicalisation in prison is a genuine danger not just in England, but across the European Union. That is why we have charged a former prison governor, Ian Acheson, with reviewing how we handle not just the security concerns, but the dangerous spread of peer-to-peer radicalisation in our prisons. It is also the case that, in appointing a new chief inspector to follow on from the excellent work of Nick Hardwick, the experience of Peter Clarke in this particular area will count very much in his favour.

**Keith Vaz** (Leicester East) (Lab): I welcome the steps that have been taken to tackle radicalisation in prisons, but the problem exists once people come outside prisons. In a previous report of the Home Affairs Committee, we talked about the need to monitor people when they come outside. Will the Secretary of State ensure that there remains that connection with the Home Office, so that those who have had lessons or initiatives to do with counter-radicalisation are able to continue with them when they get outside?

**Michael Gove:** Absolutely. I make it my business to talk regularly to the Home Secretary about this issue, as we share the concerns of the right hon. Gentleman. I also know that the Under-Secretary of State for Justice,

my hon. Friend the Member for South West Bedfordshire (Andrew Selous) and the Minister for Security, my right hon. Friend the Member for South Holland and The Deepings (Mr Hayes) meet regularly to ensure that we do everything possible to monitor the matter. Across the House, there is a recognition that we must deal not only with violent extremism, but with extremism itself. Those who seek to radicalise and to inject the poison of Islamism into the minds of young men need to be countered every step of the way.

### Departmental Spending

2. **Sir Edward Leigh** (Gainsborough) (Con): What steps his Department is taking to increase value for money in its spending. [903235]

**The Parliamentary Under-Secretary of State for Justice (Mr Dominic Raab):** We are determined to help eliminate the budget deficit and deliver better justice, which is why we are cutting 15% from the Ministry of Justice budget over the spending review, but finding £1.3 billion to overhaul the prison estate so that we drive down reoffending and ensure that my hon. Friend's constituents get better value for money and better bang for their buck out of the justice system.

**Sir Edward Leigh:** The Ministry of Justice has faced spending cuts as deep, or deeper, than any other Department in Whitehall, and yet, despite the occasional criticism and row, I am not sure whether the public has noted any discernible reduction in the service provided by the Department. Will my hon. Friend summon in the Secretaries of State for Health, Work and Pensions, International Development and Defence and give them a verbal tongue lashing about how we can emulate the private sector and create more wealth, goods, enterprise, deregulation and lower taxation and still provide better services?

**Mr Raab:** I thank my hon. Friend for his insightful remarks. As a former Public Accounts Committee Chairman, he will appreciate that we have already slimmed back-office by £600 million so that we can extend rehabilitation to the 45,000 offenders on short sentences, where we have some of the highest reoffending. Now we are cutting the admin budget by 50%, but investing £700 million to modernise our courts. It shows that, whether we are talking about delays at courts or the offenders passing through them, we can drive efficiencies and deliver a more effective system.

**Nick Thomas-Symonds** (Torfaen) (Lab): Given the Secretary of State's U-turns on things such as the criminal court charge and the ban on books being sent to prisoners, may I gently suggest that a good way of saving money would be to avoid such mistakes in the first place and listen to the Labour party?

**Mr Raab:** With great respect to the hon. Gentleman, given the litany of mistakes, errors and systemic failings that we have had to clear up over the past five years and will continue to do over the next five years, we might just reject that particular piece of counsel.

**Robert Neill** (Bromley and Chislehurst) (Con): One important area in which both service can be enhanced and value for money achieved is through greater efficiency both in the courts estate and the courts system. Is my hon. Friend satisfied that the Ministry has sufficient in-house capacity to deal adequately with major issues such as court restructuring, where negotiations have to take place at high commercial contractual levels, or will he bring in outside expertise where necessary?

**Mr Raab:** My hon. Friend is absolutely right. I have already explained some of the back-office savings that we are making not only to deliver better value to the taxpayer but to find the savings to reinvest. He is right to say that, where we need to engage with the private sector—or the voluntary sector for that matter—to take advantage of their ingenuity and innovation, we will do so.

**Margaret Ferrier** (Rutherglen and Hamilton West) (SNP): Figures released yesterday by the Department show that more Ministry of Justice staff received bonuses last year than the previous year, and that the average size of bonus increased by more than 7%. Considering that the whole public sector has had a 1% pay rise cap, is this not a case of one rule for one and a different rule for another?

**Mr Raab:** No. I am afraid that that is not fair or reasonable to any of our hard-working public servants. There are strict rules and parameters on bonuses within the 1% pay cap and the guidance on that, but it is important, notwithstanding the savings that we have to make, especially in bureaucracy, back office and headquarters, that we recognise outstanding performance.

**David Mowat** (Warrington South) (Con): We are the only country in the world that uses taxpayers' revenue to pay lawyers to sue our own soldiers as they return from active duty. Is that an area of saving that the Minister might consider?

**Mr Raab:** My hon. Friend is absolutely right that we need a balanced approach to access to justice. I will answer some specific questions about the military claims later, but he is right to say that we need to look at the rules on legal aid, and that is what we are already doing and will continue to pursue.

**Andy Slaughter** (Hammersmith) (Lab): Talking of value for money, how much has the miscalculation of divorce settlements cost so far? The 2,200 closed cases will require specialist legal advice and negotiation to correct. Who is going to pay for that—the taxpayer or the people his Department has so badly let down? On the back of it, the legal press has dubbed the Under-Secretary of State for Justice, the hon. Member for North West Cambridgeshire (Mr Vara), the Minister for cock-ups. We disapprove of this scapegoating. Does not the whole ministerial team deserve that title?

**Mr Raab:** I am glad that the hon. Gentleman disagrees with scapegoating. When we make mistakes, we recognise them. We have written to all the people affected, and we will make sure that it does not happen again.

## Women's Prison Estate

3. **Heather Wheeler** (South Derbyshire) (Con): What plans he has for the future of the women's prison estate. [903236]

**The Parliamentary Under-Secretary of State for Women and Equalities and Family Justice (Caroline Dinenage):** Our announcement of the closure of Holloway prison signals a new beginning in the way we treat female offenders. It reflects our commitment to hold women in environments that better meet their specific needs and support their rehabilitation, helping them towards better lives on release.

**Heather Wheeler:** I thank my hon. Friend for that answer. I have Foston Hall ladies prison in my constituency. Can my hon. Friend outline how the changes that are happening at Holloway will assist the prisoners and staff at Foston Hall?

**Caroline Dinenage:** Foston Hall is now a resettlement prison, so it is much better placed to support inmates throughout their time in prison and back out into the community. My hon. Friend will know that many female offenders have complex needs, which is why we have introduced a personality disorder pathway and a centralised case management system for female offenders. We have also ensured that family engagement workers are in place at all public sector women's prisons, including Foston Hall.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): The Minister might know that New Hall women's prison is quite close to my Huddersfield constituency. Does she agree that often literacy issues stop women getting back into society and leading a good life? Also, many people—women particularly—are on the autistic spectrum, but are never tested. Could more attention be paid to special educational needs in women's prisons so that we can help women more?

**Caroline Dinenage:** The hon. Gentleman makes an excellent point, and we will certainly take it into consideration. I visited New Hall prison towards the tail end of last year and had a look at some of the excellent work that it is doing to help women offenders both with literacy and numeracy and with their various other complex needs.

**Crispin Blunt** (Reigate) (Con): My hon. Friend will be aware, as will her colleagues, of the work of RAPT—the Rehabilitation for Addicted Prisoners Trust. She may not know that it began its work in Downview prison in my constituency when it was a category C/D male resettlement prison. That work had to come to an end when it was re-rolled as a female prison back in 1999-2000. Now that the Minister is moving women prisoners to Downview, will she make sure that RAPT can restart its work as the prison reopens?

**Caroline Dinenage:** My hon. Friend makes an important point. So many of our female offenders come into the prison system with addictions to both substances and alcohol, and it is fundamental that that is a key part of their rehabilitative process.

**Anne McLaughlin** (Glasgow North East) (SNP): On the advice of organisations such as Families Outside, the Scottish Government have been trialling community sentencing for women serving sentences of six months or less, in order to reduce reoffending. Given that early indications suggest that that is working, will the Minister commit to looking at rolling it out across the whole United Kingdom?

**Caroline Dinagen:** I am keen to look at the Scottish model and see what progress has been made. I am also keen to intervene earlier in women's offending journey to make sure that the right wrap-around services are put in place to try and divert as many people as possible away from ending up in prison, because we know that every woman in prison represents a potentially broken family and children potentially taken into care.

**Philip Davies** (Shipley) (Con): Given that the Minister is usually such a great champion of gender equality, may I suggest that instead of trying to turn the women's prison estate into some kind of holiday camp, she makes sure that if a woman commits an offence, she is treated in exactly the same way as a man, and that female prisoners are treated in the same way as male prisoners? It is still the case that for every single category of offence, a man is more likely to be sent to prison than a woman. Why is a female offender who commits burglary any better than a male offender who commits the same offence?

**Caroline Dinagen:** I fear we may have been down this road before with my hon. Friend. I take on board his comments. Sentencing is a matter for the judiciary, but I will always defend my strongly-held belief that equality of outcome is what we are looking for in the female prison estate. At present, female prisoners are much more likely to have many complex needs and are far less likely to gain employment once they leave prison. I am seeking to tackle that.

### Psychoactive Substances (Prisons)

4. **Mr David Burrowes** (Enfield, Southgate) (Con): What steps he is taking to tackle the use of new psychoactive substances in prisons. [903237]

**The Minister for Policing, Crime and Criminal Justice (Mike Penning):** Quite rightly, we do not tolerate drugs in our prisons and we are bringing forward tough new measures, including the new legislation on psychoactive substances, which will make possession in a prison a criminal offence, unlike the position in the rest of the country.

**Mr Burrowes:** I congratulate the Minister on spearheading that new legislative tool, but if the scale of harm demonstrated by a significant increase in ambulance attendances and suicides were happening in other places where there is a duty of care—hospitals, children's homes or schools—would we not have what is needed, which is a root and branch review of how best to tackle supply and demand for drugs in prisons?

**Mike Penning:** We must make sure that these drugs do not get into our prisons. Psychoactive substances and drugs have been in our prisons for some time.

Following a request not only from the prisons Minister, but from prison officers as well as prisoners around the country, we made sure that possession was a criminal offence. We need measures such as new sniffer dogs, which can sniff out such products, and they are in training. We must eradicate these drugs from our prisons.

**Mary Glendon** (North Tyneside) (Lab): The National Offender Management Service has revealed that the amount of alcohol found in prisons in England and Wales has almost trebled since the Government took office. Will the Minister explain what urgent steps he is taking to address this serious problem?

**Mike Penning:** One of the ways we can deal with that is by making sure that individual governors have full control within their prisons so that they can work with their staff to make sure that not only drugs, but alcohol, which is not supposed to be in our prisons, is not there. Much of that alcohol is brewed within the prisons and we need to work hard to make sure that we eradicate that.

**Mr Philip Hollobone** (Kettering) (Con): We do not tolerate drugs in our prisons, but drugs use is widespread throughout every jail in this country. Is there any realistic prospect whatsoever of a drug-free prison establishment?

**Mike Penning:** The Prison Service works very hard to try and make sure that we eradicate as many drugs as possible. The new legislation will help. We know that assaults on prison officers and inmates by people taking psychoactive substances have been prevalent and are a blight on our prisons. With the new legislation we will have powers that we did not have before.

**Marie Rimmer** (St Helens South and Whiston) (Lab): There have been recent reports of prison officers falling ill after inhaling inmates' legal highs. The Minister says that new legislation is being introduced, but how will we deal with the problem when present governors are retiring and leaving? We need a culture from the top to implement measures within the Prison Service. How will the Government effect that?

**Mike Penning:** One of the ways in which we can improve the situation for prison officers is by listening to them. They categorically asked for the ban. At the moment such substances are legal, but they will be banned once the Psychoactive Substances Bill receives Royal Assent, so from April possession in prisons will be a criminal offence. That is what prisoner officers asked for, and that is what we have given them.

### Access to Justice

5. **Stephen Timms** (East Ham) (Lab): What steps he is taking to ensure that access to justice does not depend on ability to pay. [903238]

**The Parliamentary Under-Secretary of State for Justice (Mr Shailesh Vara):** We are committed to ensuring that our justice system delivers faster and fairer justice for all our citizens. Reform of our courts and tribunals will bring quicker and fairer access to justice and create a justice system that reflects the way people use services

today. We have also ensured that legal aid remains available for the highest priority cases, for example where people's life or liberty is at stake, where they face the loss of their home, in cases of domestic violence, or where children might be taken into care.

**Stephen Timms:** The result, as the Lord Chief Justice extraordinarily reported two weeks ago, is that:

"Our system of justice has become unaffordable to most".

Two constituents were sacked unfairly. One went to tribunal but was unable to afford legal representation and therefore lost. The other immediately gave up. With justice now available to only the well-off, does the Minister have any serious proposals to open up access to justice to ordinary people?

**Mr Vara:** I am grateful to the right hon. Gentleman for raising the issue of employment tribunals, because it allows me to say that this Government's aim is to ensure that people do not have to go to court or tribunal in the first place, and therefore do not have to incur the legal expenses or experience the stress. In the case of employment tribunals—he might not be aware of this—the ACAS early conciliation service, which is free, was used by 83,000 people in its first 12 months. I very much hope that when constituents bring problems to his surgery in future, he will point them towards that free service.

**Andrew Bridgen** (North West Leicestershire) (Con): Since the Government changed the criteria for access to legal aid there has been a huge increase in claims of domestic violence. Has the Minister made any assessment of the link between those two items?

**Mr Vara:** We constantly ensure that matters are kept under review. We are committed to having a review of the Legal Aid, Sentencing and Punishment of Offenders Act 2012 three to five years after its implementation.

**Rachael Maskell** (York Central) (Lab/Co-op): The Law Society describes access to justice as being "on the verge of a crisis".

Funding for civil cases has fallen by 62% since civil legal aid was cut. Will the Minister carry out a full review to understand the equality impact of the changes in civil legal aid?

**Mr Vara:** As I have just said, we will be carrying out a full review of the implementation of LASPO. We still have one of the most generous legal aid budgets in the world, notwithstanding the reductions we have made.

**Jake Berry** (Rossendale and Darwen) (Con): Some of the people who would struggle the most to pay court fees are those affected by family breakdown, often in chaotic families. Will my hon. Friend update the House on what plans he has to simplify and reduce costs to access child arrangements orders, and will that include any further statutory rights for grandparents?

**Mr Vara:** On court fees, what I will say is that where people have difficulty attending court, there is a fee remission system available, which can be for remission in full or in part.

**Christina Rees** (Neath) (Lab): We learnt this week that a district judge is suing the Ministry of Justice, blowing the whistle on the rising number of death threats and the increasingly violent claimants that our judges are having to deal with day in, day out. Given that that comes so soon after the Lord Chief Justice's warning that judges face a rising number of challenging and emotionally charged cases, what action is the Minister taking to address these claims, or is this just another admission that his party's failed austerity policies have made our courts more dangerous, both for judges and for victims?

**Mr Vara:** I welcome the hon. Lady to her new post on the Opposition Front Bench. She will appreciate that, given that there is ongoing litigation, I cannot possibly comment on that from the Dispatch Box.

### Prisons' Engagement with Employers

6. **Simon Hoare** (North Dorset) (Con): What steps his Department is taking to improve prisons' engagement with employers; and if he will make a statement. [903239]

11. **Stephen McPartland** (Stevenage) (Con): What steps his Department is taking to improve prisons' engagement with employers; and if he will make a statement. [903244]

13. **Stephen Hammond** (Wimbledon) (Con): What steps his Department is taking to improve prisons' engagement with employers; and if he will make a statement. [903247]

**The Parliamentary Under-Secretary of State for Justice (Andrew Selous):** Providing prisoners with vocational skills and employment opportunities is an important factor in preventing reoffending. The Employers Forum for Reducing Reoffending brings together employers who are willing to employ offenders, and we are working with the Department for Work and Pensions to increase the involvement of more businesses. Community rehabilitation companies also have an important role to play in helping ex-offenders find employment.

**Simon Hoare:** I am grateful to my hon. Friend for that encouraging answer. I am sure he would agree with me that it is beholden on as many employers as possible to offer training in prisons, so that when prisoners leave prison they are ready for employment and equipped with the required skills. I invite him to welcome the work that Cleansheet does in our prison estate, particularly in Guys Marsh in my constituency. I have seen it at first hand and it really gets people ready for work.

**Andrew Selous:** I thank my hon. Friend very much for his interest in this important area and am delighted to praise the work of Cleansheet and so many other organisations that try to get prisoners into work. A number of companies—Timpson, Halfords, the Clink restaurants, the Census Data Group, Aramark and many others I could mention—are rising to the challenge. We want many more to join them.

**Stephen McPartland:** Does the Minister agree that providing work—and the right sort of work—is the real key to an effective rehabilitation process for prisoners?

**Andrew Selous:** My hon. Friend is absolutely right. We have the hard evidence: if a prisoner leaves prison and goes into work, they are less likely to reoffend. We know that reoffending costs between £9 billion and £13 billion a year and creates many more victims. We can avoid that by getting more prisoners into work.

**Stephen Hammond:** My hon. Friend will know that access to the skills likely to be required in the working environment is key. I welcome what he said about the employers' forum, but will he say what more the Government will do to get more employers to recognise the potential of providing those skills and of the opportunity to employ ex-offenders on release?

**Andrew Selous:** As a London Member, my hon. Friend may have noted that a week or so ago the Mayor of London pointed out that when employers hire ex-offenders, they report above-average commitment and loyalty; the issue is not only an important part of social responsibility, but very good business sense. London is leading the way in this area, with more joined up work between local enterprise partnerships getting extra skills funding into prisons. I want to see what is happening in London spread across the whole of England and Wales.

**Gavin Robinson (Belfast East) (DUP):** In November, I raised the issue of the barrier that insurance premiums pose to employment for ex-offenders. I am pleased to say that the Minister has engaged with the issue. Does he have an update for the House?

**Andrew Selous:** I do indeed. The hon. Gentleman is right to pursue this matter. Recently, I have come across the issue of insurers imposing a blanket stipulation that employers should have no ex-offenders on their premises. I am not only the prisons Minister but a former chartered insurer; shortly, I will be having a meeting with the Association of British Insurers to challenge it on that issue and see whether that is really necessary. As a former underwriter myself, I suspect that it is probably not.

**Jo Stevens (Cardiff Central) (Lab):** This morning, the Minister has talked about employment on release from prisons. Education and skills are crucial to an offender's chance of making something of themselves and getting a job on release. However, the Minister has admitted, in an answer to a question from my hon. Friend the Member for Hammersmith (Andy Slaughter), that Prison Service anti-riot squads were drafted in on 339 occasions in the year to 9 December 2015—an increase of 52% on the previous year. Does the Minister accept that prison overcrowding, coupled with his Government's cuts in resources, has led to a prison estate that is not fit for educational purpose?

**Andrew Selous:** First, let me warmly congratulate the hon. Lady on her new position; I look forward to debating these important issues with her in the months to come. She is absolutely right to raise the issue of education, which is a crucial part of helping get offenders into work. The Government's whole prison reform programme is front and centre of part of the answer to try to deal with the issues of violence and disorder that she has identified: more purposeful work, better education, better outcomes, better ordered prisons.

19. [903256] **Mr Alan Mak (Havant) (Con):** Hampshire's community rehabilitation company plays a vital role in connecting prisons and offenders with local employers across the Havant constituency. Will the Minister join me in congratulating it on its work and in encouraging more employers to consider employing ex-offenders, including through job fairs run by Members of this House?

**Andrew Selous:** I certainly will. I warmly congratulate my hon. Friend not only on organising a jobs fair in his constituency—a very practical way in which to help our constituents find work—but on realising that it needs to be equally open to ex-offenders. He is leading the way, and I hope others will follow. I wish him well with his enterprise.

**Several hon. Members rose—**

**Mr Speaker:** Order. Before I call the hon. Member for Barrow and Furness (John Woodcock), I remind the House that the Crown Prosecution Service is reconsidering this case and a second inquest is awaited. Right hon. and hon. Members should take account of that in carefully framing their remarks on the matter.

#### Poppi Worthington

7. **John Woodcock (Barrow and Furness) (Lab/Co-op):** What assessment he has made of the coroner's role in the case of Poppi Worthington. [903240]

**The Parliamentary Under-Secretary of State for Women and Equalities and Family Justice (Caroline Dinenage):** The death of Poppi Worthington is deeply, deeply distressing and very tragic. I offer my deepest sympathies to those who loved her and those who cared for her. I am unable to comment on the decisions of the previous coroner, but I note that the new Cumbria senior coroner took steps to hold a fresh inquest as soon as he was appointed. As the Under-Secretary of State for the Home Department, my hon. Friend the Member for Staffordshire Moorlands (Karen Bradley), rightly said last week, "there is nothing more important than keeping children safe."—*[Official Report, 20 January 2016; Vol. 604, c. 1419.]*

That is why the Government have given child sexual abuse the status of a national threat in the strategic policing requirement.

**John Woodcock:** I thank the Minister for that answer, and the Lord Chancellor for his swift reply to my letter, which I received this morning. Our community wants accountability and wants to see improvements in services that have so tragically failed in these circumstances. So will the Minister make it clear that there is no reason why the serious case review into Poppi Worthington's death and the Independent Police Complaints Commission's report need be delayed pending the second inquest being carried out?

**Caroline Dinenage:** The hon. Gentleman is absolutely right to stand up for his constituency and fight for the truth in this way. I completely agree with him that a second inquest should be conducted as soon as possible. Both the IPCC report and the serious case review are of course independent of Government and decide their own timescales. However, I can confirm that neither is required to wait upon the coroner.

### Probation Service Workers

8. **Ian Lavery** (Wansbeck) (Lab): What support his Department is providing to probation service workers at risk of redundancy. [903241]

**The Parliamentary Under-Secretary of State for Justice (Andrew Selous):** Community rehabilitation companies are responsible for supporting any of their staff at risk of redundancy, in line with employment law. We encourage them to follow good industry practice and the ACAS guidelines. We are working closely with community rehabilitation companies to make sure that they fulfil their contractual commitments to maintain service delivery, reduce reoffending, protect the public, and deliver value for money to the taxpayer.

**Ian Lavery:** There is the potential for 900 probation officers to be made compulsorily redundant within just three CRCs in the very near future. These are the people who stood by the Government at the time of the transitional period into privatisation. They should not be penalised; they should be praised. Will the Minister guarantee that these professionals receive full voluntary redundancy terms and will not be booted out? They provide a very valuable service in the role provided by these private companies on the cheap.

**Andrew Selous:** I repeat what I said just now—we will make sure that the community rehabilitation companies comply with employment law as they are supposed to do. We closely monitor their performance in line with the contracts that they have signed. Last year, 195 extra probation officers became qualified, and we had 750 new probation officers in training. That is the largest intake of newly qualified probation officers for some considerable period.

### Youth Custody Provision

9. **Daniel Zeichner** (Cambridge) (Lab): What plans he has to improve youth custody provision. [903242]

**The Lord Chancellor and Secretary of State for Justice (Michael Gove):** Our system of youth justice does need reform. Although youth offending is down, recidivism rates are high, and the care of young offenders in custody is not good enough. I know that concerns across this House can only have been heightened following the “Panorama” investigation into events at the Medway secure training centre. That is why today, in a written statement, I have appointed an independent improvement board to investigate what has happened at Medway and to ensure that the capability of G4S, the Youth Justice Board and other organisations to meet appropriate standards is sufficient.

**Daniel Zeichner:** The roll-out of the new minimising and managing physical restraint system has been delayed for a year. In 2013-14, there were almost 3,000 assault incidents in the children’s secure estate—a 7% increase on 2012-13, even though the number of children in custody had fallen by 20%. What is the Secretary of State doing to address this rising number of incidents and to ensure that a new, safer system is implemented?

**Michael Gove:** The hon. Gentleman rightly draws attention to the fact that there has been a reduction in the number of young people in the youth estate. However, as the number has reduced, so those who remain tend to be those who have been arrested for the most violent crimes and who pose the greatest difficulties for those who have to care for them and keep them in custody. It is vital to ensure that when restraint is applied, it is done so in a way that minimises risks to young people, but also ensures that safety can be restored. One of the purposes of Charlie Taylor’s review of youth justice is to make sure that the workforce is appropriately trained to restrain young people in their own interests and those of others.

**Suella Fernandes** (Fareham) (Con): I recently visited Swanwick Lodge, a secure home for 10 to 17-year-olds in my constituency. Its work focuses on tackling the root causes that have led to those young people’s loss of liberty with education, substance misuse therapies and early intervention. Will my right hon. Friend describe what other measures are in place to tackle youth rehabilitation and reduce reoffending?

**Michael Gove:** Before my hon. Friend came into the House, she did a great deal of work to help disadvantaged children achieve better educational outcomes. She will know as well as anyone in the House that some of the children who end up in trouble with the criminal justice system have grown up in homes where love has been absent or fleeting, and where no one has cared enough to tell those young people the difference between right and wrong. The work being conducted by the Education Secretary to improve our child protection system and the work being led by the Communities and Local Government Secretary to tackle the problems of troubled families are integral to ensuring that we reduce the number of young people who fall into crime.

**Helen Jones** (Warrington North) (Lab): It was obvious to those who watched the “Panorama” programme that the G4S workforce was under-qualified, under-trained and under pressure not to report incidents that should have been reported, because of the threat to G4S’s profits. Is it not now time that we recognised that the most difficult and vulnerable children in our system should not be looked after by a profit-driven organisation, but by properly trained and publicly accountable staff?

**Michael Gove:** I do not doubt for a moment the hon. Lady’s sincerity in caring about these young people. The allegations about what happened in Medway were of course terrible. It is also important, however, to take on board the fact that private sector organisations, including G4S, are responsible for the care of young offenders, not least at Parc in Bridgend, and have been doing an exemplary job in other areas. It is quite wrong to draw conclusions about the private sector or the public sector. What matters is getting outcomes right for children. We should not, on the back of human misery, try to carry forward a narrow ideological argument.

**Richard Drax** (South Dorset) (Con): Will my right hon. Friend join me in congratulating the distinguished former soldier General Sir Rupert Smith on taking on the airborne initiative at the young offenders institution

on Portland? Does he agree that getting appropriate young offenders out on to the moors for five testing days is an excellent scheme that demands our support?

**Michael Gove:** I could not agree more with my hon. Friend. I have to say that the capacity of cadet forces and military involvement to turn around the lives of young men who find themselves in trouble has been attested to over the years. Everything that we can do to support the Education Secretary in extending the work of cadet forces or to support General Sir Rupert Smith, a man who is a hero in my eyes, in helping to rescue the lives of young people we should do.

**Wayne David (Caerphilly) (Lab):** The allegations in the “Panorama” programme on 11 January about Medway secure training centre were truly appalling. I am glad that the Secretary of State has listened to the chief inspector of prisons and to us, and will appoint an independent improvement board. I also note that the director of Medway has just resigned.

The three STCs in England—Medway, Oakhill and Rainsbrook—are run by G4S. Following a damning inspection report last year, the Rainsbrook contract was taken away from G4S. This has nothing to do with ideology, but on the basis of the evidence before us, will the Government now take away G4S’s Medway contract and ensure that G4S is not awarded any future contracts?

**Michael Gove:** The hon. Gentleman is absolutely right: it is because the allegations are so serious that we have to investigate them properly. The independent improvement board will both investigate what went on and ensure that children are safe. When any organisation fails in the delivery of public services, as G4S did at Rainsbrook, we will take steps to remove the contract, and a new organisation has been given that contract. Of course, if G4S has failed in this regard, then we will take all steps necessary to keep children safe.

### Safety in Prisons

10. **James Berry (Kingston and Surbiton) (Con):** What steps his Department is taking to improve safety in prisons; and if he will make a statement. [903243]

15. **Alex Chalk (Cheltenham) (Con):** What is his Department doing to improve safety in prisons; and if he will make a statement. [903249]

**The Parliamentary Under-Secretary of State for Justice (Andrew Selous):** Violence in prisons has increased in recent years. The nature of the offenders who are currently in custody and the widespread availability of novel psychoactive substances have contributed to prisons becoming less safe. There is no simple single solution that will improve safety in prisons, but we are making progress. We are trialling the use of body-worn cameras and training sniffer dogs to detect NPS, but ultimately the only way to reduce violence is to give governors the tools to more effectively reform and rehabilitate prisoners.

**James Berry:** One threat to safety inside and outside prisons is the ability of inmates to access mobile phones. On Friday, a serving prisoner at Rochester prison was sentenced to 12 years for arranging the supply of reactivated firearms via a mobile phone from his prison cell. Random

checks are only so good and prison officers do their best, but I think it is time to cut off the head of the snake and go for mobile phone jamming devices.

**Andrew Selous:** We already employ a number of measures. We have body orifice scanning chairs, metal detecting wands, signal detectors and blockers, and specially trained dogs. My hon. Friend is right that we need to refocus and redouble our efforts in this area, particularly in respect of the use of blockers and detectors. I assure him that the Secretary of State and I are fully engaged in this area.

**Alex Chalk:** The safety of young people in our prison estate was, as we have heard, called into question by the “Panorama” programme about Medway secure training centre. What assurances can be provided that the safety of young people across the prison estate, not just in Medway, is being prioritised?

**Andrew Selous:** My hon. Friend will have heard the answer that the Secretary of State gave to a previous question on this issue. I will not repeat that, save to say that we take this issue extremely seriously. That is why the Secretary of State commissioned Charlie Taylor, the former chief executive of the National College for Teaching and Leadership, to conduct a review of youth justice and youth custody across the piece. That will have not only safety at its heart, but improved outcomes for young people in custody.

**Sarah Champion (Rotherham) (Lab):** The example of Medway shows that the use of restraint for good order and discipline can be exploited. Will the inquiry look into that issue across all prisons, because I do not think it is appropriate in this day and age?

**Andrew Selous:** There are occasions in custody when, for the safety of the young person and others, we have to use restraint. The chief inspector has acknowledged that the new process of minimising and managing physical restraint is an improvement, but that is the case only if it is used properly and appropriately, and not if it is abused. We are very mindful of that.

**Dr Rupa Huq (Ealing Central and Acton) (Lab):** The report by the outgoing chief inspector of prisons quoted a member of staff at HMP Wormwood Scrubs as saying that one cell was so unsafe,

“I wouldn’t keep a dog in there.”

I know that you can’t teach an old dog new tricks, but will the Minister tell us what is being done to deal with the Tory prisons crisis?

**Andrew Selous:** I hope that the hon. Lady would be fair enough to recognise that this Government have accepted that much of our prison estate is simply not good enough. It is too old, it is inappropriate and we cannot provide the education or work that we need to provide. That is why the Chancellor has provided £1.3 billion to build nine new prisons, in addition to the new prison that we are building in north Wales, the new house blocks that we have delivered and the two further house blocks that we are going to deliver. We want a fit-for-purpose estate where we can rehabilitate people properly.

### European Convention on Human Rights

12. **Mr David Hanson** (Delyn) (Lab): What representations he has received from (a) international bodies, (b) the Council of Europe and (c) the UN on the UK's membership of the European Convention on Human Rights. [903246]

16. **Andrew Gwynne** (Denton and Reddish) (Lab): What representations he has received from (a) international bodies, (b) the Council of Europe and (c) the UN on the UK's membership of the European Convention on Human Rights. [903250]

**The Parliamentary Under-Secretary of State for Justice (Mr Dominic Raab)**: I have met many of our international partners, from the Council of Europe Commissioner for Human Rights, Nils Muižnieks, to the United Nations High Commissioner for Human Rights, Prince Zeid. The Secretary of State for Justice has met many others, including Secretary-General Jagland of the Council of Europe. Those meetings are important opportunities to reinforce Britain's proud tradition of promoting freedom and discuss how the Government intend to strengthen it both at home and abroad.

**Mr Hanson**: I am sure that if it was just the Labour party saying, "Don't scrap the human rights act," the Minister could roll with it, but when the Minister met Prince Zeid, did Prince Zeid say that the Government's proposals would be

"damaging for victims and contrary to the country's commendable history of global and regional engagement"

and that

"many other states may gleefully follow suit"?

Is it not important that we listen to the United Nations?

**Mr Raab**: The right hon. Gentleman is absolutely right that we should listen to all our international partners. I can tell him that Prince Zeid did not say that to me at all. When we have those meetings, they are a good opportunity to discuss the reality of our plans for reform. I made it clear that our forthcoming Bill of Rights proposals are based on staying within the convention. I explained the kind of abuses that we want to be rid of under the Human Rights Act and some of the challenges that successive Governments have had with the Strasbourg Court. That allows us to contrast our common-sense reforms with some of the baseless scaremongering coming from some of our critics.

**Andrew Gwynne**: But the UN special rapporteur on torture, Mr Juan Mendez, has warned that the Government's plot to replace the Human Rights Act with a Tory Bill of Rights is "dangerous, pernicious" and would set

"a very bad example to the rest of the world".

Is he not right?

**Mr Raab**: That is not right. I can tell the hon. Gentleman that, in all the meetings I have had with all the UN officials that pass through Westminster, none has ever used that kind of language in front of me. I very much doubt that they would.

**Mr Stewart Jackson** (Peterborough) (Con): Since when was it the practice of foreign legal and other entities to decide the views of this Parliament, and to traduce its sovereignty and the electoral mandate we have to introduce a British Bill of Rights? It is a tragedy that the European convention on human rights, which was founded by British jurists, has been distorted by perverse decisions such as trying to give an axe murderer the vote, which we have rejected. Is it not time that we got on with our manifesto commitment to a British Bill of Rights?

**Mr Raab**: My hon. Friend is absolutely right and makes his point in his characteristically powerful way. I would point out that the Labour Government had problems with how the Strasbourg Court operated. They did not implement prisoner voting—I do not remember the right hon. Member for Delyn (Mr Hanson) calling for it to be implemented when he was a Minister—and nor did they implement the Abu Qatada judgment.

**Victoria Prentis** (Banbury) (Con): Will the Minister confirm that human rights have been part of our law in this country under the common law for many years, and that they will continue to be so after the repeal of the Human Rights Act, perhaps in a more modern and codified way?

**Mr Raab**: My hon. Friend is absolutely right. We have a long tradition and pedigree of respecting human rights, dating back to Magna Carta and before that. We protected human rights in this country before the European convention, and certainly before Labour's Human Rights Act. We shall continue to do so proudly in the years ahead.

**Ms Harriet Harman** (Camberwell and Peckham) (Lab): The Minister is yet to issue his consultation on the repeal of the Human Rights Act and its replacement with a British Bill of Rights, but it is eight weeks until the Scottish Parliament is dissolved and goes into purdah—it is the same with Northern Ireland and Wales. Will he give an absolute guarantee that he will not squash out Scotland, Northern Ireland and Wales from this important consultation by issuing his proposal before, or worse still during, the election purdah period? Will he give that absolute guarantee?

**Mr Raab**: There will be no squashing out of any of the devolved Administrations. We are already in detailed soundings. When we come to our consultation, there will be full consultation with all the devolved Administrations. There are clear rules and Cabinet Office guidance on purdah, and we will be mindful of them.

**Mr David Nuttall** (Bury North) (Con): Another perverse decision of the European Court of Human Rights was on prisoner voting. Will the Minister please confirm that there are absolutely no plans to change our laws on prisoner voting?

**Mr Raab**: As I have made clear to the Committee of Ministers and to our colleagues and partners in Strasbourg, it is for hon. Members in this House to determine whether prisoners should be given the vote. I see no prospect of that happening for the foreseeable future.



**Joanna Cherry** (Edinburgh South West) (SNP): When Nils Muižnieks, the Council of Europe Commissioner for Human Rights, visited the United Kingdom last week, he said that the repeatedly delayed launch of the consultation on the repeal of the Human Rights Act is “creating an atmosphere of anxiety and concern in civil society and within the devolved administrations”.

Will the Minister tell us exactly when the consultation will be published?

**Mr Raab:** As the hon. and learned Lady knows, I met Nils Muižnieks last week to talk through these issues, and there is absolutely no cause for anxiety. We will introduce proposals for full consultation in the near future—those proposals are going well—and she will hear more shortly.

**Joanna Cherry:** The commissioner also said:

“My impression is that the debate over the HRA in Westminster is not a true reflection of concerns outside England”.

Does the Minister appreciate that the impact on the devolved Administrations of an attempt to repeal the Human Rights Act would likely provoke a constitutional crisis?

**Mr Raab:** The hon. and learned Lady is absolutely right that the debate within the Westminster bubble, particularly the shrill scaremongering, is not reflective of wider public opinion outside the House, which is clearly and consistently in favour of a Bill of Rights to replace the Human Rights Act, including, she will note, in Scotland.

**Mr Speaker:** Last but not least, patience from Pudsey is duly rewarded. I call Mr Stuart Andrew.

### Female Offenders

14. **Stuart Andrew** (Pudsey) (Con): What steps his Department is taking to prevent female offenders reoffending. [903248]

**The Parliamentary Under-Secretary of State for Women and Equalities and Family Justice (Caroline Dinenge):** I want fewer women in the criminal justice system, which is why, in partnership with the Government Equalities Office, we have made £200,000 of grant funding available, to add to the £1 million already invested to support local pilots for female offenders. This is where multiple agencies work together and intervene earlier to help address the complex reasons why women offend and assist them in turning their lives around.

**Stuart Andrew:** Does the Minister agree that more needs to be done to steer vulnerable women away from crime and reoffending? I am aware that the Department is looking at this as part of a whole-system approach, but will she update the House on how it is progressing and what more is being done to tackle the issue?

**Caroline Dinenge:** Yes, the whole-system approach I have outlined demonstrates our commitment to divert as many women as possible away from custody by addressing the causes of offending, which left unchecked often spiral into prison sentences, family breakdown and children in care. That is why we will announce the successful bids for the pilot later this week.

### Topical Questions

T1. [903224] **Stephen Phillips** (Sleaford and North Hykeham) (Con): If he will make a statement on his departmental responsibilities.

**The Lord Chancellor and Secretary of State for Justice (Michael Gove):** I have already had occasion in the House to offer my thanks and gratitude to Nick Hardwick, the outgoing chief inspector of prisons, and to Paul Wilson, the outgoing chief inspector of probation. Their expertise will not be lost to the criminal justice system, however, because, as I am delighted to announce today, I will be appointing Nick Hardwick as the new chair of the Parole Board. He will succeed the current chair, Sir David Calvert-Smith, who is due to leave at the end of March. I thank him for his service.

**Stephen Phillips:** The courts Minister, my hon. Friend the Member for North West Cambridgeshire (Mr Vara), will know that last year I wrote a report on former service personnel in the criminal justice system that recommended, among other things, training for members of the Bar, solicitors and judges to deal with this cohort—albeit a small cohort—of offenders. What steps is my right hon. Friend taking to ensure that court staff—those actually employed in the courts—receive appropriate training to deal with these individuals?

**Michael Gove:** My hon. and learned Friend, who is a distinguished veteran as well as an outstanding silk, makes an important point. He produced an excellent report on offenders who have been in the armed forces. Court staff are trained to deal with the specific needs of veterans, and we are aware that there are particular needs, which might relate to post-traumatic stress disorder and associated mental health concerns, to which court staff need to be sensitive.

**Andy Slaughter** (Hammersmith) (Lab): I commend the Secretary of State for his appointment of Nick Hardwick to the Parole Board. I am sure he will be just as forensic there as in his current role.

Exactly a year ago, my right hon. Friend the Member for Tooting (Sadiq Khan), with his usual prescience, said that the new criminal legal aid contracts were “making a pig’s ear of access to justice” and should be abandoned. Will the Secretary of State confirm the press reports that he is about to do just that?

**Michael Gove:** I thank the hon. Gentleman for his praise for Nick Hardwick. I believe he is the right person to discharge this role precisely because he has spoken without fear or favour and has been an honest critic who has followed where the evidence has led him. I am sure he will appreciate the bipartisan support for his appointment.

We have had to reduce the spend on criminal legal aid to deal with the deficit we inherited from the last Government, but this country still maintains more generous legal aid than any other comparable jurisdiction.

**Andy Slaughter:** An hour ago at the Justice Select Committee, the Master of the Rolls described the fee increases affecting civil litigants of small businesses as a

desperate way of carrying on based on hopeless research. He laughed when asked by the hon. Member for Cheltenham (Alex Chalk) if anything in the Government's argument stood up to scrutiny.

**Alex Chalk** (Cheltenham) (Con) *indicated dissent.*

**Andy Slaughter:** It is another car crash. Is it time for another U-turn?

**Michael Gove:** I can hear, borne like music upon the zephyrs, words from my hon. Friend the Member for Cheltenham (Alex Chalk) suggesting that, for once, the hon. Gentleman may be misinformed about what precisely happened in the Select Committee. But putting that entirely to one side, one of the biggest barriers to justice, as the Master of the Rolls and others have pointed out, is costs. Action needs to be taken to reduce costs in civil justice. It is not enough simply to say that the taxpayer must shoulder the burden. We need reform of our legal system to make access to justice easier for all.

T2. [903225] **David Rutley** (Macclesfield) (Con): I know that my hon. Friend regards access to justice as a clear priority. With that in mind, and given the large area of north-east Cheshire that will be without easy access to a court under the proposals in the current consultation, can he tell the House what progress is being made in considering the Macclesfield proposal for a single, combined Macclesfield justice centre?

**The Parliamentary Under-Secretary of State for Justice (Mr Shailesh Vara):** I thank my hon. Friend for the meeting we had and for the justice centre report that he and his constituent presented to me. He will be aware that we are giving serious consideration to that report and, indeed, to the 2,000-plus submissions made in the consultation, to which we will respond soon.

T3. [903226] **Alex Cunningham** (Stockton North) (Lab): Women's Aid published a report last week entitled "Nineteen Child Homicides". It tells the story of 19 children and two mothers killed by known perpetrators of domestic abuse in circumstances related to unsafe child contact. How will the Department work with Women's Aid and others to ensure that no further avoidable child deaths take place where perpetrators of domestic abuse have been allowed contact through the family court?

**Michael Gove:** We take concerns about child safety extraordinarily seriously, and I know that my colleague the Minister responsible for family law has been in touch with charities that work in this sphere in the past. We will make sure that we pay close attention to that report.

T6. [903229] **Craig Tracey** (North Warwickshire) (Con): Does my hon. Friend share my anger and that of my constituent Carol Valentine, whose son Simon was tragically killed while serving his country in Afghanistan, at law firms such as Leigh Day, which are heavily involved in actions against veterans and serving members of our armed forces? What action can the Government take to close down this industry, which is causing so much unnecessary distress to our armed forces and their families?

**The Parliamentary Under-Secretary of State for Justice (Mr Dominic Raab):** We do share my hon. Friend's concerns. He will be aware of the Prime Minister's announcement on Friday. The professionalism of our armed forces is second to none, but we cannot have returning troops hounded by ambulance-chasing lawyers pursuing spurious claims. The Justice Secretary has asked me to chair a working group with the Minister for the Armed Forces to look at all aspects of this—no win, no fee; legal aid rules; time limits for claims; and disciplinary sanctions against law firms found to be abusing the system—so that we prevent any malicious or parasitic litigation from being taken against our brave armed forces.

T4. [903227] **Louise Haigh** (Sheffield, Heeley) (Lab): Can the Minister confirm how many times contract breaches at G4S establishments have occurred under contracts with his Department and what amount in fines has been incurred by G4S in respect of those breaches?

**The Parliamentary Under-Secretary of State for Justice (Andrew Selous):** I do not have the detailed information that the hon. Lady has asked for, but if she will allow me, I will write to her with the details.

T8. [903231] **Wendy Morton** (Aldridge-Brownhills) (Con): My hon. Friend is aware of the serious problems associated with radicalisation in our prisons. Can he update the House on what steps are being taken to tackle it?

**Andrew Selous:** I understand my hon. Friend's proper interest in this subject. As the threat evolves, we evolve our response. I can tell her that we are strengthening the training for new prison officers to ensure that they are able to tackle criminal activity in whatever form it takes within prisons. As the Secretary of State said earlier, he has asked the Department to review its approach to dealing with Islamist extremism in prisons, and we await that report shortly.

T5. [903228] **Alan Brown** (Kilmarnock and Loudoun) (SNP): It is worth repeating the damning indictment of this Government given by the Lord Chief Justice just two weeks ago:

"Our system of justice has become unaffordable to most".

Will the Secretary of State take heed of those comments and also follow the Scottish National party lead by committing to the abolition of tribunal fees?

**Michael Gove:** I take very seriously everything that the Lord Chief Justice says, and that is why I am delighted to be able to work with him on a programme of courts reform, which should make access to justice swifter, more certain and cheaper. Of course it is important that we learn from different jurisdictions, but even as we look to Scotland from time to time to see what we can learn from the development of the law there, it is also important that from time to time those charged with what happens in Scottish courts should look at the tradition of English justice, which, as a Scotsman myself, I would have to acknowledge has certain superior elements.

T9. [903232] **James Morris** (Halesowen and Rowley Regis) (Con): Does the Minister agree that improving the mental health of prisoners should be a top priority and specifically that when a prisoner is released from prison with a known mental health condition, there should be close liaison between the prison authorities, local GPs and local health services to put a care plan in place?

**Andrew Selous:** My hon. Friend is absolutely right, and I pay tribute to his long interest and great expertise in this particular issue. He will probably know that local commissioning groups in England and local health boards in Wales are responsible for services in the community. NHS healthcare staff in prisons are responsible there. It is their job to make sure that services provided in the prison are followed through in the community. We go to great efforts to make sure that happens.

T7. [903230] **Carol Monaghan** (Glasgow North West) (SNP): Will the Secretary of State meet his colleague the Immigration Minister to explain that the Minister's Bill, which would allow migrant families to be evicted without even a court order, is contrary to the rule of law and the right to a fair hearing, and must be urgently reconsidered?

**Michael Gove:** I enjoy meeting both the Home Secretary and the Immigration Minister, and this Government would never do anything that was contrary to the rule of law, but we must ensure that we safeguard our borders. It is an issue of profound public concern that immigration across the European Union is not being effectively controlled. Our Home Secretary is in the lead in taking the measures necessary to keep our borders secure. I would have thought it would be in the interests of every citizen of the United Kingdom to stand behind her in that fight.

T10. [903233] **Michael Fabricant** (Lichfield) (Con): Further to the question asked by my hon. Friend the Member for North Warwickshire (Craig Tracey), does my hon. Friend agree that people in this House will find it despicable that two firms and possibly more are actively seeking—soliciting, in fact—people in Iraq to make spurious and bogus claims against our servicemen overseas? Will he reject reports in newspapers that we still intend to give legal aid to these appalling claims?

**Mr Raab:** My hon. Friend will have heard my earlier remarks. I am concerned about the way in which the system operates. It is important to say that there is accountability for any wrongdoing, but that does not mean giving lawyers a licence to harass our armed forces. We will look at every angle, including the point about legal aid that he made, as well as no win, no fee, and, of course, disciplinary powers against lawyers who try to abuse the system.

**Conor McGinn** (St Helens North) (Lab): In 2012, the Minister's own Department spent £1.7 million refurbishing St Helens courthouse to accommodate civil and criminal proceedings in the same building, declaring that it was efficient and logical. Are we to assume therefore that considering the closure of the same courthouse just four years later is illogical and inefficient, or would the Minister like to rule that out today?

**Mr Vara:** No final decisions have yet been taken, and we are taking into account a whole variety of considerations. The consultation concerns 91 courts throughout England and Wales, and it is about making our system better and one of the best in the world.

**Amanda Solloway** (Derby North) (Con): Following the question from my hon. Friend the Member for Halesowen and Rowley Regis (James Morris), what steps are being taken to ensure that all prisoners with mental health issues are dealt with safely, appropriately and compassionately?

**Andrew Selous:** I am glad that my hon. Friend has raised this issue again. Whenever a prisoner comes into prison, they immediately have a full health assessment. That health practitioner has the ability to refer on to the prison's in-reach mental health services. Furthermore, through our liaison and diversion services, we now have either learning disability or mental health nurses available at police stations and in courts, so we can start the mental health treatment right at the beginning of the journey into the criminal justice system.

**Greg Mulholland** (Leeds North West) (LD): I hope that the Secretary of State, who takes a keen interest in this issue, will meet me and Brake to discuss my Criminal Driving (Justice for Victims) Bill. May I gently point out that the consultation on this started on 6 May 2014—a very long time ago, and we are not expecting to hear anything back from the right hon. Gentleman until later this year?

**Michael Gove:** I am grateful to the hon. Gentleman for the persistent and effective way in which he has continued to campaign for a change in the law. We had the opportunity to meet MPs from many parties to discuss the case for change. There was widespread agreement that change was needed, but no agreement about precisely what change. We will get back to him in due course.

**Michael Tomlinson** (Mid Dorset and North Poole) (Con): Given the significant rate of reoffending, would it not be better to focus on improving rehabilitation rather than simply on incarceration, especially in relation to short-term prison sentences?

**Michael Gove:** My hon. Friend makes a powerful point. Few know more about what happens in our courts than he does as a result of his work as a barrister. Yes, it is important to put an emphasis on rehabilitation, but it is also important that we give all our citizens the security of knowing that those people who pose a real threat to us are incapacitated behind bars and receiving the punishment they deserve for the most heinous crimes.

**Meg Hillier** (Hackney South and Shoreditch) (Lab/Co-op): Last week the Public Accounts Committee heard from the chief executive of the Infrastructure and Projects Authority. He was asked what three projects kept him awake and worried him most, and the courts programme was one of them. We can add that to the list: to the tagging and translation services fiascos, and the concern that has been expressed about the big

probation and prison programmes. Does the Secretary of State fear that his Department cannot cope with all this change?

**Michael Gove:** I look forward to having a cup of cocoa with the gentleman concerned to help him sleep more easily at night, as I manage to do.

**Philip Davies (Shipley) (Con):** The Secretary of State made his name in the Department for Education as someone who would take on vested interests, but he has gone native in record time as Secretary of State for Justice. That includes hanging on every word that is said by the Howard League for Penal Reform—the NUT of the justice system—and reappointing Nick Hardwick. When will he get back his mojo and put the victims of crime at the heart of what he is doing? Come back Ken Clarke, all is forgiven!

**Michael Gove:** I am not sure that Labour Members would agree with the suggestion that I have become a sandal-wearing, muesli-munching, vegan vaguester. I think that they would probably say that I am the same red-in-tooth-and-claw blue Tory that I have always been. It is because I am a Conservative that I believe in the rule of law as the foundation stone of our civilisation; it is because I am a Conservative that I believe that evil must be punished; but it is also because I am a Conservative, and a Christian, that I believe in redemption, and I think that the purpose of our prison system and our criminal law is to keep people safe by making people better.

**Mr Speaker:** We have learnt about the Secretary of State's personal domestic habits, his political philosophy and, apparently, his religiosity to boot, and we are all greatly enriched as a consequence.

**Diana Johnson (Kingston upon Hull North) (Lab):** On 4 November, the Prime Minister agreed to meet my constituent Tina Trowhill to discuss the baby ashes scandal. My constituent had already had a very helpful meeting with the Under-Secretary of State, and I wonder whether she will now help me to secure the meeting to which the Prime Minister agreed. May I enlist her support?

**The Parliamentary Under-Secretary of State for Women and Equalities and Family Justice (Caroline Dinenage):** We are very clear about the fact that what happened at Emstrey—and, sadly, at other crematoriums in England and Wales—must never happen again. In December, as the hon. Lady will know, we launched a consultation which will end in March. However, I shall be more than happy to make that representation on her behalf.

**Kevin Foster (Torbay) (Con) *rose*—**

**Mr Speaker:** We are running very late, but the hon. Gentleman has not had a question, and I should like him to have one.

**Kevin Foster:** Thank you, Mr Speaker. I greatly appreciate that.

The Minister will be aware of the strength of representations from Torbay about the proposal to close Torquay magistrates court. What progress is being made in the consideration of that proposal, and in the making of a decision to keep justice local in the bay?

**Mr Vara:** I hear my hon. Friend's message loud and clear. We have met and corresponded, and I am giving serious consideration to all that has been said about the court in his constituency.

## William Mead: 111 Helpline

12.37 pm

**Heidi Alexander** (Lewisham East) (Lab) (*Urgent Question*): To ask the Secretary of State for Health if he will make a statement about NHS England's report on the death of William Mead and the failures of the 111 helpline.

**The Secretary of State for Health (Mr Jeremy Hunt):**

This tragic case concerns the death of a one-year-old boy, William Mead, on 14 December 2014 in Cornwall. While any health organisation will inevitably suffer some tragedies, the issues raised in this case have significant implications for the rest of the NHS, from which I am determined that we should learn. First, however, I want to offer my sincere condolences to the family of William Mead. I have met William's mother, Melissa, who spoke incredibly movingly about the loss of her son. Quite simply, we let her, her family and William down in the worst possible way through serious failings in the NHS care that was offered, and I want to apologise to them, on behalf of the Government and the NHS, for what happened. I also want to thank them for their support for, and co-operation with, the investigation that has now been completed. Today NHS England published the results of that investigation—a root cause analysis of what had happened. The recommendations are far-reaching, with national implications.

The report concludes that there were four areas of missed opportunity on the part of the local health services, where a different course of action should have been taken. They include primary care and general practice appointments made by William's family, out-of-hours telephone conversations with their GP, and the NHS 111 service. Although the report concluded that they did not constitute direct serious failings on the part of the individuals involved, if different action had been taken at those points, William would probably have survived.

Across those different parts of the NHS, a major failing was that in the last six to eight weeks of William's life, the underlying pathology, including pneumonia and chest infection, was not properly recognised and treated. The report cites potential factors such as a lack of understanding of sepsis, particularly in children; pressure on GPs to reduce antibiotic prescribing and acute hospital referrals; and, although this was not raised by the GPs involved, the report also refers to the potential pressure of workload.

There were specific recommendations in relation to NHS 111 which should be treated as a national, not a local, issue. Call advisers are trained not to deviate from their script, but the report says that they need to be trained to appreciate when there is a need to probe further, how to recognise a complex call and when to call in clinical advice earlier. It also cites limited sensitivity in the algorithms used by call-handlers to red-flag signs relating to sepsis.

The Government and NHS England accept these recommendations, which will be implemented as soon as possible. New commissioning standards issued in October 2015 require commissioners to create more functionally integrated 111 and GP out-of-hours services, and Sir Bruce Keogh's ongoing urgent and emergency care review will simplify the way in which the public interacts with the NHS for urgent care needs.

Most of all, we must recognise that our understanding of sepsis across the NHS is totally inadequate. This condition claims around 35,000 lives every year, including those of around 1,000 children. I would like to acknowledge and thank my hon. Friend the Member for Truro and Falmouth (Sarah Newton), who—as well as being the constituency MP of the Mead family—has worked tirelessly to raise awareness of sepsis and worked closely with UK Sepsis Trust to reduce the number of avoidable deaths from sepsis. In January last year I announced a package of measures to help to improve the diagnosis of sepsis in hospitals and GP surgeries, and significant efforts are being made to improve awareness of the condition among doctors and the public, but the tragic death of William Mead reminds us there is much more to be done.

12.42 pm

**Heidi Alexander:** No one who watched the courageous interviews that Melissa Mead gave this morning could fail to be moved by this tragic case. I pay tribute to Melissa and her husband Paul, who have fought to know the truth about their son's death and who are now campaigning to raise awareness and improve the care of sepsis. It is right that we should express our sorrow at what has happened, and the Health Secretary was right to apologise on behalf of the NHS. They key now is to ensure that the right lessons are learned and that action is taken. As the Secretary of State noted, the report found a catalogue of failures that contributed to William's death, including four missed opportunities when a different course of action should have been taken. I want to press the Health Secretary on those areas.

First, the report states that William saw GPs six times in the months leading up to his death, but that none spotted the seriousness of the chest infection that cost him his life. Ministers were warned about poor sepsis care back in September 2013, when an ombudsman's report highlighted

“shortcomings in initial assessment and delay in emergency treatment which led to missed opportunities to save lives.”

Will the Secretary of State tell us what action was taken following that report? Why was it only in December 2015, more than two years later, that NHS England finally published an action plan to support NHS staff in recognising and treating sepsis?

Secondly, the report found that the NHS 111 helpline failed to respond adequately to Melissa's call. It concluded that if a doctor or nurse had taken her call, they would probably have seen the need for urgent action. The replacement of NHS Direct, which was predominantly a nurse-led service, with NHS 111 means the service relies on call-handlers who receive as little as six weeks' training. So when will the Health Secretary review the training call-handlers receive, and will he consider increasing the number of clinically trained staff available to respond to calls?

The report says the computer programme that call-handlers are using did not cover some of the symptoms of sepsis, including a drop in body temperature from very high to low. Does the Health Secretary have confidence that the 111 service is fit to diagnose patients with complex, life-threatening problems who may not always fit the computer algorithm call-handlers have to rely on?

[Heidi Alexander]

Finally, may I ask the Secretary of State what he is doing to raise awareness of the symptoms of sepsis so that treatment can begin as quickly as possible? I know this is an issue that Melissa and Paul feel particularly strongly about and we owe it to them to implement the recommendations of the NHS England report and do all we can to ensure the failures in this tragic case are never, ever repeated.

**Mr Hunt:** I hope I can reassure the shadow Health Secretary on all the points she raised.

First, there has been a sustained effort across the NHS since September 2013 to improve the standard of safety in the care we offer in our hospitals. An entirely new inspection system was set up that year. It has now nearly completed inspections of every hospital, and it has caused a sea change in the attitudes towards patient safety. Sepsis is one of the areas that is looked at. In particular it is incredibly important that when signs of sepsis are identified in A&E departments the right antibiotic treatment is started within 60 minutes. That is not happening everywhere, but we need to raise awareness urgently to make that happen, and that inspection regime is helping to focus minds on that.

On top of that—I will come to the issues around 111, and I agree that there are some important things that need to be addressed—a year ago I announced an important package to raise awareness of sepsis. It covers the different parts of the NHS. For example, in hospitals a big package on spotting it quickly has been followed from December 2015, with NHS England publishing the cross-system sepsis programme board report, which is looking at how to improve identification of sepsis across the care pathway.

The hon. Lady is right to raise the issue of faster identification by GPs. That is why, in January 2015, I announced that we will be developing an audit tool for GPs, because it is difficult to identify sepsis even for trained clinicians, and we need to give GPs the help and support to do that. We are also talking to Public Health England about a public awareness campaign, because it is not just clinicians in the NHS, but it is also members of the public and particularly parents of young children, who need to be aware of some of those tell-tale signs.

So a lot is happening, but the root cause of the issue is understanding by clinicians on the frontline of this horrible disease, and it does take some time to develop that greater understanding that everyone accepts we need. I can reassure the hon. Lady, however, that there is a total focus in the NHS now on reducing the number of avoidable deaths from sepsis and other causes, and that is something the NHS and everyone who works in it are totally committed to.

With respect to 111, there are some things that we can, and must, do quickly in response to this report, but there is a more fundamental change that we need in 111 as well. One thing we can do quickly is look at the algorithms used by the call-handlers to make sure they are sensitive to the red-flag signs of sepsis. That is a very important thing that needs to happen. NHS 111 has in some ways been a victim of its own success: it is taking three times more calls than were being taken by NHS Direct just three years ago—12 million calls a year as opposed to 4 million—and nearly nine of out 10 of those calls are being answered within 60 seconds.

When it comes to the identification of diseases such as sepsis, we need to do better and to look urgently at the algorithm followed by the call-handlers. Fundamentally, when we look at the totality of what the Mead family suffered, we will see that there is a confusion in the public's mind about what exactly we do when we have an urgent care need, and the NHS needs to address that. For example, if we have a child with a high temperature, we might not know whether they need Calpol or serious clinical attention.

The issue is that there are too many choices, and that we cannot always get through quickly to the help that we need. We must improve the simplicity of the system, so that when a person gets through to 111, they are not asked a barrage of questions, some of which seem quite meaningless, and they get to the point more quickly and are referred to clinical care more quickly. We must simplify the options so that people know what to do, and that is happening as part of the urgent emergency care review. It is a big priority, and this tragic case will make us accelerate that process even faster.

**Dr Sarah Wollaston (Totnes) (Con):** I join colleagues from across the House in sending deepest condolences to William's parents. I welcome the Secretary of State's response that he will put into action the recommendation from today's report. May I draw out one aspect that has not been touched on so far, which is the comment in the report that out-of-hours services did not have access to William's clinical records, and that had they been able to do so they would have seen how many times a doctor had been consulted, and that that would have been a clear red flag? Will he reassure me that that matter will be addressed across the NHS, so that all services have access to patients' clinical records—of course with their consent?

**Mr Hunt:** My hon. Friend is absolutely right. There is so much in this report, but we must not let some very important recommendation slip under the carpet, and that is one of them. We have a commitment to a paperless NHS, which involves the proper sharing of electronic medical records across the system. We have also instructed clinical commissioning groups to integrate the commissioning of out-of-hours care with the commissioning of their 111 services to ensure that those are joined up. It is a big IT project, and we are making progress. Two thirds of A&E departments can now access GP medical records, but she is absolutely right to say that it is a priority.

**Dr Philippa Whitford (Central Ayrshire) (SNP):** Like others, I add my condolences to the family. It is hard to imagine anything worse for a family to face. Like many deaths in the NHS, it is always sad to look back and see that it was a catalogue of missed opportunities and errors. One thing I should like to pick up on is the fact that young children are very hard to assess. It is quite hard for a doctor to assess them when they are actually seeing them; they can be running round one minute and then keeling over half an hour later. It is particularly hard to pick up clues about their health over the phone. When NHS Direct services were started throughout the UK, they were based in local out-of-hours GP centres, which meant that the nurse could just pass the phone and say, "Can you come and chat, because I am not sure." We had rules in our local one that if a young child was involved, they got a visit from our mobile service.

Instead of such cases being put through call centres, I hope that the Secretary of State will agree in this review to have some dissemination back to a local system, so that these cases can be accelerated easily to a clinician.

**Mr Hunt:** I agree with the broad thrust of the hon. Lady's remarks. Of course she speaks with the authority of an experienced clinician herself. In this case, the tragedy was that there was actually a doctor who spoke to the Mead family on the night before William died, and he did not spot the symptoms. It is not simply a question of access to a doctor, but ensuring that doctors have the training necessary. However, as she says, dealing with cases such as this can be very difficult. The doctor's view on that occasion was that, because the child was sleeping peacefully, it was fine to leave him until morning when, tragically, it was too late. Other doctors would say that that is a mistake that could easily have been made by anyone, which is why the report is right to say that it is about not individual blame, but a better understanding of the risks of sepsis. She is right in what she says. As we are trying to join up the services that we offer to the public, it is a good principle to have one number that we dial when we need advice on a condition that is not life-threatening or a matter for a routine appointment with a GP, and 111 is an easy number to remember. However, we need to ensure that there is faster access to clinicians when that would count, and that those clinicians can see people's medical records so that they can properly assess the situation.

**Mrs Cheryl Gillan** (Chesham and Amersham) (Con): As chair of the all-party group on sepsis, may I also pay tribute to the Mead family, who are now campaigning to ensure that no other child suffers in the same way as William? The Secretary of State has taken a great deal of interest in the UK Sepsis Trust and the work that it has been doing with the APPG. He will know that we are pressing for a campaign similar to the F.A.S.T campaign for strokes, as early diagnosis can save lives. Will he now consider very seriously funding such a campaign for sepsis, because there are thousands of deaths that could be prevented by a campaign that makes everyone aware of the signs of sepsis?

**Mr Hunt:** I am happy to undertake that the Under-Secretary of State for Health, my hon. Friend the Member for Battersea (Jane Ellison), will look urgently into whether such a campaign would be right. I can reassure my right hon. Friend that the package that we put together and announced last January did contain what most people felt was necessary, but we can always look at whether more needs to be done. I commend her for her campaigning on the issue of sepsis. On a more positive note, when the NHS has decided to tackle conditions such as MRSA and clostridium difficile, it has been very successful. In the past three years, the number of avoidable deaths from hospital-acquired harms—the four major ones—has nearly halved, so we can do this. We should be inspired by the successes that we have had to make sure that we are much, much better at tackling sepsis.

**Mr Ben Bradshaw** (Exeter) (Lab): One reason why the number of calls to 111 has trebled is that people find it impossible to get to see their GP. As well as the shocking failings of this family's GP, is it not the case that the

Government were warned of the consequences of abolishing the popular and successful NHS Direct and of replacing it with a non-clinician led service? Will the Secretary of State look personally at the performance of 111 in the south-west, which has been bedevilled by failings ever since it was set up?

**Mr Hunt:** I gently say to the right hon. Gentleman that when 111 was set up it had the support of the Opposition. The shadow Health Secretary at the time looked at the risk register. The number of calls has increased dramatically partly because demand for NHS services has increased dramatically. That does not mean to say that there are not important things that need to be improved. We need to look honestly at what went wrong. The 111 service was one of the four areas where we should have done better. I am happy to look carefully at what is happening with 111 in the south-west. One improvement is that, in many areas, we are integrating the commissioning of 111 with the Ambulance Service, and that is something that happens in the south-west. On the whole, that has been a positive experience, but I know that there have been problems in the south-west, and I am happy to look further at them.

**Mr Robin Walker** (Worcester) (Con): May I associate myself with those who have paid tribute and expressed condolences to the Mead family? Given the seriousness of this case, which we learned about today, what more can the Secretary of State do to reassure us about the clinical input and expert oversight of the NHS 111 service and its methods?

**Mr Hunt:** All 111 services have clinicians present at call centres, so it is about not the availability of clinicians, but the speed with which they are involved in cases where they can make a difference. It is also about the training of those clinicians so that they can recognise horrible infections such as sepsis quickly. It is a combination of things. The important thing here is that if we are to give the public confidence in a simpler system where they have a single point of contact—albeit a phone line or a website—they need to be confident that if they are not immediately speaking to someone who is clinically trained they will be put through to such a person if it is necessary. We have not earned that confidence yet, which is why it is so important that we learn lessons from what happened in this tragic case.

**Ms Gisela Stuart** (Birmingham, Edgbaston) (Lab): I was the Minister who set up NHS Direct, and one of the first cases that caused us to review the algorithms was a meningitis case. May I therefore say to the Secretary of State that just looking at the algorithms used by call-handlers will not be sufficient? It is clinically exceptionally difficult, and his review is too limited to address the problem.

**Mr Hunt:** I understand what the right hon. Lady is saying, and of course I would listen to her because of her experience, but I reassure her that that is not the only thing that we are doing; we are doing lots of other things. The report makes many recommendations, one of which is to look at the algorithms that the call-handlers use to make sure that they are more sensitive to some of the red-flag signs of sepsis, meningitis and other conditions. There are lots of other recommendations. They include

[Mr Jeremy Hunt]

earlier access to clinicians where appropriate, and recommendations on the training of clinicians in the out-of-hours service, the training of GPs and the training of people in hospitals. So we will be undertaking a much bigger body of work as a result of this review.

**Chloe Smith** (Norwich North) (Con): I welcome my right hon. Friend's commitment to support CCGs to commission the 111 service and the out-of-hours service together where appropriate. He may be aware of some concerns in Norfolk about our out-of-hours service. What else is he doing to recruit, retain and support GPs in providing the round-the-clock care that people clearly need?

**Mr Hunt:** I have said before at this Dispatch Box that successive Governments of both parties have under-invested in general practice, and that is part of the reason why it takes too long for many people to get a GP appointment. It is why we have said that we want to have about 5,000 more doctors working in general practice by the end of this Parliament. That is an important part of what we want to do.

The other side is improving our offer to the public. When you have a child with a fever, and you are not sure, and it is the weekend, very often you have a choice between an out-of-hours GP appointment, a weekend appointment at your GP surgery, calling 111 or showing up at an A&E department. It is just confusing to know the right thing to do. If we are to improve standards of care, we need to standardise safety standards across the NHS, including for spotting potential sepsis cases, and that means a much simpler system.

**Tom Blenkinsop** (Middlesbrough South and East Cleveland) (Lab): My hon. Friend the Member for Lewisham East (Heidi Alexander), the shadow Secretary of State for Health, commented on the concerns expressed in the report about the quality and effectiveness of the tools at the disposal of call-handlers at the 111 service. How many other cases have been misdiagnosed by the 111 service?

**Mr Hunt:** We believe from the independent case note analysis that has been done across the NHS, not just for sepsis but for hospital deaths, that there are around 200 avoidable deaths every week. That is something we share with other health systems; it is not just an NHS phenomenon. It is why we are asking hospitals to publish their estimated avoidable death rates, and we are having an international summit on that next month.

We think there are about 12,000 avoidable deaths from sepsis every year, and that is as a result of a combination of different parts of the NHS—GP, hospital or the 111 system—not spotting the signs earlier. That is what we are determined to put right.

**Mrs Anne-Marie Trevelyan** (Berwick-upon-Tweed) (Con): Looking across the NHS at how we ensure that learning and behaviour change, can the Secretary of State update the House on how the hospital payment system is changing to incentivise new diagnosis and better outcomes?

**Mr Hunt:** My hon. Friend is right to say that we are doing that for hospitals. When I talk about 200 avoidable deaths every week, that is hospital deaths, not deaths as a result of problems in the 111 service. It is much harder to quantify avoidable deaths outside hospital, but we are determined to do that, and we are going further and faster than any other country that I am aware of as part of our commitment to make the NHS the safest system anywhere in the world.

**Clive Efford** (Eltham) (Lab): The Secretary of State said that the report was

“far-reaching, with national implications.”

I have to say that this should have been a statement, not an urgent question. The right hon. Gentleman did not answer the question about the number of misdiagnoses on the 111 system. He needs to give more detail. The report suggests that other deaths of young children may be associated with misdiagnosis by 111. How many other cases are under investigation?

**Mr Hunt:** No one could have done more than this Government to tackle the issue of avoidable deaths across the NHS. It is much harder to identify when a death was avoidable when it happens outside hospital. As part of our work on reducing the number of avoidable deaths in the wake of what happened at Mid Staffs, we are looking at how we could improve primary care generally. Our first priority is to reduce the number of avoidable deaths in hospital and to learn from reports such as this one when they point to improvements that need to be made in the 111 service.

**Victoria Atkins** (Louth and Horncastle) (Con): I join in the condolences that have been expressed in the House. By way of tribute to Mr and Mrs Mead's campaign to raise awareness of sepsis and its symptoms, I wonder whether each and every parent can take a small but practical step today and google the symptoms of sepsis so that we know when things are not right with our children and are better armed to tackle doctors when we are not getting the answer that we need. I did exactly that this morning after hearing Mrs Mead's very moving interview on the radio.

**Mr Hunt:** I thank my hon. Friend for that important intervention. If we are going to deal with the 1,000 tragic sepsis deaths among children every year, it needs a sustained effort from all of us, not just the NHS. I will take away the action of looking at what Public Health England is doing to raise public awareness. The Minister for Public Health, my hon. Friend the Member for Battersea (Jane Ellison), will look at what health visitors can do to boost awareness of sepsis, but in the end we all have a responsibility to understand the symptoms better.

**Peter Kyle** (Hove) (Lab): Last November, I contacted the Minister because the South East Coast Ambulance and 111 service carried out a trial that failed through poor governance, putting patients at risk. It turned out that the Department for Health heard about this only after Monitor contacted it. Is not his Department becoming reactive and simply not proactive enough to tackle these issues before they end up becoming statements and urgent questions in this House?



**Mr Hunt:** Not at all. I gently urge Opposition Members not to fall into the trap of trying to make political capital when tragedies such as this happen. In the wake of the Francis report on Mid Staffs, this Department has done more than any Government have ever done to improve the safety of care in the NHS. If you take the four most common harms—urinary tract infections, venous thromboembolisms, pressure ulcers and falls—the number of deaths in hospitals has fallen by 45% in the past three years. We are making sustained progress in improving the level of safety and care in the NHS, but we are never complacent, which is why are taking so seriously the report issued today.

**Kevin Hollinrake** (Thirsk and Malton) (Con): This is a tragic case, and our thoughts today are with the Mead family. Reluctance to prescribe antibiotics due to the dangers of antimicrobial resistance played a key part in this tragedy. Does the Secretary of State agree that this is a significant global problem, and we need to commit significant investment to it?

**Mr Hunt:** I am grateful to my hon. Friend for raising that issue, which has not been raised so far this afternoon. He is right. We have a pressing global need—not just a UK need—to reduce the inappropriate prescribing of antibiotics. That is why training of clinicians is so important. In the case of sepsis, not only is the prescribing of antibiotics appropriate but it is essential and it is essential to do it quickly. We need to make sure that, as we train GPs to reduce their prescribing of antibiotics so that we do not develop the resistance to antibiotics that could be so disastrous for global health, they do not avoid prescribing them when they are absolutely essential.

**Diana Johnson** (Kingston upon Hull North) (Lab): The Health Secretary said that NHS 111 was a victim of its own success. I agree with what my right hon. Friend the Member for Exeter (Mr Bradshaw) said, which is that it is used because it is so difficult to see a doctor. On 2 January, the *Hull Daily Mail* reported that Hull Royal Infirmary was telling people not to come to A and E but to use services such as NHS 111. In the light of the findings of this investigation, which have national implications, does the Secretary of State agree that there should be more clinicians at NHS 111?

**Mr Hunt:** I do agree that we need more clinicians in primary care. We also need to invest in secondary care, which is why the hon. Lady has a new A&E centre opening in Hull, which I am sure she welcomes. We need more clinicians in primary care so that we can deal with these issues more quickly, before people need hospital care and to spot conditions such as sepsis. This Government are investing £10 billion in the NHS annually in real terms in order to step up the improvement in the services that we offer.

**Nic Dakin** (Scunthorpe) (Lab): So will the Secretary of State put a higher proportion of clinicians in 111?

**Mr Hunt:** We will certainly look at whether we need to have more clinicians in 111. We do have clinicians available in 111. My own view is that it is the separation of the out-of-hours services and the 111 service that is

at the heart of the problem that we are looking to deal with, but as part of the review we will look at the availability of clinicians in 111.

**Greg Mulholland** (Leeds North West) (LD): I, too, add my condolences to the Mead family. I can only imagine their anguish at having been told “not to worry” and that this was “nothing serious”. There was a catalogue of failures, not just with 111. Is consideration being given to the decision by GPs not to take William’s heart rate, as clearly should have happened? Is there in any sense a reluctance to refer young patients to the acute sector? If that is the case, advice to GPs needs to be changed.

**Mr Hunt:** I can reassure the hon. Gentleman that we are looking at all these things. As with the issue of the prescribing of antibiotics raised by my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake), of course we want GPs to avoid inappropriate referrals to secondary care, but it is vital that where a referral is needed, it happens. We see this not just in cases of sepsis, but in cases of cancer. It is vital that we get better at catching cancers earlier if there is to be a successful outcome to the treatment, so the hon. Gentleman is absolutely right. That will be looked at.

**Jenny Chapman** (Darlington) (Lab): I commend the shadow Secretary of State on securing this urgent question. Earlier, the Secretary of State said that he felt that people had confidence in 111 because of the high call volumes, and that those had increased. I do not think that is the case. Confidence in 111 is shaky at best and this case could well shatter that confidence even further, unlike the confidence that we all felt in NHS Direct when we had young children. What is he going to do to make sure that as well as listening to the people whom he has mentioned already, he involves patients in determining what they need in 111 to give them back the confidence that we need them to have in order to avoid some of the pressure on the rest of the service?

**Mr Hunt:** The hon. Lady is right about the importance of involving patients when such tragedies occur, and I said in my response to the urgent question how grateful I was to the Mead family for their co-operation. One of the things the report identifies as important is earlier involvement and more listening to parents and families in such situations. I caution the hon. Lady against a blanket dismissal of the service offered by 111. There are many clinicians and call-handlers who work extremely hard and who deal with about a million calls a month, and the vast majority of those cases have satisfactory outcomes. But does that mean that there are not significant improvements that we need to make to that service? No, it does not. Of course there are things that need to be done better and we must learn the lessons from this terrible report.

**Rachael Maskell** (York Central) (Lab/Co-op): My thoughts, too, are with the Mead family today. The diagnosis of conditions, including sepsis, must be carried out by those with the highest level of clinical skills. Triage by algorithms is unsafe. Can the 111 system be put back into the hands of highly trained clinicians, those trained to drill down in diagnosis, instead of non-qualified staff?

**Mr Hunt:** I think that is a misrepresentation of what happens with 111. There are clinicians in every 111 call centre. There are not physically enough doctors and nurses to have doctors and nurses answering every single call, and indeed the advice from the clinicians in the NHS responsible for the 111 service is that that would not be appropriate. If we are to do the triage that the hon. Lady talks about, what matters is that where a clinician needs to be involved, they are involved more quickly than happened in the current case. That is the lesson that this Government are determined to learn.

## Points of Order

1.14 pm

**Andy Slaughter** (Hammersmith) (Lab): On a point of order, Mr Speaker. During Justice questions, I was alarmed to see the hon. Member for Cheltenham (Alex Chalk), who is in his place, dissenting from a quote I ascribed to him from the Justice Committee this morning. I now understand why: the quote was correct, but it was uttered by my right hon. Friend the Member for Delyn (Mr Hanson), not the hon. Member for Cheltenham. Having known and liked the hon. Gentleman for many years, I am anxious to correct that error, while noting that it shows his independence of thought that I could have credited him with the quote, and his magnanimity in trusting me to set the record straight.

**Mr Speaker:** It is very good to note that the hon. Gentleman has been both gracious and willing to admit to error. We are deeply obliged to him, none more so than the hon. Member for Cheltenham (Alex Chalk). Honour is served.

**Mr Jamie Reed** (Copeland) (Lab): On a point of order, Mr Speaker. I would be grateful for your advice on how we can determine the Government's policy on a time-sensitive issue. Following the flooding in my constituency at the beginning of December, I wrote to the Prime Minister asking him to formally apply for funding from the European Union solidarity fund. Applications to this fund must be made within 12 weeks of flooding taking place. As it was time-sensitive, I also submitted a named-day written question to the Foreign and Commonwealth Office, asking if the FCO would make it its policy to apply for funding. On the last day before the House rose for Christmas, the Foreign Office replied that it would not be able to answer in time. On 20 January, however, I finally received an answer from the FCO, saying that that was not its responsibility and that the matter was one for the Department for Communities and Local Government. It took more than a month for the FCO to tell me that it was not its responsibility.

On the same day, 20 January, I received a letter from the Department for Environment, Food and Rural Affairs, saying that the Prime Minister had forwarded to it my original correspondence, but that it was not a matter for DEFRA. Why would the Prime Minister transfer my correspondence to a Department that does not have responsibility for the matter at hand? Since my original correspondence, six weeks have passed and my constituency and many parts of Cumbria are again flooding today. We are coming closer and closer to the deadline for applications to the European fund. If I was unkind, I would suggest that the behaviour of the Government appears to have been to delay my query until it was too late to apply for assistance. Can you advise me, please, how an individual Member of this House can scrutinise Government policy if the Government will not tell us what it is or if they do not have one?

**Mr Speaker:** I thank the hon. Gentleman for his point of order and for giving me notice of it. It appears that he has received a most unsatisfactory response from the Government to his written question and to his correspondence on a matter which is clearly of urgent interest to his constituents. Although it is for the

Government to decide which Department has lead responsibility for a matter, it is clearly important to parliamentary scrutiny and to public accountability that the Government are clear and consistent on where responsibility lies. What the hon. Gentleman said will have been heard on the Treasury Bench and will, I trust, be conveyed to the relevant Ministers. If he wishes to pursue the specific matter of the unsatisfactory response to his parliamentary question, he may wish to write to the Chair of the Procedure Committee, the hon. Member for Broxbourne (Mr Walker), because his Committee monitors these important matters. I hope that that will serve the hon. Gentleman for now and be a useful guide to Members across the House.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): On a point of order, Mr Speaker. This is a point of order about the rights of Back Benchers to be heard in this Chamber. You will know that some of us are very good attenders at business questions on Thursdays. Last Thursday, contributions from the Front Benches took 25 minutes. I know you are very generous and we carry on with our questions, but the predominance of all three Front Benches went on for a very long time, which squeezes the genuine Back Bencher. On the Labour Benches, we genuine Back Benchers are fighting for space all the time against the Front Benchers who are also Back Benchers part-time. Perhaps you could have a word. Also, I have never known such nasty, acrimonious jousting as there was between the two Front Benches last Thursday. It was not funny and it was not nice.

**Mr Speaker:** I note what the hon. Gentleman says about never having witnessed such unpleasantness in exchanges. I have never witnessed, in nearly 19 years in the House, the hon. Gentleman being squeezed by anybody;

he almost invariably gets in. However, I take on board the very serious point he makes. Although I do not think that in the end Members are squeezed if they have the time to stay, because the record shows that I almost invariably let business questions run until everybody has had a chance to contribute, which was not always the practice in the past, I do accept that Members have time constraints and might have to go elsewhere to attend to other duties, including, of course, constituency and parliamentary duties. It is therefore important that they should not have to wait an excessive period of time.

My own view is similar to that of the hon. Gentleman. I think that the exchanges between the Front Benches do take too long, and they have recently started to take longer, not only on account of the involvement of the Scottish National party, which is a very legitimate and proper involvement, but because the exchanges between the Government and the official Opposition Front Benches are taking too long. Front Benchers have now been duly chided, and not just from the Chair, but, very importantly, by an hon. Member who will in May have had 37 years' uninterrupted service in the House—namely, the hon. Gentleman. I hope that message will be duly heeded, starting this Thursday. I will have the point in mind as I hear the shadow Leader of the House and the Leader of the House. I hope that is helpful.

**The Minister for Small Business, Industry and Enterprise (Anna Soubry):** Thirty-seven years!

**Mr Speaker:** Well, it seems only yesterday that the hon. Gentleman entered the House, and he scarcely seems old enough to have been here for 37 years, but it will nevertheless be a fact in May. [*Interruption.*] Man and boy, indeed.

## **Profit-sharing and Company Governance (Employees' Participation)**

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

1.21 pm

**Mr Gareth Thomas** (Harrow West) (Lab/Co-op): I beg to move,

That leave be given to bring in a Bill to make provision about the entitlement of employees to benefit from profits made by their employers in certain circumstances; to require a company to allocate one seat on its board to an employee representative; and for connected purposes.

If an employee works hard for a company and helps it succeed and make a profit, surely the owners should share a little of that profit with them and with other employees. The best companies already do that. Indeed, the best companies also want their staff involved in decision making at the highest level, using their knowledge and expertise to help plot company strategy and keep senior management on their toes.

In truth, Britain has a productivity and fairness problem. Despite numerous initiatives, we are behind our main competitors in terms of productivity, while inequality continues to grow. Changing the way companies work—how they take key decisions and who is involved in them—is essential for sorting those problems out. We lag behind the rest of the G7 and most of the G20 in how productive our economy is. Indeed, between 2010 and 2014, annual average labour productivity was lower in Britain than in any other G20 or G7 country. While executive pay has shot up in recent years, the incomes of the rest of the workforce have struggled to keep pace, even with historically low inflation.

Part of the solution involves sharing a little more of the power and profits of big business with staff at all levels. Companies such as John Lewis share some of the profits they make with all their staff, giving the most junior as well as the most senior direct incentives to work even harder, think imaginatively and go the extra mile. Employees also get to help choose the board, again giving staff direct responsibility for selecting those at the very top whose decisions they will have to follow. Ensuring that the concerns of staff are heard at the top table is particularly important, as staff depend on a stable business for their livelihood. Absent owners or disengaged shareholders may have other priorities.

In countries such as France and Germany, this “shared capitalism” is a stand-out feature of business practice. Companies such as Deutsche Bank have staff on their German board who play an important and positive role. In France, firms with 50 or more employees benefit from up to 5% of profits being shared with all staff except recent arrivals. Indeed, French Governments of all political persuasions, right and left, have a long history of encouraging profit sharing among French companies; I understand that laws on profit sharing have existed in France for more than 50 years, requiring a mandatory profit-sharing scheme to be negotiated with French employees. Companies in France can choose to distribute rewards, either as a flat rate to employees, in proportion to wages, in proportion to the hours worked in the previous year, or through a scheme based on a combination of those principles. Arguably, the prevalence of profit sharing makes an important

contribution to higher levels of productivity in France. Between 2010 and 2014, France had a level of productivity per hour almost double that of the UK.

Having employees on boards is the norm in many other successful countries. For example, in Denmark, France, Finland, Norway, Sweden and Germany at least one director is elected by the employees. In Norway—favoured by some for being outside the European Union—once a business has 30 employees, one director has to be chosen by the workforce. In Sweden, another key UK ally, once a company has 25 employees, around a third of directors have to be workers in the business. IKEA, that staple of the British high street, has worker directors on its Swedish board. In France, private companies with 1,000 or more employees, or 5,000 or more if they are worldwide, must have at least one or two staff on the board, while a third of all board members for state-owned companies are elected by the staff. In Germany, a third of the supervising board in companies with 500 or more employees are staff, but that rises to half in companies with more than 2,000 employees.

For a long time, this country has been happy quietly to endorse having workers on boards, so long as they are overseas businesses. EDF, France’s leading nuclear energy company, which is in the process of being handed the keys to Hinkley Point, has a board in which one third of members are elected by its workers. Indeed, as a French company, EDF also has a profit-sharing scheme. Deutsche Bahn, which runs much of our rail network through its subsidiaries, has six directors elected by its staff. Even though both companies are key players in British markets, particularly in England, English workers in those companies do not get to vote for board members; it is only German and French staff who do. In short, if German, French and Swedish workers are good enough to sit on a company board, is it not time that British and English workers were given their chance, too?

A number of companies operating in tough markets in the UK have demonstrated that employee directors work. John Lewis is one, and FTSE 100 company First Group is another. Mick Barker is the employee director of First Group. He has been a railway man for 39 years and is employed as a train driver for First Great Western. He serves on its board and various other key bodies. Indeed, First Group encourages its operating companies across the UK and north America to elect employee directors to their boards so that, in its words, “the views and opinions of staff are represented at the highest level”.

In the UK, concerns about high levels of executive pay and falling workers’ wages have led to some debate about broadening the membership of the remuneration committees of big companies to include staff. Indeed, the Department for Business, Innovation and Skills considered reforming remuneration committees in 2011, but sadly nothing happened. Analysis by the House of Commons Library suggests that if a French-style profit-sharing system was introduced in the UK, corporate household names could be allocating to their staff an extra £500 to £1,200 a year once profits have been declared. Those are not huge sums of money to those at the very top of those businesses, but it would help to reward better the collective hard work required for any business to succeed.

That would neither add to business costs, nor undermine pay differentials between skilled and unskilled workers, or between founder and recent employees, but it would

offer an incentive to all to co-operate together to support business success and achieve higher returns for both staff and owners alike. As the Institute for Public Policy Research has noted, if every private sector company in the UK with 500 or more employees had a profit-sharing scheme, over 8 million people in 3,000 British firms could benefit from hundreds of pounds a year extra.

Company law needs to change to reflect modern Britain. Employees' crucial stake in the success of their employer needs recognition in law. It is about strong businesses, better rewards for staff, higher productivity and a less unequal country. The Bill is a step towards those ambitions, and I commend it to the House.

*Question put and agreed to.*

*Ordered,*

That Mr Gareth Thomas, Chris Evans, Meg Hillier, Mr Steve Reed, Mrs Louise Ellman, Mr Adrian Bailey, Rachael Maskell, Stephen Twigg, Mr Mark Hendrick, Stephen Doughty, Kate Osamor and John Woodcock present the Bill.

Mr Gareth Thomas accordingly presented the Bill.

*Bill read the First time; to be a Second time on Friday 11 March, and to be printed (Bill 124).*

#### CHARITIES (PROTECTION AND SOCIAL INVESTMENT) BILL [LORDS] (WAYS AND MEANS)

*Resolved,*

That, for the purposes of any Act resulting from the Charities (Protection and Social Investment) Bill [Lords], it is expedient to authorise:

- (1) the charging of fees; and
- (2) the payment of sums into the Consolidated Fund.—(*Mr Rob Wilson.*)

#### CHARITIES (PROTECTION AND SOCIAL INVESTMENT) BILL [LORDS]: PROGRAMME (NO. 2)

*Ordered,*

That the Order of 3 December 2015 (Charities (Protection and Social Investment) Bill [Lords] (Programme)) be varied as follows:

- (1) Paragraphs (4) and (5) of the Order shall be omitted.
- (2) Proceedings on Consideration shall (so far as not previously concluded) be brought to a conclusion two hours before the moment of interruption on the day on which those proceedings are commenced.
- (3) Proceedings in Legislative Grand Committee shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on that day.
- (4) Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.—(*Mr Rob Wilson.*)

**Mr Speaker:** I remind the House that at the end of the Report stage, I am required to consider the Bill, as amended on Report, for certification. My provisional certificate is available on the “Bills before Parliament” website and in the Vote Office.

## Charities (Protection and Social Investment) Bill [Lords]

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

### New Clause 1

#### APPEALS AND APPLICATIONS TO THE TRIBUNAL

(1) In Schedule 6 of the Charities Act 2011 (appeals and applications to Tribunal), insert in the appropriate place—

“Decision of the Commission to issue a warning under section 75A to a charity trustee, trustee for a charity or a charity.

The persons are—any of the charity trustees of the charity; and (if a body corporate) the charity itself.

Power to quash the decision and (if appropriate) remit the matter to the Commission.”

(2) If the charity decides to appeal against a warning, under Schedule 6 of the Charities Act 2011, the Commission will not publish the warning for at least 28 days from the date of the submission of the appeal.”—(*Anna Turley.*)

*Brought up, and read the First time.*

1.32 pm

**Anna Turley** (Redcar) (Lab/Co-op): I beg to move, That the clause be read a Second time.

**Mr Speaker:** With this it will be convenient to discuss the following:

New clause 2—*Disposal of assets*—

“The Charity Commission shall ensure that independent charities are not compelled to use or dispose of their assets in a way which is inconsistent with their charitable purposes.”

New clause 3—*Power to make representations*—

“(1) A charity may undertake political campaigning or political activity in the context of supporting the delivery of its charitable purposes.

(2) A charity may campaign to ensure support for, or to oppose, a change in the law, policy or decisions of central government, local authorities or other public bodies.”

New clause 4—*Power to hold hearings on fundraising regulation and charity activity*—

“(1) The Commission has the power to hold public hearings with representatives from charities, charity trusts and other relevant bodies on fundraising regulation and charity fundraising activities.

(2) Representatives appearing at the public hearings specified in subsection (1) are protected by legal professional privilege.”

*This amendment requires the Charity Commission to hold annual hearings on fundraising regulation and the workings of charities and provides participants with the protection of legal professional privilege.*

New clause 5—*The Charity Commission as primary guarantor of the regulatory system for fundraising*—

“(1) Section 69 of the Charities Act 2006 (Reserve power to control fund-raising by charitable institutions), which inserts section 64A into the Charities 1992 Act (Reserve power to control fund-raising by charitable institutions) is amended as follows.

(2) In subsection (1) for “Minister” substitute “Charity Commission”.

(3) After subsection (8) insert—

“(9) The Charity Commission shall report annually to the Minister on the exercise of its powers under this section.

[Mr Speaker]

(10) On reviewing the annual report or if the Secretary of State considers the Commission is not effectively exercising its function as guarantor of the regulatory system the Minister may himself exercise the powers under this section.”

*This amendment makes the Charity Commission the primary regulator of charities fundraising activities, requires the Charity Commission to report annually to the Cabinet Office on its regulation of charitable fundraising, and allows the Government to intervene in this regulation as a last resort.*

Amendment 9, in clause 1, page 1, line 12, at beginning insert “Subject to subsection (3)”.

Amendment 8, page 1, line 12, leave subsection (2) and insert—

“(2) The Commission may issue a warning to a charity trustee, a trustee for a charity or a charity in any way it considers appropriate but may not publish a warning to a wider audience.”

Amendment 10, page 1, line 15, at end insert—

“(2A) If the Commission decides to publish a warning under subsection (2) it must do so in a manner which does not identify the charity, or charity trustee, in relation to which the warning is issued.”

Amendment 11, page 1, line 16, after “give” insert “at least 14 days”.

Amendment 12, page 2, line 6, leave out subsection (b) and insert—

“(b) such advice or guidance that the Commission considers may assist the charity to remedy the conduct which gave rise to the warning, as referred to in (a) above.”

Government amendment 2.

Amendment (a), line 10 at end add—

“( ) If the Commission publishes notice that a warning has been withdrawn under subsection (2), the notice must state the reasons for the withdrawal.

( ) No record of a warning withdrawn by the Commission should be held on the Register of Charities.”

Government amendment 3.

Amendment 1, in clause 9, page 10, line 2, at end insert—

“(22) Before this section comes into force, the Secretary of State shall lay a report before Parliament on the impact of the extension of the disqualification framework on—

- (a) people with criminal records who are trustees of, or employed by, charities, and
- (b) charities which work with, or employ, ex-offenders.

(23) The report shall include, but not be limited to—

- (a) an assessment of the number of people employed by charities who will be affected by the extension of the disqualification framework to cover senior management positions,
- (b) an assessment of the number of people who are trustees of, or employed by, charities who will be affected by the extension of the list of specified offences for which people will be automatically disqualified from being a trustee of, or a senior manager in, a charity,
- (c) an assessment of the impact of the new disqualification framework on former offenders who are seeking, or intend to seek, employment in the charitable sector, including on their recruitment, retention, career prospects and long-term rehabilitation and resettlement,
- (d) an assessment of the impact of the new disqualification framework on former offenders who are currently employed in the charitable sector, including on their retention, career prospects and long-term rehabilitation and resettlement,

(e) an assessment of the impact of the new disqualification framework on people with criminal records who are trustees or employees of charities which are partners in, or are contracted by, community rehabilitation companies (CRCs) and its impact on the successful running of those organisations,

(f) an assessment of the effectiveness of the existing waiver process provided for under section 181 of the Charities Act 2011,

(g) an assessment of the impact of the new disqualification framework on the number of applications for waivers to the Charity Commission,

(h) a description of how the working group set up by the Charity Commission on the waiver process will be constituted, how it will be resourced, what timelines it will be working to, its working method and intended outputs, and how it will work in consultation with people with criminal records and charities that work with, or employ, ex-offenders,

(i) a description of the criteria the Charity Commission will adopt in considering applications for waivers, and the weight it will attach to the views of the trustees of the charity or charities concerned,

(j) a description of how the waiver process will operate in relation to prospective candidates for senior management positions in charities, including the timescales for decisions and mechanisms to ensure that ex-offenders do not suffer indirect discrimination as a consequence of delays in assessing applications for waivers while a competitive recruitment process is underway,

(k) an assessment of the impact of the new disqualification framework on the resources provided by the Charity Commission to administer the waiver application process.”

*This amendment would require the Secretary of State to lay before parliament a report on the impact of the extension of the disqualification framework on people with criminal records who are trustees of, or employed by, charities, and on charities which work with, or employ, ex-offenders before the section came into force.*

Amendment 13, in clause 10, page 10, line 7, after “person” insert “or persons”.

Government amendment 4.

Amendment 14, page 10, line 35, leave out

“(either generally or in relation to the charities or classes of charity specified or described in the order)”

and insert

“, as defined by the Commission in a specific document to be published after consultation and renewed”.

Amendment 15, page 11, line 33, after “conduct” insert “both relevant and serious”.

Government amendments 5 to 7.

**Anna Turley:** It is a pleasure to speak today on behalf of Her Majesty’s Opposition about this, my first Bill. The Committee process has been excellent, and I welcome this opportunity to revisit the Bill and talk again about some of the issues that were raised.

The main objective of the legislation is to provide a strong regulatory framework to support the charity sector and its trustees. In particular, it aims to strengthen the Charity Commission’s arm by giving it more powers to regulate charities. That is an important objective, which we support, but we are clear that the right safeguards must be in place. The Charity Commission is the guardian of public trust and confidence in charities. On the whole, it does an excellent job, particularly in the context of the assault on its budget over the past six years. It is important for the integrity of the charitable sector that

the commission should have the tools to do its job properly, and for that reason we support many of the Bill's provisions.

However, as with any regulator, it is vital to ensure that the commission's powers are subject to appropriate safeguards. Unfortunately, some of the new powers for the regulator introduced by the Bill lack such safeguards and therefore leave scope for the commission to overreach itself. That threatens the independence of charities and the integrity and reputation of the commission, and it could fundamentally change the relationship between the commission and the charity sector.

Our concerns are shared by the sector, its advisers and more widely—the Charity Law Association, for example, has said that the new powers in the Bill need to be balanced by appropriate and proportionate safeguards. It points out that the new powers will apply not only in rare cases of deliberate abuse but to all charities and their many hundreds of thousands of well-meaning volunteer trustees.

A group of sector umbrella bodies, including the Directory of Social Change, the Association of Chief Executives of Voluntary Organisations, the National Council for Voluntary Organisations and the Charity Finance Group, have all expressed serious concerns about the lack of safeguards. The Joint Committee of the House of Lords and House of Commons that scrutinised an early draft of the Bill called for necessary safeguards to be included, and, of course, we pushed for those in Committee.

The Minister may point out, as he did in Committee, that the Charity Commission has a statutory obligation to act proportionately. We acknowledge that, but experience has shown that, sadly, that is not enough. In a recent High Court case involving the commission and the Joseph Rowntree Charitable Trust, the Lord Chief Justice referred to “ludicrous time limits” imposed by the commission in a regulatory situation; he said he could understand why it was felt that the Charity Commission had behaved in an extremely high-handed manner in that case.

The commission should, of course, have the power to do its job, but sensible limits should be imposed on how it exercises its powers. Our amendment would redress the balance.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): I congratulate my hon. Friend on her excellent speech. I am a trustee of many charities; one of the concerns that those of us who work in the charitable sector have had for a long time is the weakness of the Charity Commission. Usually, its legal department is terrified of a case ending up in the High Court. I support the Bill: we need a strong commission that can do its job as it has not been able to do it for many years.

**Anna Turley:** My hon. Friend is absolutely right; that is why we support the Bill and the powers it gives to the Charity Commission. My hon. Friend is also right in talking about what is sometimes a lack of clarity and a confusion, which can be costly. We are really keen to get clarity on the grey areas, boundaries and improper balances in the Bill. It is really important that we get those on the record while the Bill has yet to be enacted and before we end up with costly processes in the High Court.

I turn specifically to new clause 1 and amendments 9, 8, 10, 11 and 12, which apply to clause 1, which relates to the Charity Commission's new power to give warnings.

The Bill introduces a new power for the Charity Commission to issue official warnings to a charity or a charity trustee. The explanatory notes say that the power is intended to be used when the risk of an impact on charitable assets and services is relatively low, but the new power could have a far-reaching impact on charities that receive a warning. The Bill gives the commission complete discretion about publicising a warning. That could have serious reputational implications for the charity involved: the public, the media and funders may well not distinguish between a low-level issue giving rise to a warning and something much more severe. It is important that we consider the issue in the context of the high profile media issues raised recently. After all, official warnings issued by other regulators indicate a serious and high level of concern; under the Bill, the commission can issue a warning on the strength of a low-level breach of trust or just a breach of duty by a charity trustee. Indeed, it is our understanding that it intends to use the warning power in low-level cases.

As all hon. Members know, reputation is paramount for charities and charity trustees. The adverse publicity resulting from a warning could lead to a choking off of donations, grant funding and corporate sponsorships, leading to a closure of services and, potentially, to redundancies. A warning can be used as a trigger for further regulatory action; clause 2 makes a change to the circumstances in which the commission can take significant protective measures in relation to charities so that the failure to remedy an alleged breach of trust or duty specified in a warning is automatically a trigger to more serious action. That seems a startling implication for a power intended to be used in low-level cases and makes it all the more important that there should be safeguards around the exercise of the power.

Our amendments address those concerns in four ways. First, through amendment 9 and 8, they would limit the commission's scope to publish the warning to a wide audience. The charity and its trustees would receive the warning, but no wider publicity would be involved. The warning would ensure that the charity took the commission's concerns seriously, but would have no adverse effect on its reputation. If the charity failed to comply with the warning, the commission could take more significant regulatory action at that stage, and that might attract publicity. Low-level concerns, however, would not be publicised, to ensure that the commission's action was proportionate and did not seriously impact—potentially fatally—a charity for a relatively minor error.

**Peter Kyle** (Hove) (Lab): It has been stated numerous times that the Charity Commission often sees itself as a partner in trying to improve and work with charities. Would not the method that my hon. Friend is describing be one more of partnership, using the expertise of the Charity Commission to improve and tackle the challenges that charities face in the front line? That is a much more collaborative approach, aimed at delivering outcomes for the beneficiaries, rather than a public bust-up, which could damage the Charity Commission, charities as a whole and the individual charity concerned.

**Anna Turley:** My hon. Friend makes an extremely important point. It is clear that when the Charity Commission works in terms of its role of supporting, encouraging and giving guidance to charities, it is extremely effective. Particularly given the pressures on its finances, expecting it to undertake a wide range of enforcement in this manner is potentially quite costly.

Alternatively, amendment 10 would allow the commission to make details of the warning public without referencing the charity, or a charity trustee, by name. This would allow the commission to publish a warning anonymously if it felt that it held important lessons for the wider charitable sector, but without the consequent impact on the charity.

Secondly, under amendment 11 the commission would be obliged to give the charity adequate notice of its intention to issue a warning. The Bill states that

“the Commission must give notice”,

but there is no specified notice period. That means that there is nothing to stop the commission giving less than 24 hours’ notice of its intention to issue a warning, which would give the trustees, who are very often hard-pressed volunteers, and any charity staff almost no time to respond. This is a serious risk. In the High Court judgment that I mentioned, it is understood that charity trustees were given less than 24 hours to respond to the commission, prompting the Lord Chief Justice, as I said, to describe the time limits as “ludicrous”.

This concern has already been raised by the Joint Committee that reviewed an earlier draft of the Bill. It recommended that a reasonable minimum notice period to make representations on a draft warning should be made clear in the Bill. The Government’s response to the Joint Committee’s report accepted that a recipient should have the opportunity to make representations on the warning for the commission to consider before it is published. In our view, this requires the inclusion of a minimum notice period in the Bill, and that is what our amendment seeks to achieve. The Government may argue that there could be circumstances where the commission has such serious concerns that it must act swiftly and without notice. In such cases, the commission should exercise some of its other regulatory powers designed for more serious concerns, some of which may be used without advance notice. We have been told that the warning power is not intended for such serious cases.

We also propose a small amendment, amendment (a), to Government amendment 2 on the proposed power to withdraw or vary a warning. Our amendment is designed to help reduce any reputational damage to a charity that might result from the inappropriate issuing of a warning. It is absolutely right and fair that if the warning was subsequently found to have been incorrectly given, then it should be publicly revoked and any damage sought to be undone.

Thirdly, amendment 12 seeks to ensure that it is absolutely clear in the Bill that the commission will not be able to use its warning power to direct charities. It is not appropriate for the commission to be able to direct charity trustees on how to act. It is very clear from the Charities Act 2011 that the commission is not able to act as a charity trustee except for very limited exceptions. In a small range of circumstances, the commission can issue statutory directions to charities, but these are

rightly subject to very strict safeguards. It seems that the Government agree with this principle. In responding to the consultation on the extension of the Charity Commission’s power that was a precursor to the Bill, the Government specifically decided not to extend the commission’s powers to make directions outside a formal statutory inquiry. If the commission could use the warning power as a way to direct charities, it would be able to give directions via the back door. This is a fundamental shift in the delicate balance of the relationship between the commission and charities, and it should not be allowed.

We would welcome some clarification from the Minister on this point, as there seems to be confusion in the sector about it. We understand that the commission does not regard the warning power as giving it the power to direct charities, yet the explanatory notes to the Bill imply the opposite, stating:

“Where the Commission considers it disproportionate and unnecessary to open an inquiry purely for the purpose of making a direction, issuing an official warning could be an alternative way of making it clear to a charity that they should take action.”

Confusion over a similar issue gave rise to the High Court case that I mentioned, prompting the Lord Chief Justice’s comments about the commission’s actions. Our amendment makes it clear that while a warning can be used to give advice or guidance to a charity—which can often be very positive, as my hon. Friend the Member for Hove (Peter Kyle) said—in order to remedy the conduct that gave rise to it, it absolutely cannot be used to direct the trustees to take action.

New clause 1 would allow for the issuing of a warning to be appealed to the Charity Tribunal. I have already explained the potentially significant consequences that the issuing of a warning has for a charity. The Charity Tribunal is a low-cost forum that was established in the Charities Act 2006 especially for charities wishing to challenge the commission. In the absence of an express right of appeal, charities affected by a warning are able to challenge it only via judicial review. Judicial review is expensive, complicated, and time-consuming. It is a completely inappropriate option for a mechanism that is intended to address low-level non-compliance. The Charity Tribunal was introduced precisely so that charities would not have to rely on costly judicial review proceedings to challenge the commission’s decision making. There is no good reason, and I am afraid none was forthcoming in Committee, as to why it should not be possible to appeal an official warning to the Charity Tribunal. It is illogical that the exercise of the warning power should be more difficult to challenge than the exercise of the commission’s more extensive regulatory powers, which can be appealed to the Charity Tribunal.

1.45 pm

It is worth my highlighting again, first, that a warning can be issued if the commission considers that there has been a breach of duty—something that may well be disputed by the charity—and, secondly, that failure to comply with a warning can of itself allow the commission to take more significant regulatory action. These two factors make it even more important for a charity to have an accessible, realistic way of challenging a warning.

Amendments 13, 14 and 15 refer to clause 10 on the power to disqualify. The Bill will give the Charity Commission a completely new power to disqualify someone



from being a charity trustee. Again, we have significant concerns about the scope of this power, and again, we are not alone. The Joint Committee expressed concerns about the safeguards that accompany this power. The Charity Law Association has said that although the test for disqualification

“appears superficially to be robust, it is in fact insufficiently defined and lacks clarity and adequate safeguards.”

While the commission is naturally concerned to protect charities from unscrupulous trustees, and we support that aim, it is important to recognise the adverse impact that disqualification might have on an individual.

Our amendment would improve the power in three ways. One of the preconditions of the exercise of the power is that the commission should be satisfied that the person concerned is unfit to be a charity trustee. The Bill includes no guidance at all as to the meaning of “unfit”, which leaves a considerable degree of discretion in the hands of the commission and no benchmark against which unfitness can be judged. Amendment 14 would oblige the commission to publish a definition of “unfit”, after public consultation. This would go some way towards introducing objective criteria by which to assess unfitness. Where the commission disqualifies a person on the basis of past conduct that it considers is likely to be damaging to public trust and confidence in charities, our amendment 15 would make it clear that the conduct must be both relevant and serious.

Amendment 13 seeks to ensure that in situations where there has been a collective failure by more than one individual trustee, more than one person can be disqualified. This could be necessary in situations where more than one member of a board has been complicit and the board has collectively turned a blind eye to an abuse or misdemeanour within a charity. In some of the sexual abuse cases that have come to light recently, there has been what can only be described as a conspiracy of silence. This amendment seeks to challenge that.

These amendments and new clause 1 are intended to provide safeguards on the new powers of the Charity Commission. We believe that they will serve to strengthen the original clauses, not weaken them. Powers that place too much decision-making responsibility in the hands of the commission in making finely balanced judgments and executing actions with significant consequences could lead to confusion, error, suspicion and mistrust between the sector and its regulator. Greater clarity, a more balanced approach, and a strengthening of the boundaries of the relationship will give greater confidence to both sides on how to proceed in using the Bill’s new powers.

**The Minister for Civil Society (Mr Rob Wilson):** It might be helpful if I clarify one of points that the hon. Lady raised about the power to direct. An official warning is not the same as a direction power. I am aware of the potential confusion regarding the explanatory notes that she mentioned. If it is helpful to her, I would be happy to ensure that the explanatory notes are updated to make it absolutely clear that the warning power cannot be used to direct charities.

**Anna Turley:** That is very helpful indeed. I really appreciate the Minister being so quick and forthcoming with his clarity on that, which will give the sector a lot of reassurance.

I now move on to our new clauses 2 and 3. New clause 2 seeks to replace a clause that was put into the Bill during its passage through the other place but removed in Committee. I pay tribute to our noble Friends in the other place who successfully added the clause to the Bill. As with so much legislation at the moment, we are finding them to be great defenders of social justice and fairness.

New clause 2 would support trustees in carrying out their existing duties by ensuring that they can adhere to their charitable aims and objectives, and it would protect them from being compelled to undertake an action at odds with their charitable purposes. As we have always made clear, especially in Committee, the provision is particularly relevant to housing. It aims to protect charities and housing associations if the Government mandates them to sell their charitable property under the right-to-buy proposals.

Labour Members want those who desire to be homeowners to achieve their aspiration. While the number of homeowners has fallen by more than 200,000 under this Government, the number rose by more than 1 million under Labour between 1997 and 2010. I want to be clear that we support people’s aspiration to own their own home.

**Kelvin Hopkins (Luton North) (Lab):** I agree with what my hon. Friend is saying, but the level of owner-occupation is declining because house prices have risen way beyond the ability of most people to afford them. Is not the real problem the need to have decent social rented housing, and should we not keep all existing social housing in the public sector to make sure we can house people properly?

**Anna Turley:** My hon. Friend makes an extremely important point. We know that home ownership is falling and, as he says, the real crisis is in social housing. The purpose of new clause 2 is to protect what social housing we have and maintain it in the hands of the charitable sector and housing associations that own it, as well as to ensure that it is used for its intended purpose, not sold off for profit.

The problem our new clause seeks to address is that of compulsion. This is about the fundamental rights and the position in law of housing associations and charities. The independence of the charitable sector from Government is an important strength of British civic society, and one that must be cherished. We do not support the right of a Government to direct a charity, against its independent will and contrary to its charitable purposes, to dispose of its assets according to the Government’s desire. That is an infringement of the independence of charity, community and voluntary sector organisations. For many housing associations, it goes against the very grain of their founding purpose.

Housing associations, many of which are charities, provide 2.5 million homes for 5 million people on affordable rents. Many enable vulnerable people, or those with disabilities or care needs, to live independently. Other properties are for shared ownership, to help those on lower incomes to buy their homes. These aims are in the charitable DNA of housing associations and are not for the Government to tamper with.

The unintended consequences of the right-to-buy proposals for housing associations could undermine charity law that goes back centuries. In essence, the

[Anna Turley]

proposals will allow the assets of independent charities, and even the bequests of individuals or philanthropists—for example, the Peabody Trust, which has built and bequeathed housing to ameliorate the conditions of the poor and needy—to be seized. Housing associations currently build 45,000 homes a year. Ideally, they would like to build 120,000 homes. That aim may be undermined if they are forced to sell off their stock.

Housing associations often lever in private finance on the basis of assets they already own in order to meet their wider charitable objectives and to manage their assets effectively. Right to buy will force housing associations to sell properties. It will give them less control over such decisions. Importantly, in relation to this Bill, it will make it more difficult for them to meet their charitable purposes.

Furthermore, any diminution of the housing stock could harm housing associations' borrowing powers. The National Housing Federation has said:

“With a nation in the throes of a housing crisis, it is key that housing associations are in full control of the assets against which they borrow to build homes.”

Labour, as well as many housing associations around the country, has always said that the extension of right to buy to housing associations, through the Housing and Planning Bill, is unworkable and wrong. It will lead to a severe and irreversible loss of affordable homes at a time when they can never have been more needed, because the Government have no genuine plan for one-for-one, like-for-like replacement. Historically, only one in 10 homes sold have been replaced under the right to buy.

**Kelvin Hopkins:** Even those who support the sale of council houses and of housing association properties say that if the subsidy came directly from the Treasury, that would be very different from making housing associations and local authorities pay for the subsidy out of their assets.

**Anna Turley:** My hon. Friend is absolutely right. It has been apparent throughout the proceedings on the Housing and Planning Bill that there is a black hole in the plans to fund the whole proposal.

There are currently 2 million people on waiting lists due to the dearth of homes on affordable rents for low earners. Our new clause 2, which protects housing associations from being compelled to sell off homes, would prevent the further reduction in the supply of affordable social housing. Too often, history has shown that right-to-buy homes are resold. Many homes are rapidly rented out by private landlords at the full market rent, which serves to drive up market prices and increase poverty through higher housing costs, as well as reducing the housing stock available on affordable rents. All of that goes against the charitable objectives of most housing associations.

In summary, we are concerned that the Government want to interfere with the duties of charity trustees to put their beneficiaries first and to comply with their fundamental charitable purposes in how they manage their assets. Housing associations can already partake of right-to-buy options for their tenants where that accords with their charitable objectives. The problem

arises where that conflicts with their objectives and trustees' duties risk being overridden by the Government, which is simply not acceptable. That is what the new clause seeks to prevent.

New clause 3 would enshrine in legislation the right of charities to undertake political campaigning activity. We are clear that this is a direct attempt to challenge the unfair and poorly applied Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014, commonly known as the gagging Act. Campaigning is an important part of democracy and civil society. One of the fundamental principles of a thriving and healthy democracy is that individuals and organisations can speak out on the issues they care about.

**Mark Field** (Cities of London and Westminster) (Con): On new clause 2, the hon. Lady made a case about charities' ancient rights. She will be well aware that the ancient rules, going back 400 years to the time of James I, were very much against charities involving themselves in politics. I accept that there have been changes in charity law more recently, but it seems rather perverse that she prays in aid ancient charitable rights in relation to new clause 2, but is happy to ride roughshod over them in new clause 3.

**Anna Turley:** On the contrary, it was the gagging Act that rode roughshod over the historic rights of the charity sector to defend and campaign on the causes that charities fundamentally exist to tackle.

**Peter Kyle:** My hon. Friend makes an incredibly powerful point. This is about freedom of speech for everyone—every citizen and every organisation in this country—but it is also about making sure that the disempowered, both individuals and communities who lack a voice, have advocates that can speak in as unencumbered a way as is humanly possible and with the ferocity that those in our society who lack a voice deserve.

**Anna Turley:** My hon. Friend is absolutely right. He pays tribute to the charities that do some of the most important work with the most excluded. Such people need a voice and are often those who suffer the consequences of bad policy making in this place. Charities often have to pick up the pieces of such policy making.

**Susan Elan Jones** (Clwyd South) (Lab): I am slightly mystified by some of the comments about so-called political activity. We are talking about basic advocacy. We only have to go back to the end of the first world war to see the Royal British Legion campaigning for jobs for veterans and so on. We are not talking about party political campaigning. That is what the voluntary sector objected to in the 2014 Act.

**Anna Turley:** My hon. Friend is absolutely right. As she has ably demonstrated, charities have a long-established role in educating, informing the public, campaigning and securing positive social change throughout our history.

**Wendy Morton** (Aldridge-Brownhills) (Con): Use of such terms can seem a little bizarre, but does the hon. Lady not agree that charities can already make

representations, including to us as Members of this place? One of the big things about charities is that they have a special ethos that drives their work and activities. I therefore cannot understand why we should support new clause 3.

**Anna Turley:** It is quite clear that the charitable sector felt that the 2014 Act prevented them from being able to pursue exactly the aims that the hon. Lady sets out. We in this House share many things in common with the charitable sector, not least the effort to build a better society, so it is absolutely right that we should work together in partnership to build better policy making and to shape the kind of society that she cares about. Our new clause has not come out of thin air. We are reacting to a very bad piece of legislation, about which the sector feels extremely strongly. We want to continue to protect the sector.

**Wes Streeting (Ilford North) (Lab):** Part of the problem is the use of the word “political”. Before the introduction of the gagging law, there was no provision for charities to engage in party political activity—activity in favour of a political party—and CC9, the Charity Commission’s guidance document on campaigning for charities, is clear about that. What problem does my hon. Friend think the Government were trying to solve when they introduced the gagging law? I do not think there was any such problem.

**Anna Turley:** My hon. Friend is absolutely right. I think the problem was that the Government felt challenged. From the outside, they were happy to talk about being the most open and transparent Government ever, but once in power, they pulled up the drawbridge and were nervous about the challenge they faced from the sector on key issues such as badgers and the bedroom tax.

**Mark Field:** No one minds scrutiny. We are very happy to have bodies that want to engage in political lobbying, but they should not be charities. Charities have certain benefits, including tax benefits. Bodies that wish to be party political, biased advocates are perfectly able to be so if they are companies or other corporations. The point is that the charitable sector brings with it a range of benefits, not least in terms of taxation, that should not be abused for party political purposes.

2 pm

**Anna Turley:** Would not the right hon. Gentleman agree, therefore, that for a charity that is picking up the pieces left by diseases such as cancer or heart failure, it is a better use of taxpayers’ money to lobby for better investment in prevention and research and development?

**Robert Jenrick (Newark) (Con):** I am sorry to relive arguments that were heard in Committee, but the only example that was given to the Committee of the so-called chilling effect or of a charity being prohibited from carrying out activities by the so-called gagging law was that of the Badger Trust. That organisation was explicitly party political. The chief executive officer, Dominic Dyer, sent out an email using the charity’s email system to all its members, who may have had any party political affiliation or none, saying that he had contributed to the Labour party’s rural manifesto, that it was wonderful,

that they should turn up at the launch of the manifesto, that they should take part in an anti-Cameron rally and, presumably, that they should vote Labour. The hon. Lady said that she supported that kind of behaviour, which was illegal. Surely Members from all parts of the House can agree that such behaviour is wrong. New clause 3 should be defeated because it would give the green light to that sort of extremely negative behaviour.

**Anna Turley:** I am surprised that the hon. Gentleman has a problem with negative behaviour—I am afraid that it is a fact of life. Having looked at the evidence from the Charity Commission on that case, I still struggle to see what was wrong with the situation. I am very happy to continue that conversation with the Charity Commission.

The hon. Gentleman says that that was the only evidence given. More than 160 charities signed a letter to the Government ahead of the general election saying that the legislation should be scrapped, including Save the Children, the Salvation Army, Oxfam, Greenpeace, Age UK and Amnesty International. The charity sector is up in arms.

**Susan Elan Jones:** Surely the big problem that people had was that they did not like the idea of dodgy lobbyists giving money to dodgy politicians. It was not about victimising groups such as the Salvation Army. The hon. Member for Newark (Robert Jenrick) says that it was just the Badger Trust that was affected. If he had heard what the Countryside Alliance said at the all-party parliamentary group on civil society and volunteering about what it thought of the gagging Act, he would accept that a wide variety of groups are affected.

**Anna Turley:** My hon. Friend makes an extremely important point about the strength of feeling in the sector.

**Martin John Docherty (West Dunbartonshire) (SNP):** I share the concerns of the hon. Member for Clwyd South (Susan Elan Jones). Does the hon. Member for Redcar (Anna Turley) agree that the gagging Act would have limited even the calls for the creation of the Scottish Parliament, the Welsh Assembly and the Northern Ireland Assembly, which were led by the Church of Scotland, which is a registered charity in Scotland? Without new clause 3, it will not be possible to have an impact like the one that the Scottish Parliament has had on the so-called unwritten constitution of the United Kingdom.

**Anna Turley:** The hon. Gentleman makes an important point and I thank him for that contribution. I will make some progress, because I am conscious that many Members want to speak.

Not only should charities have the right to campaign, but they are often best placed to provide important insights that can inform and improve policy making. They are often the ones on the frontline who see the gaps in provision, the duplication of services and the inefficiency and waste, and who spot the best ways of solving or, better still, preventing problems. Many charities can make a bigger impact with their limited resources through campaigning than through service delivery alone.

[Anna Turley]

Campaigning often saves taxpayers money in the long term, as issues can be addressed at their roots, rather than in the aftermath, which can be costly. For example, as I just mentioned, many charities provide fantastic care for patients with long-term conditions such as cancer, but is it not better for them to push for more effective treatment, more awareness of the symptoms and more support for diagnosis through campaigning? So much of that happens as a result of good policy making by politicians. That is why charities must seek to shape it.

**Maggie Throup** (Erewash) (Con): I fear that under new clause 3, the hard-earned money that people donate to charities would be spent on political campaigning, rather than the initial cause to which they donate, such as true medical research. That is why the new clause is flawed.

**Anna Turley:** I am surprised that the hon. Lady presumes to know what people want to happen when they donate money. Many people who donate money to large charities such as Crisis and Shelter are very aware of the high-profile public campaigning that they do and of the pressure that they put on all of us in this House. That is to be commended. Many people support the powerful voice that such charities have in the community.

**Kelvin Hopkins:** To reinforce that point, many people support and donate to such charities precisely because they campaign.

**Anna Turley:** I completely share my hon. Friend's view and am grateful for his supportive intervention.

Charities themselves have set out their concerns, including the fact that the scope of the Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014 is very broad. They are concerned that the legitimate day-to-day activities of charities and voluntary organisations that engage with public policy will be caught by the rules and that a number of regulated charities, voluntary organisations and other groups will be substantially affected. They feel that the Act is incredibly complex and unclear, and that it will be difficult for charities and other voluntary groups to understand whether any of their activities will be caught, giving rise to the risk that campaigning activity will be discouraged.

Charities also feel that the 2014 Act gives substantial discretion to the Electoral Commission, creating an unnecessary and burdensome regulatory regime and possibly leaving charities, voluntary organisations and the Electoral Commission open to legal challenge. The legal opinion provided to the National Council for Voluntary Organisations by election law experts suggested that the rules were so complex and unclear that they were

“likely to have a chilling effect on freedom of expression, putting small organisations and their trustees and directors in fear of criminal penalty if they speak out on matters of public interest and concern”.

The 2014 Act stopped charities campaigning—they say so themselves—and caused unnecessary cost and confusion, according to a report by the Commission on

Civil Society and Democratic Engagement, which looked at its effect on last year's general election. Drawing on evidence from UK charities and campaign groups, the commission found that charities were faced with confusion about

“the ambiguity of the definition of regulated activity.”

The commission states that as a result of that, “many activities aimed at raising awareness and generating discussion ahead of the election have not taken place.”

A representative of the World Wide Fund for Nature told the commission:

“I think the Act has created an atmosphere of caution within parts of our sector. It has also wasted time in terms of analysis of it, explaining it to Trustees, staff etc. It is not...a piece of legislation we need.”

Greenpeace told the commission:

“We were meant to be participating in a huge cross-NGO campaign, but all apart from a couple of the organisations ended up not campaigning during the general election period leaving us with not enough partners to run the campaign.”

The Salvation Army stated:

“As we are not traditionally a campaigning charity we were not in danger of exceeding the top limit. However, we were wary of supporting causes that could be considered coalition campaigning because we felt the administrative cost would be excessive and we couldn't control the level of spending.”

The Commission on Civil Society and Democratic Engagement also found that voluntary groups undertaking Government contracts regularly faced threats to remain silent on key Government policies. Many neglect to speak out on issues that are plaguing society, for fear of losing funding or inviting other unwelcome sanctions.

**Wendy Morton:** Will the hon. Lady give way?

**Anna Turley:** I am afraid that I am nearly at the end of my speech, so I will finish.

The lobbying legislation looks to many in the sector too much like another deliberate and shameless act by a Government who are too scared to debate their record or to be open to scrutiny and challenge. The health of our democracy depends on people's right to campaign on the issues they care about. The 2014 Act was an attack on our democracy. It limits the rights of charities to fight for important causes. It has left expert organisations that have a vital contribution to make to public debate unsure whether they are allowed to speak out. We seek to protect the right of charities to have a loud and respected voice in our democracy. I commend new clause 3 to the House.

**Sir Edward Garnier** (Harborough) (Con): I congratulate the hon. Member for Redcar (Anna Turley) on her first speech from the Dispatch Box in the Report stage of a Bill. She gave a thorough explanation of her case on behalf of the official Opposition, although I am not entirely sure that I agreed with all of it. No doubt she gave it a lot of thought. She certainly gave us the benefit of her views.

I will not follow the hon. Lady up and down the badger setts of England and Wales, if that is all right with her, but I will speak to amendment 1, which stands in my name. I will do so, with the greatest of respect, in a slightly less aggressive way than her, although there is nothing wrong with aggression when one has something decent to say. I must declare an interest, as is indicated

on the Order Paper, because I am a patron of Unlock, the charity that seeks to help people with convictions, and a trustee of the Prison Reform Trust. Both positions are unpaid.

I became interested in prison issues, the rehabilitation of offenders and so on when the Prime Minister, then the Leader of the Opposition, appointed me in the middle of the last decade as shadow Minister with responsibility for prisons and probation. As a consequence of that appointment, I visited about 65 of the 140 or so prisons, young offender institutions and secure training units throughout England and Wales. It became apparent to me—it was not a new idea, in that others had discovered it previously—that one of the things that contributes to the high levels of reoffending among those people who have been sent to prison and come out again, particularly among youngsters, is that they do not have a job or somewhere settled to stay, and that they have, to put it loosely, relationship problems. If we can do something to help people to form strong, stable relationships with families, partners or others, and if we can find them somewhere stable to stay and live, and if we can help them to get training or work, the chances that they will reoffend and go back to prison are very much reduced.

As a consequence of the voyage of discovery that I went on from 2005 or so until I was appointed shadow Attorney-General in 2009, I wrote a paper called “Prisons with a Purpose”. I hope that the Secretary of State for Justice—I see his Parliamentary Private Secretary, my hon. Friend the Member for Newark (Robert Jenrick), sitting in his place to my left—is picking up many of the ideas that I and my right hon. Friend the Member for Arundel and South Downs (Nick Herbert) pushed forward in that period of opposition.

I suppose it is not a surprise that I have become attached to the Prison Reform Trust and to Unlock, but in speaking to my amendment 1, which is long—it is set out on page 5 of the amendment paper—I invite the Government to have a little think about the disqualification or waiver procedure that applies to people with criminal records, either in so far as they may be trustees of charities that have an interest in looking after ex-offenders, or in so far as they may be employees of those charities.

I hope that the framework of the amendment is clear in itself but, if I may—I will be as quick as I can because I know that my right hon. Friend the Member for Cities of London and Westminster (Mark Field) and other right hon. and hon. Members wish to catch your eye, Madam Deputy Speaker—I hope he and the House will forgive me if I take a little time in setting out what I intend to do. I should confess at the outset that I am very grateful to the Prison Reform Trust in assisting me in preparing for today’s debate.

The purpose of my amendment is to require the Secretary of State to lay before Parliament, before clause 9 comes into force, a report on the impact of the extension of the disqualification framework on people with criminal records who are trustees of, or who are employed by, charities that work with or employ ex-offenders. I intend to urge the Government to provide us with further clarification of the impact of the extension of the disqualification framework on people with criminal records and charities that work with or employ ex-offenders. The amendment also provides an opportunity for the Minister to outline in more detail how he and his

Department intend to conduct the review of the waiver process to ensure that people with criminal records who are existing employees or charitable trustees, or who are seeking or intend to seek employment or a trusteeship in a charity, are not unfairly discriminated against.

Clause 9 and the policy behind it are entirely worthy and understandable. We clearly do not want people who are engaged in terrorism to be using charities to move money around or to hide their outrageous behaviour; that is not controversial, but one problem might be the unintended consequence of the clause on people whom the Government may not want to impact. One has only to read out clause 9(5) to realise that someone who comes within

“Part 1 of the Terrorist Asset-Freezing etc Act 2010...or...the Al-Qaida (Asset-Freezing) Regulations 2011”

is not someone whom we want to be involved in charities. That is not a problem, but I am concerned about the unintended consequence of that perfectly understandable and worthwhile clause.

2.15 pm

A number of the provisions of clause 9 represent a direct threat to charities that work to rehabilitate people with criminal records, many of which employ former offenders either as trustees or in senior management positions. At the heart of the voluntary sector is the principle of working with service users rather than doing things to them. It is an old cliché that the Government should do things for people rather than to them. Likewise, legislation should enable charities to do things for people rather than to them. I hope that, with a bit of time, and a bit of further thought and discussion with the charities that I and others are interested in, the Government can come up with a plan that does not have deleterious consequences. That is particularly important in respect of people in the criminal justice system—perhaps it is more important in that aspect of charitable work than in any other. Any unnecessary barriers to the recruitment of people with convictions as trustees and in senior positions are very likely to be a threat to the core mission of that sector.

Unlock, the charity of which I am a patron, and the Prison Reform Trust, the charity of which I am a trustee, and other charities involved in the criminal justice sector submitted evidence to the Public Bill Committee, where hon. Members raised concerns. During the debate, my hon. Friend the Minister confirmed that charities would be given notice of at least six to 12 months before the new provisions in clause 9 came into force, and that the Charity Commission would conduct a review of the waiver process in consultation with the charities. He also confirmed that the Charity Commission would not be given any additional resources to administer the likely increase in waiver applications as a result of the introduction of the new disqualification framework.

Based on the experience of charities in that area of public policy—the existing waiver process—and based on the fact that no additional resource will be provided to the Charity Commission, they are concerned that six months is simply not enough time for them to prepare themselves for the introduction of the new framework. If my hon. Friend the Minister can give me some indication when he winds up the debate that the timeframe will be at least 12 months, that would be of considerable assistance to me.

We submit further that the six to 12-month period is not sufficient for the Charity Commission to conduct a comprehensive review of the waiver process in consultation with charities, or for the commission to issue waivers to existing employees or trustees who qualify under section 181 of the Charities Act 2011. That could result in existing employees or trustees having to resign from their positions as a consequence of charities having to work to an unrealistic timeframe. At the very least, we would urge the Government to guarantee a minimum of 12 months' notice for charities to enable them to prepare for the introduction of the new framework, and for the Charity Commission to conduct a full and comprehensive review of the waiver process.

I know that six to 12 months is a very different figure from 12 months and more, but in the circumstances—my right hon. Friend the Member for Cities of London and Westminster, who is an expert in these matters, mentioned the 400-year-old history of charity law, going back to 43 Elizabeth and, I think, the Act of 1602.

**Mark Field:** We probably know more about Roman law than trust law from our time at university, but as I recall, it was indeed in 1602 and thereafter, during James I's time, that charitable heads came into play. That is not unimportant to the debate. There has been a lot of radical change quite recently, which has upset the very essence of what charities should be about, as my hon. Friend the Member for Aldridge-Brownhills (Wendy Morton) pointed out.

**Sir Edward Garnier:** Clearly, I need to take my right hon. Friend around with me in a knapsack, particularly when I am speaking in the Market Harborough Conservative club. He is just the chap they want to hear more from.

To return to the serious point we are discussing, a longer period to enable charities, the Charity Commission and the Government to work out how best to move forward with the clause 9 provisions would be to the advantage of all. That would enable us to get rid of any glitches and look out for any Heffalump traps that may be lying there for the unwary.

My hon. Friend the Minister was very kind and met me in his Department with his officials on Tuesday 19 January. It came across to me that he was in listening mode and that the Government are very likely to move towards me to some extent. If he does, that would be very helpful. If he is able to say so on the Floor of the House, that would be even more helpful. That would enable me to do what I promised him and not press my amendment to a Division. I am here to try to produce clarity and better legislation. If he and I can do that together, in partnership, then everybody goes home happier.

I would like to touch briefly on a number of the paragraphs in my amendment. There are 11 areas specified. I appreciate that the Government have tabled their own amendment, which to some rather limited extent alleviates some of my concerns, but to be honest with my hon. Friend the Minister, the Government will need to go a little bit further than amendment 3 if all the concerns the charities I speak for, or have some connection with, are not to have their worries continue.

Subsection 23(a) deals with the first problem area:

“the number of people employed by charities who will be affected by the extension of the disqualification framework to cover senior management positions”.

For reasons of time only, I will not set out extensively the arguments that apply here, but we are concerned about an absence of detail so far expressed in Committee or in any other public pronouncements made by the Government in relation to this particular impact. I urge the Government to do a bit of work to see how many people employed by charities will be affected by the extension of the disqualification framework insofar as it relates to senior management positions.

Subsection 23(b) relates to

“the number of people who are trustees of, or employed by, charities who will be affected by the extension of the list”.

Again, will the Government please have a think about this and recognise that it is not a negligible problem? This is not just a whinge from a trustee of the Prison Reform Trust. This is quite an issue, which needs to be thought about. The impact of clause 9 needs to be considered in co-operation with the charities and the Charity Commission, so we can get this right for the long term.

I will provide just one example in relation to paragraph (b): a glitch caused by an unwitting failure to consider the Rehabilitation of Offenders Act 1974, as reformed in 2014. Under the 2014 amendments to the 1974 Act, rehabilitation periods for a convicted person were to some extent reduced. For example, an individual convicted of a sexual assault is sentenced to three years in prison. Assuming the individual does not reoffend, that conviction will become spent seven years after the end of the sentence. However, they will remain subject to the notification requirements indefinitely, with a right to review after 15 years. Under the Bill as currently drafted, the individual would automatically be disqualified from being a trustee for at least 15 years and potentially for the rest of their life. Under the 1974 Act, as amended, once an individual has been convicted, if they remain conviction-free for a defined period of time they are legally recognised as being rehabilitated. That is just a simple discrete example of where the Government, the Charity Commission and the charities sector need to get together and see how best to move forward.

Subsection 23(c) relates to

“the impact of the new disqualification framework on former offenders who are seeking, or intend to seek, employment in the charitable sector, including on their recruitment, retention, career prospects and long-term rehabilitation and resettlement”.

I made this point in general at the outset of my remarks. The one thing we, as people interested in reducing recidivism, need to concentrate on is getting people back to work, or getting people into work—of course, many people in prison have never been in work. If we want to get them back or into work, we need to reduce the barriers to that as sensibly as we can.

Subsection 23(d) relates to

“the impact of the new disqualification framework on former offenders who are currently employed in the charitable sector, including on their retention, career prospects and long-term rehabilitation and resettlement”.

That is the same point, but with a different shade.

Subsection 23(e) deals with

“the impact of the new disqualification framework on people with criminal records who are trustees or employees of charities which are partners in, or are contracted by, community rehabilitation companies (CRCs) and its impact on the successful running of those organisations”.

In line with Government policy under the coalition Government in the previous Parliament, community rehabilitation companies have been set up. They are contracting with charities to deliver rehabilitation and probation services. It would be a pity if good policy was undermined by making it much more difficult for ex-offenders to work with more recent offenders in order to rehabilitate them. Again, we need to think very carefully and collectively about that.

Subsection 23(f) deals with

“the effectiveness of the existing waiver process provided for under section 181 of the Charities Act 2011”.

Charities have significant concerns regarding the effectiveness of the existing waiver application process and the ability of the Charity Commission to administer the additional applications that will result from the introduction of the new framework without any additional resources. In the past six years, the Charity Commission processed only six waiver applications. The Government suggest that this shows it is effective in granting waivers but that fails to recognise the disproportionately low numbers of waiver applications compared with the number of trustee positions and the estimated number of people with unspent convictions for existing disqualifying offences. Once one has expressed the point, I hope its obviousness becomes clear to the Government. Again, the charities I speak for, the Charity Commission and the Government need to sit around a table and thrash out how best to deal with that. As we say, six to 12 months is not long enough for that to be achieved.

Subsection 23(g) deals with

“the impact of the new disqualification framework on the number of applications for waivers to the Charity Commission”.

It must follow, surely, that the extended disqualification framework is highly likely to increase the number of waiver applications, not simply as a result of the extension but of an increased awareness of the framework that will inevitably flow from the production of guidance and general awareness raising. The Government, however, have not provided any assessment of a likely increase in waiver applications as a result of the extension of the disqualification framework. More troubling is that the Minister has confirmed that no additional resources will be provided to the Charity Commission to administer the waiver application process. The obvious inference is that the process will slow down and become more sclerotic. I hope it will not, but let us discuss the matter and iron out the problem in advance.

2.30 pm

Subsection 23(h) deals with

“how the working group set up by the Charity Commission on the waiver process will be constituted, how it will be resourced, what timelines it will be working to, its working method and intended outputs, and how it will work in consultation with people with criminal records and charities that work with, or employ, ex-offenders”.

Unlock has already been contacted by the commission about its internal working group, but specific details about the nature of the review remain unclear. Unlock and I would be grateful for further clarification from the Government about how the review will be constituted and resourced, what timelines it will work to and so on. As I said, we urge the Government, at the very least, to guarantee more than 12 months’ notice so that charities can prepare for the new framework.

Subsection 23(i) deals with

“the criteria the Charity Commission will adopt in considering applications for waivers, and the weight it will attach to the views of the trustees of the charity or charities concerned.”

Unlock’s direct experience and the support it has provided to other organisations have shown the waiver process to be inadequate and not workable in a way that allows charities such as Unlock to fulfil their charitable purposes. To ensure the process is fair and transparent, much greater clarity is needed regarding the criteria adopted by the commission in assessing waiver applications and the weight given to the views of the trustees of the charity or charities concerned. Again, I am sure this could be sorted out around the table by the Minister, his officials and his interlocutors.

Subsection 23(j) deals with

“how the waiver process will operate in relation to prospective candidates for senior management positions in charities, including the timescales for decisions and mechanisms to ensure that ex-offenders do not suffer indirect discrimination as a consequence of delays in assessing applications for waivers while a competitive recruitment process is underway”.

For example, the backlog of enhanced disclosure and barring service applications being processed by the Metropolitan police leads to an average turnaround time of 75 days, as a consequence of which people with spent criminal records who are applying for jobs are suffering indirect discrimination. Again, we all need to sit around the table and solve the problem.

Finally, subsection 23(k) deals with

“the impact of the new disqualification framework on the resources provided by the Charity Commission to administer the waiver application process.”

At some stage of any argument, anyone interested in public policy will come to the question, “Where is the money?” Somebody has to pay. If the Charity Commission does not have the money, if the charities are pinched for money and if the applicants do not have the money, which, as ex-offenders, they are unlikely to have, unless they are highly successful ex-offenders, we will need to think about how we can make the process as efficient and economic as possible.

I apologise for detaining the House, but I thought it important to put on the record the concerns of charities involved in the criminal justice sector and the reform and rehabilitation of offenders. I invite the Minister to extend the consultation period at least to 12 months and to have further meetings with the charities so that these glitches can be ironed out. Mr William Shawcross, the chairman of the Charity Commission, kindly telephoned me yesterday and offered the hand of friendship. He made himself and his staff available to me and those for whom I speak today. So avenues are open: the Minister has already been very open to me, and Mr Shawcross has now been very open to me. I hope, therefore, in the spirit of co-operation, that the Minister can give me reassurances so that I can tell Unlock and the Prison Reform Trust that the Government are a listening and thinking Government who want to produce a Bill that works in the long term and which we can collectively design for the public benefit.

**Wes Streeting:** I am grateful for the opportunity to reaffirm some of the concerns expressed in Committee that have not been addressed, but which will be addressed by the amendments tabled by my hon. Friend the Member for Redcar (Anna Turley).

[*Wes Streeting*]

I have had a long association with several different charities in a professional context, as a member of staff, as a volunteer and as a donor, whether through a regular standing order or money in the tin. Going back to earlier comments, I think that people know what they are signing up to when they support charities, whether it is a charity's campaigning effectiveness or its direct work with beneficiaries. We ought to pay tribute to the remarkable work that our large and diverse voluntary sector does, from the largest to the smallest of charities.

In my constituency, we have a variety, from Barnardo's, headquartered in Barkingside, through to smaller branches, such as the Barkingside branch of the Royal British Legion. There are also other charities such as Hopes and Dreams, set up by volunteers to help children with life-threatening or life-limiting conditions to enjoy experiences that enrich their lives at a difficult moment for them and their families. These are remarkable people doing remarkable work.

It is disappointing, therefore, that the voluntary sector, particularly in recent times, has been in the headlines for the wrong reasons and for what I would describe as the misdemeanours of the few, however large and significant they might be. It is also disappointing to hear the unnecessary condemnation of far too many. Hon. Members and others in the media have used intemperate language to bash a charity sector that does a remarkable amount of good and which should be cherished and celebrated, not derided and denigrated.

Like my hon. Friend the Member for Redcar, I am concerned that the warnings mechanism in the Bill does not carry a right of appeal. When I was a chief executive of a charity, had I received a warning from the Charity Commission for any aspect of our work, I would have taken it very seriously, and I would have expected trustees to take it very seriously too, yet we have heard in Committee and on Report today that the commission may issue warnings for what are relatively minor infringements—I even hesitate to use the word “offences”—of guidance. There is a difference between best practice and regulation. Of course, we expect charities to uphold the letter of the law, but there is also a great deal of best practice out there, and we should not necessarily be slapping warnings on charities for falling short of best practice, when a more informal route might result in a better outcome.

I particularly welcome the new clause dealing with the disposal of assets. In Committee, we talked about the origins of the Government's proposals around what might be described as the disposal of assets. We were talking about the seizure of assets, particularly in relation to their proposals for housing associations and right to buy. I am happy that housing associations and the Government are moving forward on the basis of agreement, but we should be in no doubt about how the Government reached that position: not through negotiation or evidence-based argument, but through threats, bullying and the cajoling of housing associations, with the threat that if they did not comply and work with the Government on right to buy, the latter would simply legislate for it. To me, that seems to go against the very essence of the Charitable Uses Act—sometimes referred to as Elizabeth's law—which was referred to earlier. Indeed, I must apologise to the right hon. Member for Cities of London and

Westminster (Mark Field): it was, in fact, an Act of 1601, and I would not want people to review the record and find that they were inadvertently misled on this issue.

**Sir Edward Garnier:** Is the hon. Gentleman angling for an invitation to the Market Harborough Conservative club?

**Wes Streeting:** What a kind invitation. Were the Conservative majority in Harborough slightly more marginal, I would be happy to visit on many occasions, but will have to pass this time and focus on matters closer to home and my majority.

Going back to the Charitable Uses Act of 1601, there is a long established principle that donations, bequests and legacies given to charities really ought to be used for the purpose that their donors intended. What my hon. Friend the Member for Redcar has set out in new clause 2 would give people the confidence that they could donate to charities or leave bequests to them knowing full well that independent charities would not be compelled

“to use or dispose of their assets in a way which is inconsistent with their charitable purposes.”

I therefore strongly endorse new clause 2, and I am glad she has tabled it for discussion this afternoon.

The final area I want to focus on is campaigning. As someone who has been a charity campaigner—both professionally and through my voluntary contributions to the work of charities—this is an issue I feel strongly about. As I said in my earlier intervention, I am still at a loss to understand the problem that the gagging law was trying to solve, because Charity Commission guidance has always been clear that charities cannot campaign for party political purposes and certainly cannot use charitable funds for the purposes of party political campaigning. It would therefore be completely unlawful for a charity to say around a general election, “We completely disagree with the Conservative party's policy on x, and would therefore encourage you to vote for one of the other parties,” or, “The Labour party policy on y is inconsistent with the views of the charity, and therefore you should vote for another political party.”

What has always been perfectly in order and, I would argue, desirable is for charities to be an effective voice for civil society and to ensure when policy is up for debate, whether during our deliberations in this House, in one of the devolved Parliaments or Assembly, or in local authorities up and down the country, that they can draw on their wisdom and experience, and the evidence base they gather—through desk research, commissioned research or, more often than not, their direct experience of working with their beneficiaries—to make sure that decision makers are well informed.

That is a real benefit to our democracy, and I am afraid that the cries from those on the Government Benches—that this change has not had a chilling effect—are simply untrue and unfounded. Whereas the Conservative party is usually found in this Chamber arguing against red tape, the gagging law has had completely the opposite effect. Indeed, I am aware of campaigners and finance officers in charities having to sit there with their spreadsheets prior to the last general election and try to calculate whether something would be a constituency spend or a national spend, whether a collaboration with other charity partners would be workable within the law or



where spending would be apportioned. I am afraid that the gagging law has imposed real and unnecessary burdens on charities. If people are concerned about how charities are spending their money, they should certainly be more concerned about the amount of time and money they might spend complying with unnecessary Government regulation than they should ever be concerned about whether they are sending briefings to Members of Parliament or asking parliamentary candidates to sign up to specific pledges or causes.

It really sticks in the throat that lots of Members of Parliament are very happy to turn up to photo ops at their party conferences or out in their constituencies with the Guide Dogs or children at a local youth club, or to go along and see all the great work an animal rights charity does—they are happy to issue press releases and enjoy the photographs—but when those charities come back to talk about the impact of their voting record or public policy they have supported or might consider supporting, suddenly this is considered a huge inconvenience or, even worse, people want to argue that it is illegal.

2.45 pm

The gagging law has done exactly that: it has had a chilling effect and it has generated red tape. We should be honest about the fact that this law, which was passed under a coalition Government—ironically, an illiberal law passed with the Liberals in government—was intended precisely to serve the interests of the Liberal party. The Liberals were concerned that enough of their—*[Interruption.]* I am afraid that none of them is here this afternoon, which is a shame, but we have only a one-in-eight chance of them making a debate. That is disappointing, and it is a shame that they are not here to account for themselves. Because so many Liberal Democrat MPs were silly enough to sign up to a pledge on tuition fees and then break it, they were worried that there would be accountability at the subsequent election.

I am not arguing that student unions or any other charitable bodies should have gone into that election suggesting that people not vote for Liberal Democrat candidates who broke the pledge—or, indeed, Conservative candidates who broke it—because, as one of the parliamentary candidates who campaigned on the issue, I know that we are perfectly capable of doing that ourselves. However, it was entirely legitimate for student unions to approach the general election by talking about the policy platforms that parties put on offer and also the record of the incumbent.

I am afraid that sometimes the laws we pass in this place seem to be rather self-serving, rather than serving the public interest. The voluntary sector has a powerful role to play in speaking up, and not just for the broad set of beneficiaries that it serves. Rather, given the character of the voluntary sector in the United Kingdom, it is particularly important that charities working with some of the most marginalised and disadvantaged in our society have the freedom and encouragement to speak up for their beneficiaries, because as we sometimes see in our surgeries—although that is often where the most difficult cases arise—and as we certainly see on the campaign trail, on the hustings and in the corridors of this place, these are not filled with those who have the most to gain or lose from a change in Government or public policy.

Whether it is people suffering from issues such as homelessness, drug abuse, abject poverty or child abuse, or other forms of abuse or ill health, they are often not the people with the freedom or the funding to make their voices heard in this place as they should. That is why charities that work with them have such a powerful role to play in creating a more civilised politics and a more civilised country. For that reason, the power to make representations in new clause 3 would provide absolute clarity to charities that this is something we encourage and believe to be powerful and important, and I will certainly be supporting it.

In closing, let me say that these are points we made in Committee. We will see whether the Minister can be persuaded to accept our amendments this afternoon. I hope he can be, but I hope also that those following this debate are in no doubt whatever that, for all the headlines and the occasional bad press that the voluntary sector receives, there are a great many of us in this place who cherish the work that a vibrant and powerful voluntary sector does, both locally and nationally.

**Mark Field:** It is a pleasure to speak after the hon. Member for Ilford North (Wes Streeting). I do not agree with everything he had to say, but one thing I do have in common with him is a great love of London as a whole. I love walking through London, and it was only last summer that I went to Barkingside for the first time. I realised how important Barnardo's was at the time—certainly in Victorian times, when it was a little Essex hamlet. I also saw the new housing development on that very site, which will clearly make a big impact, with some social housing—and, I suspect, possibly a bit of private housing, probably to help fund it. That development will be a real asset in the community that he represents.

I also thank the hon. Member for Redcar (Anna Turley), who spoke from the Front Bench, for her contribution. I remember a similar instance in opposition many moons ago—about 10 years ago—when I was speaking on the National Lottery Bill. I thought we had tabled an excellent set of sensible amendments that the House would surely take on board. I should not disappoint her too early on, when there are another two hours and 11 minutes of debate left, but I suspect that she might not get her way. Both Labour Members who spoke are from the 2015 intake, and they spoke eloquently. I would like to acknowledge from the Government side my sympathy for the hon. Lady, who has had to get involved in the major issue of the steelworks in Redcar. We must all have a huge amount of sympathy for her. Having to navigate that issue as a local constituency MP as well as doing day-to-day work here in Westminster must be incredibly difficult.

I have a little bit of sympathy with some of what the hon. Lady said, despite our rather fierce earlier exchanges. I believe it to be almost axiomatic in public life that once organisations such as the Charity Commission are set up, corporatised and granted ever-burgeoning budgets and staffing, they see their mission as expanding their empire of influence. This Bill has been a salutary example, in part at least, of the operation of such tactics. Problems have been identified that have long since been addressed and largely solved by the passion, commitment and the graft of volunteers, quietly—often informally and unpaid—working in their communities.

[Mark Field]

To take one apposite example, the extent of the local charitable activities of many of this nation's leading independent schools has been transformed over the past decade, let alone the last generation. Yet rather than welcoming, heralding and trumpeting the success of the big society, which is what I think this amply represents, we risk promoting big bureaucracy in the shape of the Charity Commission. We must resist some of the amending provisions, especially new clauses 2 and 3, which we will doubtless debate further, and I want to take the House on a short journey within a stone's throw or two from here.

**Paul Flynn** (Newport West) (Lab): Will the hon. Gentleman acclaim that the greatest triumph of the big society was the work of its poster-girl, Camila Batmanghelidjh, from the kids society?

**Mark Field:** As a matter of fact, I believe it was called Kids Company, not kids society. She was an individual who had worked with a number of politicians. There are issues that I am sure should rightly be addressed by Select Committees and others about what precisely happened in regard to Kids Company.

I was about to take the House on a short journey from this Chamber to the site in Tothill Street where the Harris Westminster Sixth Form centre stands. Since its foundation in 2014, this academy has been the focus of substantial collaboration and co-operation with Westminster School, one of the oldest foundations in this country, which is even closer at hand in the curtilage of Westminster Abbey. That co-operation includes teaching classes with small intakes in subjects such as Latin, Greek and German. For over a decade, the school has routinely offered science outreach and summer school partnerships to several local maintained schools.

As the local MP for the past 15 years and an erstwhile president of the St Andrew's youth club, the oldest youth club, on Old Pye Street, I know it has played a massively important role in the local community. Many people live in social housing, so the club was a magnet for young boys and girls—initially just boys in the 1860s, but girls in more recent times—not just from the immediate Westminster area, but from further-flung places south of the river, too. I was well aware that when the club lost funding from the local authority, it was Westminster School that stepped into the breach, providing cash and gym apparatus. I suspect that scores of other local charitable organisations could tell similar stories about the time, money and equipment quietly donated by the Great School, which has been an integral part of the local fabric since 1179.

Charitable status, as Members have pointed out, rightly depends on what the charity in question is established to do, rather than on a Charity Commissioner's subjective analysis of public benefit. Here I agree with much of the thrust of what was said by Opposition Members. While we all appreciate that charitable status confers financial and reputational benefits, I strongly believe that the Charity Commission is not the appropriate means of prescribing how independent schools or other organisations should satisfy the public benefit test.

Indeed, it appears that for party political reasons, independent schools, rather than other charitable bodies, are in the sights not just of many MPs—dare I say,

particularly on the Opposition side—but of leading lights in the Charity Commission. Surely a more sensible approach, one that avoids any accusation of political and particularly party political bias, would be to work on some non-statutory guidance to these organisations about the anticipated nature of their public benefit engagement.

We should also recognise that many independent schools do not have the capacity or the financial resources to sponsor academies—some lack the playing fields, drama, arts and music facilities, commonly assumed to be the norm in private schools. In truth, there is still plenty of co-operation and sharing going on between independent and nearby maintained schools—a healthy, informal co-operation, which stands to be undermined by any proposal to define levels of contribution or to extend the public benefit, as we have understood it in the past. It is worth saying that it takes two to tango: there is little that independent schools can do if the state sector head at the nearby school refuses an offer to work together. It is surely invidious to place burdens of the sort proposed if the independent school in question does not have the ability to achieve the Charity Commissioners' objectives.

I shall not detain the House. We are having an interesting debate, and in truth I share some of the concerns expressed by Opposition Members that part of this legislation purports to solve problems that many charitable organisations and independent schools in particular have by their own efforts done much over the years to alleviate. Indeed, some of what is set out in the Bill betrays worrying assumptions that underlie an outdated sense of “groupthink” that besets the Charity Commission. I very much hope that, in its wisdom, the House will today reject some of the amendments, particularly new clauses 2 and 3 if they are pressed to the vote. Failing that, I trust that the Government Whips will achieve the same ends.

**Martin John Docherty** (West Dunbartonshire) (SNP): It is an honour to speak in the debate. I hope not to detain the House too long. Let me first congratulate the right hon. Member for Cities of London and Westminster (Mark Field) on mentioning the late noble King James VI, given that the only charitable organisation that still exists from his reign is, of course, ScotsCare—based here in London and doing fantastic work.

Concerns have been raised in Scotland about the possible impact of this Bill because of the myriad issues it raises relating to the governance of charities across these islands. I am sure that these concerns will be shared by Northern Ireland Members, too. The right hon. Gentleman mentioned the burgeoning budgets of the Charity Commission for England and Wales, but between 2007 and 2015, its budget was cut by 48%, so let us scotch that myth straightaway.

No one should be in any doubt that in the space of the last 18 months civic society has been rocked by the recommendations of the Etherington report, and this crisis of trustee leadership that has brought us to this very point. To be clear, the level of trustee oversight in national organisations leaves a sour taste in the mouth—not just of those in this Chamber, but more importantly of those who have volunteered as trustees in the majority of charities across these islands.

It is telling that the organisations that have caused the most concern are the so-called national charities with well kent faces that have been held in high regard. What is the impact on the organisations so far investigated? It is limited, yet the impact on the majority of small charity trustees has been profound. They find themselves labelled in the mire of mismanagement, which has led us to this point, as they have been sullied by the bad practice and lack of due care.

Some may say that these small and medium-sized organisations will not be impacted by this legislation, yet we fail to recognise the profound impact this period will have on their ability to recruit, retain and develop their volunteer trustees. It is commendable that many Members in this Chamber are themselves trustees. The Minister for Civil Society, who is no longer in his place, noted that point, and I commend him for it. However, merely being an MP should not qualify someone to be a trustee through default of their position, as it were.

I am sure that the Members to whom I have referred are well versed in their areas of interest—notably the issue of ex-offenders, about which they have spoken eloquently today—but I am also sure that some Members, especially those who were elected at the most recent general election, were asked at the time of their election whether they wished to join various charities as trustees or directors merely on the basis of their predecessors' having undertaken such a role. I believe that that in itself exposes a misguided approach to trustee recruitment, although it must be said that it is taken by only a small number of charitable bodies, and appears to have been adopted mainly by the larger organisations.

3 pm

I hope that we recognise the worth and value of our civic society, and especially the worth and value of the individual volunteers who manage charities, run services for charities, and, yes, even raise funds through traditional means. The hon. Member for Ilford North (Wes Streeting) mentioned that earlier; like other Members, he engaged in fundraising before entering the House. I hope that we recognise the importance of the charities themselves, and accept that we owe them an explanation of how their civic society has been allowed to be undermined by large non-governmental organisations with substantial investments and resources which really should have known better.

Although the Bill seemingly pertains only to England and Wales, the media frenzy surrounding its principal purpose has undermined, and will continue to undermine, civic society throughout these islands. As a Scottish constituency Member of Parliament—and I am sure that I speak on behalf of my hon. Friends—I understand that robust and separate charitable regulation exists. In England and Wales, charity law is mainly covered by the Charities Act 2011, while in Scotland it is covered by the Charities and Trustee Investment (Scotland) Act 2005. In England and Wales, the Charity Commission is responsible for registering and regulating charities, and in Scotland the Office of the Scottish Charity Regulator is the non-ministerial department—answerable to the Scottish Government, and therefore to the Scottish Parliament—that is responsible for regulating and registering charities in Scotland.

Following the publication of the Etherington report, it became clear to civic society in Scotland that a distinct approach to fundraising would be required, and

in July last year the Scottish Council for Voluntary Organisations expressed a fear that high-profile media reports of the failings of UK charities could damage the strong reputation of Scotland's charities. As the national intermediary, the SCVO launched an informal review on fundraising in July, in parallel with the Etherington review. It reported in September 2015, recommending that fundraising should be agreed between charities, the public and the Scottish Government, and that a subsequent summit should be held on 26 November to deliberate and consider options. Building on Scotland's civil society-led approach, the Social Justice Secretary, Alex Neil MSP, stated on 24 September that Scottish Ministers would engage in a cross-party discussion on changing fundraising regulation, thus ensuring consensus in the Scottish Parliament and, critically, in Scotland's "fourth estate", civil society.

Fundraising has been regulated by charities in both Scotland and England. As a result of the Etherington review, the Bill seeks to introduce a fundraising body for England and Wales, answerable to this Parliament. As I have said, Scottish charities fear that they could be affected by the Bill. The question of the regulation of fundraising in Scotland therefore remains open, and the SNP seeks the Minister's reassurance that Scotland will retain the ability to legislate in this arena.

Our Scottish Government work with civil society in a constructive, collaborative way. They have been praised for their work with organisations working with and for those with disabilities and those gaining assistance from refugee bodies, and especially for their investment, over many years, in local support structures across all 32 local authorities to promote volunteer development, retention and expansion—critically, in the field of governance through trusteeship and directorship.

I can only assume that the cuts in the budgets of England's volunteer centres and councils for voluntary service will have a continued impact on people's opportunities to volunteer to be trustees in the communities that need them the most. If the Government are serious about trusteeship and charitable regulation, they must recognise that support is required by the small local community-based charities that have been drawn into this debate, which may suffer as a consequence of fewer people volunteering to be trustees, fewer people donating to local community charities run by volunteers, and fewer people being involved in the civic life of these islands.

The fact is that the large charitable bodies that have brought about this situation have got away with it, and the small and medium-sized charitable bodies will suffer disproportionately. With that in mind, SNP Members will also support new clause 3—tabled by the hon. Member for Redcar (Anna Turley), and we are delighted that she has done so—because we believe that without it, given legislation on charities that may be United Kingdom-wide but registered in England and Wales, their ability to inform debate will limit the independence of Scotland's civic society.

The Bill seeks to introduce a new model of fundraising regulation in England and Wales, and the Scottish Government and Scotland's national bodies are actively considering the implications of that for the regulation of charity fundraising in Scotland. It is right for as broad a conversation as possible to be held in Scotland to determine the right fundraising regulation for distinct Scottish charitable bodies, with the Scottish Government

engaging in a cross-party discussion on the changing of fundraising regulation. The question of the regulation of fundraising in Scotland must remain open. Whether it remains self-regulating or not, it is important for the House to understand that the decision on this devolved issue remains firmly in the hands of the Scottish Parliament.

**Maggie Throup:** I oppose new clause 3, because it seeks to alter fundamentally the way in which charities have historically operated in this country. I believe that, in creating a formalised political role for charities in our society, we risk undermining their ability to work independently for the common good, and diminishing their standing in the eyes of the public. I have serious doubts about the need for the new clause, on both a moral and a practical basis. In my view, the status quo already allows charities to lobby Governments in a constructive way, while remaining politically impartial.

Serious concerns have been raised about the additional cost of political campaigning, and the potential impact that the new remit may have on a charity's abilities to raise funds. We ourselves are acutely aware of the fact that even a very localised campaign can be extremely costly. Extending the scope of charities to allow them to campaign for or against a law, policy or decision at any level of government would inevitably incur a significant amount of additional cost, and I think that the money would be better spent on fulfilling the charities' original aims and objectives.

**Peter Kyle:** Does the hon. Lady not agree that the way in which a charity collects and spends its money in order to deliver its charitable mission on behalf of its service users is the preserve of its trustees, and that it is not for us to decide such operational or, indeed, moral matters in the House of Commons? It is certainly not for us, as individual Members of Parliament, to dictate to charities how they should spend their money and deliver their charitable aims; that is up to the trustees.

**Maggie Throup:** I understand where the hon. Gentleman is coming from, but I believe that new clause 3 will encourage charities to go down that route and, perhaps, stray from their original intentions, however well-meaning they may be, thus inadvertently—not intentionally, I admit—misleading the public. I fear that the inclusion of the new clause could conceivably allow us to reach a point at which a large cancer charity, for instance, spent more on lobbying national and local government than on investment in research on and development of new cancer drugs. I think that that is what the hon. Gentleman was alluding to, but I disagree with him. For me, this raises a number of major issues.

The first issue is the impact on donations. Charities rely heavily on public donations to fight for their specific cause or issue. The Charities Aid Foundation estimated recently that in 2014 alone, £10.6 billion was donated by the British public to a vast array of good causes. By politicising charities, we risk donors turning away from charities whose cause they support because they do not necessarily share the charity's political agenda or party alignment.

Secondly, the new clause would serve to allow larger national charities, which already dedicate significant resources to lobbying Members in this place, to strengthen their influence over Government policy and decision

making. That would be to the detriment of smaller, often local, charities, of which we all have many examples, which would be further marginalised from the decision-making process because they simply could not afford to compete for airtime.

There is also a third point. Like many others, I would be deeply concerned if those charities that are very much a cornerstone of our society—the Royal British Legion, Macmillan, Age UK and the NSPCC, to name but a few—suddenly became vulnerable to infiltration from those who wanted to push a specific political agenda or to use the charity to criticise or support the Government of the day, rather than running it as a force for good.

I am sure hon. Members will agree that we do not really need any more politicians. Yes, it is only right and proper that charities should play their role in shaping our society by seeking to influence Government, nationally and locally, but they also have much more to offer society without widening their scope into out-and-out political campaigning—or, as some might call it, the dark arts. That is why I will be voting against the new clause this afternoon.

**Susan Elan Jones:** It is a great pleasure to speak in today's debate. We often have wonderful debates in this place about what Britishness is about and what our culture is about. I actually think that the voluntary sector in this country represents the best of British—that is, the best of English, Welsh, Scottish and Northern Irish. As politicians, we do not always say thank you, but our starting point today as we consider the Bill should be to say a very big thank you to our hard-working and diverse voluntary sector in this country.

We should also remember that most charities in this country are relatively small. They operate in communities, and it is not our job in this place to be a pain in the neck for the 900,000-plus trustees of charities around the country who give their time voluntarily to make management and governance decisions, or for the charities' many volunteers. The motivation of those people is undoubtedly to do good in our society and in our country.

We cannot, of course, forget the exceptions—the horror stories—including the dreadful death of Olive Cooke, who appears to have been hounded by 90 charities sending her 460 letters asking for donations in the course of one year. Nor can we forget the undercover *Daily Mail* report on what appeared to be severe malpractice in the call centre from hell. And nor should we forget the case of Kids Company and all the abuses that went on there. Incidentally, those abuses could and should have been dealt with by the Government and by the Charity Commission under its existing powers. We see those cases as exceptions, but they are nevertheless important and it is right that we are having this discussion today in Parliament.

Members on both sides of the House will see elements of voluntary activity in their own political traditions, and we can certainly develop some sort of empathy with different parts of the voluntary sector. We on this side of the Chamber can look to the labour movement, the co-operative movement, the working men's and women's organisations and a whole range of other bodies, but I know that the Minister for Civil Society, the hon. Member for Reading East (Mr Wilson), will also be moved by Edmund Burke's notion of the little platoons. What I ask

today is that he does not overburden those well-behaved little platoons in our country with red tape when it is not needed. Most of us would agree that where regulation is needed, the sector itself generally does that job best. I, for one, would give a warm welcome to the fundraising preference service, which will deal with some of the totally unacceptable abuses of practice in fundraising.

3.15 pm

The shadow Minister, my hon. Friend the Member for Redcar (Anna Turley), spoke eloquently to new clause 1 and outlined the safeguards that were needed. She mentioned the power to make an application to the Charity Commission against a warning when an appeal is made, with a warning not being made public for at least 28 days after the submission of the appeal. That is good common sense, because we are not talking about extreme or gross misconduct or about criminal acts, both of which should of course be reported straight away. We are, however, talking about things that could ruin the reputation of a charity, be it large, medium-sized or small.

We know from the wonderful report produced by the Public Administration and Constitutional Affairs Committee, “The 2015 charity fundraising controversy: lessons for trustees, the Charity Commission and regulators”—and, I would argue, for the rest of us—that one of its recommendations states:

“It would be a sad and inexcusable failure of charities to govern their own behaviour, should statutory regulation become necessary.”

That would be a failure of voluntary action, not a success. The report also makes the point that good governance is about sustainability of reputation in the long term as well as about sustainability of finances. So it is reputation that we are arguing for in new clause 1. With the law as it stands, it would be difficult for charities to undo any damage dealt to their reputation, to their good standing in the community and, importantly, to their finances.

I want to say a few gentle words about new clause 3, about which views differ, and about the gagging Act. We have had a debate in the House today, but perhaps our memories are failing a little and we do not remember how the law was 500 years ago or the Charitable Uses Act 1601. If we go back to the founding of charities in this country and to that Act, we can see that they were not just about the relief of poverty. They were also about general charitable purposes and the advancement of education and religion. The idea that our charities had no broader view of advocacy simply does not add up.

People will rightly say that such advocacy should not be party political—indeed, it cannot be, because that would be illegal—but it would be an extraordinary state of affairs if a charity that campaigned and ran practical programmes linked to, for example, international development was not interested in lobbying against malaria, say, or against international debt. Also, anyone who donates to a charity has the right to go straight to the Charity Commission’s website and see how that charity is spending its money.

We want to work with the Government and, most of all, with the voluntary sector but we are asking in our very moderate little new clauses for measures that are proportionate and sensible, and that would find agreement not only among Members on this side of the Chamber but with Mr Burke and his little platoons.

**Wendy Morton:** I join the hon. Member for Clwyd South (Susan Elan Jones) in thanking the many charities that do fantastic work and that we often speak about in this place. We all have many examples that we have often shared with each other.

I welcome the Bill, and it is a privilege to speak today, having spoken on Second Reading and served, with other Members, as the Bill passed through Committee. I believe that it strengthens the powers of the Charity Commission and that those powers are welcome. It will strengthen and improve the relationship between the Charity Commission, charities, trustees and, importantly, the public. The Bill is, indeed, called the Charities (Protection and Social Investment) Bill.

For me, the Bill is about achieving a balance between scrutiny and accountability and trust, responsibility and respect, particularly in the wake of the handful of sad, and often tragic, stories that emerged during the course of last year, one of which has already been mentioned, the collapse of Kids Company.

I am, however, a firm believer that this must be proportionate, as I said on Second Reading. I think of some of the small charities in my constituency, such as Rosie’s Helping Hands, the Aldridge youth theatre—we often do not think of it as a charity, but it is—and, on our doorstep, St Giles hospice. Such charities are often led by the local community and by local people. Local people contribute their time, effort and energies as well as their money, and they give something back to the local community.

I want to speak against some of the amendments, particularly new clause 3 on the power to make representations and amendment 8 on warnings, which I will deal with first. The Bill is at its heart about transparency and restoring trust in the eyes of the public. That is why I feel that the power for the Charity Commission to place on record where warnings have been given is important, and that is why I will vote against amendment 8.

New clause 3 is about the power to make representations, which we have had a lively debate on in Committee and again today. We should remind ourselves of the following two points. First, deliberate abuse of charities has been found to occur only very rarely. The vast majority of charities do good work and are reputable organisations; we must never forget that. We must also remember that charities can, and do, make representations already, often very successfully. As I have said before, all of us as Members of Parliament receive representations from many charities during the course of our work. But there is a difference between non-political campaigning to raise awareness of a particular issue, even if the aim is to change policy or legislation, and what is being proposed in this new clause. I firmly believe this Bill is about strengthening the public’s trust in charities, and for me the idea of enshrining in legislation through this new clause the right to undertake political campaigning activity completely undermines that.

**Peter Kyle:** Will the hon. Lady give way?

**Wendy Morton:** I am normally very generous in giving way, but I have almost come to the end of my speech, so I will conclude.

New clause 3 risks moving what is fundamentally the apolitical activity of a charity to something that becomes completely politicised, and that goes against the grain.

**Peter Kyle:** I am extremely grateful to be called to speak in this debate and to follow the hon. Member for Aldridge-Brownhills (Wendy Morton). I was not able to intervene on her just now, but I want to make the point that, while she was talking about political activity and campaigning in her eloquent speech, which reached out to all parts of the House in many regards, she failed to mention party political campaigning, yet all campaigning is political. Political activity is not always the preserve of party politics. That point has been lost in the debate so far.

Many Members have blurred the boundaries between party political activity and political activity. All social intercourse between different communities, and people within communities up and down the country, is political exchange and should be celebrated. Our new clause seeks to protect the long-standing tradition that charities can engage in political processes within their communities and also seek to influence party politics, but not actually become part of a party political process.

**Andrew Gwynne** (Denton and Reddish) (Lab): My hon. Friend is making an important point. All of us as Members of Parliament will from time to time be contacted by charitable organisations that seek to influence policy makers and policy informers to change the laws of the land. For example, it would not be outwith the role of an organisation like Shelter to campaign for MPs to get changes to homelessness policies that we might be debating. That is political.

**Peter Kyle:** That is an important point, and it has been illustrated well in this debate. The right hon. and learned Member for Harborough (Sir Edward Garnier) spoke eloquently about the co-operation he has had from, and the work he has done with, a charity of which he is a trustee, Unlock. Indeed, his speech was clearly intricately prepared, probably with the support of Unlock. I do not see that as party political at all, because all of us in the House today benefited from his work with Unlock. That illustrates the point that engaging with politicians does not necessarily mean engaging in a party political act. I am grateful for his speech and for his interaction with, and support from, the charity Unlock.

I support new clause 1 and amendments 8 to 12. There are three fundamental benefits to our society from charities and the role they play. The first is that often they can get to hard-to-reach groups. Through their methods and the way they have evolved over time, many charities can work with hard-to-reach pockets of our society that other organisations struggle to reach, which is an incredibly important part of their work.

3.30 pm

I stand up and defend the strength of the voluntary sector's relationship with its clients and service users. What is important is that it is the strength of that particular sector as opposed to that of other sectors. For example, it is often the case that people who are vulnerable, who are in hard-to-reach groups or who have multiple challenges are, for obvious reasons, very suspicious of the role of the state. They may have been sanctioned or imprisoned by the state. They may have a relationship with social services that they regard as invasive in their family life. These people are often very,

very reluctant to work or engage with the Government and other sectors. That is where the strength of the voluntary sector lies. It can work independently of Government and other sectors and form a very strong relationship with individuals.

As co-founder of two charities, a chief executive of a charity and a deputy chief executive of the Association of Chief Executives of Voluntary Organisations, I know that the voice and the independent advocacy that the voluntary sector gives to individuals and communities are absolutely essential. It is about giving a voice to those who are disempowered. Members from all parts of the House celebrate the importance of freedom of speech, but there are some people in our society who do not exercise that freedom as freely or capably as others. In this day and age, that is exacerbated by the existence of social media. Every person who has made it to this House will be aware of social media campaigns and the fact that some people in society have a disproportionate voice. Very often, by looking at the social media activity of a constituency such as Hove and Portslade, which I proudly represent, we can map the areas of advantage and disadvantage. That illustrates the importance in this day and age of strong advocacy.

Politics, party politics and the process of democratic representation exist to give voice to everyone equally. The voluntary sector has played a key part in ensuring that those people who have been isolated, alienated and disenfranchised from the democratic process have a very clear and powerful voice in the democratic traditions of this country. That means advocating on their behalf, liaising with politicians, and ensuring that public policy represents everybody, not just those who can advocate for themselves, and signing and organising petitions on the No.10 website to trigger a debate in this place. Unfortunately, we are going down a path where people who have advantage are given disproportionate weight and voice, which is why we should never ever get to a point where people who are disadvantaged have their voices shut out from the democratic process. That is why it worries me when we blend party politics and politics per se in debates such as this.

Boards of trustees are inherently cautious. Volunteers who give up their time are also criminally responsible for the activities of their charities. As they are not paid workers or full-time workers, they are not always aware of every single activity that goes on from the top to the bottom of their organisation. Add that to the criminal responsibility that a trustee has and we can see why, collectively, boards of trustees become very cautious. I have been a trustee of many charities. One of the challenges of driving a charity from the executive or from the board is to make sure that the charity can still take decisions that are bold enough to deliver the transformation that service users need. I remember feeling that very acutely. For three years, I was on the board of trustees of Pride. Each year, Pride in Brighton and Hove has a fantastic celebration on the streets that brings out up to 200,000 people. I remember being a trustee for the very first time. *[Interruption.]* The hon. Member for Brighton, Kemptown (Simon Kirby) knows very well the importance of Pride to the fabric of our society. He also knows the challenges that it poses for our city, especially in regard to policing and to ensuring the safety of all the 200,000 people who come to our city to celebrate. I remember seeing tens of thousands

of people flooding through the streets, and knowing that, as a trustee, the uncertainty of having such large numbers of people could lead to all sorts of outcomes.

One year, as tens of thousands of people squeezed down St James's Street, which is in the constituency of the hon. Member for Brighton, Kemptown, glass shopfronts buckled under the pressure—they were physically bowing. As a trustee, I knew that if we had not taken such things into account and predicted the challenges, I would be criminally responsible if there were any severe injuries as a result. Therefore, these things play out in very real and tangible ways in the minds of people who are running charities and who are on the boards of charities.

I worry that the imposition of official warnings will add another layer that will drive uncertainty and cautiousness through boards of trustees and down through to the executive at a time when we need charities to be outward facing, bold, open-spirited and engaging with communities in order to deliver the transformational change that every charity, service user, and beneficiary so desperately needs. I worry that warnings that are used in low-level cases could have a disproportionate impact on charities as they go forward. Low-level warnings can have a high-level impact if they are not used in the right way. Will the Minister tell us whether the Charity Commission uses warnings only for low-level non-compliance issues and limits them to those cases?

The impact on charities could be significant if warnings are not used in the appropriate way. They will have an impact on people who fund charities, on charities' campaigning ability and on service users. Service users need to know that the charities that represent them and provide services to them—often when they are in difficult circumstances and feel extremely isolated and vulnerable—are robust. If they hear talk of the Government issuing warnings, it could affect the relationship between service users and charities. We all want to make sure that if charities step outside good practice, they are supported back into good practice, and we recognise that at times warnings should be issued. We just need to make sure that they are issued in the correct way.

Will the Charity Commission routinely make warnings public? How often will they be made public and how often will they not? Will there be guidance as to when warnings should be made public and when not, so that charities can understand the process that is unfolding? Under the Bill, a warning could be issued and made public within a 24-hour period. What is the point of the 24 hours' notice? What can meaningfully be achieved in 24 hours that can deliver the positive change that we all want to see in charities that are drifting away from best practice? They cannot act; they cannot inform all their trustees. They cannot rectify many of the problems that have been identified. It will only cause panic. We do not want, and I am sure that the Minister and Members of Parliament do not want, a charity that is descending into panic when it needs to support its beneficiaries robustly.

Will the Charity Commission allow adequate time to understand and prepare for any warnings that are about to be made public? The independence of the sector is as essential now as it ever has been. Can the Minister confirm that the Charity Commission will not use its power to direct charities or trustees to take a specific action? Hon. Members on both sides have spoken eloquently about the independence of charities. Many people have

spoken about small charities in their constituencies. We all have great examples, but I do not want to forget the big charities. Sometimes we talk about small charities as if they are somehow more precious than any other charity. Every charity that is registered with the Charity Commission, and every charity working in our communities provides fantastic services, and sometimes the large charities are providing economies of scale and a value for money for their funders that cannot be matched elsewhere. The scale of their operations can lead to developments and innovations that others struggle to provide. We need to make sure that charities of all sizes are celebrated and mentioned in the Bill.

Hon. Members on both sides of the House support the overall aims of the Bill. As a special adviser at the Cabinet Office in 2006 and 2007, I worked on the Charities Act 2006 when the public benefit test was introduced into statute. I remember our debates at that time, including on the test as it is applied to private schools. I became aware at that time of the original 1601 Act, signed into statute by Elizabeth I. I know that the hon. Member for Brighton, Kemptown (Simon Kirby) was only a young man at the time, and it is good that he graces us with his presence today, bringing his experience with him.

The original statute signed in the 17th century allowed charities the scope to develop as society developed. We should not legislate to micromanage charities to such an extent that primary legislation inhibits them from evolving as society changes. If we had written into statute in the 1980s a strict definition of a public benefit, what would that have meant for charities that subsequently delivered HIV services? We need to ensure that there is enough scope in law for charities to evolve as society becomes less deferential and more communicative by means of the internet and social media, and as charities need to provide services to new areas of vulnerability that open up. Food banks, for example, are a new but unfortunate facet of our social landscape. Charities must have the space to evolve without the need to keep coming back to this House for permission to do so.

**Paul Flynn:** Charitable ends can never be justified by uncharitable means. Terrible revelations were made last summer by the *Daily Mail* and *The Mail on Sunday*, to their great credit—I do not say that very often—about the abuse of the means that charities were using to achieve their ends. We all strongly support such charitable ends, but those charities engaged in the fierce fundraising that goes on among charities and that is becoming even fiercer. One charity spends an astronomical amount—£20 million—on fundraising to get the money in. Understandably but wrongly, certain charities fell into the trap of using means that were thoroughly unjustified and in too many cases abused their donors.

We heard from my hon. Friend the Member for Clwyd South (Susan Elan Jones) about a terrible case, though it should be pointed out that the relatives of Olive Cooke have pointed out since that her death had no connection with the pressure that was put on her and was due to other reasons. But there have been other cases of people who were suffering from dementia being plagued by repeated phone calls, letters and pressure on them. We have considered the case of chuggers. Highly respectable charities were using chuggers to accost people

[Paul Flynn]

in the street and offer them a deal. That was fine for the charities because they got a huge amount of money in, but it was a very poor deal for donors. Of the donations they give for the first full year, virtually none goes to the charity. Such deals are very poor value for the donors.

As a senior member of the Public Administration and Constitutional Affairs Committee, I have been asked to speak today by the Chair of that Committee, who tabled new clauses 4 and 5. The Committee was shocked by the evidence we had. We saw that all the charities were in confessional mood. They were penitent and agreed that they had overstepped the mark. As members of the Committee with supervisory roles over the charities sector, we were tempted to call for new regulations, but we decided unanimously that we did not want to cage the entire charity movement in a new prison of regulation that would limit their powers of innovation.

Charities have clearly poisoned their own well. So many people have turned not only against the charities involved when that scam was announced last year, but against the whole idea of charity giving, so we want to make the point powerfully in new clauses 4 and 5, which seek to introduce reforms. We are strongly behind the Charity Commission. If it is to do a bigger job, it must have the money restored—30% of its funding was taken away from it. The Committee's message, which will be in our report on Kids Company that comes out on Monday, is that charitable ends can never justify uncharitable means.

3.45 pm

**Mr Rob Wilson:** Before getting into the detail of the proposed amendments, I would like to make a few quick points that frame the Government's position in this afternoon's debate. I reiterate the really important point that the overwhelming majority of charities are well run, and they are run by hard-working, dedicated people whose motivation is to help others and do good. They perform a vital role and we should never forget that. The protections and strengthened powers that we have set out will protect public trust and confidence for the vast majority, and that is the reason behind the Bill. As a result of the engagement and scrutiny by Members of both Houses, the Bill has most certainly been improved in a number of places. I would like to put on the record my thanks to all those involved in those improvements.

Let me turn to new clause 1. I thank the hon. Member for Redcar (Anna Turley) for her explanation of the new clause. We think that judicial review is more appropriate than a specific right of appeal to the charity tribunal in the case of an official warning. In cases of low or medium-level misconduct or mismanagement, a right of appeal to the tribunal would be disproportionate.

Furthermore, the Charity Commission has said that such a right of appeal to the tribunal would render the power unusable. It anticipates many appeals being made as a means of frustrating the regulatory process. The resources required by the commission to defend tribunal proceedings would be disproportionate to the issues at stake in official warning cases, which are, by their nature, low and medium-level. There is no point giving the commission a power that it would not use.

Judicial review is a well-established means of ensuring that genuine wrongs are put right. Unlike the tribunal system, it discourages unmeritorious cases and those who calculate that delay through litigation is the best tactic to avoid robust regulation. Furthermore, costs are usually awarded against the losing party, providing a financial disincentive to those who might otherwise pursue a weak case.

Some Members have raised concerns about the potentially harsh implications, including adverse publicity, for charities in receipt of an official warning. Let me say this in response: charities exist for the public benefit and should therefore be accountable to the public. One of the Charity Commission's statutory duties is to promote that, which is why the official warning power will be an important new tool in relation not only to promoting charities' compliance with their legal obligations, but to improving charities' public accountability. The concern about adverse publicity is an attempt to avoid accountability to donors, beneficiaries and the general public.

Some have suggested that the warning power would allow the Charity Commission to direct charities. Let me be absolutely clear that it will not. The warning must specify the breach and may provide guidance on how the charity can rectify it, but the decision on how the breach is to be rectified is a matter purely for the charity's trustees. Others have said that the trustees run the risk of significant regulatory action without a right of appeal, but I disagree. Were the commission to escalate from a warning to a statutory inquiry, the opening of the inquiry would be subject to a right of appeal to the charity tribunal, as would the use of any inquiry powers.

Finally, the Joint Committee that undertook pre-legislative scrutiny of the draft Bill agreed that, provided the power is framed in the right way and with the right safeguards, judicial review was the appropriate means of challenge, rather than an official warning. That was also the view in the other place and we agree, so I cannot accept new clause 1.

I will now speak to amendments 8, 9, 10, 11 and 12, tabled by the hon. Member for Redcar. I group the amendments in that way because all of them, except amendment 9, would serve to weaken a number of important provisions relating to the warning power. However, I will lay out my arguments against each amendment in detail.

Let me start with amendment 9, which seeks to bind the commission's power to issue a warning to a requirement to notify the charity and charity trustees. I absolutely agree that that is a sensible and proportionate provision, which is why it is already required under the existing drafting of clause 1. Amendment 9 is therefore superfluous.

Amendment 8 seeks to stop the Charity Commission from publishing a warning to a wider audience than just the charity and its trustees. Similarly, amendment 10 would also restrict transparency and accountability by requiring the commission to publish warnings only in such a manner that did not identify the charity or trustees involved. I am afraid that I cannot agree with those proposed changes: charities exist for the public benefit and must be accountable to the public for their work.

The Charity Commission's ability to publish an official warning will enhance transparency, which is entirely in line with the commission's objectives of increasing charities' accountability and promoting public trust and confidence.



**Mark Field:** Given my earlier contribution, the Minister may recognise that I am slightly concerned about the notion of the Charity Commission having a view at all. Surely the important things are what Parliament has to say and the establishment of the objectives of any particular charity. We should all have concern about the notion of the Charity Commission imposing its will over the objectives of a charity.

**Mr Wilson:** My right hon. Friend need not worry about the Charity Commission imposing its will on charities; there are many safeguards, including the referral to a charity tribunal, to make sure that that does not happen. Ultimately, the Charity Commission relies on the support of the sector itself to make sure that it can function properly.

The commission already publishes details of its non-inquiry compliance cases when it is in the public interest to do so, and it does that without a specific statutory power. When the regulator has to intervene and issue an official warning, it is right that that should be placed in the public domain, although it should be made clear that when the issue that gave rise to the warning has been addressed, it should be archived after a period. The commission has a published policy on how it reports on its regulatory work, and it is available on gov.uk. The commission would need to update the page with regard to official warnings, so that there would be a clear policy. Charities can and do make representations to the commission about the publication of particular information.

Amendments 8 and 10 would undermine the increased transparency and public accountability of official warnings, turning them into an ineffective tool without real impact. Amendment 11 seeks to limit the Charity Commission's ability to issue a warning, so that it could do so only after a minimum notice period of 14 days. On the surface, that would ensure that, in all cases, the trustees had sufficient time to consider the notice of intention to issue a warning and co-ordinate any representations that they might wish to make.

I am sympathetic to the aim of ensuring proper notice, but I believe that that should be addressed in the Charity Commission guidance. It is already clear that if the Charity Commission decides to issue a warning, it must give notice of its intention to the charity and the trustees. The warning power may be appropriate in some circumstances when the commission needs the flexibility to act more quickly than 14 days. Following debate in Committee, the Charity Commission has recognised the concerns raised and it has reassured me that it will normally apply a minimum notice period of 14 days. That will be made clear in its forthcoming guidance, which will be published ahead of these powers coming into effect.

Finally, I believe that the changes proposed by amendment 12 are unnecessary as they aim to remedy a problem that does not exist in the current draft form of clause 1. It is already clear that any remedial action that the Charity Commission may suggest in response to a warning does not amount to a direction. The Government have been consistently clear that the commission could not use the official warning power to direct charities, and I am happy to reiterate that position again for the record. What the power does enable the commission to do is provide advice and guidance to the charity on how

it can remedy a breach that has been identified in the warning. This gives the offer of support to a charity so that issues can be resolved in a timely and adequate manner. It will also help charities to understand in more detail what processes or actions led to the issuing of a warning and what type of conduct could avoid this in future. I hope that I have laid out in detail to the House and to the hon. Member for Redcar why I do not support her amendments to clause 1.

I turn to Government amendment 2, which relates to clause 1. Previously, the power to issue a statutory warning did not include a provision that would specifically enable the Charity Commission to vary or withdraw an official warning once it had been issued. Amendment 2 rectifies that. Withdrawal could be necessary if it came to light that the warning should not have been issued in the first place or, in some cases, where the charity has addressed the issues set out in the warning. The power to vary a warning would likewise enable the commission to do so where the issue has been partly addressed by the charity, if the commission considered that to be appropriate. This is a sensible amendment and I commend it to the House.

Amendment (a) is unnecessary, because where the Charity Commission does withdraw a warning it will, as a matter of policy, set out the reasons for doing so when it notifies the recipient of the warning and publicises the withdrawal. I am sympathetic to the aim of the second part of the amendment, but do not support it. There could be a host of reasons why a warning is withdrawn, and some of them may warrant the details remaining on the public record for a period of time. The inclusion of this amendment could lead to unintended consequences that are detrimental to charities and to the commission. If a warning is withdrawn, there may still be press articles or other information referring to it, but if a member of the public then went to the register of charities, as the official source of information, they would find no mention of it there. In some cases, it may be better to keep a record of the warning there but explain that it has been withdrawn. The commission has already said that it would address these matters in guidance, which is the right place to consider them in detail. On that basis, I see no need for amendment (a).

The hon. Member for Ilford North (Wes Streeting) expressed concern that official warnings should not be used to force people to follow good practice. I agree. The explanatory notes make this clear, saying:

“Failure to follow good practice could not automatically be considered to constitute misconduct or mismanagement.”

I hope that helps the hon. Gentleman.

I now turn to the disqualification powers in clauses 9 and 10. Government amendments 3 and 4 are relatively modest, but we consider them to be necessary to ensure the proper operation of clauses 9 and 10. Clause 9 extends the effect of automatic disqualification to the most senior executive roles in a charity—that of chief executive officer and, where there is one, chief finance officer. In our discussions with the Charity Commission on this provision and how it would operate in practice, it became clear that there was a risk that a person employed by a charity who did not exercise any management function could be caught by the clause as it stands. This may be the case in a small charity that employs only one or two operational staff who may report directly to the board but do not perform management

[Mr Rob Wilson]

functions since those are fulfilled by the trustees. In those circumstances, the employee ought not to be caught by the disqualification provision as they are not involved in the management of the charity. Our amendment 3 ensures that this will be tightened up through drafting. Government amendment 4 makes exactly the same provision in relation to the power of the Charity Commission to disqualify under clause 10. I hope that hon. Members agree that these are sensible provisions to add to the Bill.

I am extremely grateful to my right hon. and learned Friend the Member for Harborough (Sir Edward Garnier) for tabling his amendment as it gives me the chance to provide some reassurance on the record. He is a strong supporter of and advocate for charities involved in the rehabilitation of ex-offenders, which is an extremely commendable cause. Charities and the voluntary sector play a significant role in the support and rehabilitation of ex-offenders, and we should recognise and encourage their important contribution to reducing reoffending and helping former offenders to reintegrate into society. I want to ensure that the Bill's provisions do not have an undue impact on that very important work.

The disqualification provisions are important. Although the existing system has worked well, it needed to be updated. The Bill seeks to extend the disqualification provisions as an important way of protecting charities from individuals who might seek to abuse their position of trust, whether for personal financial gain, to abuse beneficiaries or for some other purpose.

4 pm

Rehabilitation charities are understandably concerned that that might have implications for ex-offenders who have changed their ways and want to give something back by volunteering with or working for a charity. However, people who can show that they have turned over a new leaf and want to take up positions of responsibility in the charity sector have the ability to apply to the Charity Commission for the disqualification to be waived under section 181 of the Charities Act 2011.

It is worth pointing out that, in the past four years, the commission has received six applications for a waiver in cases where the disqualification resulted from an unspent criminal conviction. All the applications were granted. Furthermore, there is a right of appeal to the charity tribunal if the Charity Commission refuses to grant a waiver. It is also worth reminding the House that the disqualification applies only to the senior management roles of trustee, chief executive and chief finance officer. The provisions do not prevent disqualified individuals from volunteering or working in other roles in the charity.

For the record, I can confirm that we will not commence the automatic disqualification provisions in clause 9 for 12 months following enactment. I would be prepared to consider a slightly longer period if necessary, as my right hon. and learned Friend has requested. We want to work closely on implementation with rehabilitation charities, such as those he has represented so effectively today.

I have asked the Charity Commission to engage closely with rehabilitation charities, such as Unlock, as it develops new guidance on the waivers ahead of the commencement of the provisions. It has agreed to do so

and has started to set up a working group to consider how the changes will be implemented. For example, it has invited several rehabilitation charities to a workshop in February to discuss the Bill and the implementation of these provisions.

**Peter Kyle:** Will the Minister join me in congratulating the charity Unlock on working with the right hon. Gentleman? That partnership between a party politician and a charity produced a fantastic speech. He made some very important points, and that is clearly having an impact on legislation on the Floor of the House of Commons. Is that not to be welcomed?

**Mr Wilson:** I can see the trap that the hon. Gentleman is setting for me, and I am not going to walk into it. I have further comments to make on the Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act, but I thank him for his attempt, lame though it was.

Some people who are currently trustees or senior managers will be caught by the extension of the disqualification provisions. Although the number of waiver applications is likely to increase, we do not think that a significant number of people will be affected by the changes. I would be surprised if it ran to more than the low hundreds, based on the commission's experience under the existing disqualification regime.

I recognise the concerns that have been raised by my right hon. and learned Friend, and I am happy to commit to producing a report on our assessment of the impact of the disqualification changes. I will deposit it in the Library of the House before the commencement of the automatic disqualification provisions in clause 9. I cannot promise that we will cover every point listed in amendment 1, but I will ensure that we provide a very detailed assessment, as he has requested.

I want to ensure that the disqualification powers in the Bill protect charities from individuals who present a known risk, while at the same time providing for the rehabilitation of offenders and a way back into charity trusteeship or senior management on a case-by-case basis. That strikes me as both fair and proportionate.

**Sir Edward Garnier:** I thank my hon. Friend for his very welcome assurances. I much look forward to the discussions that will follow this debate, as do those I have been speaking with and for today.

**Mr Wilson:** I thank my right hon. and learned Friend for those kind words. We will certainly work very closely with those organisations.

Amendment 13 seeks to empower the Charity Commission to disqualify several trustees in cases of collective failure. In Committee, I explained that the Charity Commission already has the power to act in such circumstances and, indeed, has done so in cases relating to systemic governance issues. There is no reason why the Charity Commission could not take action against all the trustees of a charity where it was appropriate, proportionate and in accordance with the principles of best regulatory practice to do so. For that reason, I do not support amendment 13.

Amendment 14 would give the Charity Commission the job of consulting on and publishing guidance on how it assesses "unfitness" in relation to the power to

disqualify, as set out in clause 10. We discussed a similar amendment in Committee and, although I agree with its intended effect, I do not believe that it is necessary. When the Bill was introduced in the other place, the Charity Commission published a well-received document setting out its initial thoughts on how it would exercise the disqualification power. The document highlights the broad categories that the commission would consider, namely honesty and integrity, competence and credibility. It gives various examples of the sorts of specific conduct that it would take into account. I explained a number of those examples in Committee and do not propose to repeat them today.

The Charity Commission has further committed to develop and consult on its initial thinking in draft guidance on how it would operate the power to disqualify. All of that will happen before the power to disqualify is commenced. As with any commission guidance, it will be kept under regular review to reflect changes in legislation or tribunal findings. On that basis, I do not see that amendment 14 is necessary.

Amendment 15 was previously proposed in Committee by the hon. Member for Redcar. The Charity Commission already considers only conduct that is “relevant and serious”. If it were to take account of other conduct, I would expect any resulting disqualification order to be thrown out by the charity tribunal on appeal. Besides that, the amendment should not be passed because the inclusion of the words “relevant and serious” in condition F would pose potential unintended consequences.

Including those words in the disqualification power could cast doubt on all the Commission’s other powers that do not contain them. The exercise of those other powers, such as the power to remove a charity trustee or the power to direct a charity, already depends on conduct that is both relevant and serious, even though those words are not included in the criteria for exercising the powers. I do not want there to be the risk that the other powers could be interpreted as not requiring relevant or serious conduct in order to be exercised. Although I understand and sympathise with the aims of amendment 15, I hope the House will understand why I do not believe that it is necessary and how it could inadvertently reduce the bar for the exercise of the commission’s other powers, which I would not support.

Amendment 5 is another relatively modest Government amendment that was suggested to us by rehabilitation charities. As I said in relation to the amendment tabled by my right hon. and learned Friend the Member for Harborough, we are keen to work with rehabilitation charities to ensure that the Bill does not undermine their important work.

To make a disqualification order against a person, the Charity Commission will have to meet one of six conditions, from A through to F, alongside a number of other things. Condition B is that the individual has been convicted outside the UK of an offence against a charity or involving the administration of a charity which, had it happened in the UK, would have automatically disqualified the individual. As it stands, the commission can take into account only an overseas conviction that is not spent under the law of the territory where the conviction took place. It was pointed out to me that it would be fairer and more proportionate if the limitation related to the UK rehabilitation period for an equivalent UK sentence, rather than the rehabilitation period of

the overseas jurisdiction. I agree that that would be more proportionate, and amendment 5 makes the necessary change.

My right hon. Friend the Member for Cities of London and Westminster (Mark Field) ingeniously managed to speak about independent schools. He made an important point about the variety of ways in which independent schools provide public benefit. There is not one single way to achieve public benefit and the Charity Commission would certainly not direct any independent school that there was.

New clause 2, proposed by the hon. Member for Redcar, represents an attempt to reinsert a provision that the Government removed in Committee. Let me explain why the Government oppose it. It was described by several peers in the other place as sending a signal of opposition to the Government’s plans to legislate to extend the right to buy to tenants of housing associations. That message has been received, considered and responded to. Extending the right to buy to tenants of housing associations is a manifesto pledge on which the Government were elected and are committed to deliver. It will mean that up to 1.3 million more families in England get the chance to own their own home while at the same time ensuring the replacement of housing stock.

We listened to the concerns raised. Rather than legislating to implement the policy, we reached a voluntary agreement with housing associations which will implement the policy while protecting the independence of housing associations.

**Mark Field:** It is important that the Minister reflects that that was a manifesto commitment—even some of us on the Government Benches had concerns about it, but it was a manifesto commitment. It was rightly brought up in the Housing and Planning Bill, and it is disrespectful to the House, and a dangerous precedent, when one Bill is used to undermine another Bill that is part and parcel of a manifesto commitment. That also happened in the previous Parliament on the boundary changes, when a measure in an entirely different bit of legislation was used to oppose that policy. The House of Lords is abusing its position if it thinks it can do that in that form.

**Mr Wilson:** I am sure the noble Lords along the corridor will have listened carefully to my right hon. Friend. I hope the Bill will not be altered further as a result of his very strong words.

**Anna Turley:** To take up that point, the right to buy affects charities, and we are debating charities legislation. The right to buy affects the ability of housing associations to control their assets, which is a fundamental change to the balance of the relationship between their role and the Government’s ability to tell them what to do. That is why we have debated it today.

**Mr Wilson:** The Opposition are obviously entitled to propose whatever amendments they want as long as they are in order, but the problem is not just that new clause 2 is completely unnecessary; it would also be damaging, although I am sure that that was not the hon. Lady’s intention.

Many of the rules that apply to charities’ investments in, and their disposal of, assets, derive from case law that has been built up over hundreds of years. Proponents

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of the new clause argue that it reflects the existing case law, but I simply do not accept that. A simple statutory provision such as the new clause cannot hope to reflect the accumulated detail of case law derived from many hundreds of judgments.

Case law already requires charities to use and dispose of their assets in a way that supports the delivery of their charitable purposes. That provides flexibility for certain circumstances that a statutory provision cannot provide. For example, how would the new clause affect compulsory purchase orders in relation to charity land? How would it affect the existing rights of more than 1.4 million housing association tenants under the preserved right to buy or the right to acquire? How would it affect the exercise of Charity Commission powers such as its power to direct charity property in the course of a statutory inquiry? There are simply too many questions about the measure to which we have not had satisfactory answers either this afternoon or during the course of the Bill's proceedings.

New clause 2 would give the Charity Commission a new and very broad role in policing the use and disposal of charity assets. That is inconsistent with our current aim of helping the commission to focus on its core regulatory activities.

New clause 3, which is also in the hon. Lady's name, is at best unnecessary and at worst damaging. Charity law already sets out clear rules on what charities can and cannot do in relation to campaigning and political activity. I explained those in detail in Committee and do not propose to do so again today. New clause 3 might seek to reflect existing law, but it does not. In a similar way to new clause 2, new clause 3 attempts to include in a statutory provision the existing case law. That seriously risks changing the boundaries of what is permitted.

New clause 3 would allow charities to undertake political campaigning or political activity, but does not define what that means.

Would it, for example, allow partisan political campaigning? If that were the case, it would represent a real shift in the law and I would strongly object to that. In particular, I think the public would be very surprised and disappointed to see charities taking part and campaigning on a party political basis. Existing case law does not allow charities to engage in political campaigning to such an extent that it calls into question whether in fact they are a charity or, rather, a political campaigning organisation. Again, it is not clear to me that new clause 3 would incorporate that crucial limitation, potentially opening up charitable status to organisations with a political purpose.

4.15 pm

**Wes Streeting:** I can only think that the Minister has not been listening to the debate this afternoon or in Committee. He is, once again, deliberately muddying the waters between legitimate campaigning and party political activity. Is the Minister not trying to defend a pattern of Government behaviour of clamping down on any scrutiny or opposition, whether in this place, the House of Lords, the charities sector or the trade unions?

**Mr Wilson:** What the hon. Gentleman says is quite extraordinary. We had this debate in Committee. It was quite clear, from the reaction to the concerns about the Badger Trust, that the hon. Gentleman and those on the Opposition Front Bench agreed that party political campaigning was actually a good thing. Even today that has been repeated, with regard to the Badger Trust. The hon. Member for Redcar disagrees with the Charity Commission finding that it was party political.

In Committee, my hon. Friend the Member for Newark (Robert Jenrick) gave us a very strong warning about new clause 3, which sums it up well and bears repeating. He asked us to look across the Atlantic to America, where charities can engage in party politics and support political candidates, and where wealthy philanthropists can set up organisations with blurred aims. He said we should be careful what we wish for. I agree with that sentiment entirely. The new clause would risk setting us off down a very slippery slope of involving charities in party politics. For that reason alone, I strongly encourage the House to oppose it.

On fundraising, I am sure all hon. Members will be aware of the poor fundraising practices uncovered over the summer. They present a real risk to levels of public trust and confidence in charities. I asked Sir Stuart Etherington to review how fundraising had been regulated in the past and to suggest improvements. The Government accepted his recommendations for a new, stronger self-regulatory body, backed up by the statutory powers of the Charity Commission. This new fundraising regulator is currently being set up by Lord Grade of Yarmouth and his chief executive Stephen Dunmore. The new regulator will establish the fundraising preference service, which will give people who feel overwhelmed by the sheer volume of requests they receive a simple way to opt in. I am grateful to the working party, led by George Kidd and supported by the NCVO, which has already started to draft proposals on how the FPS will work in practice.

As I made clear in Committee, this place owes it to the generous British public to ensure that they are not coerced or bullied into giving their hard-earned money to charity. It is because of this that we brought forward Government amendments in Committee that would enable the Government to step in and compel charities to register with the self-regulator should they fail to do so voluntarily and in significant numbers. Should this still prove insignificant, the Government would have the power to mandate the Charity Commission with the regulation of fundraising.

I truly hope that I and my successors are not put in a position to have to resort to those reserve powers, and that charities seize this last chance to make an independent self-regulatory system work. If self-regulation does fail, however, we need to make sure that we are equipped to step in quickly with effective statutory regulation. In that respect, I warmly welcome Opposition Members' support for the Government's approach to addressing fundraising regulation. I give particular thanks to the hon. Member for Redcar for her supportive comments on Second Reading and in Committee.

I thank my hon. Friend the Member for Harwich and North Essex (Mr Jenkin) for his work as Chair of the Public Administration and Constitutional Affairs Committee. His Committee has played an important role in investigating the poor fundraising practices we

saw last summer. I welcome the Committee's report, which was published yesterday, and I will give it careful consideration before responding fully in due course. As it highlights, the public rightly expect the highest standards from our charities. Like the Committee, I believe that charities should get a last chance to put their own house in order to restore public trust and confidence.

**Lady Hermon** (North Down) (Ind): The Minister will know that people in Northern Ireland give generously to charities. Regrettably, the Bill has been designated as exclusively English. If constituents of mine are oppressed by requests from charities, can they legitimately complain to the Charity Commission and the new regulatory body?

**Mr Wilson:** The hon. Lady is right that the Bill has been certified as England and Wales only. Northern Ireland has a separate devolved process. I suggest that, as her first port of call, she speak to those responsible in Northern Ireland.

**Lady Hermon:** The Minister does not seem to grasp the point. There are national charities across the UK, of which Northern Ireland is a part. Thousands of people voted in the referendum on the Good Friday agreement—the Belfast agreement—to remain part of the UK. The donors and supporters of national charities, such as the Salvation Army, the Royal National Lifeboat Institution and others, are also in Northern Ireland, so the first port of call should be here, not Northern Ireland.

**Mr Wilson:** The hon. Lady makes her case strongly, and it is absolutely right that she should do so here in the UK Parliament. I hope that she will also make her case strongly to the devolved Administration, which many people in Northern Ireland wanted, and got as a result of the actions of subsequent Governments.

New clause 4 would fundamentally change the division of responsibilities between the new fundraising regulator and the Charity Commission. If we were to propose that the commission hold public hearings on matters of charitable fundraising, this would effectively amount to a form of statutory regulation. The commission does not believe that it currently has the resources effectively to exercise the power to hold hearings on fundraising, as suggested in the new clause. It can, in theory, already hold hearings in relation to statutory inquiries under section 46 of the Charities Act 2011, but it does not do so because it would not be an effective means of undertaking its casework. Unlike with other powers in the Bill, the commission does not ask for this ability.

I understand that my hon. Friend the Member for Harwich and North Essex may have intended in new clause 4 to offer to witnesses giving evidence to the Charity Commission in public hearings on charity fundraising the protection of not having their evidence used against them in other proceedings, rather than legal professional privilege. Legal professional privilege protects the lawyer-client relationship and is not what I think he is looking to achieve. However, the proposed hearings would be proceedings undertaken by the commission, not proceedings in Parliament, so parliamentary privilege would not be appropriate, either. The reserve power to regulate fundraising in section 64A of the Charities Act 1992 is a power to make secondary legislation that

is necessary or desirable or in connection with regulating charity fundraising. If the commission were to assume statutory responsibility for the regulation of fundraising and this included holding public hearings, we would need to consider, at that point, what protection for witnesses would fall within the scope of the power.

My hon. Friend's new clause 5 would prematurely task the commission with becoming the primary regulator for fundraising activities. The Government have provided for this already, but through the stronger reserve powers we introduced in Committee. We would also risk undermining public confidence, if self-regulation were to fail while under the oversight of the commission, particularly if the solution to that failure was statutory regulation by the commission. We would also need to do a lot more detailed thinking about whether, and if so how, witnesses could or should be protected by an equivalent to parliamentary privilege, which is what I think he might have been seeking with the new clause.

However, I completely agree with the finding of the Select Committee on Public Administration and Constitutional Affairs that

“It would be a sad and inexcusable failure of charities to govern their own behaviour, should statutory regulation become necessary.”

Perhaps I can reassure hon. Members that, under the reserve powers in the Bill, it would be possible for the Charity Commission to be given statutory responsibility for the regulation of fundraising, but to deliver that through a third party such as the fundraising regulator. New section 64C(2) of the Charities Act 1992, as introduced by clause 14, already specifically enables that.

**Martin John Docherty:** I am sure the Minister recognises the comments that the hon. Member for North Down (Lady Hermon) made in relation to Northern Ireland, which I also raised during the general debate in relation to fundraising. This legislation should not impact on the right of the Scottish Parliament to legislate on fundraising for charities. Will the Minister reiterate that here on the Floor of the House?

**Mr Wilson:** The representatives for Scotland were at the fundraising summit recently. This is a devolved matter, and it is up to them what rules they set for Scotland. They do not have to follow; this is an England and Wales Bill, which does not affect Scotland. It is therefore up to the Scottish regulator how they wish to proceed.

I maintain that it is important to keep a clear division between statutory and self-regulatory powers to ensure better regulation of fundraising. The best way to achieve that is to support the new fundraising regulator and, if it should fail, make a decisive and clear move to statutory regulation. Should self-regulation fail, the Government will not hesitate to intervene, which could include tasking the Charity Commission with the regulation of fundraising. However, we think it is too soon to commit the Charity Commission to an enhanced statutory role in fundraising, so I hope my hon. Friend the Member for Harwich and North Essex will understand why I do not support his new clauses 4 and 5.

Let me turn finally to Government amendments 6 and 7. It would not be fair to ask the taxpayer to carry the cost of fundraising regulation if it is the result of a failure by charities to protect the public from their own

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poor practices. Government amendments 6 and 7 would therefore enable the fundraising regulator or the Charity Commission to charge fees to those it regulates for that purpose. Many of the charities signed up to and paying for the old system of self-regulation were those that followed best practice, and there was a problem of free riders. To guard against that risk, the Etherington review suggested that any charity with fundraising expenditure beyond a certain level should be subject to a levy, requiring the large and medium-sized fundraising charities to pay for regulation.

Should the Government need to compel charities to register with the charity fundraising regulator, it is important that the fundraising regulator is able to levy fees for registration. That is exactly what amendment 6 would enable. Government amendment 7 deals with fees, should the reserve power be exercised for the Charity Commission to regulate fundraising. It would ensure that regulations could provide for the Charity Commission to charge fees across the range of bodies that it would regulate as the fundraising regulator.

I hope my explanations suffice to convince hon. Members that these amendments are an important part of the backstop to self-regulation and will help to ensure the effective regulation of fundraising in future, but I would of course be happy to provide more detailed responses. The main point is that I hope that these amendments are not needed and that charities will support the new, tougher self-regulatory system being established under the leadership of my noble Friend Lord Grade of Yarmouth. I commend these Government amendments to the House.

**Anna Turley:** For the sake of colleagues, I will be brief. I thank everybody for their contributions this afternoon. There is a wealth of experience from the charity sector in the Chamber, which has added a richness to the progress of the Bill.

Let me turn straight to new clause 1. Although I do not share the Minister's view that judicial review will be more cost-effective—that may be the case for the Charity Commission, but perhaps not for charities that are appealing, many of which will not be able to afford to go to judicial review—I am willing to work with the Charity Commission, the sector and the Government to monitor the use of warnings outside of primary legislation. Therefore, I do not wish to press new clause 1 to a vote, although I wish to test the House on new clause 3 and amendment 8, because I do not feel our concerns have been met on either issue. I beg to ask leave to withdraw the motion.

*Clause, by leave, withdrawn.*

### New Clause 3

#### POWER TO MAKE REPRESENTATIONS

“(1) A charity may undertake political campaigning or political activity in the context of supporting the delivery of its charitable purposes.

(2) A charity may campaign to ensure support for, or to oppose, a change in the law, policy or decisions of central government, local authorities or other public bodies.”—(*Anna Turley.*)

*Brought up, and read the First time.*

*Question put, That the clause be read a Second time.*

*The House divided: Ayes 236, Noes 280.*

**Division No. 175]**

**[4.29 pm**

#### AYES

Abbott, Ms Diane	Efford, Clive
Abrahams, Debbie	Elliott, Julie
Alexander, Heidi	Ellman, Mrs Louise
Ali, Rushanara	Esterson, Bill
Allen, Mr Graham	Evans, Chris
Anderson, Mr David	Fellows, Marion
Austin, Ian	Ferrier, Margaret
Bailey, Mr Adrian	Field, rh Frank
Bardell, Hannah	Fitzpatrick, Jim
Barron, rh Kevin	Fleelo, Robert
Benn, rh Hilary	Fletcher, Colleen
Berger, Luciana	Flint, rh Caroline
Betts, Mr Clive	Flynn, Paul
Black, Mhairi	Fovargue, Yvonne
Blackford, Ian	Foxcroft, Vicky
Blackman, Kirsty	Gardiner, Barry
Blenkinsop, Tom	Gethins, Stephen
Blomfield, Paul	Gibson, Patricia
Boswell, Philip	Glass, Pat
Bradshaw, rh Mr Ben	Glindon, Mary
Brennan, Kevin	Godsiff, Mr Roger
Brock, Deidre	Goodman, Helen
Brown, Alan	Grady, Patrick
Brown, Lyn	Grant, Peter
Bryant, Chris	Gray, Neil
Buck, Ms Karen	Green, Kate
Burden, Richard	Greenwood, Lilian
Burgon, Richard	Greenwood, Margaret
Burnham, rh Andy	Gwynne, Andrew
Butler, Dawn	Haigh, Louise
Cadbury, Ruth	Hanson, rh Mr David
Cameron, Dr Lisa	Harman, rh Ms Harriet
Campbell, rh Mr Alan	Harris, Carolyn
Campbell, Mr Ronnie	Hayes, Helen
Champion, Sarah	Hayman, Sue
Chapman, Jenny	Healey, rh John
Cherry, Joanna	Hendrick, Mr Mark
Coaker, Vernon	Hendry, Drew
Coffey, Ann	Hepburn, Mr Stephen
Cooper, rh Yvette	Hermon, Lady
Corbyn, rh Jeremy	Hillier, Meg
Cowan, Ronnie	Hoey, Kate
Cox, Jo	Hollern, Kate
Coyle, Neil	Hopkins, Kelvin
Crausby, Mr David	Hosie, Stewart
Crawley, Angela	Howarth, rh Mr George
Creagh, Mary	Huq, Dr Rupa
Creasy, Stella	Hussain, Imran
Cruddas, Jon	Irranca-Davies, Huw
Cunningham, Alex	Jarvis, Dan
Cunningham, Mr Jim	Johnson, rh Alan
Dakin, Nic	Johnson, Diana
Danczuk, Simon	Jones, Gerald
David, Wayne	Jones, Graham
Day, Martyn	Jones, Helen
De Piero, Gloria	Jones, Mr Kevan
Docherty, Martin John	Jones, Susan Elan
Donaldson, Stuart Blair	Kane, Mike
Doughty, Stephen	Keeley, Barbara
Dowd, Jim	Kendall, Liz
Dowd, Peter	Kerevan, George
Dromey, Jack	Kerr, Calum
Dugher, Michael	Kinnock, Stephen
Eagle, Maria	Kyle, Peter

Lammy, rh Mr David  
 Lavery, Ian  
 Leslie, Chris  
 Lewell-Buck, Mrs Emma  
 Lewis, Clive  
 Lucas, Caroline  
 Lucas, Ian C.  
 Lynch, Holly  
 Mactaggart, rh Fiona  
 Madders, Justin  
 Mahmood, Shabana  
 Malhotra, Seema  
 Mann, John  
 Marris, Rob  
 Marsden, Mr Gordon  
 Maskell, Rachael  
 Matheson, Christian  
 Mc Nally, John  
 McCabe, Steve  
 McCaig, Callum  
 McCarthy, Kerry  
 McDonagh, Siobhain  
 McDonald, Andy  
 McDonald, Stewart Malcolm  
 McDonald, Stuart C.  
 McDonnell, John  
 McGarry, Natalie  
 McGinn, Conor  
 McGovern, Alison  
 McInnes, Liz  
 McKinnell, Catherine  
 McLaughlin, Anne  
 McMahan, Jim  
 Mearns, Ian  
 Miliband, rh Edward  
 Morris, Grahame M.  
 Mullin, Roger  
 Murray, Ian  
 Nandy, Lisa  
 Newlands, Gavin  
 Nicolson, John  
 O'Hara, Brendan  
 Onn, Melanie  
 Onwurah, Chi  
 Osamor, Kate  
 Oswald, Kirsten  
 Paterson, Steven  
 Pearce, Teresa  
 Pennycook, Matthew  
 Perkins, Toby  
 Phillips, Jess  
 Pound, Stephen  
 Powell, Lucy  
 Pugh, John  
 Rayner, Angela  
 Reed, Mr Jamie

Reed, Mr Steve  
 Rees, Christina  
 Reeves, Rachel  
 Reynolds, Emma  
 Rimmer, Marie  
 Ritchie, Ms Margaret  
 Robertson, rh Angus  
 Robinson, Mr Geoffrey  
 Rotheram, Steve  
 Saville Roberts, Liz  
 Shah, Naz  
 Sheerman, Mr Barry  
 Sherriff, Paula  
 Shuker, Mr Gavin  
 Siddiq, Tulip  
 Skinner, Mr Dennis  
 Slaughter, Andy  
 Smeeth, Ruth  
 Smith, rh Mr Andrew  
 Smith, Angela  
 Smith, Cat  
 Smith, Nick  
 Smith, Owen  
 Smyth, Karin  
 Starmer, Keir  
 Stephens, Chris  
 Stevens, Jo  
 Streeting, Wes  
 Stringer, Graham  
 Stuart, rh Ms Gisela  
 Tami, Mark  
 Thewliss, Alison  
 Thomas, Mr Gareth  
 Thomas-Symonds, Nick  
 Thompson, Owen  
 Thomson, Michelle  
 Thornberry, Emily  
 Timms, rh Stephen  
 Trickett, Jon  
 Turley, Anna  
 Turner, Karl  
 Twigg, Derek  
 Umunna, Mr Chuka  
 Vaz, rh Keith  
 Weir, Mike  
 Whitehead, Dr Alan  
 Whitford, Dr Philippa  
 Winnick, Mr David  
 Wishart, Pete  
 Woodcock, John  
 Wright, Mr Iain  
 Zeichner, Daniel

**Tellers for the Ayes:**  
**Judith Cummins and**  
**Jessica Morden**

#### NOES

Adams, Nigel  
 Afriyie, Adam  
 Aldous, Peter  
 Allen, Heidi  
 Amess, Sir David  
 Andrew, Stuart  
 Ansell, Caroline  
 Argar, Edward  
 Atkins, Victoria  
 Bacon, Mr Richard  
 Baker, Mr Steve  
 Baldwin, Harriett  
 Barclay, Stephen

Baron, Mr John  
 Barwell, Gavin  
 Bellingham, Sir Henry  
 Benyon, Richard  
 Beresford, Sir Paul  
 Berry, Jake  
 Berry, James  
 Bingham, Andrew  
 Blackman, Bob  
 Blunt, Crispin  
 Boles, Nick  
 Bone, Mr Peter  
 Borwick, Victoria

Bottomley, Sir Peter  
 Bradley, Karen  
 Brazier, Mr Julian  
 Bridgen, Andrew  
 Brine, Steve  
 Bruce, Fiona  
 Buckland, Robert  
 Burns, Conor  
 Burns, rh Sir Simon  
 Burrows, Mr David  
 Cairns, Alun  
 Carmichael, Neil  
 Carswell, Mr Douglas  
 Cartledge, James  
 Cash, Sir William  
 Caulfield, Maria  
 Chalk, Alex  
 Chishti, Rehman  
 Chope, Mr Christopher  
 Churchill, Jo  
 Clark, rh Greg  
 Clarke, rh Mr Kenneth  
 Cleverly, James  
 Clifton-Brown, Geoffrey  
 Coffey, Dr Thérèse  
 Colvile, Oliver  
 Costa, Alberto  
 Cox, Mr Geoffrey  
 Crabb, rh Stephen  
 Davies, Byron  
 Davies, Chris  
 Davies, Glyn  
 Davies, Dr James  
 Davies, Mims  
 Davies, Philip  
 Davis, rh Mr David  
 Dinéage, Caroline  
 Djanogly, Mr Jonathan  
 Dodds, rh Mr Nigel  
 Dorries, Nadine  
 Double, Steve  
 Dowden, Oliver  
 Doyle-Price, Jackie  
 Drax, Richard  
 Drummond, Mrs Flick  
 Duncan Smith, rh Mr Iain  
 Dunne, Mr Philip  
 Ellis, Michael  
 Ellison, Jane  
 Ellwood, Mr Tobias  
 Elphicke, Charlie  
 Eustice, George  
 Evans, Graham  
 Evennett, rh Mr David  
 Fabricant, Michael  
 Fallon, rh Michael  
 Fernandes, Suella  
 Field, rh Mark  
 Foster, Kevin  
 Fox, rh Dr Liam  
 Frazer, Lucy  
 Freeman, George  
 Freer, Mike  
 Fuller, Richard  
 Fysh, Marcus  
 Garnier, rh Sir Edward  
 Garnier, Mark  
 Gauke, Mr David  
 Ghani, Nusrat  
 Gibb, Mr Nick  
 Gillan, rh Mrs Cheryl  
 Glen, John

Goodwill, Mr Robert  
 Gove, rh Michael  
 Graham, Richard  
 Grant, Mrs Helen  
 Grayling, rh Chris  
 Green, rh Damian  
 Greening, rh Justine  
 Grieve, rh Mr Dominic  
 Gummer, Ben  
 Gyimah, Mr Sam  
 Halfon, rh Robert  
 Hall, Luke  
 Hammond, rh Mr Philip  
 Hammond, Stephen  
 Hancock, rh Matthew  
 Hands, rh Greg  
 Harrington, Richard  
 Harris, Rebecca  
 Hart, Simon  
 Haselhurst, rh Sir Alan  
 Hald, Sir Oliver  
 Heapey, James  
 Heaton-Harris, Chris  
 Henderson, Gordon  
 Herbert, rh Nick  
 Hinds, Damian  
 Hoare, Simon  
 Hollinrake, Kevin  
 Hollobone, Mr Philip  
 Holloway, Mr Adam  
 Hopkins, Kris  
 Howarth, Sir Gerald  
 Howlett, Ben  
 Huddleston, Nigel  
 Hunt, rh Mr Jeremy  
 Hurd, Mr Nick  
 Jackson, Mr Stewart  
 James, Margot  
 Javid, rh Sajid  
 Jayawardena, Mr Ranil  
 Jenkin, Mr Bernard  
 Jenkyns, Andrea  
 Jenrick, Robert  
 Johnson, Boris  
 Johnson, Gareth  
 Jones, Andrew  
 Jones, rh Mr David  
 Jones, Mr Marcus  
 Kawczynski, Daniel  
 Kennedy, Seema  
 Knight, rh Sir Greg  
 Knight, Julian  
 Kwarteng, Kwasi  
 Lancaster, Mark  
 Leadsom, Andrea  
 Lee, Dr Phillip  
 Lefroy, Jeremy  
 Leigh, Sir Edward  
 Leslie, Charlotte  
 Letwin, rh Mr Oliver  
 Lewis, Brandon  
 Lidington, rh Mr David  
 Lilley, rh Mr Peter  
 Lopresti, Jack  
 Lord, Jonathan  
 Lumley, Karen  
 Mackinlay, Craig  
 Mackintosh, David  
 Mak, Mr Alan  
 Malthouse, Kit  
 Mann, Scott  
 Mathias, Dr Tania

Maynard, Paul  
 McLoughlin, rh Mr Patrick  
 McPartland, Stephen  
 Menzies, Mark  
 Mercer, Johnny  
 Merriman, Huw  
 Metcalfe, Stephen  
 Miller, rh Mrs Maria  
 Milling, Amanda  
 Mills, Nigel  
 Milton, rh Anne  
 Mitchell, rh Mr Andrew  
 Mordaunt, Penny  
 Morgan, rh Nicky  
 Morris, Anne Marie  
 Morris, David  
 Morris, James  
 Morton, Wendy  
 Mowat, David  
 Mundell, rh David  
 Murray, Mrs Sheryll  
 Murrison, Dr Andrew  
 Neill, Robert  
 Newton, Sarah  
 Nokes, Caroline  
 Norman, Jesse  
 Nuttall, Mr David  
 Offord, Dr Matthew  
 Opperman, Guy  
 Paisley, Ian  
 Parish, Neil  
 Patel, rh Priti  
 Pawsey, Mark  
 Penning, rh Mike  
 Penrose, John  
 Percy, Andrew  
 Perry, Claire  
 Phillips, Stephen  
 Philp, Chris  
 Pincher, Christopher  
 Prentis, Victoria  
 Prisk, Mr Mark  
 Pursglove, Tom  
 Quin, Jeremy  
 Quince, Will  
 Raab, Mr Dominic  
 Redwood, rh John  
 Rees-Mogg, Mr Jacob  
 Robertson, Mr Laurence  
 Robinson, Gavin  
 Rosindell, Andrew  
 Rudd, rh Amber  
 Rutley, David  
 Sandbach, Antoinette  
 Selous, Andrew  
 Shapps, rh Grant  
 Sharma, Alok

Simpson, rh Mr Keith  
 Skidmore, Chris  
 Smith, Chloe  
 Smith, Julian  
 Smith, Royston  
 Solloway, Amanda  
 Soubry, rh Anna  
 Spelman, rh Mrs Caroline  
 Spencer, Mark  
 Stevenson, John  
 Stewart, Iain  
 Stewart, Rory  
 Streeter, Mr Gary  
 Stride, Mel  
 Stuart, Graham  
 Sturdy, Julian  
 Sunak, Rishi  
 Swayne, rh Mr Desmond  
 Swire, rh Mr Hugo  
 Syms, Mr Robert  
 Thomas, Derek  
 Throup, Maggie  
 Tomlinson, Justin  
 Tomlinson, Michael  
 Tracey, Craig  
 Tredinnick, David  
 Trevelyan, Mrs Anne-Marie  
 Truss, rh Elizabeth  
 Tugendhat, Tom  
 Turner, Mr Andrew  
 Tyrie, rh Mr Andrew  
 Vara, Mr Shailesh  
 Vickers, Martin  
 Walker, Mr Charles  
 Walker, Mr Robin  
 Wallace, Mr Ben  
 Warburton, David  
 Warman, Matt  
 Watkinson, Dame Angela  
 Wharton, James  
 Whately, Helen  
 Wheeler, Heather  
 White, Chris  
 Whittaker, Craig  
 Whittingdale, rh Mr John  
 Wiggin, Bill  
 Williams, Craig  
 Williamson, rh Gavin  
 Wilson, Mr Rob  
 Wilson, Sammy  
 Wollaston, Dr Sarah  
 Wragg, William  
 Wright, rh Jeremy

**Tellers for the Noes:**  
 Simon Kirby and  
 George Hollingbery

*Question accordingly negatived.*

### Clause 1

#### OFFICIAL WARNINGS BY THE COMMISSION

*Amendment proposed:* 8, page 1, line 12, leave out subsection (2) and insert—

“(2) The Commission may issue a warning to a charity trustee, a trustee for a charity or a charity in any way it considers appropriate but may not publish a warning to a wider audience.”  
 —(Anna Turley.)

*Question put.* That the amendment be made.

*The House divided:* Ayes 196, Noes 280.

### Division No. 176]

[4.43 pm

#### AYES

Abbott, Ms Diane  
 Abrahams, Debbie  
 Alexander, Heidi  
 Ali, Rushanara  
 Allen, Mr Graham  
 Anderson, Mr David  
 Austin, Ian  
 Bailey, Mr Adrian  
 Barron, rh Kevin  
 Benn, rh Hilary  
 Berger, Luciana  
 Betts, Mr Clive  
 Blenkinsop, Tom  
 Blomfield, Paul  
 Bradshaw, rh Mr Ben  
 Brake, rh Tom  
 Brennan, Kevin  
 Brown, Lyn  
 Bryant, Chris  
 Buck, Ms Karen  
 Burden, Richard  
 Burgon, Richard  
 Burnham, rh Andy  
 Butler, Dawn  
 Cadbury, Ruth  
 Campbell, rh Mr Alan  
 Campbell, Mr Ronnie  
 Champion, Sarah  
 Chapman, Jenny  
 Clegg, rh Mr Nick  
 Coaker, Vernon  
 Coffey, Ann  
 Cooper, rh Yvette  
 Cox, Jo  
 Coyle, Neil  
 Crausby, Mr David  
 Creagh, Mary  
 Creasy, Stella  
 Cruddas, Jon  
 Cunningham, Alex  
 Cunningham, Mr Jim  
 Dakin, Nic  
 Danczuk, Simon  
 David, Wayne  
 De Piero, Gloria  
 Doughty, Stephen  
 Dowd, Jim  
 Dowd, Peter  
 Dromey, Jack  
 Dugher, Michael  
 Eagle, Maria  
 Efford, Clive  
 Elliott, Julie  
 Ellman, Mrs Louise  
 Esterson, Bill  
 Evans, Chris  
 Farrelly, Paul  
 Farron, Tim  
 Field, rh Frank  
 Fitzpatrick, Jim  
 Ffello, Robert  
 Fletcher, Colleen  
 Flint, rh Caroline  
 Flynn, Paul  
 Fovargue, Yvonne  
 Foxcroft, Vicky  
 Gardiner, Barry  
 Glass, Pat  
 Glindon, Mary  
 Godsiff, Mr Roger  
 Goodman, Helen  
 Green, Kate  
 Greenwood, Lillian  
 Greenwood, Margaret  
 Gwynne, Andrew  
 Haigh, Louise  
 Hanson, rh Mr David  
 Harman, rh Ms Harriet  
 Harris, Carolyn  
 Hayes, Helen  
 Hayman, Sue  
 Healey, rh John  
 Hendrick, Mr Mark  
 Hepburn, Mr Stephen  
 Hermon, Lady  
 Hillier, Meg  
 Hoey, Kate  
 Hollern, Kate  
 Hopkins, Kelvin  
 Howarth, rh Mr George  
 Huq, Dr Rupa  
 Hussain, Imran  
 Irranca-Davies, Huw  
 Jarvis, Dan  
 Johnson, rh Alan  
 Johnson, Diana  
 Jones, Gerald  
 Jones, Graham  
 Jones, Helen  
 Jones, Mr Kevan  
 Jones, Susan Elan  
 Kane, Mike  
 Keeley, Barbara  
 Kendall, Liz  
 Kinnock, Stephen  
 Kyle, Peter  
 Lammy, rh Mr David  
 Lavery, Ian  
 Leslie, Chris  
 Lewell-Buck, Mrs Emma  
 Lewis, Clive  
 Lucas, Caroline  
 Lucas, Ian C.  
 Lynch, Holly  
 Mactaggart, rh Fiona  
 Madders, Justin  
 Mahmood, Shabana  
 Malhotra, Seema  
 Mann, John  
 Marris, Rob  
 Marsden, Mr Gordon  
 Maskell, Rachael  
 Matheson, Christian  
 McCabe, Steve  
 McCarthy, Kerry  
 McDonagh, Siobhain  
 McDonald, Andy  
 McDonnell, John  
 McGinn, Conor  
 McGovern, Alison  
 McInnes, Liz  
 McKinnell, Catherine  
 McMahon, Jim  
 Mearns, Ian



Miliband, rh Edward  
 Morris, Grahame M.  
 Mulholland, Greg  
 Murray, Ian  
 Nandy, Lisa  
 Onn, Melanie  
 Onwurah, Chi  
 Osamor, Kate  
 Pearce, Teresa  
 Pennycook, Matthew  
 Perkins, Toby  
 Phillips, Jess  
 Pound, Stephen  
 Powell, Lucy  
 Pugh, John  
 Rayner, Angela  
 Reed, Mr Jamie  
 Reed, Mr Steve  
 Rees, Christina  
 Reeves, Rachel  
 Reynolds, Emma  
 Rimmer, Marie  
 Ritchie, Ms Margaret  
 Robinson, Mr Geoffrey  
 Rotheram, Steve  
 Saville Roberts, Liz  
 Shah, Naz  
 Sheerman, Mr Barry  
 Sherriff, Paula  
 Shuker, Mr Gavin  
 Siddiq, Tulip  
 Skinner, Mr Dennis  
 Slaughter, Andy

Smeeth, Ruth  
 Smith, rh Mr Andrew  
 Smith, Angela  
 Smith, Cat  
 Smith, Nick  
 Smith, Owen  
 Smyth, Karin  
 Starmer, Keir  
 Stevens, Jo  
 Streeting, Wes  
 Stringer, Graham  
 Stuart, rh Ms Gisela  
 Tami, Mark  
 Thomas, Mr Gareth  
 Thomas-Symonds, Nick  
 Thornberry, Emily  
 Timms, rh Stephen  
 Trickett, Jon  
 Turley, Anna  
 Turner, Karl  
 Twigg, Derek  
 Umunna, Mr Chuka  
 Vaz, rh Keith  
 Whitehead, Dr Alan  
 Williams, Mr Mark  
 Winnick, Mr David  
 Woodcock, John  
 Wright, Mr Iain  
 Zeichner, Daniel

**Tellers for the Ayes:**  
**Judith Cummins and**  
**Jessica Morden**

#### NOES

Adams, Nigel  
 Afriyie, Adam  
 Aldous, Peter  
 Allen, Heidi  
 Amess, Sir David  
 Andrew, Stuart  
 Ansell, Caroline  
 Argar, Edward  
 Atkins, Victoria  
 Bacon, Mr Richard  
 Baker, Mr Steve  
 Baldwin, Harriett  
 Barclay, Stephen  
 Baron, Mr John  
 Barwell, Gavin  
 Bellingham, Sir Henry  
 Benyon, Richard  
 Beresford, Sir Paul  
 Berry, Jake  
 Berry, James  
 Bingham, Andrew  
 Blackman, Bob  
 Blunt, Crispin  
 Boles, Nick  
 Bone, Mr Peter  
 Borwick, Victoria  
 Bottomley, Sir Peter  
 Bradley, Karen  
 Brazier, Mr Julian  
 Bridgen, Andrew  
 Brine, Steve  
 Bruce, Fiona  
 Buckland, Robert  
 Burns, Conor  
 Burns, rh Sir Simon  
 Burrowes, Mr David

Cairns, Alun  
 Carmichael, Neil  
 Carswell, Mr Douglas  
 Cartledge, James  
 Cash, Sir William  
 Caulfield, Maria  
 Chalk, Alex  
 Chishti, Rehman  
 Chope, Mr Christopher  
 Churchill, Jo  
 Clark, rh Greg  
 Clarke, rh Mr Kenneth  
 Cleverly, James  
 Clifton-Brown, Geoffrey  
 Coffey, Dr Thérèse  
 Colville, Oliver  
 Costa, Alberto  
 Cox, Mr Geoffrey  
 Crabb, rh Stephen  
 Davies, Byron  
 Davies, Chris  
 Davies, Glyn  
 Davies, Dr James  
 Davies, Mims  
 Davies, Philip  
 Davis, rh Mr David  
 Dinenage, Caroline  
 Djanogly, Mr Jonathan  
 Dodds, rh Mr Nigel  
 Dorries, Nadine  
 Double, Steve  
 Dowden, Oliver  
 Doyle-Price, Jackie  
 Drax, Richard  
 Drummond, Mrs Flick  
 Duncan Smith, rh Mr Iain

Dunne, Mr Philip  
 Ellis, Michael  
 Ellison, Jane  
 Ellwood, Mr Tobias  
 Elphicke, Charlie  
 Eustice, George  
 Evans, Graham  
 Evennett, rh Mr David  
 Fabricant, Michael  
 Fallon, rh Michael  
 Fernandes, Suella  
 Field, rh Mark  
 Foster, Kevin  
 Fox, rh Dr Liam  
 Frazer, Lucy  
 Freeman, George  
 Freer, Mike  
 Fuller, Richard  
 Fysh, Marcus  
 Garnier, rh Sir Edward  
 Garnier, Mark  
 Gauke, Mr David  
 Ghani, Nusrat  
 Gibb, Mr Nick  
 Gillan, rh Mrs Cheryl  
 Glen, John  
 Goodwill, Mr Robert  
 Gove, rh Michael  
 Graham, Richard  
 Grant, Mrs Helen  
 Grayling, rh Chris  
 Green, rh Damian  
 Greening, rh Justine  
 Grieve, rh Mr Dominic  
 Gummer, Ben  
 Gyimah, Mr Sam  
 Halfon, rh Robert  
 Hall, Luke  
 Hammond, rh Mr Philip  
 Hammond, Stephen  
 Hancock, rh Matthew  
 Hands, rh Greg  
 Harrington, Richard  
 Harris, Rebecca  
 Hart, Simon  
 Haselhurst, rh Sir Alan  
 Heald, Sir Oliver  
 Heapey, James  
 Heaton-Harris, Chris  
 Henderson, Gordon  
 Herbert, rh Nick  
 Hinds, Damian  
 Hoare, Simon  
 Hollinrake, Kevin  
 Hollobone, Mr Philip  
 Holloway, Mr Adam  
 Hopkins, Kris  
 Howarth, Sir Gerald  
 Howlett, Ben  
 Huddleston, Nigel  
 Hunt, rh Mr Jeremy  
 Hurd, Mr Nick  
 Jackson, Mr Stewart  
 James, Margot  
 Javid, rh Sajid  
 Jayawardena, Mr Ranil  
 Jenkin, Mr Bernard  
 Jenkyns, Andrea  
 Jenrick, Robert  
 Johnson, Boris  
 Johnson, Gareth  
 Jones, Andrew

Jones, rh Mr David  
 Jones, Mr Marcus  
 Kawczynski, Daniel  
 Kennedy, Seema  
 Knight, rh Sir Greg  
 Knight, Julian  
 Kwarteng, Kwasi  
 Lancaster, Mark  
 Leadsom, Andrea  
 Lee, Dr Phillip  
 Lefroy, Jeremy  
 Leigh, Sir Edward  
 Leslie, Charlotte  
 Letwin, rh Mr Oliver  
 Lewis, Brandon  
 Lidington, rh Mr David  
 Lilley, rh Mr Peter  
 Lopresti, Jack  
 Lord, Jonathan  
 Lumley, Karen  
 Mackinlay, Craig  
 Mackintosh, David  
 Mak, Mr Alan  
 Malthouse, Kit  
 Mann, Scott  
 Mathias, Dr Tania  
 Maynard, Paul  
 McLoughlin, rh Mr Patrick  
 McPartland, Stephen  
 Menzies, Mark  
 Mercer, Johnny  
 Merriman, Huw  
 Metcalfe, Stephen  
 Miller, rh Mrs Maria  
 Milling, Amanda  
 Mills, Nigel  
 Milton, rh Anne  
 Mitchell, rh Mr Andrew  
 Mordaunt, Penny  
 Morgan, rh Nicky  
 Morris, Anne Marie  
 Morris, David  
 Morris, James  
 Morton, Wendy  
 Mowat, David  
 Mundell, rh David  
 Murray, Mrs Sheryll  
 Murrison, Dr Andrew  
 Neill, Robert  
 Newton, Sarah  
 Nokes, Caroline  
 Norman, Jesse  
 Nuttall, Mr David  
 Offord, Dr Matthew  
 Opperman, Guy  
 Paisley, Ian  
 Parish, Neil  
 Patel, rh Priti  
 Pawsey, Mark  
 Penning, rh Mike  
 Penrose, John  
 Percy, Andrew  
 Pery, Claire  
 Phillips, Stephen  
 Philp, Chris  
 Pincher, Christopher  
 Prentis, Victoria  
 Prisk, Mr Mark  
 Pursglove, Tom  
 Quin, Jeremy  
 Quince, Will  
 Raab, Mr Dominic

Redwood, rh John	Tomlinson, Michael
Rees-Mogg, Mr Jacob	Tracey, Craig
Robertson, Mr Laurence	Tredinnick, David
Robinson, Gavin	Trevelyan, Mrs Anne-Marie
Rosindell, Andrew	Truss, rh Elizabeth
Rudd, rh Amber	Tugendhat, Tom
Rutley, David	Turner, Mr Andrew
Sandbach, Antoinette	Tyrie, rh Mr Andrew
Selous, Andrew	Vara, Mr Shailesh
Shapps, rh Grant	Vickers, Martin
Sharma, Alok	Walker, Mr Charles
Simpson, rh Mr Keith	Walker, Mr Robin
Skidmore, Chris	Wallace, Mr Ben
Smith, Chloe	Warburton, David
Smith, Julian	Warman, Matt
Smith, Royston	Watkinson, Dame Angela
Solloway, Amanda	Wharton, James
Soubry, rh Anna	Whately, Helen
Spelman, rh Mrs Caroline	Wheeler, Heather
Spencer, Mark	White, Chris
Stevenson, John	Whittaker, Craig
Stewart, Iain	Whittingdale, rh Mr John
Stewart, Rory	Wiggin, Bill
Streeter, Mr Gary	Williams, Craig
Stride, Mel	Williamson, rh Gavin
Stuart, Graham	Wilson, Mr Rob
Sturdy, Julian	Wilson, Sammy
Sunak, Rishi	Wollaston, Dr Sarah
Swayne, rh Mr Desmond	Wragg, William
Swire, rh Mr Hugo	Wright, rh Jeremy
Syms, Mr Robert	
Thomas, Derek	<b>Tellers for the Noes:</b>
Throup, Maggie	<b>Simon Kirby and</b>
Tomlinson, Justin	<b>George Hollingbery</b>

*Question accordingly negated.*

*Amendment made:* 2, page 2, line 18, at end insert—

“( ) The Commission may vary or withdraw a warning under this section.

( ) Subsection (2) applies to the variation or withdrawal of a warning as it applies to a warning.

( ) Subsections (3) to (6) apply to the variation of a warning as they apply to a warning, except that—

(a) in subsection (5)(a) references to the warning are to be read as references to the warning as varied, and

(b) the matter to be specified under subsection (5)(b) is any change as a result of the variation in the action previously proposed by the Commission.”—(*Mr Rob Wilson.*)

*The amendment makes provision for the variation or withdrawal of official warnings issued under section 75A inserted by clause 1.*

### Clause 9

#### AUTOMATIC DISQUALIFICATION FROM BEING A TRUSTEE

*Amendment made:* 3, page 8, line 7, at beginning insert “it relates to the management of the charity, and”—(*Mr Rob Wilson.*)

*In a small charity employees who are not managers may report directly to charity trustees. Inserted section 178(4)(a) could cover their functions. This amendment would exclude them and limit “senior management functions” to functions involving management.*

### Clause 10

#### POWER TO DISQUALIFY FROM BEING A TRUSTEE

*Amendments made:* 4, page 10, line 19, at beginning insert “it relates to the management of the charity, and”

*In a small charity employees who are not managers may report directly to charity trustees. Inserted section 181A(4)(a) could cover their functions. This amendment would exclude them and limit “senior management functions” to functions involving management.*

*Amendment 5, page 12, line 16, after “spent” insert “or, where condition B applies, would become spent if it were a conviction for the relevant disqualifying offence”—(*Mr Rob Wilson.*)*

*The amendment adapts the reference to the time when a conviction becomes spent for cases covered by condition B in inserted section 181A(7).*

### Clause 14

#### RESERVE POWERS TO CONTROL FUND-RAISING

*Amendments made:* 6, page 18, line 6, at end insert—

“( ) to pay fees to a regulator of an amount determined by the regulations or determined by the regulator in accordance with the regulations;”

*The amendment would enable regulations to require charitable institutions to pay fees to a regulator specified in the regulations for the purpose of regulating charity fund-raising.*

*Amendment 7, page 18, line 31, at end insert—*

“( ) Where regulations by virtue of this section apply in relation to charity fund-raising by institutions that are not charities, section 19 of the Charities Act 2011 (fees and other amounts payable to Commission) applies in relation to the regulations as it applies in relation to the enactments relating to charities (but that is without prejudice to the application of other provisions by virtue of this section or section 77(3)).”—(*Mr Rob Wilson.*)

*Regulations under the Charities Act 2011 may require fees to be paid to the Charity Commission in respect of functions relating to charities. The amendment extends this to functions given to the Commission under inserted section 64C in relation to the regulation of fund-raising by charitable institutions that are not charities.*

**Mr Speaker:** Consideration completed. I will now suspend the House for about five minutes in order to make a decision about certification. The Division bells will be rung two minutes before the House resumes. Following my certification, the Government will be tabling the appropriate consent motion, copies of which will be available shortly in the Vote Office and will be distributed by Doorkeepers.

4.55 pm

*Sitting suspended.*

4.59 pm

*On resuming—*

**Mr Speaker:** I can now inform the House of my decision about certification. For the purposes of Standing Order No. 83L(2), I have certified that the Charities (Protection and Social Investment) Bill [Lords] relates exclusively to England and Wales on matters within devolved legislative competence, as defined in Standing Order No. 83J. Copies of my certificate are available in

the Vote Office. Under Standing Order No. 83M, a consent motion is therefore required for the Bill to proceed. Does the Minister intend to move the consent motion?

**The Minister for the Cabinet Office and Paymaster General (Matthew Hancock):** Formally.

**Mr Speaker:** Even a nod from a Whip would suffice, but instead we have the full throttle of ministerial words. The House is greatly privileged and the occasion, I feel sure, will not be forgotten.

*The House forthwith resolved itself into the Legislative Grand Committee (England and Wales) (Standing Order No. 83M).*

[NATASCHA ENGEL *in the Chair*]

5.1 pm

*Motion made, and Question proposed,*

That the Committee consents to the Charities (Protection and Social Investment) Bill [Lords].—(Matthew Hancock.)

**The Second Deputy Chairman of Ways and Means (Natascha Engel):** I remind hon. Members that although all Members may speak in the debate, only Members representing constituencies in England and Wales may vote on the consent motion.

**Lady Hermon:** On a point of order, Ms Engel. I make this point of order with a heavy heart, but I feel duty-bound to do so. When the certification process was introduced and debated before the Christmas recess, the indication was that when the Mace was moved and we sat in the Legislative Grand Committee, a Minister would be called upon to move the consent motion and then a debate would commence. It was disappointing last night that there was no effort by the Minister to open a debate about why the consent motion was being moved. As I find this happening again today, I seek clarification from the Chair as to whether it is appropriate now to consistently adopt a routine of a Minister moving a motion without further debate.

**The Second Deputy Chairman:** The hon. Lady is aware that it is up to the Minister to move the motion formally or to speak to it, but she is perfectly entitled to speak in the debate now, if she so wishes.

**Lady Hermon:** Thank you very much, Ms Engel. I am grateful for that clarification, even though my vote, if we were to vote, would not count in the same way as that of every other Member of this House would count. This is a serious constitutional issue, particularly for those from Northern Ireland.

After years of horrendous violence in Northern Ireland, we had the Good Friday agreement, otherwise known as the Belfast agreement, and we voted in our thousands that Northern Ireland would be part of the United Kingdom unless and until we voted ourselves out of the United Kingdom. That is not going to happen any time soon. My constituents elected me at the general election to represent them fully in this House.

In response to an intervention earlier, the Minister confirmed that there is a Charity Commission for Northern Ireland. However, the Charity Commission for Northern

Ireland has only devolved responsibilities. The point that I was making to the Minister was about national charities across the United Kingdom, such as the National Trust. When constituents of mine and those right across Northern Ireland—where we have the Giant's Causeway, which is owned by the National Trust, and Castle Ward and various other wonderful properties across Northern Ireland—join the National Trust or renew their membership online, their membership fees go straight to the headquarters of the National Trust. The fact that we have a devolved Charity Commission for Northern Ireland does not give it national reach.

The point I am making to the Minister is that we have national charities in Northern Ireland—I have mentioned the Salvation Army and the RNLI, for example—that have their headquarters in England, so will he kindly and generously do my constituents, and indeed all the people of Northern Ireland, the courtesy of explaining why this Bill is designated as exclusively English-only? That is what I would like to hear him explain.

**Sir Edward Leigh (Gainsborough) (Con):** I can reassure the hon. Member for North Down (Lady Hermon) that the Procedure Committee, of which I am a member, is looking at what is happening with this procedure and will report back to the House. It shall be noted that these are matters of great interest, but recently when I have sat in on consent motions for these sorts of debates under English votes for English laws, I have noted that nothing is said at all. It is incumbent on us to draw up procedures that actually make a difference and have a purpose. The problem with EVEL is that, because the Conservative Government have an overall majority, no Bill will be changed one iota in this Parliament as a result of EVEL. Because all the other parties are opposed to EVEL, if the Conservative party does not have a majority after the next general election, the procedure could be abolished in an afternoon. The Committee will be looking at these procedures very carefully and—of course, I cannot speak for its other members—will want to be reassured that the procedures under EVEL are actually changing something.

**Matthew Hancock:** I will respond briefly to the comments of the hon. Member for North Down (Lady Hermon). She asked why the Bill has been designated as an England and Wales Bill, and that is because it relates in its entirety to England and Wales. On her point about a charity that covers the whole United Kingdom—it hardly behoves me to reiterate, passionately and fulsomely, the Government's support for the United Kingdom, which we share—regulation of the activities of charities in Northern Ireland is devolved. I cannot speak to, and I do not have responsibility for, the activities of the Charity Commission for Northern Ireland, which regulates the activities of charities in Northern Ireland. Likewise, this section of the debate ensures that there is consent for this legislation among the MPs whose constituencies will be covered by it. The reason I did not speak at the start of this procedure is that, given that the Bill is so clearly restricted to activities that take place in England and Wales, it is plain and obvious that it is therefore an English and Welsh Bill for these purposes.

**Lady Hermon:** I am grateful to the Minister for allowing me to intervene. I want to make the point—I am sorry to repeat myself—that we have legislation

[Lady Hermon]

going through the House today that will give increased powers to the Charity Commission based in England. However, were the Charity Commission based in England to take action against a national charity of which my constituents are members and supporters and to which they are contributors and donors, my constituents would be directly affected by its actions in relation to that particular charity. Am not I therefore entitled, as of right, to represent the views of my constituents in this House?

**Matthew Hancock:** Of course the hon. Lady is entitled to represent the views of her constituents, which is precisely what she has been doing in the stages of the Bill, but it is also right that English and Welsh MPs can have their say on the Bill. I point out that were her constituents involved in a similar way in a charity that was headquartered in France, Germany, America or anywhere else in the world, that charity would of course be regulated by its home regulator in the same way as a charity based in England. It is a consequence of the devolution of charities law, and the actions of support for and regulation of charities, to Northern Ireland that this is an issue not for Northern Ireland but for England and Wales, and therefore, under the EVEL procedures, this is self-evidently an England and Wales Bill.

**Lady Hermon:** I do not want this to become a one-way conversation, but I have to say that I do not think the people of Northern Ireland would be flattered to be compared to France. I have listened studiously to Government Front Benchers reassuring the House that theirs is a one nation Government. I invite the Minister to come to Northern Ireland and meet those who have contributed to charities in Northern Ireland. He can explain to them face to face why, given that the Government claim to be a one nation Government, Northern Ireland MPs in some cases do not count—apart from Sinn Fein Members, of course.

**Matthew Hancock:** It is self-evident that if the issues in the Bill relate to England and Wales, as they do, the Bill should, in the view of the Government, be certified as an England and Wales Bill. It is a consequence of devolution that those representing England and Wales should be able to have their vote on a Bill that relates only to England and Wales.

To respond to the point made by my hon. Friend the Member for Gainsborough (Sir Edward Leigh), I should say that it is inconceivable that anybody would unwind these provisions in any future Parliament, given that they protect English and Welsh voters from having legislation imposed on them without the will of the majority of Members with constituencies in England and Wales. The reaction of those who could then be overruled by others who had their own devolved Assemblies and Parliaments would be quite savage.

**Simon Hoare** (North Dorset) (Con): On a point of order, Madam Chairman. Like my hon. Friend the Member for Gainsborough (Sir Edward Leigh), I am a member of the Procedure Committee. We were very clear in our deliberations that Mr Speaker would make a ruling as to whether legislation fell within these protocols or not, but that he would not be expected or required to give the *raison d'être* as to why he made the ruling.

I may be out of order, Madam Chairman, in raising this as a point of order, but having listened to this exchange, I feel somewhat as if the authority of the Chair, and the decision that Mr Speaker has taken, is now being challenged. Critically, that seems to be undermining what we thought was an important principle—namely, that the authority of the Chair should be such that neither a challenge to nor an explanation of his or her ruling would be required or expected.

**The Second Deputy Chairman of Ways and Means (Natascha Engel):** I thank the hon. Gentleman for that point of order. I remind the House that we are discussing the consent motion, rather than the rights and wrongs of EVEL. I have allowed the debate—it has been a rather two-way exchange—to go on a little because we are right at the beginning of the EVEL process; this is certainly my first time in the Chair during a Legislative Grand Committee, and it is only the third time that this has happened. However, as the hon. Gentleman said, the Procedure Committee is looking at the EVEL process in the round. The hon. Member for North Down (Lady Hermon) should really make a submission to that Committee. It would be good if we could now move on to discuss the consent motion or put the question.

**Matthew Hancock:** All I would say is that the decision on the consent motion is, quite rightly, Mr Speaker's.

**The Second Deputy Chairman:** I remind hon. Members that if there is a Division on the consent motion, only Members representing constituencies in England and Wales may vote. That extends to expressing an opinion by calling out aye or no when the question is put.

*Question put and agreed to.*

**Sir Edward Leigh:** Further to the point of order made by my fellow member of the Procedure Committee, my hon. Friend the Member for North Dorset (Simon Hoare), it is terribly important that the Speaker is not dragged into controversy. May I gently point out that when the Government initiated these consent procedures we were told that they were to be rare? There is absolutely no point in stirring up bad feeling in Northern Ireland and Scotland, because it does not make a blind bit of difference to the result of any Division or to any part of any Bill. I hope that the Government are listening and that they will use this procedure as rarely as possible.

**The Second Deputy Chairman:** I thank the hon. Gentleman. That point has been noted.

*The occupant of the Chair left the Chair to report the decision of the Committee (Standing Order No. 83M(6)).*

*The Deputy Speaker resumed the Chair; decision reported. Third Reading.*

5.15 pm

**Matthew Hancock:** I beg to move, That the Bill be now read the Third time.

Charities are at the very heart of our society and have held that important place for many generations. The vast majority of charities are run well by selfless people whose motivation is to help others. By way of example, I was struck by the incredible way that charities and the local community mobilised after the devastating floods

that took place in Cumbria in December. Cumbria Community Foundation set up a flood relief fund to help all those affected. The fund has already raised well over £4 million, alongside Government contributions. It has involved hundreds of local charities, voluntary organisations, businesses and individuals raising funds to support the appeal. National Citizen Service graduates in Carlisle have helped renovate a local youth club damaged by the floods. We owe a great debt to such charities and the volunteers who freely give their time to make a difference. We celebrate the work of this example just as we celebrate our hospices, universities, housing associations, community fundraisers, global research institutes, and the many, many other charities, from the most local to those with worldwide reach. We salute their effort, their time and their generosity, and the joy that they give in the service of others.

This Bill will help to protect that vast majority of charities from the tiny minority that would seek to abuse the benefits of charitable status and risk undermining the public's trust on which charities as a whole rely.

**Lady Hermon:** I am genuinely grateful to the Minister for allowing me to intervene on him again. In the light of the fact that he has emphasised on a number of occasions that responsibility for charities is a devolved matter in Northern Ireland, and given the changes introduced by this legislation, will he kindly confirm that, if he has not already done so, he will make it a top priority to get on the telephone to his counterpart in the Northern Ireland Assembly to say, "Right, this is what we've done at Westminster—perhaps you should think of making these changes in Northern Ireland."

**Matthew Hancock:** Absolutely—we will certainly make contact with the Northern Ireland Assembly to ensure that we can have exactly that communication, not least because the Bill will support charities that want to engage in social investment, which many can benefit from. It provides a new way for charities to maximise the impact of their investments.

The Bill will also better support regulation of practices for fundraising, which have been found wanting. We all know of and support charities that, week in, week out, do brilliant work in our constituencies. I want to ensure that the regulatory framework for charities continues to support charities like these while supporting the work of the Charity Commission in robustly bearing down on the few bad apples. This Bill will do just that. I will touch on some of the things that I hope, through its passage, we will be able to deliver.

Extending trustee disqualification will better protect charities from individuals who present a known risk. Like many Members during the passage of the Bill, I struggle to conceive how it could ever have been considered appropriate for a convicted terrorist or money launderer, for example, to be involved in running a charity. These changes are long overdue. However, I agree with my right hon. and learned Friend the Member for Harborough (Sir Edward Garnier) that, in extending disqualification, we must take extra care not to undermine the vital work done by charities involved in the rehabilitation of offenders. I am confident that the waiver process will allow those who have changed their ways a route back into charity trusteeship or senior management. I hope that the commitments given by my hon. Friend the Minister for Civil Society will provide a degree of further reassurance.

When the National Audit Office reviewed the Charity Commission and reported on it in 2013, it recommended that the Government look at gaps and weaknesses in the regulator's powers. We have done so, and the Bill addresses those gaps and weaknesses. We should however be clear that the Bill provides only one element of the change that is needed.

The Charity Commission was established in 1853 to take on a number of the court's functions in relation to charities. At the time, misconduct in charities was a source of public concern, and that led to the founding of the commission. If we fast-forward 150 years, we can see that the Charity Commission's role is in many ways much the same—focused on ensuring public confidence in charities.

We all want strong, effective, independent regulation of charities. The Charity Commission is making great strides towards that under the strong, clear-eyed and sure-footed leadership of its chairman, William Shawcross, and chief executive, Paula Sussex. They are driving the transformation of the commission into a modern, effective and efficient regulator. However, such a change can happen only with the full commitment and support of the charity commission's staff, and I pay tribute to them for their hard work, which too often goes unrecognised.

The extensions to the commission's powers in the Bill have been carefully thought through. Following public consultation, pre-legislative scrutiny and the Bill's passage through the other House and this place, we have a much-improved Bill. As a result, the commission will be equipped with the tools that it needs to tackle serious misconduct and mismanagement in charities, and to do so effectively and efficiently. I am also reassured by the range of safeguards that accompany the powers, some of which have resulted from consultation and scrutiny.

It is important to stress that most charities will not experience any direct impact from the new powers in the Bill, because most charities are, quite rightly, never on the receiving end of the Charity Commission's powers. However, ensuring that the regulator can act quickly and effectively against serious abuse will support public trust and confidence in all charities.

On public trust and confidence, I now turn to fundraising. It is clear to me that poor fundraising practices had the potential to undermine public trust and confidence in charities. Sadly, there is already evidence of reduced trust. We acted quickly by commissioning the Etherington review last summer. I am very grateful to Sir Stuart and the cross-party panel of peers who supported him. Sir Stuart recognised the serious risk to public trust in the charity sector generally, and the need for change in the fundraising practices of some charities. His review marks a watershed moment.

I welcome the support from Labour Members for our measures on fundraising. This is something on which we all agree there is a need for change. It really is the last chance for self-regulation. Under the leadership of Lord Grade of Yarmouth, it will have every chance. I very much hope that all across the charity sector are willing and able to embrace that. I do not want to have to resort to statutory regulation, but we will if we must. We now have the reserve powers to do so in case they are needed.

I welcome the important contribution on fundraising published yesterday by the Public Administration and Constitutional Affairs Committee, under the chairmanship

[*Matthew Hancock*]

of my hon. Friend the Member for Harwich and North Essex (Mr Jenkin), who has followed the proceedings on the Bill closely. We will need to consider carefully the report and recommendations before responding fully, but we completely agree with the central finding that it would be a sad and inexcusable failure of charities to govern their own behaviour should statutory regulation become necessary.

On the new social investment power, the Bill will help charities that want to get involved in this exciting new area of finance for charities. We are committed to growing social investment as a sustainable source of finance for charities and other social ventures. The UK is a world leader in this respect, and the social investment power will help charities to play a bigger role.

I am pleased that there is a review provision in the Bill. After three years, it will enable Parliament to look back at the provisions and their impact. I hope that that will be a happy occasion.

The Bill and the improvements it will bring would not have been possible without a huge amount of hard work by many people. I particularly pay tribute to my hon. Friend the Minister for Civil Society and my noble Friend Lord Bridges of Headley for their sterling work in piloting the Bill through. Charity law can be fiendishly complex; they have not only grasped such complexities, but clearly and succinctly explained them to Members of both Houses. They have met a wide range of stakeholders to discuss all aspects of the Bill, and they have introduced amendments to improve it. I also thank my officials from the Cabinet Office and the Charity Commission who have supported the Bill's passage.

I thank my hon. Friend the Member for St Albans (Mrs Main) and the hon. Member for Leeds North East (Fabian Hamilton) for their chairmanship of the Public Bill Committee. I thank the hon. Member for Redcar (Anna Turley), the noble Baroness Hayter of Kentish Town and Opposition Members for their broad support for the Bill. It would be fair to say that we have not agreed on everything, although the rows have tended to be about things that are not in the Bill. We have the shared aim of protecting charities and ensuring that the Charity Commission has the right powers independently and effectively to regulate charities. The debates have generally been constructive and positive and are, in my view, an example of the House at its best.

Particular recognition should go to the Joint Committee on the Draft Protection of Charities Bill, which undertook pre-legislative scrutiny under the wise chairmanship of my noble and learned Friend Lord Hope of Craighead. Its pre-legislative scrutiny resulted in a number of improvements before the Bill was introduced. I thank the Law Commission for drawing up the new social investment power. Its expertise was important in getting the detail right. I give enormous thanks to all others who have contributed in any way.

Finally, I thank my noble Friend Lord Hodgson of Astley Abbots, whose prescient 2012 review of the Charities Act 2006 identified many of the weaknesses in fundraising self-regulation that are being addressed both through the Bill and the implementation of the Etherington review more broadly. That work four years ago showed the path that we have followed and that I hope the House will approve today.

The Bill has had broad support through the long process of consultation and scrutiny. We have listened and acted when we have heard ideas to strengthen it and add additional safeguards. The Bill will support and protect the strong, independent charity sector that is so important to our way of life in Britain, and I commend it to the House.

5.26 pm

**Anna Turley:** It has been an absolute privilege to serve on behalf of Her Majesty's Opposition on the consideration of this Bill. I pay tribute to all the civil servants and Clerks of the House who have worked so hard on drafting it. I thank all the members of the Public Bill Committee, who gave up so much time to scrutinise the Bill line by line in a constructive and positive way that did the House great credit. I thank the Minister and his team for the open and co-operative approach they have taken to working with us, disappointed as I am—although not surprised, as the right hon. Member for Cities of London and Westminster (Mark Field) pointed out—that none of our amendments were accepted.

I want to place on the record my thanks to the Minister for Civil Society, which I did not have time to do on Report, for clarifying a number of points. He said that the Charity Commission is looking at the likelihood that it will give 14 days' notice in most circumstances when issuing a warning. That was an extremely helpful clarification. It was also helpful to hear him clarify that the Charity Commission does not see itself as having a power to direct as a result of the warning. It was important to hear that it intends to notify the charity of the reasons why a warning has been withdrawn, which will allow the public record to be set straight. I was grateful for the clarification he gave on those issues.

I thank all Members who have debated the Bill both here and in the other place, in particular Baroness Hayter of Kentish Town. As ever, our noble Friends did sterling work and the Bill is all the better for their experience and expertise. Many Members of both Houses have brought a great deal of experience and knowledge of the charity sector and, as we found out today, its history in Elizabethan law to our debates, which is greatly to be commended.

Finally, I thank those whom the Bill is for: the millions of people in this country who give up their time, week in, week out, to volunteer, fundraise, donate and support in many other ways Britain's fantastic charitable and voluntary sector. Britain is the most generous developed country in the world and we should be proud of the extraordinary things that are done by extraordinary people in the sector every single day.

There is no doubt that the charity sector has been through a rocky period in the past year. Alongside the ever-shrinking funding from central and local government, the ever-growing demand for the services and support that charities provide, and the ever-increasing public scrutiny, there has been a series of high-profile and deeply damaging cases that, although caused by the actions of a small minority, have had significant repercussions for the sector as a whole.

The sector has taken swift and positive action to respond to those cases, but it is right that, as parliamentarians, we do our bit to ensure that charities have the legislative and regulatory framework they need to enable them to

fulfil their charitable objectives, and to maintain their integrity and the strong public support they enjoy. That is what the Bill seeks to do, and why the Opposition have supported it throughout its journey.

It is vital that we get the framework right and that the powers in the Bill serve to support and empower charities to thrive and flourish, and not to stifle or oppress. Charities are fiercely and proudly independent, and rightly so. They do vital work. They work with many of the most vulnerable and challenging people. Many work in the most dangerous places. Charities have to be able to take risks, innovate, shape new thinking and challenge prejudice. They must be able to find new answers to some of the biggest challenges we face in the world, when politicians too often fall short. Regulating such a sector is no easy feat. Getting the balance of regulation right is therefore critical if we are not to damage all that is good about the sector.

Throughout the passage of the Bill, the Opposition have raised a number of concerns. Although our amendments have not been taken up, we will continue to scrutinise and work with the Government to monitor them closely. There are four aspects I want to set out on Third Reading. Our concerns have not diminished, and we will continue to monitor progress.

First, on the new powers afforded to the Charity Commission, we have tried throughout the passage of the Bill to gain concessions on the new and fairly broad power for the commission to give warnings to charities. As the right hon. Member for Cities of London and Westminster said, there is a danger of self-fulfilling bureaucracies. When we put that together with reduced budgets, there is a big onus on the commission to deliver in an ever more challenging environment. Throughout the debate, the Minister has insisted that the commission's new powers will be used proportionately. We believe that that places a substantial burden of judgment on the commission in the absence of achieving more substantial safeguards in the Bill. We hope he will be proved correct.

Warnings that are meant to deal with low-level issues could, particularly when published, have a significant effect in choking off donations, funding and sponsorship. The reputational damage to a charity could be significant or even terminal. We would have liked a right to appeal a warning through the charities tribunal. We would also have liked to prevent warnings from being published or for the charity not to be identified if the details are published. I was grateful to the Minister for his clarification that the Charity Commission will not be able to direct a charity on the back of a warning. That would have been a significant shift in the relationship and in the independence of charities. We will watch the use of those warnings with care as the powers are implemented.

Secondly, it is important to get the powers relating to the charity trustees right. We were pleased to see the amendment in the Lords that expanded the restrictions on charity positions to those on the sex offenders register but, like the right hon. and learned Member for Harborough (Sir Edward Garnier), the Opposition have concerns—we raised them in Committee—that the detail has not been sufficiently worked through as regards charities that work in the criminal justice system, and that work closely with current and ex-offenders for the purposes of their charitable aims. I welcome the Minister's pledge to work closely to see that through.

On the fundraising powers, we believe the sector has made great strides in relation to the recommendations in the Etherington review, which we welcomed. The legislation supports that progress with improved reporting and monitoring while maintaining the self-regulation of the sector. It is absolutely right that people's privacy is respected, that unreasonably persistent approaches are challenged, that people are not placed under undue pressure, and that vulnerable people are protected. The Bill sets standards for all of those things. We will watch that space carefully to see whether the back-up powers the Minister added to the Bill, which we support, will be required. We hope they are not.

Finally, we have tried unsuccessfully to tackle the measures on the freedom to campaign during the passage of the Bill. The Minister and I will not see eye to eye on this. As was shown by the vote today, the Opposition remain committed to the principle that the right of charities to campaign and influence the political process is a vital part of a healthy democracy and integral to the concept of civil society. As we have discussed today, charities are in the best place to identify problems in public policy, because they are often the ones picking up the pieces of political policy failures. They see the waste and the inefficiency, and they see the opportunity to prevent problems. They can achieve their charitable aims more successfully if they can help to shape the decisions that affect the people and the communities they support.

I am afraid we see before us an illiberal Government who are scared to debate their record or be open to scrutiny and challenge; a Government who have railroaded important proposals, such as tax credit changes, fracking and student grants through Parliament without proper debate; a Government who change child poverty measures and scrap targets they know they will not reach; a Government who see the Freedom of Information Act 2000 as an irritant and the Human Rights Act 1998 as an inconvenience; a Government who refuse to publish Cabinet Office papers for the first time in 50 years; and a Government who have no problem with millions of people dropping off the electoral register.

Charities are but the latest victims of a Government who ride roughshod over the legitimate views and voices of civil society. The Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014 was part of this fundamentally illiberal approach and a deliberate attempt to gag charities by a Government fearful of public scrutiny and accountability. It is a shame the Government did not use the opportunity we gave them today to put right that wrong.

On all those areas and many more, we will continue to hold the Government to account. We will watch the implementation of the Bill carefully, in particular the balance of power between charities and the commission. Fundamentally, we believe the Bill provides a good regulatory framework for the charitable sector, which, if used well, will enable charities in Britain not just to survive in this most challenging of times, but hopefully flourish.

5.35 pm

**Maggie Throup:** I am delighted to speak today on the Third Reading of this very important Bill. The Bill will protect and strengthen the governance of our charities. As a new Member, it has been very important for me to

[Maggie Throup]

take part in all stages of the Bill in this place. I was delighted to be a part of the Public Bill Committee. The process was a really good learning curve.

Our charities play an important role across our nation and I believe we are stronger for the extensive work they carry out. We would be much poorer as a nation if we did not have our amazing charities, and their hard-working trustees, volunteers and staff. Literally millions of generous volunteers really make a difference. Some 41% of people have reported taking part in volunteering in the past year—a massive 21 million people. We are the home of some of the world's greatest charitable fundraisers, such as Children in Need, Comic Relief, Sport Relief and not forgetting, of course, Live Aid.

Closer to home in my constituency, I have some amazing local charities. The Canaan Trust raises money and supports the homeless. On 1 April, I will take part in its “sleep out” for the third year running. I hope we do not have snow that day to make me a complete April fool. Treetops Hospice provides care at home, rather than in hospital beds, for those at the end of their lives. Home-Start Erewash supports many local families. Community Concern Erewash provides a luncheon club and services, such as laundry and decorating, for those no longer able to do those things for themselves. Ilkeston Community Hospital League of Friends raises money for those added extras that really help patients to enjoy their stay in hospital far more than they would otherwise. The Duchess Theatre is also a charity. I have been in the audience to witness some amazing productions. They are just a few of the charities that make a huge difference to the lives of so many people across my constituency. I would like to put on record just how much their efforts and untiring work are appreciated. Their contribution is so valuable to our society.

Towards the end of last year, I started a volunteering day, which I will make an annual event. Each member of my staff took a day's holiday and went to work with a chosen charity to find out more about it and what it contributes to the local environment. They all found it to be a fascinating experience. The charities gained from that and my staff did, too. I think some residents will also be taking part in future years. For my staff, it was not just about what they could give, but what they received. Anybody who has taken part in any sort of charitable action will know that we give a little bit, but receive so much back.

The same can be said for trustees, who play a very important role. In the past, I have been a trustee for quite a number of charities. Before being appointed a trustee, I went through a rigorous selection and scrutiny process. That is only right, as a trustee has a very responsible position.

Sadly, we have heard bad news stories recently of trustees not being as scrupulous as they should have been. This should not happen, as it reflects badly, and undeservedly so, on charities across the board, even those that are not involved. Although such occurrences are rare, we must do whatever we can to stop them happening. That is why I support the Bill and its aims to strengthen governance and give more powers to the Charity Commission to remove inappropriate trustees.

I also support the measures to protect the public from the unscrupulous and persistent fundraisers who have plagued the elderly and most vulnerable in our society.

As they got older, my parents changed how they donated to charity, having been bombarded by phone calls after giving out their contact details. They managed to stop the phone calls, but it changed how they supported charities: they no longer gave out their personal details, and instead donated in cash and kind. That should not have to be the case. Such bad practice tars all charities with the same brush, so I welcome the introduction of the fundraising preference service.

I will be supporting the Bill on its Third Reading because it is good for the public, volunteers, donors, charity trustees and staff, and charities as a whole, which, whether small or large, play such an important role in our society.

5.41 pm

**Martin John Docherty:** I am delighted to sum up briefly on behalf of the SNP. I hope that the hon. Member for North Down (Lady Hermon) will agree with some of what I say.

I am grateful to the Minister for clarifying the situation of fundraising in Scotland, but it still does not go to the heart of the matter, which is that the Bill impacts on charitable and civic society across these islands. I heard much about how it adds to Britain's voluntary sector, yet it is an English and Welsh-only Bill. There is much to commend in the Bill, but let us be clear: when it comes to Scotland, it will be for the Scottish Parliament alone to legislate on these matters, as was confirmed by the Minister.

I will finish on volunteering and trusteeships. I hope that the Bill improves the situation of volunteering, which the hon. Member for Erewash (Maggie Throup) talked about, because levels of volunteering are going down. Even since the Olympic games, there have been subtle drops in levels of volunteering across all age ranges, not only in England and Wales but on the rest of these islands. We must seek to remove barriers, not just to trusteeships but to volunteering itself. I hope that the Bill is not a barrier to volunteering and that people will see trusteeships as a volunteering opportunity. At the moment, that is not happening.

5.43 pm

**Tom Tugendhat** (Tonbridge and Malling) (Con): I ask the House's indulgence to speak about somebody who has done an amazing amount for charities. I mean Mr Henry Worsley, a colleague of mine in the armed forces—I served alongside him in Afghanistan—who sadly lost his life recently in southern Chile, having walked the most amazing route across Antarctica, only to die two days before reaching his goal. Such people set the example for our charitable sector and push the field that bit further.

In looking after the most vulnerable, needy and lonely, our charitable sector goes that much further than our state can ever go or society imagined possible. It is right that our charitable sector fills that gap. The state cannot adapt, in so many legion ways, to fill the niches, nooks and crannies left by the loneliness, the broken homes, the vulnerabilities of service personnel or the disabled, or whatever the area covered by the charity that somebody's interest falls upon. It is great that today we are not only recognising the importance of the charitable sector, but welcoming changes that will keep it on a safe footing, on a basis of trust and understanding across England



and Wales—but with a model that I hope will be copied in Northern Ireland and Scotland—because charities fulfil that role. Charities place what is best upon us.

If I may, I would like to finish very briefly with one last tribute to Henry, my friend. He really did always go that little bit further. He was the pilgrim; he went beyond the blue mountain barred with snow. Indeed, although in his last podcast he said that his summit was just out of reach, it is true now that he has taken the golden road to Samarkand. That poem would have been well known by members of his regiment, and I know that we are all thinking of his family and his friends today. I welcome the opportunity to pay tribute to him in this House.

5.45 pm

**Mr Rob Wilson:** The House will be pleased to know that I intend to keep my comments brief—I had a long session a bit earlier, so I feel that I have been spoiled today.

I am grateful to all hon. Members who spoke today and who contributed their extensive knowledge and expertise to the Bill throughout its development and passage. I thank all members of the Public Bill Committee for their particularly important contributions. After getting off to a bit of a slow start, we got into some lively, engaging debates as we progressed. I also thank the Chairs of the Committee, my hon. Friend the Member for St Albans (Mrs Main) and the hon. Member for Leeds North East (Fabian Hamilton), who I again congratulate on his promotion to the shadow Cabinet, for keeping us on the straight and narrow.

I would like to single out the hon. Member for Redcar (Anna Turley) for thanks. We have not agreed on everything, as she well knows, but we have agreed on many of the Bill's provisions and, overall, on the importance of an independent regulator for charities—with the right tools to do the job, obviously. Even where we have disagreed, our debates have been good natured and constructive—at least I thought they had been, until Third Reading.

My right hon. and learned Friend the Member for Harborough (Sir Edward Garnier) made an important contribution to ensure that we do not inadvertently damage the important work of rehabilitation charities. I agree with him and thank him for making his points so well.

I should mention the important contribution to the debate on fundraising made by my hon. Friend the Member for Harwich and North Essex (Mr Jenkin) and the Select Committee on Public Administration and Constitutional Affairs. Its timely report yesterday highlights the need for action, but I welcome its conclusion that charities should get one last chance for self-regulation. Also on fundraising, Sir Stuart Etherington is owed a debt of gratitude for his review and report, supported by Lord Leigh of Hurley, Baroness Pitkeathley and Lord Wallace of Saltaire. Their report sets the future landscape for fundraising regulation and gives charities a chance to put things right.

I give particular thanks to my officials from the Cabinet Office and to officials from the Charity Commission who have supported the progress of the Bill throughout its development and parliamentary passage. We are very fortunate indeed to have such high-quality public servants.

I also thank all charities and their representative groups who have contributed their views on the Bill as it has been developed. I particularly single out the Charity Law Association, the NCVO and the Charity Finance Group, along with several rehabilitation charities, for their considered comments and representations. We have not accepted all their points, but the Bill has been improved as a result of their contributions. It now falls on the Charity Commission to implement its provisions in a proportionate and effective manner. I am sure that under William Shawcross's leadership that will be the case, but of course there is provision for the Bill to be reviewed in three years' time—something that I am sure we are looking forward to immensely.

I am sure that there are many others I have missed out who have had an important hand in this Bill and who ought to be thanked, in which case I apologise for not giving them a mention. This is a Bill that has been improved following scrutiny in its draft form and following the scrutiny of this House and the other place. It will help to underpin public trust and confidence in charities, ensuring that they continue in their place at the heart of our society. I commend this Bill to the House.

*Question put and agreed to.*

*Bill accordingly read the Third time and passed, with amendments.*

## Business without Debate

**Mr Speaker:** I shall take motions 5 and 6 separately on this occasion. Yes, the Clerk on duty looks duly quizzical. I fear she might quite reasonably have thought that I was about to suggest they be taken together, but there is good reason not to do so. We will indeed take them separately.

## DELEGATED LEGISLATION

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

### REPRESENTATION OF THE PEOPLE

That the draft Recall of MPs Act 2015 (Recall Petition) Regulations 2016, which were laid before this House on 15 December 2015, be approved.—(*Kris Hopkins.*)

*Question agreed to.*

**Mr Speaker:** Motion 6 is not moved.

## PETITION

### Transatlantic Trade and Investment Partnership

5.50 pm

**Sir Edward Garnier** (Harborough) (Con): I rise to carry out my duty as the Member of Parliament for Harborough and present a petition on behalf of a number of my constituents who disapprove of and object to the negotiations between the European Union and the United States in respect of the Transatlantic Trade and Investment Partnership. The petition states:

The petition of residents of the UK,

Declares that the EU and the US should stop negotiating the Transatlantic Trade and Investment Partnership; further that the Comprehensive Economic Trade Agreement between the EU and Canada should not be ratified; and further that an online petition on this matter was signed by 330 residents of Harborough.

[Sir Edward Garnier]

The petitioners therefore request that the House of Commons urges the Government to put pressure on the EU and its Member States to stop negotiations on the Transatlantic Trade and Investment Partnership and not ratify the Comprehensive Economic Trade Agreement.

And the petitioners remain, etc.

[P001670]

## Sutton Coldfield Green Belt

*Motion made, and Question proposed,* That this House do now adjourn.—(*Kris Hopkins.*)

5.51 pm

**Mr Andrew Mitchell** (Sutton Coldfield) (Con): I am most grateful to you, Mr Speaker, for granting me this debate on a matter of great importance to my constituents. My constituents will note and be honoured that you are in the Chair for this important debate.

The extraordinary and hugely controversial proposal to build 6,000 houses on Royal Sutton Coldfield's green belt is as obnoxious to my constituents as it is unnecessary in the context of the overall Birmingham development plan. No comprehensive case has been made for this destruction of our green belt, and officials from Birmingham City Council have relied upon inertia and a feeling that resistance is futile as the best means of pursuing these ill-thought-through proposals. Nor, as the Minister will know, is this happening only in Royal Sutton Coldfield. Labour councils are pursuing similar ill-conceived proposals in Conservative constituencies outside Leeds, Manchester and Nottingham as well as outside Birmingham, in my constituency.

The people in Sutton Coldfield have spoken out in their thousands and are confident in the Government's commitment to true localism, and in the fact that these plans run counter to the national planning policy framework as the Minister for Housing and Planning himself has confirmed in his statements about the green belt.

We have approached our various different community campaigns in Sutton with some confidence and a modest record of success. We fought the Boundary Commission's plans to dismember our ancient royal town and ultimately secured for Sutton Coldfield one of the very few changes the Boundary Commission made in its national proposals anywhere in the country. We fought to reassert our royal status and thanks to the support of many, and most particularly the Secretary of State for Communities and Local Government, my right hon. Friend the Member for Royal Tunbridge Wells (Mr Clark), we successfully concluded this campaign here in Parliament on 12 June 2014.

Local campaigners fought successfully for our royal town council, which although not yet in perfect form will be set up before May this year. We also fought the disgraceful and destructive Labour Prescott law, which allowed in-filling and back-garden development in our royal town to be treated as brownfield land—something that the coalition Government mercifully overturned as soon as they were elected in 2010, not least following Sutton Coldfield's trenchant campaign.

I must make it clear at this point, however, that we in Sutton Coldfield are not proponents of nimbyism. We fully understand and actively support the view that more homes must be built if future generations are to enjoy the housing opportunities that our generation has enjoyed. That is why Sutton Coldfield councillors have consistently accepted planning applications that have increased the density of housing in Sutton, most recently in the context of the vexed issue of Brassington Avenue. Indeed, we accept that were Aston Martin to choose to come to Peddimore in my constituency—which we ardently hope it will—development would take place in area D of the green belt under the current plan. We have always

said that if area D were needed for economic development that would provide jobs and employment for the future, we would accept it in the greater local interest.

Equally, our green belt in Sutton Coldfield was bequeathed to us by past generations, and we should think with extraordinary care before allowing it to disappear forever under bricks and mortar. Once built on, it can never be restored for future generations. The Minister will also note that the west midlands region has less green belt than any other region of the country.

**Wendy Morton** (Aldridge-Brownhills) (Con) *rose*—

**Mr Mitchell:** I happily give way to my hon. Friend and parliamentary neighbour.

**Wendy Morton:** I am grateful to my right hon. Friend and, indeed, constituency neighbour. Is not the green belt an integral part of the beauty of our neighbouring constituencies and of all that they comprise? I know, and he knows, how much it is valued by our communities.

**Mr Mitchell:** My hon. Friend is absolutely right.

Throughout our campaign, there have been significant campaigning events and marches over the green belt involving hundreds of my constituents. Indeed, I have addressed meetings attended by more than 1,000 people in my constituency. Royal Sutton's Conservative councillors have campaigned vigorously against Birmingham's proposals. I pay particular tribute to Project Fields, led so brilliantly by a local campaigner, Suzanne Webb, and to the three councillors in New Hall whose constituents are most directly affected by these proposals, Councillors Yip, Wood and Barrie. More than 6,000 people from our town have written directly opposing the proposals; all have been ignored. Consultation processes held in holiday periods, and ill-considered comments by Labour councillors that it was all "a done deal" and protest was futile, did nothing to deter the sense of local anger and injustice.

This campaigning of ours is localism writ large. It is the "big society" made flesh. However, my constituents have been wilfully ignored by council officials—ever courteous, of course—as officials have been dispatched to inform us of their political masters' decisions rather than consulting us, and to advise us that resistance is hopeless as this Labour-inspired juggernaut bears down upon us all in Sutton Coldfield. We have been very constructive in advancing alternative ideas, propositions and compromises, none of which has even received the courtesy of a serious response.

There are huge opportunities to maximise brownfield sites in Birmingham, and examples, too, of how to build new and fulfilling inner-city communities featuring proper infrastructure and opportunity. Such developments could make a significant contribution to Birmingham in its emerging role as a key element of the midlands engine. There are between 40,000 and 50,000 existing brownfield opportunities in Birmingham, but alas, my calls for an independent audit of brownfield land in Birmingham fell on deaf Labour ears. There are also new areas covered by the local enterprise partnership which seek house building as part of their strategy for economic growth and new jobs, but again no comprehensive audit has been carried out. There is an enormous opportunity

to build as many as 8,300 homes at Brookhay—more than the entire number with which our green belt in Sutton is threatened.

Most important of all, I have put forward a compromise proposal that there should be a moratorium of between eight and 10 years while the rest of Birmingham City Council's building plans take shape before there is any question of building on our green belt in Sutton Coldfield. That will allow us to take account of updated figures and up-to-date developments, not least the inward immigration figures for Birmingham, which, each time they are examined, vary by a multiple of the 6,000 homes with which we are threatened. This compromise proposal will allow for further consultation in 2023 based on updated figures for housing needs throughout the wider area. That might arm officials in Birmingham with serious and credible arguments for building on the green belt, but such arguments are wholly absent today.

Royal Sutton Coldfield is an ancient royal town with more than 1,000 proud years of history, and the sheer scale of the proposed destruction of our green belt is not easy to describe.

**Julian Knight** (Solihull) (Con): My right hon. Friend is showing himself to be a strong advocate for his constituents and his community. I am disturbed by what I have heard in his speech but I am not surprised. Does he agree that these plans add fuel to the fire in regard to his proposal to break the city of Birmingham up into its constituent parts?

**Mr Mitchell:** That is perhaps a debate for another day, but I agree with my hon. Friend. He understands why such a proposal could make a considerable contribution to good local governance.

As I was saying, the sheer scale of the proposed destruction of our green belt is not easy to describe. The imposition of a colossal 6,000 homes adjacent to our town would be impossible for us to absorb. It would be a wholly inedible Labour dump of concrete, which would change forever the character of Sutton Coldfield and have huge infrastructure consequences, which have barely received the slightest official attention. For example, our local hospitals, which would undoubtedly be affected by these monstrous proposals, have not even been consulted on the plans. The effects on schools, healthcare and other amenities have hardly been considered, and the huge implications of the strain that would be imposed on our transportation systems, alongside the knock-on effect on other communities, are barely understood, let alone addressed.

The people of Sutton Coldfield have cried out against these proposals with an articulate, unanimous and mighty voice, and the Government have a commitment to hear them. We demand that the Government step in to resist these plans. We offer our compromise proposal for an eight-year moratorium on this aspect of the overall plan, and we do so in a spirit of good will for the sake of our town and of future generations. We fully understand the importance of building more homes for the future, but those homes must be built in the right place. We ask the Minister and the Government to heed our cry today, and we ask the Government to accept the case that we have made and to take the necessary action forthwith.

6.3 pm

**The Parliamentary Under-Secretary of State for Communities and Local Government (James Wharton):** I congratulate my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell) on securing this debate. I also note the presence in the Chamber of my hon. Friends the Members for Solihull (Julian Knight) and for Aldridge-Brownhills (Wendy Morton), which underlines the importance with which this matter is viewed. My right hon. Friend has painted a picture with a clarity that is rarely demonstrated to such effect in debates in this place, in describing his concerns and those of his constituents. The fact that we are having this debate tonight, that he has covered so many topics and that he has spoken so clearly and forcefully on the matter serves to underline the importance of the issue locally and the importance that the Government must attach to it in considering his concerns.

I pay tribute to my right hon. Friend's strong campaigning for the interests of the royal town of Sutton Coldfield and of his constituents, and I note his clear concern that the nearby green belt should not be lost to housing development unnecessarily or needlessly. May I take this opportunity also to wish success to the new royal town council, due to be established later this year? As we again emphasised in the run-up to last year's general election, this Government attach great importance to the green belt. It is the way to prevent the uncontrolled sprawl of conurbations, and the unwanted merging of towns and villages proud of their special, separate identity. At the same time, as my right hon. Friend recognises, we need to build new homes as well as making full use of existing dwellings and other buildings suitable for residential use. Our national planning policy framework makes it clear that local authorities should heed its safeguards for the environment. Strong restraints and protections are in place.

About 40% of England is protected against development by designations such as green belt, areas of outstanding natural beauty and national parks. Since 2010, we have made significant progress in speeding up and simplifying the planning system, building the homes this country needs while protecting valued countryside and our historic environment.

We issued additional guidance in 2014 to remind local authorities—and indeed planning inspectors—that, in planning to meet objectively assessed local housing needs, they must still have regard to national policies such as those protecting the green belt. My right hon. Friend will appreciate that Ministers cannot comment on draft local plans that are still before the appointed inspector, but in response to his speech I would make the following general comments.

First, on housing, it is widely accepted that England has built too few homes for many years. The pace of housing development was bureaucratic and slow. This drove up prices and rents, and regional strategies imposed central Government targets. Our reforms are now delivering a substantial increase in housing provision: over 639,000 new homes built since April 2010; over 135,000 housing completions in the year to September 2015; planning permission for 242,000 homes granted in the year to June 2015, up 44% on the previous year; and the widening of permitted development to allow better use of existing buildings, which has allowed thousands of office-to-residential conversions.

The success of our reforms depends on getting up-to-date local plans in place. That includes assembling robust and objective evidence of housing needs in each area. So our framework asks each local authority to prepare a strategic housing market assessment to assess its full housing needs.

**Julian Knight:** My hon. Friend the Minister is making a powerful case in terms of the success of this Government's housing policy, but will he also think upon the fact that, as my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell) said, Birmingham council has not even consulted the local hospital trust, which covers hospitals in my constituency as well? That trust, the Heart of England trust, is currently suffering severe financial difficulties, and this measure may well add to them. Surely that shows that the local plan was inept?

**James Wharton:** My hon. Friend tempts me to repeat what I said earlier about not wanting to comment on individual plans, but there is a process through which they need to be considered. His views are very important as part of that process. He is articulating them clearly and I am sure they will be heard not just by me and all of us present in the Chamber for this debate, but much wider than that.

**Mr Mitchell:** Of course the Minister cannot comment on the substance of what our hon. Friend has said, but I am sure he will agree that, were it to be the case that the hospitals, already very challenged, had not even been consulted by the authority, that would indeed be very remiss and would suggest that the full duty had not been exercised by the local authority and planning inspector in their researches.

**James Wharton:** Articulate and nimble in his use of language as my right hon. Friend is, he tempts me to go further than I am going to on the specifics, but he makes a very important point with which I can agree in the general. Where a local body charged with delivering a public service, particularly one as important as health, has a strong view, that view should of course be made known and be part of any consultation and consideration, and if it is a view that has a particular planning impact, it should be considered as part of that process. My right hon. Friend and my hon. Friend the Member for Solihull have made their concerns in that area very clear and I will take that away from this debate, along with much else that has been said.

We expect local authorities to prepare strategic housing land availability assessments. In so doing, they have to take account of any planning constraints that indicate that development should be restricted and which may restrain the ability of an authority to meet its need. One of those constraints is the green belt.

The Government continue to attach great importance to green-belt land, which covers 13% of England—a level that has remained constant for many years now. My hon. Friend the Member for Aldridge-Brownhills eloquently set out the importance that her constituents attach to green-belt land, the difference that it makes to communities and how it makes the constituencies of my right hon. and hon. Friends such special places. I welcome her helpful contribution.

Our national planning policy framework is clear that a green-belt boundary can be altered only in exceptional circumstances after local consultation, using the local plan process. That should concentrate the minds of local authorities on ensuring that any brownfield land is put to good use first.

My right hon. Friend is absolutely right to talk about the unidentified number of brownfield sites that are likely to be found in Birmingham. From the outset, the NPPF has been clear that local authorities should encourage redevelopment on brownfield land. Our supporting guidance also advises that local plan policies should reflect the desirability of reusing brownfield land. If desired locally, a local authority can propose for adoption in the local plan its own policy to increase the take-up and prioritisation of brownfield sites. Under our plan-led system, that could be very influential locally.

Following the general election, we made the major commitment to ensure that 90% of brownfield land suitable for housing will have planning permissions for new homes in place by 2020. My right hon. Friend is right to underline the need to find out where any suitable redevelopment sites are and to study the reasons if a potentially useful site is not currently available. The Minister for Housing and Planning is keen to work with areas to develop those too. Brownfield sites differ greatly and local authorities are in a good place to assess their suitability, viability and availability, and that is something that they should do. That is why we are introducing the requirement for local authorities to compile registers of suitable, viable and available brownfield land.

This Government, while stressing the major contribution that brownfield sites can make, are clear about the priority: getting a local plan in place. Indeed, in areas where no local plan has been produced by early 2017, we have said that we will intervene to arrange for the plan to be written, in consultation with local people. That drive to complete the modernisation of the plan-led system, with all its implications for securing sustainable growth and meeting the need for homes, is a top-level commitment, which was reaffirmed when we were re-elected.

Birmingham began to review its 2005 plan in 2007, and recommenced after we abolished the top-down regional housing targets, and brought in the streamlined

locally led NPPF. The current draft plan was submitted in July 2014. I note my right hon. Friend's comments and concerns and his hope that the plan can be stopped. The Secretary of State though found it appropriate to appoint an independent person to examine Birmingham's plan on his behalf, with power to call for more or better evidence if necessary, and to delay a decision if that proved essential.

Inspectors have a vital role in scrutinising plans impartially and publicly to ensure that they are legally compliant and sound. Only in very rare circumstances will Ministers intervene in the process. A plan will be found sound only if it is properly prepared, justified, effective and consistent with national policy in the framework. If the plan contains proposals to adjust a green-belt boundary—as here—it must demonstrate exceptional circumstances, and I hope that this debate will make it clear to Birmingham that local people want to see brownfield first, as national policy supports.

Assuming that a local plan will eventually be adopted, in whatever form it takes, may I remind hon. Members and their constituents that that does not give anyone planning permission? The plan reflects the current best estimate of how much development needs to take place, if a particular level of need is to be met. Moreover, the people of Sutton Coldfield would still have their statutory opportunities to comment and criticise whenever a planning application is made. Even if land is allocated in a local plan, planning applications can still be refused permission in response to evidenced and well-argued objections,

I can tell my right hon. Friend that the Government have heard his case loud and clear, and I would expect others with an interest in this process to have heard the comments that I and my hon. and right hon. Friends have made this evening loud and clear as well. I recognise the importance of this matter, the quality of the well-considered contributions that have been made, and I hope that, at the end of this process, we will reach a place that pleases rather more people than appears to be the case at present.

*Question put and agreed to.*

6.15 pm

*House adjourned.*



# House of Commons

Wednesday 27 January 2016

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

## PRAYERS

[MR SPEAKER *in the Chair*]

## Oral Answers to Questions

### CABINET OFFICE

*The Minister for the Cabinet Office was asked—*

#### Political Engagement: Young People

1. **Chloe Smith** (Norwich North) (Con): What plans the Government have to increase the number of young people registered to vote. [903284]

7. **Mark Pawsey** (Rugby) (Con): What plans the Government have to encourage more young people to engage with the political process. [903290]

**The Parliamentary Secretary, Cabinet Office (John Penrose):** The Government's new online electoral registration system has made it easier and quicker for everyone, especially young people, to register to vote. The process now takes less time than boiling an egg. We are also working with groups such as Bite The Ballot on the national voter registration drive, which is an excellent initiative to persuade more people to register to vote that runs for the whole of next week, in which I encourage everyone to get involved. The British Youth Council's Make Your Mark ballot led to nearly 1 million young people voting throughout the UK and informed the Youth Parliament's debates in this Chamber.

**Chloe Smith:** I welcome the Minister's support for next week's national voter registration drive. Last year's drive helped nearly 500,000 young electors to register to vote. Would he support repeating last year's projection of an image of a ballot box on to the Elizabeth Tower? I understand that you, Mr Speaker, are a fan of that, as am I, so we need to persuade Westminster City Council to allow that.

**John Penrose:** My hon. Friend deserves top marks for creative marketing ideas, but after the use of the Elizabeth Tower for unauthorised projections, including of Australian cricketers and various bits of Gail Porter, I am told that the subject excites strong passions in Westminster council and, quite possibly, the House authorities, so I should probably urge her to discuss her proposals carefully with them.

**Mark Pawsey:** When I visited Harris school in my constituency recently to talk to its pupils about the role of an MP, I met bright youngsters who wanted to learn more about how Parliament works. Does the Minister agree that getting more public figures to talk and answer questions in schools would be a great way of engaging young people with the political process?

**John Penrose:** I do. My hon. Friend has set a great example and shown that public figures—even MPs—can stimulate interest and engagement in democracy.

**Nick Smith** (Blaenau Gwent) (Lab): What further Government or private sector databases are the Minister's Department thinking of using to boost registration among young people?

**John Penrose:** The hon. Gentleman raised this point with me a little while ago and asked about credit reference agencies, among others. We might be able to use other sources of data, but some base a lot of their information on the electoral roll itself, so we would need to ensure that the process did not become circular. There may be things that other people can add, however, and all sources of data offer potential ways to reduce the cost, and improve the quality and speed, of our registration efforts.

**Kirsty Blackman** (Aberdeen North) (SNP): During the 2014 Scottish independence referendum, a huge number of young people became politically active and engaged in Scotland, but the current generation of 16 and 17-year-olds will not have the opportunity to vote in the EU referendum, although they will have to live with its consequences for much longer than most people in the Chamber. Why do the Government not accept that the best way to encourage young people to vote is actually to give them the vote?

**John Penrose:** Since the general election, we have debated this particular question four or five times—perhaps more—and collectively decided against it, with healthy majorities, on every single occasion. We can go over this again, and I am happy to have further debates with the hon. Lady as needed, but the House has made its collective decision plain.

**Gloria De Piero** (Ashfield) (Lab): The Labour party's initial analysis shows big drops in registered voters in many university towns. The figure for Canterbury is down 13%, while those for Cambridge and Dundee West are both down 11% on last year. Those universities that have enabled students to register to vote when they enrol have all seen high levels of student registration. Will the Government issue guidance to all vice-chancellors immediately to suggest that they adopt such a system in September?

**John Penrose:** It is not quite that simple, but I sympathise with the hon. Lady, in that several new approaches that are being trialled in universities throughout the country are extremely promising. We want to pursue those, so perhaps the hon. Lady and I can discuss that further at our meeting later today.

#### Social Mobility

2. **Lucy Frazer** (South East Cambridgeshire) (Con): What steps the Government are taking to increase social mobility in the civil service. [903285]

**The Minister for the Cabinet Office and Paymaster General (Matthew Hancock):** Social mobility is mission critical to our plan to ensure that the civil service is fully representative of the nation that it serves and benefits from talent in every part of Britain.

**Lucy Frazer:** I welcome that answer. May I ask the Minister to give the House an update on research by the Bridge Group on social mobility in the fast stream?

**Matthew Hancock:** We asked the Bridge Group to look into social mobility in the fast stream and the people who are joining the civil service, and it will report very soon. I can tell my hon. Friend the number of new apprenticeships in the civil service: 884 since we introduced the scheme in 2013—another part of broadening access to the civil service.

**Mr Gregory Campbell** (East Londonderry) (DUP): Many young people from working-class estates across the United Kingdom lack the capacity and training skills to join the civil service. What are the Government doing to ensure that they have the greater skills required to get on the ladder into the civil service?

**Matthew Hancock:** Great training is available for people once they are in, but I want to broaden the number of people from different backgrounds coming into the civil service right at the start, which means people from all over the United Kingdom: from all parts, from all groups, from all ethnic backgrounds, men and women, to make sure that we make the very best use of the talent that is available.

**Mr Tom Watson** (West Bromwich East) (Lab): I see that the Minister's right hon. Friend the Chancellor has his own mission critical approach to social mobility. His closest adviser got a 42% pay rise while most public servants got a pay freeze; he has five times the usual number of special advisers while 80,000 jobs have been cut in the civil service; and this week it was revealed by *The Sunday Times* that the permanent secretary in his Department has used a loophole to avoid paying tax on his pension pot. Is it the Minister's view that that is an appropriate leadership approach in the civil service, and is it not true that when it comes to tax, the Chancellor's friends in Google get special treatment, and when it comes to social mobility in the civil service it helps to be a friend of the Chancellor?

**Matthew Hancock:** It is disappointing that we do not have a cross-party approach to improving access to the civil service—who comes into it—to make sure that we have the very best people working for the common aim of delivering the Government's agenda to improve the lives of citizens whom we serve, because that is the job that we focus on.

### National Citizen Service

4. **Dr Phillip Lee** (Bracknell) (Con): What assessment he has made of the performance of the National Citizen Service. [903287]

5. **Steve Double** (St Austell and Newquay) (Con): What assessment he has made of the performance of the National Citizen Service. [903288]

**The Minister for Civil Society (Mr Rob Wilson):** The National Citizen Service is helping to build a more responsible, cohesive and engaged society. The latest annual figures show a 46% increase in participation, making it the fastest growing youth programme for a century. Every £1 spent on NCS generates nearly £4 of social benefits—something that everyone in the House and the country should be proud of.

**Dr Lee:** What success has the National Citizen Service had in helping to counter violent and non-violent extremism as part of the Government's wider counter-extremism strategy?

**Mr Wilson:** My hon. Friend will be aware that NCS was not specifically designed to tackle extremism in our communities. However, the programme plays a significant role in promoting tolerance by breaking down barriers between communities. NCS helps young people to learn about other cultures and creates positive bonds between people from different backgrounds. In 2014, 27% of NCS participants were from non-white backgrounds compared with 19% of the general population.

**Steve Double:** Through my involvement with NCS in Cornwall I have seen first-hand the truly life-changing experience that the programme provides. Will the Minister join me in thanking and congratulating all those people across the country who deliver the programme successfully, and does he agree that NCS is a clear example that this Government are truly a one nation Government?

**Mr Wilson:** My hon. Friend is a strong advocate of NCS in Cornwall, where 580 young people have recently benefited from a life-changing experience on the programme. A one nation Government helps everyone to reach their full potential. That principle is at the heart of NCS. We support everyone who participates regardless of background, and provide bursaries to those who need financial support. NCS achieves a diverse mix of young people, working together to develop new skills and giving back to their community.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): The Minister will be aware that many Labour Members are great supporters of the programme, but can we be sure that the content has real, hard substance, such as democratic values and the equality of women in British life? Are those emphasised enough to young people on the programme?

**Mr Wilson:** Yes, the hon. Gentleman can be assured of that. According to the figures, 72% of participants felt more confident about getting a job after they had taken part in NCS. A year on, people are still benefiting from taking part in the NCS programme, according to the research.

11. [903295] **Martin Vickers** (Cleethorpes) (Con): In Cleethorpes and north-east Lincolnshire the NCS programme has been doing a lot of work in the local St Andrew's hospice, which has had a great impact on young people. Will the Minister join me in congratulating Lee Stephens, Graham Rodger and their team in north-east Lincolnshire, who do tremendous work?

**Mr Wilson:** Of course I join my hon. Friend in congratulating the people in his constituency and across the country who take part in NCS. To date NCS participants have volunteered an estimated total of 8 million hours in their local communities, developing vital skills in the process. The programme benefits the participants and the local community.



### Freedom of Information Act

6. **Peter Grant** (Glenrothes) (SNP): What plans he has to bring forward legislative proposals to amend the Freedom of Information Act 2000. [903289]

9. **Stuart C. McDonald** (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP): What plans he has to bring forward legislative proposals to amend the Freedom of Information Act 2000. [903292]

**The Minister for the Cabinet Office and Paymaster General (Matthew Hancock):** The Government are committed to transparency and freedom of information. The independent commission on freedom of information was established to review the working of the Act and we will consider the report when it is received.

**Peter Grant:** There are any number of instances that we can all point to where the publication of information that the authorities would rather have kept hidden has led to significant public benefits. The expenses affair in this place was one example. I do not know of a single case where the release of information through the Freedom of Information Act has caused any significant public damage. Does the Minister agree that any change to the Act should be designed to make it easier, rather than harder, for citizens to find out what the Government are doing?

**Mr Speaker:** The hon. Gentleman is a softly spoken fellow but I want to hear him very fully—louder in future.

**Peter Grant** *rose*—

**Mr Speaker:** No, we have heard him now, but subsequently louder is better.

**Matthew Hancock:** I am happy to hear more from the hon. Gentleman because I am a great supporter of freedom of information and the Act, and of transparency. We have to make sure that its workings are accurate and we look forward to listening and seeing what the commission comes up with when it reports in due course.

**Stuart C. McDonald:** Is it not the case that introducing fees for FOI requests would reduce opportunities for exposing injustice and bad practice? Will the Minister take this opportunity to rule out introducing any such fees?

**Matthew Hancock:** The hon. Gentleman tempts me, but I shall wait until the commission reports. We will respond in due course.

**Mr Bernard Jenkin** (Harwich and North Essex) (Con): May I inform my right hon. Friend that the Public Administration and Constitutional Affairs Committee will be scrutinising those proposals very carefully indeed? We want to make sure that the judges are interpreting the Freedom of Information Act as Parliament truly intended, but I can tell him that there is no going back on freedom of information.

**Matthew Hancock:** Indeed. The Freedom of Information Act has brought to light many things that it is in the public interest to have in the public domain. I have no doubt that my hon. Friend's Committee will scrutinise

the proposals very carefully, not least to ensure that the will of Parliament is the law of the land. I look forward to working with him on that.

**Michael Fabricant** (Lichfield) (Con): I did not have to use the Freedom of Information Act because I went on to the gov.uk website to find out that the excellent Mark Price, managing director of Waitrose, is now a non-executive director of the board of the Cabinet Office. May I say what a wise choice that is? What is my right hon. Friend doing to ensure that similar people are appointed to other Government Departments?

**Matthew Hancock:** Crikey! Where to start? Mark Price is, indeed, an incredibly impressive businessman and I look forward to working with him on the Cabinet Office board. That information was published on our award-winning gov.uk website, which has had billions of hits because there is so much good information to be found there.

**Mr David Winnick** (Walsall North) (Lab): Is the Minister aware that despite all his fine words, there are many, including me, who believe that the purpose of the review is to undermine the Freedom of Information Act introduced by a Labour Government? So many of the abuses that have been revealed have become known to the public only as a result of the Act. The Government should be defending freedom of information, not trying to undermine it.

**Matthew Hancock:** I do not know whether the hon. Gentleman was listening, but I said that much information is in the public domain, and it is in the public interest that it is public, thanks to the Freedom of Information Act. That is my position. I look forward to hearing what the commission has to say about the operational working of the Act to ensure that it is working in the way Parliament intended.

**Louise Haigh** (Sheffield, Heeley) (Lab): It is confusing to hear the Minister claim to be such a fan of transparency, given that the Cabinet Office has set up a commission designed to weaken FOI—an ex-coalition Minister has described that as a “rigged jury”—botched the release of Cabinet papers, watered down consultation rules, and is now being investigated by the Information Commissioner for withholding thousands of items of spending data. If sunlight really is the best disinfectant, why has the Minister now abolished every single senior civil service post with responsibility for transparency?

**Matthew Hancock:** As a matter of fact, we are the most transparent Government ever. What is more, the hon. Lady will be delighted to know that only this morning the Cabinet Office published further spending information to ensure that we keep that mantle.

**Mr Speaker:** Richard Burgon. Not here.

### Major Projects Authority

10. **Meg Hillier** (Hackney South and Shoreditch) (Lab/Co-op): What assessment he made of the effectiveness of the Major Projects Authority prior to January 2016. [903294]

**The Minister without Portfolio (Robert Halfon):** The Major Projects Authority—now the Infrastructure and Projects Authority—was set up in 2011 to establish the Government's major projects portfolio and ensure high-quality project assurance and support. Since 2012 it has produced an annual report summarising progress and delivery of major Government projects.

**Meg Hillier:** The Minister for the Cabinet Office talks about the Government being the most open ever. Will the Minister without Portfolio sanction the Infrastructure and Projects Authority to release more information about which projects are green, amber or red so that taxpayers know what is going on?

**Robert Halfon:** The hon. Lady will know, because the Public Accounts Committee, which she chairs, recently questioned the Infrastructure and Projects Authority, that we do publish the information she mentioned. She should be excited by the new Infrastructure and Projects Authority, because it brings together the experience of the Treasury and the Cabinet Office, it saves taxpayers' money, in the light of spending review priorities, and it brings under one roof support for major projects such as Crossrail and the Thames tideway tunnel, as well as major transformational projects such as universal credit.

**Mr Speaker:** We are extremely grateful to the Minister.

**John Pugh (Southport) (LD):** Does the Minister think that it is a matter of regret that one can still become a permanent secretary without being directly associated with a major project?

**Robert Halfon:** As I have said, the Infrastructure and Projects Authority will make a huge difference, transform the way infrastructure projects are done in our country and save taxpayers' money, and it will do a number of other things as well.

### Transparency Agenda

12. **Carolyn Harris (Swansea East) (Lab):** What recent progress he has made on implementing the Government's transparency agenda. [903296]

**The Minister for the Cabinet Office and Paymaster General (Matthew Hancock):** This morning we published further spending transparency data, which the Cabinet Office is committed to do as part of our agenda to be the most transparent Government ever.

**Carolyn Harris:** I thank the Minister of transparency for that response, but does he not agree that it is very difficult for him to lead by example on the transparency agenda when his own Department is being investigated by the Information Commissioner for refusing to publish routine spending data?

**Matthew Hancock:** It sounds like the hon. Lady wrote her supplementary question before she got the previous answer, because we published that information this morning. What is more, we are publishing Cabinet minutes at twice the pace that we ever saw under the previous Labour Government.

### Chilcot Inquiry

13. **Ronnie Cowan (Inverclyde) (SNP):** What recent discussions he has had with Sir John Chilcot on the final publication date of the Iraq inquiry. [903297]

**The Minister for the Cabinet Office and Paymaster General (Matthew Hancock):** The Government continue to publish a wide range of data sets. More than 22,000 are now available on the Government website.

**Ronnie Cowan:** With no Chilcot report, no lessons learnt and seemingly none the wiser, will the Minister agree that the constant delays are unacceptable and are an insult both to those involved in the conflict and to those who lost loved ones?

**Matthew Hancock:** We have had this debate many times. The Chilcot inquiry is rightly independent, so it would not be right for me to comment on the timings, but a timetable has now been published, which I am sure the hon. Gentleman will welcome.

### Topical Questions

T1. [903259] **Chloe Smith (Norwich North) (Con):** If he will make a statement on his departmental responsibilities.

**The Chancellor of the Duchy of Lancaster (Mr Oliver Letwin):** The Cabinet Office is responsible for efficiency in reforming Government and helping the Prime Minister to deliver the Government's agenda. This Government have made huge strides in transforming online services for the citizen. I am glad to tell the House that we are now embarking on an ambitious programme to change the culture of public services by using online complaints to deal with problems and sort them out quicker.

**Chloe Smith:** Will my right hon. Friend provide more information on the Government's plans for digital government?

**Mr Letwin:** I am very happy to do that. I do not know whether my hon. Friend has recently had the opportunity to use the gov.uk services, but the universal impression is that for the first time in our country's history one can now quickly get hold of what one needs to online. The service is also hugely responsive and takes account of feedback—something from which previous Governments were not able to benefit.

T3. [903261] **Andrew Gwynne (Denton and Reddish) (Lab):** The Minister for transparency does talk some utter guff sometimes. How can he be the advocate-in-chief for transparency when his Department has the worst record in answering freedom of information requests?

**The Minister for the Cabinet Office and Paymaster General (Matthew Hancock):** We answer freedom of information requests all the time. What is more, we are not only publishing more information but making sure that it is published in a usable way so that people can benefit from it right across this country.

T2. [903260] **Mr Ranil Jayawardena** (North East Hampshire) (Con): Does the Minister agree that taking a public appointment is an excellent way for people across the country to play their part in shaping our society, and that it is important that people from different backgrounds have the opportunity to do so?

**Matthew Hancock:** Right across the public sector, thousands of public appointments are made each year. It is vital that people from all backgrounds, from all ethnicities, and both men and women, from all parts of our country, put their names forward so that they can help in our great mission of improving the lives of the citizens of the UK.

T4. [903262] **Justin Madders** (Ellesmere Port and Neston) (Lab): In the past year, one in seven peers did not speak at all in the other place, despite many of them claiming allowances. If the Government are so keen to reduce the cost of politics, why are they not doing anything about this?

**Mr Letwin:** The hon. Gentleman needs to recognise the invaluable role that the House of Lords still plays in vetting what we do in this House, reflecting on it, and sometimes forcing us to reconsider it. We want to maintain that valuable relationship.

T6. [903264] **Karen Lumley** (Redditch) (Con): Will my right hon. Friend join me in congratulating Robert Holdcroft, who owns the McDonald's in Redditch, for hosting "snack and chat" events in his restaurant that allow sixth formers to question their Member of Parliament and increase their interest in politics? Perhaps he might like to join me at one of these events.

**Matthew Hancock:** I always love going to Redditch, and even more so if I can go with my hon. Friend. I pass on my congratulations to Mr Holdcroft and all the restaurants that hold "snack and chat" events. As for the idea of a McSurgery in a McDonald's, I'm lovin' it.

T5. [903263] **Yvonne Fovargue** (Makerfield) (Lab): Many people in my constituency have filled out one form for the whole household to register to vote, as happened under the old system. Their registrations are being processed, but will they be counted in the figures?

**Mr Letwin:** The hon. Lady will know that anybody who is not on the register as a result of the individual electoral registration exercise will have been approached on nine separate occasions to try to get them to register individually. Everybody now has the chance to register individually under IER on the rolling register in time for the elections.

T8. [903266] **Nigel Adams** (Selby and Ainsty) (Con): Will the Minister tell the House what plans the Government have to further reduce their property portfolio?

**Matthew Hancock:** We have been making significant savings in Government property, and the estate is already 20% smaller than it was in 2010. We have saved over £750 million in running costs, but there is much more to do. We have far more work to do to make sure that we are as efficient as possible in the use of property, and I look forward to leading that work.

T10. [903268] **Mr Stephen Hepburn** (Jarrow) (Lab): Does the Minister agree that the Cabinet Office could be far more effective in running the Government if it did not have in another Department a Chancellor who goes out and agrees pig-in-a-poke deals with Google, which everybody knows does not pay its fair share of tax, at a time when millions are filling in their tax returns?

**Matthew Hancock:** The tax to which the hon. Gentleman refers was of course due from activities under a Labour Government. It was never paid under a Labour Government, but it has been delivered under this Conservative Government.

T9. [903267] **Stephen Metcalfe** (South Basildon and East Thurrock) (Con): Again this year, many tens of thousands of young people will benefit from the National Citizen Service programme. However, there are still too many young people who have never been introduced to the programme or had the opportunity to "Say yes" to NCS. Will my right hon. Friend work with colleagues from across the House to make sure that every young person has the opportunity to understand this project and can sign up for this summer's programmes?

**Matthew Hancock:** As my hon. Friend puts it, NCS is a fantastic opportunity for young people. It massively expanded during the last Parliament, and we have ambitious plans to make sure that every young person who wants to do so can benefit from NCS, which does so much to inspire and enrich people's lives.

T7. [903265] **Gavin Newlands** (Paisley and Renfrewshire North) (SNP): New research has uncovered that there has been a greater fall in UK civil service employment in Scotland than in any other UK nation. Between 2011 and 2015, 5,000 civil servants working for UK Departments in Scotland lost their jobs. Will the Minister tell me and my constituents whether that is his definition of "better together"?

**Matthew Hancock:** Of course we have had to make savings in the number of civil servants as we have reduced the deficit, but there are far more UK civil servants working in Scotland than civil servants working for the Scottish Government. It just shows that, for Scotland as well as for the rest of this United Kingdom, we are that much better together.

**Dr Andrew Murrison** (South West Wiltshire) (Con): In supporting citizenship and volunteering, what lessons can be learned from the excellent Team Rubicon UK, led by my constituent General Sir Nick Parker? It involves recruiting veterans and ex-servicemen to do great work, notably during the recent flooding.

**Matthew Hancock:** I want to pay tribute to Team Rubicon and all those who work with it. The role that veterans can play in shaping the future of young people and showing what it is to serve their nation is invaluable, and it is a lesson from which all of us can learn.

**Mr Speaker:** Last but not least, I call Harriet Harman.

**Ms Harriet Harman** (Camberwell and Peckham) (Lab): The Cabinet Office is responsible for the guidelines on Government proposals. As the Joint Committee on Human Rights discovered when we went to Scotland earlier this month, there is a strong feeling about the consultation on the Human Rights Act 1998. Will the right hon. Gentleman make sure that the voice of people in Scotland is heard, and that they will not be gagged by the fact that the consultation will be issued during *purdah* following the dissolution of the Scottish Parliament? Will he give such a guarantee?

**Mr Letwin:** As the right hon. and learned Lady will know, the consultation principles, which we have recently promulgated—I spoke to the Joint Committee about them recently—have the effect that every Department should make sure that all consultations are proportionate, and that we make due allowance for any time during which it would be difficult for people to respond so that we get a full and adequate consultation on every occasion.

### PRIME MINISTER

*The Prime Minister was asked—*

#### Engagements

Q1. [903269] **Peter Aldous** (Waveney) (Con): If he will list his official engagements for Wednesday 27 January.

**The Prime Minister (Mr David Cameron):** I know the whole House will want to join me in marking Holocaust Memorial Day. It is right that our whole country should stand together to remember the darkest hour of humanity.

Last year, on the 70th anniversary of the liberation of Auschwitz, I said we would build a striking national memorial in London to show the importance Britain places on preserving the memory of the holocaust. Today, I can tell the House that this memorial will be built in Victoria Tower Gardens. It will stand beside Parliament as a permanent statement of our values as a nation, and it will be something for our children to visit for generations to come. I am grateful to all those who have made this possible, and who have given this work the cross-party status that it so profoundly deserves.

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

**Peter Aldous:** I echo the Prime Minister's sentiments regarding Holocaust Memorial Day. We must never forget.

The North sea oil and gas industry, on which many people in my Waveney constituency are dependent for their livelihoods, is facing very serious challenges at the current time. The Government have taken steps to address the situation, but more is required if the industry is first to survive, and then to thrive. Will my right hon. Friend assure me that he recognises the seriousness of the situation, and will he do all he can to get the industry through these very difficult times?

**The Prime Minister:** My hon. Friend is absolutely right to raise this. I do recognise the seriousness of the situation. The oil price decline is the longest in 20 years and nearly the steepest, and this causes real difficulties for the North sea. We can see the effects in the east of England, of course across Scotland, particularly in Aberdeen, and in other parts of our country, too.

We discussed this at Cabinet yesterday. I am determined that we build a bridge to the future for all those involved in the North sea. We are going to help the sector export its world-class expertise. We are going to help such economies diversify. We announced £1.3 billion of support last year for the North sea. We are implementing the Wood review. I will be going to Aberdeen tomorrow, where we will be saying more about what we can do to help this vital industry at this vital time.

**Jeremy Corbyn** (Islington North) (Lab): On behalf of the Opposition, I welcome the remarks the Prime Minister made about Holocaust Memorial Day. It is the 71st anniversary of the liberation of Auschwitz-Birkenau. We have to remember the deepest, darkest days of inhumanity that happened then and the genocides that have sadly happened since. We must educate another generation to avoid those for all time.

Independent experts have suggested that Google is paying an effective tax rate on its UK profits of around 3%. Does the Prime Minister dispute that figure?

**The Prime Minister:** Let us be clear what we are talking about here. We are talking about tax that should have been collected under a Labour Government being raised by a Conservative Government. I do dispute the figures the right hon. Gentleman gives. It is right that this is done independently by Her Majesty's Revenue and Customs, but I am absolutely clear that no Government have done more than this one to crack down on tax evasion and aggressive tax avoidance—no Government, and certainly not the last Labour Government.

**Jeremy Corbyn:** My question was whether the Prime Minister thinks an effective tax rate of 3% is right or wrong. He did not answer it. The Chancellor of the Exchequer described this arrangement as a "major success", while the Prime Minister's official spokesperson only called it a "step forward". The Mayor of London described the payment as "quite derisory". What exactly is the Government's position on this 3% rate of taxation?

**The Prime Minister:** But we have put in place the diverted profits tax, which means that this company and other companies will pay more tax in future. They will pay more tax than they ever paid under Labour, when the tax rate for Google was 0%. That is what we faced.

Let me tell the right hon. Gentleman what we have done. We have changed the tax laws so many times that we raised an extra £100 billion from business in the last Parliament. When I came to power, banks did not pay tax on all their profits—allowed under Labour, stopped under the Tories; investment companies could cut their tax bill by flipping the currency their accounts were in—allowed under Labour, stopped under the Tories; and companies could fiddle accounting rules to make losses appear out of thin air—allowed under Labour, stopped under the Tories. We have done more on tax evasion and tax avoidance than Labour ever did. The truth is that they are running to catch up, but they haven't got a leg to stand on.

**Jeremy Corbyn:** It was under a Labour Government that the inquiries into Google were begun. In addition, as a percentage of GDP, corporation tax receipts are lower under this Government than under previous Governments.

I have a question here from a gentleman called Jeff. *[Interruption.]* You might well laugh, but Jeff speaks for millions of people when he says to me:

“Can you ask the Prime Minister...if as a working man of over 30 years whether there is a scheme which I can join that pays the same rate of tax as Google and other large...corporations?”

What does the Prime Minister say to Jeff?

**The Prime Minister:** What I say to Jeff is that his taxes are coming down under this Government, and Google’s taxes are going up under this Government. Something the right hon. Gentleman said in his last question was factually inaccurate. He said that corporation tax receipts have gone down. They have actually gone up by 20% under this Government because we have a strong economy, with businesses making money, employing people, investing in our country and paying taxes into the Exchequer.

If, like me, the right hon. Gentleman is genuinely angry about what happened to Google under Labour, there are a few people he could call. Maybe he should start by calling Tony Blair. You can get him at J. P. Morgan. Call Gordon Brown. Apparently, you can get him at a Californian bond dealer called Pimco. He could call Alistair Darling. I think he’s at Morgan Stanley, but it’s hard to keep up. Those are the people to blame for Google not paying its taxes. We are the ones who got it to pay.

**Jeremy Corbyn:** The problem is that the Prime Minister is the Prime Minister, and is responsible for the Government and therefore responsible for tax collection. Google made profits of £6 billion in the UK between 2005 and 2015 and is paying £130 million in tax for the whole of that decade. Millions of people this week are filling in their tax returns to get them in by the 31st. They have to send the form back. They do not get the option of 25 meetings with 17 Ministers to decide what their rate of tax is. Many people going to their HMRC offices or returning their forms online this week will say this: why is there one rule for big multinational companies and another for ordinary small businesses and self-employed workers?

**The Prime Minister:** All those people filling in their tax returns are going to be paying lower taxes under this Government. That is what is happening. I have to say to the right hon. Gentleman, he can, if he wants, criticise HMRC, but HMRC’s work is investigated by the National Audit Office, and when it did that, it found that the settlements that it has reached with companies are fair. That is how it works. *[Interruption.]* The shadow Chancellor is pointing. The idea that those two right hon. Gentlemen would stand up to anyone in this regard is laughable. Look at their record over the last week. They met the Argentinians; they gave them flying pickets. They met the Argentinians; they gave them the Falkland Islands. They met a bunch of migrants in Calais; they said they could all come to Britain. The only people they never stand up for are the British people and hard-working taxpayers.

**Jeremy Corbyn:** We have had no answers on Google; we have had no answers for Jeff.

Can I raise with the Prime Minister another unfair tax policy that affects many people in this country? This morning the Court of Appeal ruled that the bedroom

tax is discriminatory, because of its impact—*[Interruption.]* I don’t know why Members opposite find this funny, because it isn’t for those who have to pay it. The ruling was made because of the bedroom tax’s impact on vulnerable individuals, including victims of domestic violence and disabled children. Will the Prime Minister now read the judgment and finally abandon this cruel and unjust policy, which has now been ruled to be illegal?

**The Prime Minister:** We always look very carefully at the judgments on these occasions, but of course our fundamental position is that it is unfair to subsidise spare rooms in the social sector if we do not subsidise them in the private sector where people are paying housing benefit. That is a basic issue of fairness, but isn’t it interesting that the first pledge the right hon. Gentleman makes is something that could cost as much as £2.5 billion in the next Parliament? Who is going to pay for that? Jeff will pay for it. The people filling in their tax returns will pay for it. Why is it that the right hon. Gentleman always wants to see more welfare, higher taxes and more borrowing—all the things that got us into the mess in the first place?

**Jeremy Corbyn:** We have not had any answers on Google or the bedroom tax, but I ask the Prime Minister this. Shortly before coming into the Chamber, I became aware of the final report of the United Nations panel of experts on Yemen, which has been sent to the Government. It makes very disturbing reading. The report says that the panel has documented that coalition forces have

“conducted airstrikes targeting civilians and civilian objects, in violation of international humanitarian law, including camps for internally displaced persons and refugees...civilian residential areas; medical facilities; schools; mosques”.

These are very disturbing reports. In the light of this, will the Prime Minister agree to launch immediately an inquiry and a full review into the arms export licences to Saudi Arabia and suspend those arms sales until that review has been concluded?

**The Prime Minister:** As the right hon. Gentleman knows, we have the strictest rules for arms exports of almost any country anywhere in the world. Let me remind him that we are not a member of the Saudi-led coalition; we are not directly involved in the Saudi-led coalition’s operations; and British personnel are not involved in carrying out strikes. I will look at that report as I look at all other reports, but our arms exports are carefully controlled and we are backing the legitimate Government of the Yemen, not least because terrorist attacks planned in the Yemen would have a direct effect on people in our country. I refuse to run a foreign policy by press release, which is what he wants. I want a foreign policy that is in the interests of the British people.

Q2. [903270] **Nusrat Ghani** (Wealden) (Con): The recent explosion of spurious legal claims against British troops, including those pursued by the law firm that has donated tens of thousands of pounds to the shadow Defence Secretary, undermine the ability of our armed forces to do their job. Will the Prime Minister join me in repudiating the disdain that this shows to our brave servicewomen and our brave servicemen?

**The Prime Minister:** I absolutely agree with my hon. Friend. Of course, we hold our service personnel to the highest standards, and it is right that we do, but it is quite clear that there is now an industry trying to profit from spurious claims that are lodged against our brave servicemen and women. I am determined to do everything we can to close that bogus industry down. We should start by making it clear that we will take action against any legal firm that we find to have abused the system to pursue fabricated claims. That is absolutely not acceptable.

**Angus Robertson (Moray) (SNP):** I begin by associating the Scottish National party with the comments of the Prime Minister in relation to Holocaust Memorial Day, and commend Governments across the United Kingdom for supporting the Holocaust Educational Trust for the important work it does.

Does the Prime Minister agree that there is no justification for discrimination or unfairness towards women in the private sector or the public sector, or by the Government?

**The Prime Minister:** First of all, I welcome what the right hon. Gentleman says about the Holocaust Educational Trust. I remember as a new constituency MP meeting people from the trust and seeing the incredible work they do in my constituency. They work extremely hard around the clock but this day is particularly important for them. I urge colleagues who have not visited Auschwitz to do so: it is something they will never forget, no matter what they have read, films they have seen or books they have interrogated. There is nothing like seeing for yourself what happened in the darkest hour for humanity.

In terms of wanting to end discrimination against women in the public sector, the private sector, in politics and in this place: yes, absolutely.

**Angus Robertson:** I very much welcome what the Prime Minister says on both counts. He is aware of the state pension inequality that is impacting on many women, and that, on pension equalisation, this Parliament voted unanimously for the Government to

“immediately introduce transitional arrangements for those women negatively affected by that equalisation.”

What will the Prime Minister do to respect the decision of this Parliament and to help those women who are affected—those born in the 1950s—who should have had proper notice to plan their finances and their retirement?

**The Prime Minister:** First of all, the equalisation of the retirement age came about on the basis of equality, which was a judgment by the European Court. We put it in place in the 1990s. When this Government decided—rightly, in my view—to raise the retirement age, we made the decision that no one should suffer a greater than 18-month increase in their retirement age. That is the decision that this House of Commons took. The introduction of the single-tier pension at £155 a week will be one of the best ways that we can end discrimination in the pension system, because so many women retiring will get so much more in their pension which, of course, under this Government, is triple-lock protected, so they will get inflation, earnings or 2.5%, and never again a derisory 75p increase.

**Q3. [903271] Charlotte Leslie (Bristol North West) (Con):** Our prisons can still be centres of radicalisation. Will the Prime Minister look at all measures, including those in the all-party parliamentary group for boxing report, for preventing troubled young people from falling into the jaws of those dangerously screwed up and predatory extremists?

**The Prime Minister:** My hon. Friend is absolutely right. It is very disturbing that, when people are in our care and when the state is looking after them, on some occasions, they have been radicalised because of what they have heard in prison either from other prisoners, or on occasion, from visiting imams. We need to sort this situation out. The Justice Secretary has put in place a review. I will look carefully at the report my hon. Friend mentions, but, if anything, we must ensure that people who are already radicalised when they go to prison are de-radicalised rather than made worse.

**Q5. [903273] Margaret Ferrier (Rutherglen and Hamilton West) (SNP):** Since the Chancellor of the Exchequer took control of the public purse, he has utterly failed to get the deficit under control. To date this year, he has borrowed over £74 billion to plug the gap or—to use the vernacular his party is fond of using for a hypothetical independent Scotland—the monumental financial black hole in his books. Is he now likely to breach his own deficit reduction target for the year by somewhere in the region of £9 billion? Will the Prime Minister finally concede—

**Mr Speaker:** Order. I do not wish to be unkind to the hon. Lady, but I think we have the gist.

**Margaret Ferrier** *rose*—

**Mr Speaker:** Order. That was a polite way of saying that the hon. Lady had concluded her question.

**The Prime Minister:** My right hon. Friend the Chancellor, and the economic strategy the Government have pursued, has cut the deficit in half from the record level we inherited. Soon it will be down by two-thirds. We are meeting what we want to see in terms of debt falling as a share of our GDP. What a contrast with the situation Scotland would be facing if it had voted for independence. In just six weeks, we have seen a 94% collapse in oil revenues. Because we have the broad shoulders of the United Kingdom, the collapse in the oil price and taxation will not affect people in Scotland. Had Scotland been independent, it would be a very, very dark day indeed.

**Q4. [903272] James Morris (Halesowen and Rowley Regis) (Con):** Recently, I held a mental health forum in my constituency. I brought service users and commissioners together to explore how we could improve mental health services in Dudley and Sandwell. I welcome the Prime Minister's recent announcement on increased funding for mental health services. Does he agree that, despite the fact we have more work to do, his commitments are a clear indication of our desire to have a revolution in mental health services in Britain? He has delivered some commitments on that.

**The Prime Minister:** I am very grateful to my hon. Friend. There is further to go, but the Government are investing more in mental health. We introduced the waiting times, most recently saying that young people suffering episodes of psychosis should be seen within two weeks. There is funding, there is parity of esteem, there is waiting time. There also needs to be a bigger culture change not just in the NHS but right across the public and private sectors, so that mental health conditions are given the attention they deserve.

Q6. [903274] **Nick Thomas-Symonds** (Torfaen) (Lab): From April, a woman who works full time stands to lose thousands of pounds in tax credits if she becomes pregnant with her first child. When will the Prime Minister stop attacking working people?

**The Prime Minister:** What we are doing for women like that is making sure that this year they can earn £11,000 without paying any income tax. If they are on low wages, if they are on the minimum wage, they will get a 7% pay increase because of the national living wage. For the first time, there will be 30 hours of free childcare for those people. That is what we are doing for hard-working people. Do we need to reform welfare? Yes, we do. If the hon. Gentleman had read the report into why his party lost the election—not the one it published, of course; the secret one we all read over the weekend—he would see that, by its endlessly arguing for higher and higher welfare, the British public rightly concluded that under Labour there would be higher and higher taxes.

Q8. [903276] **Bob Blackman** (Harrow East) (Con): I warmly welcome the Prime Minister's words on creating a national memorial to the victims of the holocaust. Tonight in Harrow, representatives of the whole community will come together to listen to the people who survived the holocaust. This is the only way we can preserve their memory. My right hon. Friend rightly alluded to the wonderful work of the Holocaust Educational Trust in allowing literally thousands of young people to visit Auschwitz-Birkenau and to see it at first hand. Will he commit the Government to continue funding the Holocaust Educational Trust, so that many thousands more can see the horrors of the holocaust?

**The Prime Minister:** I can certainly make that commitment. We have funded the trust with over £10 million since I became Prime Minister. As I said in answer to an earlier question, it does excellent work. I also think there is a real need now as, tragically, the remaining holocaust survivors are coming to the end of their lives. Many of them—I will be spending some time today with some of them—are now speaking up in the most moving and powerful way. Recording their testimonies, which must be part of our memorial, is absolutely vital. Their description of what they went through and the friends and family they lost, is so powerful and moving we must capture it for generations to come.

Q7. [903275] **Sue Hayman** (Workington) (Lab): In 2013, the Energy and Climate Change Select Committee recommended extending the retention of business rates to include new build nuclear power stations. The Centre of Nuclear Excellence is in my

constituency, and the new build at Moorside is vital for our economic prosperity. Given the Government cuts to Cumbria's councils, does the Prime Minister agree that if we are truly to build a northern powerhouse, our local authorities must retain all business rates from the nuclear new build in west Cumbria?

**The Prime Minister:** I will consider very carefully what the hon. Lady says. We are committed to the new nuclear industry, and we are obviously making good progress with Hinkley Point, but we need another big station to go ahead. I will consider very carefully her comments about business rates retention and business rates more broadly, but the most important thing is to have energy infrastructure that allows for the delivery of new nuclear power stations. That is the Government's position.

### Coastal Towns

Q11. [903279] **Martin Vickers** (Cleethorpes) (Con): What steps the Government are taking to help overcome the social and economic problems facing coastal towns.

**The Prime Minister:** The Government are absolutely committed to regenerating our coastal towns and ensuring that everyone, regardless of where they live in this country, has access to high-quality public services and the very best opportunities. I am happy to reaffirm that to the House today.

**Mr Speaker:** On this question, I call Mr Ian Paisley.

**Martin Vickers** *rose*—

**Mr Speaker:** I do beg your pardon. We must hear from Mr Vickers first. [HON. MEMBERS: "Hear, hear!"] Let us hear from the hon. Gentleman.

**Martin Vickers:** Thank you, Mr Speaker.

I recognise the initiatives the Government have taken, but the Prime Minister will know that many coastal towns, such as Cleethorpes, suffer from poor educational standards. We have many high-performing academies trying to reverse that and ensure that our young people have access to sport, arts and culture at the highest level. The council is preparing a report with the private sector. Will he commit the Government to working with me and the council to deliver regeneration to Cleethorpes?

**The Prime Minister:** No one, Mr Speaker, could silence the voice of the Humber. That was not going to happen.

My hon. Friend is absolutely right, and I am happy to look at the proposal with him. We have to make sure we tackle both failing schools and coasting schools, and there are some in coastal areas of our country. One issue is making sure we get very talented teachers and leaders into those schools, and that is what the national leaders of education service is all about, but I am happy to talk further with him.

**Mr Speaker:** I call Mr Ian Paisley.

**Ian Paisley** (North Antrim) (DUP): Déjà vu.

Rathlin island is the only inhabited coastal village or town in my constituency. No British Prime Minister has ever had the honour to visit that part of Ulster. When does the Prime Minister plan to visit this remote location, which has considerable economic needs and could generate more employment and tourism?

**The Prime Minister:** I have been the first British Prime Minister to visit many parts of our country—I was the first to go to Shetland for about 30 years—but I fear, if I went to this island, people might like me to stay. I will certainly bear it in mind, however, the next time I visit the Province.

### Engagements

Q13. [903281] **Mark Pawsey** (Rugby) (Con): Rugby is the fastest-growing town in the west midlands, and work is under way to provide 6,200 much-needed new homes at the Rugby Radio site. My constituents are keen to ensure that public services keep pace with those developments and to see more services at their local hospital, St Cross. Does the Prime Minister agree with the NHS chief executive, Simon Stevens, that district hospitals such as St Cross play an excellent role in the NHS?

**The Prime Minister:** I am a believer in district general hospitals, and I know what a strong supporter of St Cross my hon. Friend is and that there is a new dedicated children's outpatient facility there, which is welcome. If we are to achieve our aggressive house building targets, more houses will be built in most of our constituencies, and it is important that we try, as far as we can, to welcome that and make sure that the infrastructure that goes with these necessary houses is provided.

Q9. [903277] **Caroline Flint** (Don Valley) (Lab): Not everybody is as satisfied as the Chancellor with what for Google is loose change to cover its tax liabilities. On Monday, the hon. Member for Amber Valley (Nigel Mills) called on the Government to make companies publish their tax returns. In that way, we can all see how they make the journey from their cash profits to their tax bills. Does the Prime Minister agree?

**The Prime Minister:** I do wonder whether the right hon. Lady ever raised this issue when she sat in the Labour Cabinet when Google was paying zero tax. What we have is a situation where we make the rules in this House and HMRC has to enforce those rules. That is the system that we need to make work.

Q14. [903282] **Chris Green** (Bolton West) (Con): As cancer survival rates continue to improve and given that this is cancer talk week, will my right hon. Friend join me in welcoming a new state-of-the-art cancer information centre due to open at Royal Bolton hospital, and will he praise the collaboration of Macmillan Cancer Support, Bolton People Affected by Cancer, Bolton hospice and the Bolton clinical commissioning group, which are all making this happen?

**The Prime Minister:** I am happy to join my hon. Friend in that. Everyone in the House knows someone or has a family member who has been touched by

cancer, and many people have lost loved ones to cancer. The good news is that cancer survival rates are improving, and we need to ensure they improve across all types of cancer, not just the best known ones. What I think my hon. Friend is saying is that this is not just an issue for the NHS; it is also about all those big society bodies that want to campaign and act on helping cancer sufferers, which have such a big role to play.

Q10. [903278] **Drew Hendry** (Inverness, Nairn, Badenoch and Strathspey) (SNP): In the summer of 2014 when I was the leader of Highland Council, I wrote to the Prime Minister asking him to join the Scottish Government and Highland Council in taking forward a city deal for Inverness. Highland Council has submitted a detailed plan on the theme of “a region for young people”. Will the Prime Minister now commit to giving this the green light in the coming weeks?

**The Prime Minister:** We are committed to examining the city deal with Inverness, just as we have made very good progress on the city deal with Aberdeen. I think these bring together the best of what the Scottish Government can put on the table, but also the best of what the UK Government can put on the table. Without wanting to be too political about it, the two Governments working together can do even more.

**John Glen** (Salisbury) (Con): I thank the Prime Minister for meeting the deposed Maldivian President Nasheed and his legal team in No. 10 on Saturday. Will my right hon. Friend commit to work towards an international consensus on targeted sanctions, so that the Maldivian regime might reconsider its appalling human rights record and its record on democracy?

**The Prime Minister:** I am grateful to my hon. Friend for raising this issue. It was an honour to meet former President Nasheed, who I think did an excellent job for his country in cutting out corruption and turning that important country round. He suffered terribly from being in prison, and it is good that he is able to get out to seek medical treatment, but we want to see a change in behaviour from the Maldivian Government to make sure that political prisoners are set free. Yes, we are prepared to consider targeted action against individuals if further progress is not made. Let us hope that the diplomatic efforts, including by the Commonwealth action group, will lead to the changes we want to see. Britain and its allies, including Sri Lanka and India, are watching the situation very closely.

Q12. [903280] **Judith Cummins** (Bradford South) (Lab): Forty-six per cent. of five-year-old children in Bradford suffer from dental decay, compared with just 28% across England. Fewer than half of the children living in the Bradford district have seen a dentist in the last two years. Given that the cost of treating tooth decay far exceeds the cost of prevention, will the Prime Minister look at the lack of availability of NHS dentists in Bradford South as a matter of urgency?

**The Prime Minister:** I am happy to look at what the hon. Lady says. If we take a view across the country, before 2010 we had those huge queues round the block when a new NHS dentist turned up because there were not enough of them. We have seen a very big—



[*Interruption.*] Labour Members may shake their heads, but that is what happened, and some of us can remember it. We have seen a big increase in NHS dentistry since, but I will look carefully at the situation in Bradford.

**Kevin Foster** (Torbay) (Con): As my right hon. Friend knows, the peninsula rail taskforce is set to deliver its report on a resilient railway to Devon and Cornwall. Would he be willing to meet me and a number of colleagues to ensure that Network Rail and the taskforce have enough funding for the two studies into the electrification of the line and the necessary reduction of journey times?

**The Prime Minister:** I had an excellent meeting with the south-west peninsula rail taskforce, which has been working closely with the Government. I will make sure that we continue to liaise closely with it. Clearly, we need to find an answer and we need to find the funding to make it work. We cannot allow to happen what happened in the past when a problem on our railways led to the peninsula being cut off. We cannot see that happen again.

Q15. [903283] **Siobhain McDonagh** (Mitcham and Morden) (Lab): Will the Prime Minister join me in congratulating my constituents Dominic and Rebecca from Mitcham on the birth of their daughter Alice. Like every parent, they want their daughter to have better opportunities than they had, but with average London house prices increasing by £40,000 in 2013 alone and the average house in London now worth more than half a million pounds, does he understand their fears that Alice will never have the chance they had to buy her own home in the area she was born in?

**The Prime Minister:** I want to help Alice, and many others like her in London, to get on to the housing ladder. That is why we are introducing shared ownership, which brings housing into the reach of many more people. It is why we have Help to Buy London, which is twice as generous as the Help to Buy scheme in the rest of the country. It is why we are selling off the most expensive council houses and rebuilding more affordable homes. All those measures have been taken under the guidance and drive of Zac Goldsmith, who would make an excellent Mayor of London. That is Alice's best chance of a home: to have a Conservative Mayor and a Conservative Government working together, hand in glove.

**Helen Whately** (Faversham and Mid Kent) (Con): Someone who is experiencing a mental health crisis and goes to A&E in desperation needs prompt specialist help. I welcome my right hon. Friend's recognition of psychiatric liaison in his recent speech on life chances.

Does he agree that the provision of 24/7 psychiatric liaison in A&E departments is an important step towards parity of esteem for mental and physical health in a seven-day NHS?

**The Prime Minister:** My hon. Friend is absolutely right. We are seeing more mental health and psychiatric liaison in our A&Es. We are seeing it in some of them now, but we need, over time, to see it in all of them, because people so often arrive in a setting that is not the one in which they should be looked after. Whether we are talking about getting people with mental health conditions out of police cells, making sure that they are treated properly in prisons, or, crucially, making sure that they are given the right treatment when they arrive at A&E, that is very much part of our life chances plan.

**Tim Farron** (Westmorland and Lonsdale) (LD): I commend the Prime Minister for his remarks about Holocaust Memorial Day. In honouring the memory of those who were murdered by the Nazis, we provide the best antidote to extremism and anti-Semitism in our own age.

The biggest challenge facing Europe today is posed by the 3 million refugees who, it is predicted, will flee to our continent in 2016. Many of them will die along the way. Does the Prime Minister agree that the only way in which to challenge a crisis of that magnitude is to start to work with our European colleagues at the heart of a united Europe, and will he take this final opportunity to welcome in and provide a home for 3,000 unaccompanied children, as recommended by Save the Children?

**The Prime Minister:** I agree with the hon. Gentleman about the importance of taking action to help with the refugee crisis. No country in Europe has been more generous than Britain in funding refugee camps, whether they are in Syria, Turkey, Lebanon or Jordan. However, I do not agree with the hon. Gentleman's view that the right answer is for Britain to opt into the EU relocation and resettlement schemes. Let me tell him why. We said that we would resettle 20,000 people in our country, and we promised to resettle 1,000 by Christmas. Because of the hard work of my hon. Friend the Member for Watford (Richard Harrington), the Under-Secretary of State for Refugees, we achieved that. If we add up all that Europe has done under its relocation and resettlement schemes, we find that all the other 27 member states have done less than we have done here in the United Kingdom, because of those 1,000.

Yes, we should take part in European schemes when it is in our interests to do so, and help to secure the external European border; but we are out of Schengen, we keep our own borders, and under this Government that is the way it will stay.

## Points of Order

12.38 pm

**Paula Sherriff** (Dewsbury) (Lab): On a point of order, Mr Speaker. [*Interruption.*]

**Mr Speaker:** We will come to the hon. Lady's point of order, but I should like to be able to hear it, and I should like there to be an attentive atmosphere for her benefit, mine, and that of the House.

**Sir David Amess** (Southend West) (Con) *rose*—

**Mr Speaker:** The hon. Member for Southend West (Sir David Amess) has no cause for concern. He has never been forgotten before, and he will not be forgotten now. We are storing him up.

**Paula Sherriff:** On a point of order, Mr Speaker. At Cabinet Office questions before the recess, the Chancellor of the Duchy of Lancaster stated in response to a question from my hon. Friend the Member for Batley and Spen (Jo Cox) that Kirklees Council had

“£200 million in useable and unused reserves”—[*Official Report*, 9 December 2015; Vol. 603, c. 979.]

and concluded that the problems that we reported were facing our constituents were, therefore, “not real ones”. I have now had it confirmed, not just by officers of the local authority, that its unused reserves are nowhere remotely close to that figure. Even including reserves that are already allocated and not useable, the figure is nowhere near £200 million. Through a written answer, the Minister with responsibility for local government, the hon. Member for Nuneaton (Mr Jones), has confirmed that according to the Government's own figures Kirklees Council had less than a fifth of that amount in unallocated financial reserves at the end of the last financial year. May I ask you, Mr Speaker, what recourse there is for Members when a Minister has, even if unintentionally, misled this House on a matter that so seriously affects our constituents?

**Mr Speaker:** The short answer to the hon. Lady's question is that every Member of this House, including Ministers, must take responsibility for the veracity or otherwise of what he or she says. If somebody thinks the House has been inadvertently misled by a Member, the Member is responsible for correcting the record. That is the first point. The second point is that the recourse available to the hon. Lady lies in the Order Paper and the advice proffered by the Table Office. What I mean by that is that persistence pays, and if the hon. Lady thinks she has a good point, she should repeat it. She will have heard me make the observation that repetition is not a novel phenomenon in the House of Commons, and if she wants to keep making her point, she can take advice from the welter of sagacious and experienced colleagues around her as to how best to do so; most of them are very practised at the art, as I am sure the hon. Lady will be, too.

**Yvette Cooper** (Normanton, Pontefract and Castleford) (Lab): On a point of order, Mr Speaker. The House will have heard many tributes made to Holocaust Memorial Day today and the Holocaust Educational Trust campaign, “Don't stand by.” In the light of that and in that spirit,

do you agree that it was inappropriate for the Prime Minister, in referring to the refugee crisis in Europe, to use language such as “a bunch of migrants”? Do you think that it would be appropriate for the House to ask the Prime Minister to withdraw that language and use much more statesmanlike language about the need to build a cross-party consensus on such a complex and sensitive issue?

**Mr Speaker:** The right hon. Lady speaks with enormous experience in this House and I respect what she says. I completely identify and empathise with her observations about the Holocaust Memorial Day, which she and I on other occasions have marked at events together, so I take what she says extremely seriously. I do have to say to her and the House, however, that the observation in question was not disorderly; it was not unparliamentary. Everybody must take responsibility for the remarks he or she makes in this House and it is very clear that the right hon. Lady would not have used that term. It is open to the Prime Minister to comment on it if he wishes, but I am not entitled to try to oblige him to say anything on the matter. The right hon. Lady has made her point very clearly, however; it is on the record and people will make their own assessments of this matter.

**Several hon. Members** *rose*—

**Mr Speaker:** Order. The hon. Member for Dundee West (Chris Law) was becoming moderately agitated, so let's have a point of order from him; let's hear the man.

**Chris Law** (Dundee West) (SNP): On a point of order, Mr Speaker. At business questions last week I asked a question relating to post-study work visas, an issue that is subject to an ongoing inquiry by the Scottish Affairs Committee. The Leader of the House responded by stating that this was

“an area that was not in the Smith commission report.”—[*Official Report*, 21 January 2016; Vol. 604, c. 1566.]

However, I have a copy of the report with me, and page 28 states that

“the Scottish and UK Governments should work together to... explore the possibility of introducing formal schemes to allow international higher education students graduating from Scottish further and higher education institutions to remain in Scotland and contribute to economic activity for a defined period of time.”

May I ask your advice, Mr Speaker, on how the Leader of the House can correct the record and offer a commitment that the Government will now seriously consider this issue, as recommended by the cross-party Smith commission?

**Mr Speaker:** Notwithstanding the serious and statesmanlike countenance of the hon. Gentleman as he rose to raise his point of order, it suffered from the material disadvantage of being many things but not a point of order for the Chair. We can all read the Smith report. I confess that I am not myself familiar with, or do not have an instant recall of, page 28, so the hon. Gentleman has the advantage of me there, but he asks what opportunity there is for him to try to hold the Leader of the House to account, and the short answer is tomorrow at business questions. I am sure the hon. Gentleman will be in his place, and if he is, I will see him.

**Stephen Doughty** (Cardiff South and Penarth) (Lab/Co-op): On a point of order, Mr Speaker. In recent weeks, Ministers have made a number of statements here and in Westminster Hall about the steel industry, and in particular about the crucial issue of the Government's procurement measures. It was therefore extraordinary to get a written answer from the Ministry of Defence yesterday stating that

"the Ministry of Defence (MOD) does not hold a complete, centralised record of steel procurement for projects and equipment, either in terms of quantity or country of origin".

In the light of that extraordinary revelation, Mr Speaker, how would you advise me to gain greater clarity on whether the Government's claims about what they are doing on procurement in the steel industry are actually the case, given that they do not appear even to be keeping records?

**Mr Speaker:** As I think the hon. Gentleman knows, his salvation lies in further questions and in the pursuit of debate, and there are opportunities to seek Adjournment debates. I say in no spirit of unkindness or discourtesy to him that I think it is evident from his puckish grin that he was more interested in making his point to me than in anything I might have had to say to him. We will leave it there for now.

**Christian Matheson** (City of Chester) (Lab): On a point of order, Mr Speaker. A few minutes ago, in response to a question from my hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh), the Prime Minister referred to the hon. Member for Richmond Park (Zac Goldsmith) by his first name. It could of course be the case that the hon. Member for Richmond Park has recently been appointed as the Crown steward or bailiff of the Manor of Northstead, or perhaps the steward of the Chiltern hundreds of Stoke, Burnham and Desborough, but I do not believe that that is the case, and he should therefore be referred to in this House by his constituency. I believe that the Prime Minister did it in order to gain electoral advantage on this evening's news coverage in London by using a name that most viewers would recognise. I also believe that the Prime Minister has been disrespectful to the House and to its procedures in seeking electoral advantage for the Conservative party. I wonder whether you concur with that, Sir, and I seek your advice on how we might upbraid the Prime Minister for that discourtesy.

**Mr Speaker:** I am very grateful to the hon. Gentleman, who has rather magnified the issue by raising it this way. I do not disrespect him for that; I simply make that point en passant. I would say two things to him. First, Members should of course be referred to by their constituencies and not by their names. Secondly, I think this was almost certainly an oversight. Even the Prime Minister, who is immensely experienced and dexterous at the Dispatch Box, can be responsible for an oversight in the heat of the moment. I think that it was nothing more than that, just as when I momentarily forgot to call Mr Vickers to ask his question. We are all fallible—even, I suspect, the hon. Gentleman, on a bad day.

## Driving Instructors (Registration)

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

12.48 pm

**Sir David Amess** (Southend West) (Con): I beg to move,

That leave be given to bring in a Bill to make provision about the registration of driving instructors.

The Bill provides for two deregulatory measures to simplify the registration of driving instructors. The first measure allows a driving instructor to request voluntary removal from the register of driving instructors. The second simplifies the process for re-joining the register where a person's registration has lapsed for between one and four years.

To become registered as an approved driving instructor—or ADI as they are known—a person currently has to pass three examinations that test theory, driving ability and instructional skill. They must be medically fit and a fit and proper person to be entered on the register. The total cost of taking all the required tests, obtaining a trainee licence and joining the ADI register is approximately £750.

A driving instructor's name is added to the register on qualification and remains on the list for four years. Once a person is on the register, they are required to take a standards check within four years to ensure that they are still instructing to an approved standard.

Under current legislation, a person can be removed from the register only—I find this quite extraordinary—if the registration runs out or they are removed from the register for conduct, competence or disciplinary reasons. The Bill would allow for voluntary removal from the register in the case of illness or other commitments such as caring for an older relative, maternity leave or a period of residence overseas.

Let me give three examples, which have been brought to my attention, of how the current legislation impacts on ADIs who wish to leave the register. The first is an ADI who was caring for his terminally ill parent and could not attend his standards check. Under current legislation, he had to be removed from the register for disciplinary reasons, which was absolutely ridiculous. To return to the register, he would have to requalify via the three-part qualification route, and his disciplinary record would be taken into consideration.

The second example is a female ADI who felt compelled to renew her registration despite taking a career break from instruction to bring up her two young children. If she had not renewed her registration at a cost of £300 it would have lapsed and she would then have had to undergo the three-part requalification process, which is crazy. The ADI felt that that was discriminatory. She would have preferred to leave the register voluntarily and return at a later date via the shortened route.

The third and final example is of an ADI who allowed his registration to lapse after having a heart attack. At the end of the 12-month period in which he could reregister without requalifying, the ADI was still on medication and did not feel well enough to resume instructing. The registrar did allow him a two-month grace period, but although that was welcome the ADI felt that he had been placed under undue stress, which could impact on his recovery.

[Sir David Amess]

Currently, if an ADI has been off the register for less than a year, they can reapply and will be added back on to the register, subject to conduct and medical fitness requirements. However, if the ADI's registration had lapsed for more than a year at the time they reapplied, they would have to retake the three ADI qualification exams.

The problems caused by the current legislation were brought to my attention by a constituent who runs a driving school that employs 200 drivers. His reasons for contacting me on this issue are as follows. The driving instructor industry is, for a number of reasons, losing driving instructors—I was surprised by this—and the process of qualifying can be a long one due to the waiting times for tests. As a result, the UK has a shortage of driving instructors, of which I am sure that the House was not aware. My constituent's company has a waiting list of some six weeks for pupils to start to learn to drive, which is hindering many young adults in their careers. This is a common issue across the country, and my constituent has spoken to many driving school owners in Thurrock and in Essex more widely who are experiencing the same issues.

As the role of a driving instructor is not a physical one, many ex-driving instructors would like to get back to instructing, but the lengthy requalifying process is making them decide against it, which is a shame as they have much in the way of skills and experience to give the industry. If the ADI is within 12 months of their registration finishing, however, they can just reapply without having to go through the whole process again. To help alleviate the problems of getting ex-instructors back into the industry we need to streamline the process, and, if possible, extend the 12-month period.

The cost of retaking the three qualifying exams and the time taken to complete them are both cited as reasons why such a small number of instructors return to the profession after a break. It is extraordinary that, of the 43,000 registered ADIs, only 25, on average, wish to return each year.

Simplifying the process of returning to the register after a break of one to four years by allowing the instructor to pass a standards check instead would

reduce the qualifying time from 36 weeks to only six weeks and avoid the £194 cost of undergoing the three-part qualification. The standards check that returning instructors would take would be the same as the one that practising ADIs currently take during the period of their registration to ensure their continued competence to instruct.

A person applying to re-join the register by that route would have a maximum of three attempts at passing the standards check. If they failed three times they would have to repeat the full requalification process if they wanted to re-join the register, thus ensuring that the highest standards are maintained. This faster route would not be available to those removed from the register for disciplinary reasons.

The majority of driving instructors in Great Britain—they are in all of our constituencies—are very small businesses or self-employed. The changes to current legislation, which I was told by the Department for Transport were necessary to meet the concerns of my constituent, are outlined in the Bill. They would allow ADIs to be placed on the register more quickly and at a lower cost, benefiting both instructors and driving school owners such as my constituent. There would be no lowering of standards as the returning instructors would be tested to the same rigorous standard as their colleagues already on the register. I should warn the House that it is not my intent to give instructions on how to drive or to set up a school of motoring.

The geographical extent of the Bill will be for Great Britain, excluding Northern Ireland. This Bill will allow instructors voluntarily to leave the register for a period of time for health reasons or for family commitments and provide a simple, cost-effective way for them to return to their profession without compromising instruction standards. I commend the measure to the House.

*Question put and agreed to.*

*Ordered,*

That Sir David Amess, Rosie Cooper, Martyn Day, Margaret Ferrier, Mr Roger Godsiff, Kevin Hollinrake, Steve McCabe, Wendy Morton, John Redwood, Andrew Rosindell, Dame Angela Watkinson and Mr Mark Williams present the Bill.

Sir David Amess accordingly presented the Bill.

*Bill read the First time; to be read a Second time on Friday 5 February, and to be printed (Bill 125).*

## Opposition Day

[17<sup>TH</sup> ALLOTTED DAY]

### Housing Benefit and Supported Housing

**Mr Speaker:** Before I call the right hon. Member for Wentworth and Dearne (John Healey) who speaks for the Opposition on these matters, let me say that it may be of interest to the House and useful to those on the Front Benches to know that no fewer than 19 Back-Bench Members are seeking to catch my eye. In deciding on a time limit, I shall have to take account of the length of contributions from the Front Bench, and those on the Front Bench, being ever considerate, will, I am sure, wish to ensure that their contributions are tailored to allow for the views of Back Benchers to be expressed.

12.58 pm

**John Healey (Wentworth and Dearne) (Lab):** I beg to move,

That this House believes that the Government's planned cuts to housing benefit support for vulnerable people in specialist housing, including the elderly and people who are homeless, disabled or fleeing domestic violence, risk leading to the widespread closure of this accommodation; notes the concern from charities, housing associations, councils and others across the country about the severe effect of these cuts; further notes that supported housing has already suffered as a result of Government spending cuts and policy decisions; notes that the planned changes will apply to all new tenancies from April 2016; notes the clear evidence that the Government's proposal to mitigate these cuts with discretionary housing payments will not work; and calls on the Government to urgently exempt supported housing from these housing benefit cuts and to consult fully with supported housing providers to safeguard this essential accommodation.

We have called the debate to give voice to hundreds of thousands of elderly and vulnerable people whose homes have been put at risk by the Government. It is very encouraging to know that 19 Members from both sides of the House wish to express their concern and to make a contribution to this debate.

We have also called the debate to expose the decision to challenge; and to expose it to compassion and to care. We want to expose it, too, to common sense. In his November spending review, the Chancellor announced that

"housing benefit in the social sector will be capped at the relevant local housing allowance."—[*Official Report*, 25 November 2015; Vol. 602, c. 1360.]

With one short, sweeping sentence, he put at risk almost all supported and sheltered housing for the frail elderly, the homeless, young adults leaving care, those suffering with dementia, people with mental illness or learning disabilities, veterans and women fleeing domestic violence. According to those who provide that type of housing, he condemns nearly half of all such housing schemes to closure. He has already caused the cancellation of building work on nearly 2,500 new homes for people in those groups. The shadow Work and Pensions Secretary—my hon. Friend the Member for Pontypridd (Owen Smith)—and I therefore joined forces to use the motion and the debate to draw attention to how the Chancellor's crude housing benefit cut could hit the lives of hundreds of thousands of people who totally depend on such specialist housing, many of whom are the most vulnerable people with nowhere else to turn.

The National Housing Federation says that 156,000 homes—at least that number of people will be affected—are set to close. A survey by *Inside Housing* found that one in four supported housing providers are set to close everything, while 19 out of 20 say that they will close some of their supported accommodation.

Since the spending review, as you might expect, Mr Speaker, I have been asking Ministers for evidence regarding the decision. I asked the Minister for Housing and Planning how many elderly people will be affected by the Chancellor's cut, but he told me that the Government do not know. I asked how many women fleeing from domestic violence will be affected—don't know; how many people with mental health problems—don't know; how many young people leaving care—don't know. The Government do not even know how many people in supported housing receive the housing benefit that they plan to cut.

The Minister did tell me, however, that the Government have commissioned an evidence review. It started in December 2014 and should have been completed by November 2015, but was not. Why not? In response to a parliamentary question, the Minister told me that the delay was due to

"the emerging complexity in the design and delivery of the review"

and "General Election Purdah restrictions". The Minister therefore did not know what he was doing when he commissioned the review, and he must have been alone in the House and the country in not knowing that there was a general election in May last year. He says that the review will be ready later this year, so he does not even know when he will know what, at the moment, he does not know. What a shambles! What a serious dereliction of duty from a Government who should be making policy on the basis of evidence, especially when that policy affects the lives of so many very vulnerable people.

**Steve McCabe (Birmingham, Selly Oak) (Lab):** Does my right hon. Friend agree that one helpful thing that the Minister could do during the debate would be to make it clear that the cap applies to housing benefit, not to the service charge applied to so many in supported accommodation?

**John Healey:** I do not often disagree with my hon. Friend, but I do not agree that that is the solution. It is absolutely clear, as the motion says, that the Government need to act immediately and confirm that they will exempt in full supported housing from these housing benefit cuts. They then need to work with housing providers to ensure that such housing can be developed and secured for the future. I hope that my hon. Friend accepts that argument and will back us in the Lobby today.

**Neil Coyle (Bermondsey and Old Southwark) (Lab):** My right hon. Friend suggests that the Government do not know what they are doing, but does he agree that it could be suggested that they do not care about the people whom they are directly affecting? They should care, however, that the Homes and Communities Agency has estimated that its investment in supported housing results in a net benefit of £640 million a year.

**John Healey:** My hon. Friend makes an important point and I shall come on to touch on that matter, albeit lightly. People will make their own judgments about whether Ministers and the Government know and care enough so that they act to stop the cuts.

The devastating decision has been made with no consultation, no impact assessment and no evidence. This is not a tussle between Government and Opposition Front Benchers because the situation concerns each and every Member of the House. Every MP has in their constituency hundreds of residents in supported or sheltered housing, many of whom cannot pay their rent and service charges for themselves and totally depend on housing benefit to help to cover their costs.

**Andrew Gwynne** (Denton and Reddish) (Lab): Is not the real unfairness that supported housing, for many of our constituents, is an expensive but necessary choice? Without additional support from the housing benefit system, those people would not be able to afford such accommodation, which is vital to their everyday needs.

**John Healey:** My hon. Friend characteristically puts in a couple of sentences the main point that I am making, and he does so extremely well.

**Simon Hoare** (North Dorset) (Con): The right hon. Gentleman rightly says that we all have constituents in accommodation such as sheltered housing, and he knows that all Members, irrespective of their party, care about our constituents. Will he dissociate himself from the suggestion made by the hon. Member for Bermondsey and Old Southwark (Neil Coyle) that Conservative Members, in seeking to bring forward changes, do not care, because we do?

**John Healey:** It is down to the hon. Gentleman and his Front-Bench colleagues to demonstrate that case to those who are watching the debate, and especially to the people whose homes and lives are at risk.

As I said, every Member of the House has constituents who are threatened by the Chancellor's crude housing benefit cut. In the Minister for Housing and Planning's local authority area of Great Yarmouth, there are some 258 people in supported housing and at least 139 in sheltered housing. The numbers are even higher for Swindon and Tunbridge Wells. What do we say to these residents and their families? What do we say to the committed charities, churches, housing associations and other groups that provide such specialist housing and are so concerned?

**Mr Stewart Jackson** (Peterborough) (Con): Surely the right hon. Gentleman concedes that this is not a back-of-a-fag-packet policy and that the Government are doing a sensible thing by collating all the information and demonstrable data as part of a proper scoping exercise on assisted housing, with an impact assessment. They have also put aside nearly £500 million for discretionary housing payments and the changes will not take effect until April 2018. Surely that is a sensible policy for the Government to pursue.

**John Healey:** We have not seen the information and we have not seen the evidence—we have not even seen the fag packet. Without the information and the evidence, why on earth did the Chancellor take this decision in

the spending review before Christmas, thus pre-empting exactly what good policy and decision making should be based on?

**Kevin Hollinrake** (Thirsk and Malton) (Con): Given that the right hon. Gentleman has not seen the evidence, why is he holding the debate now?

**John Healey:** My hon. Friend the Member for Pontypridd and I called the debate to give voice to widespread concerns, to try to make the Government think again and to say that they must make exemptions from the cut. I shall set out in a moment why Ministers need to take a decision immediately.

Let me explain how the process will work. The Chancellor's decision caps housing benefit for social tenants at a new rate, which is the same amount that private rental tenants receive through the local housing allowance. For most general council and housing association homes, this will not cause tenants any immediate concerns as their rents are lower than that level. However, specialist housing services and schemes that provide extra care and support involve much higher housing costs, with their higher rents and service charges often covered by housing benefit. The Government know that from their 2011 report on supported housing, which listed the main reasons:

"providing 24 hour housing management cover...providing more housing related support than in mainstream housing...organising more frequent repairs or refurbishment...providing more frequent mediating between tenants; and providing extra CCTV and security services".

That is why rents in that type of accommodation do not mirror the rates in general private rented accommodation in the local area, but that is the level of the Chancellor's cut and cap.

**Chris Leslie** (Nottingham East) (Lab/Co-op): My right hon. Friend will know that, in Nottingham, the housing charity Framework is appalled at the impact of the change on the supported accommodation it provides for some of the most vulnerable people in my constituency. It says that hundreds and hundreds of spaces will have to close by 2018 if the change goes ahead. This is a very real problem facing some of the most deprived and vulnerable people in the country, and I applaud the fact that he has called this Opposition debate.

**John Healey:** I thank my hon. Friend and applaud his effort to talk to providers in his constituency. The fears that Framework expressed are widely voiced and shared by providers who offer that type of housing and support. I do not know what figures he has for Nottingham, but Homeless Link cites figures in Birmingham that expose the shortfall. The average national rent in a homeless hostel is about £180 per week. The local housing allowance rate in Birmingham is half that figure, at £98.87 a week. The local housing allowance rate for a room in a shared house, which is all that single people under 35 are entitled to, is just £57.34 a week—a shortfall of over £120 per week, per tenant.

Supported housing is not just an emergency bed or a roof over someone's head; the support helps people to get their lives back together. Last year, 1,500—or two in five—people housed by St Mungo's in its hostels moved on from supported housing into individual accommodation. Last year, St Vincent's—the Manchester-based housing

charity—saw 15 of its young Foyer residents go on to university, one to Oxford. For thousands of other people with severe autism, learning disabilities, dementia and mental illness, living as independently as possible in supported housing, there is no alternative but hospital and residential care, which are much more institutionalised for the residents and much more expensive for the taxpayer. This policy risks turning the clock back on people's lives and standards of care by 40 years.

**Mr Clive Betts** (Sheffield South East) (Lab): My right hon. Friend has illustrated his case by referring to people for whom the alternative may be much more expensive and less adequate care. There are other people, such as women fleeing domestic violence with their children, who come to very good accommodation in my constituency, who will have no alternative at all if those places are closed down as a result of these measures.

**John Healey**: My hon. Friend, who chairs the Select Committee on Communities and Local Government, understands this better perhaps than anyone in the House. There is no alternative to the supported housing needed by many of the most vulnerable people, and which they have at present. That is why Ministers must act immediately to exempt supported housing in full from the crude cuts and undertake a detailed consultation with providers about how such housing can be secured in future. Before Christmas, I revealed the scale of the problems facing people in specialist supported housing.

**Graham Evans** (Weaver Vale) (Con): Will the right hon. Gentleman give way?

**John Healey**: No, I will carry on for the moment.

Since then, we have had a series of half-baked statements from the Government. The first was, "This is unnecessary scaremongering." Not true—we are giving voice to the warnings and evidence from those who have the facts and will have to manage the consequences. Those are organisations the British public trust and respect, including Age UK, Mencap and Women's Aid. Secondly, "nothing will change until 2018."

Not true—the cut and the cap apply to new tenancies from April this year, so the problem is immediate. My local housing association, South Yorkshire Housing Association, has told me that

"it takes time to rehouse anyone, let alone the most vulnerable people. Consultation on scheme closures will need to begin within a matter of weeks".

No one will sign contracts for supported housing when they do not know whether the basic costs can be covered. New investment has already been stopped in its tracks: one in five providers have frozen investment and new schemes, according to the Inside Housing survey. Golden Lane Housing, Mencap's housing arm, had plans for £100 million of investment over the next five years in supported housing across England, but they have been scrapped.

Thirdly,

"Additional discretionary housing payment funding will be made available to local authorities, to protect the most vulnerable, including those in supported housing".

Not true—the fund is run by councils to deal with emergency applications from people already coping with the bedroom tax, the benefits cap, and the cuts in the

last Parliament to the local housing allowance. Awards often run for only a few months. The fund is currently £120 million a year, and it is a short-term and overstretched measure.

Policy costing in the autumn statement scores the cost of the Chancellor's housing benefit cut at £515 million. The Government proposed to top up the discretionary housing payments fund by not £515 million but £70 million. Housing organisations rightly dismiss the idea that the fund is the solution, saying that that is "nonsense and unworkable".

**Barbara Keeley** (Worsley and Eccles South) (Lab): The insufficiency of discretionary housing payments for the bedroom tax has been shown again and again. I am delighted that today at least one case involving a family of carers has been exempted. Does my right hon. Friend agree that facing this sort of situation preys on the minds of vulnerable people, as they know that they have to apply for a discretionary housing payment and may not get it?

**John Healey**: I think that my hon. Friend is discussing the case in the High Court, which found the Government to be in breach of equality legislation. We have always said that the bedroom tax is unfair, punishing people who often cannot afford to make up the difference, and that it should be scrapped. I hope that today's High Court judgment will lead Ministers to think again about the bedroom tax and to act to stop the housing benefit cut damaging the prospects of many people.

The question for the Minister for Housing and Planning and for the Secretary of State—who was in the Chamber a moment ago, but then scarpered—is: did they discuss the cut with Treasury Ministers before the spending review? Was the Department even consulted? Either they did not spot it or they did not stop it. Either way, the Minister, the Secretary of State and the Department have been disregarded and overruled by the Chancellor.

The Housing and Planning Minister is in the Chamber to try to explain why housing schemes supporting more than 150,000 of the most vulnerable people, with nowhere else to turn, are set to close, while the real culprit keeps his head down in the Treasury. Forced to backtrack on tax credits when a tough stance on benefits backfired, the Chancellor turned to housing benefit cuts across the board to make his fiscal sums add up. With this, he has made the same errors of judgment. He has put politics above good policy and even basic humanity. He announces first, and asks questions later. He is failing many vulnerable people, and he is failing the taxpayer too.

This decision is a big test for the Conservative Government. The Prime Minister said just before the election:

"I don't want to leave anyone behind. The test of a good society is you look after the elderly, the frail, the vulnerable, the poorest in our society."

So will the Government act immediately and confirm that they will exempt in full from this crude, sweeping housing benefits cut those in supported and sheltered housing? Will they work with those who provide that housing to ensure that it is secure for the future? The only decision for Ministers to take on the motion before the House is to exempt that housing—a decision that would be based on evidence, compassion and care.

1.20 pm

**The Minister for Housing and Planning (Brandon Lewis):** Once again, I stand at the Dispatch Box grateful for the subject chosen by the Opposition for debate. We are always happy to discuss welfare reform, because it is at the heart of the Government's agenda. We make no apology for this commitment to the people of Britain.

Our aim is simple. We need to balance the books and introduce a welfare system that is fair to taxpayers, where work pays and where having a job is always preferable to a life on benefits. The right hon. Member for Wentworth and Dearne (John Healey) speaks as though we are debating in a vacuum. We have to bear in mind where we have come from in order to understand where we are going, and the wider picture. Let us remember that in 2010 we inherited a welfare system that failed to reward work, hurt taxpayers, and was a millstone around the neck of the British economy. During the 13 years of the Labour Government, welfare spending had shot up by 60% in real terms and 1.4 million people had spent most of the previous decade trapped on out-of-work benefits. The result was a benefits system in disarray, which was costing taxpayers an extra £3,000 a year.

**John Glen (Salisbury) (Con):** Was my hon. Friend as surprised as I was when he heard his opposite number talking about good policy, when in the last 10 years of the Labour Government housing benefits increased by 46% in real terms? How could that be considered good policy?

**Brandon Lewis:** My hon. Friend, as ever, makes a powerful point about the way the Labour Government worked to trap people in dependency. We want to work with people to drive aspiration, while giving a fair deal to the British taxpayer.

**Julian Knight (Solihull) (Con):** Does my hon. Friend agree that the contribution from the Opposition Front Bench was long on flannel but short on facts? The independent Institute for Fiscal Studies predicts that despite small initial savings, there will be long-term benefits from capping housing benefit. My hon. Friend may wish to comment on that.

**Brandon Lewis:** My hon. Friend highlights the weakness of the Opposition's position. They never look at the entire picture; they just want to make short-term political points.

**Owen Smith (Pontypridd) (Lab):** Will the Minister confirm that the coalition Government, including the Tory party, spent £130 billion more than the previous Labour Government on welfare, breaching £1 trillion for the first time under any Government? Is that not a fact?

**Brandon Lewis:** The hon. Gentleman highlights the terrible mess that the coalition Government inherited. There was no fairness for hard-working taxpayers in such a system. There was nothing progressive in trapping people in lives without hope for a brighter future. The welfare system that his party left was broken, yet the Opposition have since then opposed every single decision we have taken to fix it. We have never heard from them proposals for alternative reforms, which can mean only

that they oppose making any difficult decisions at all. It is easy to make noise, but much harder to do the right thing by the British people. We have seen one tactic time and again—scaremongering, exploiting the concerns of the very people they claim to represent, and playing politics with the lives of vulnerable people. Today's debate is no exception.

**Chris Leslie:** If the Minister wants a specific proposal to save money on housing benefit and welfare, why does he not look at the £4.6 billion lost through fraud and error in the administration of our housing benefit system? Why does he not get a grip on that and introduce some better credit rating agency checks for applications? That is where the savings should be made, rather than on the backs of the most vulnerable people in our society.

**Brandon Lewis:** We have been clear about protecting the most vulnerable people in our society; I will come to that in a moment. The hon. Gentleman is right. We need to continue to make progress in cracking down on fraud and error, and in local government as well—something that the Labour Government did nothing about.

**Graham Evans:** My hon. Friend is making some powerful points. Will he remind the House that the Government are issuing £800 million to be allocated to local authorities for discretionary housing payments, and that a further £40 million was announced in the autumn statement for supporting the vulnerable, particularly for refugees for beaten women?

**Brandon Lewis:** My hon. Friend makes a strong point. It is rare that I disagree with him, but the figure is slightly better than he says. There is £870 million coming through. He highlights the Government's clear focus on these issues.

**Robert Jenrick (Newark) (Con):** Does my hon. Friend share my surprise that until we heard from the former shadow Chancellor of the Exchequer, we had not heard, in 25 minutes of listening to the shadow Minister, any suggestion or acknowledgement that housing benefit is now an issue that any responsible Chancellor needs to look at? We spend more on housing benefit than on secondary education and it represents 50% of what we spend on the defence budget. No responsible Chancellor of the Exchequer would not be losing sleep about housing benefit and looking to reform it.

**Brandon Lewis:** My hon. Friend makes another clear and important point. Not just in the past 25 minutes, but in the past six years, Labour has said nothing constructive about how to deal with these issues for the benefit of the British taxpayer.

**Several hon. Members rose—**

**Brandon Lewis:** I shall make a little progress and then take more interventions.

This Government have always been clear that the most vulnerable will be supported through our welfare reforms. We know that the welfare system is vital for supporting vulnerable people, and we know it is essential that all vulnerable people have a roof over their heads. That is why we have been determined to support their housing needs. We have set aside over £500 million to create a strong safety net against homelessness; we recently pledged £40 million for domestic abuse services,



ensuring that no victim is turned away from the support they need; at the autumn statement we announced a further £400 million to deliver 8,000 specialist affordable homes for the vulnerable, elderly or those with disabilities; and the Department of Health committed to fund up to 7,500 further specialised homes for disabled and older people.

We spent an extra £2 billion on main disability benefits over the course of the last Parliament, and by 2020 we will be spending at least £10 billion a year extra over and above inflation on the NHS, including a record £11.4 billion a year on mental health, which we can do because of the stronger economy that the Chancellor has brought to our country.

**Yasmin Qureshi** (Bolton South East) (Lab): The Minister is giving us the statistics on how much money the Government have put aside or will be spending. I ask him a straight question: will people currently in supported housing be protected, rather than being turfed out and made homeless? That is a simple question.

**Brandon Lewis:** As I will set out in more detail later, we will make sure that the most vulnerable people are protected. That is what the welfare system is all about.

**Neil Gray** (Airdrie and Shotts) (SNP): The Minister talks about women's refuges. The manager of Monklands Women's Aid, Sharon Aitchison, has just emailed me. She says:

"There is no doubt that our current set-up with housing benefit is already stretched to the max, so the refuge provisions viability would most certainly be in question and the reality is we would be unable to fund refuge provision if the cap went ahead for us."

What does the Minister say to Sharon Aitchison, the manager of my local women's refuge, which provides a brilliant service for women and children in desperate situations?

**Brandon Lewis:** As I have just outlined, this Government announced an extra £40 million for domestic abuse services.

Funding for supported housing is part of the Government's wider financial settlement to councils, which includes £5.3 billion in the better care fund in 2015-16 to deliver faster and deeper integration of health and social care. That will result in councils being better able to work together and invest in early action to help people live safely in their own homes for longer.

**Barbara Keeley:** I am amazed. The Minister has started trotting out figures for the better care fund. That fund is back-loaded: the money will not reach councils until 2019-20, and is cancelled out by the new homes bonus being taken back at the same time. We have already lost an awful lot of support for older and vulnerable people.

Does the Minister believe, as he seems to have just said, that the most vulnerable will be supported by the welfare reforms? That is just not true, as we see from all the court cases that are going through. How will people in 2,300 units of housing for older people in Salford be protected? I advise the Minister not to talk about discretionary housing payments, as those have been shown to be insufficient.

**Brandon Lewis:** I think that the hon. Lady, in talking about the settlement, is referring to the new £1.5 billion coming through. As I am sure she is aware, our affordable homes programme actually delivers 6% more supported homes a year than Labour's equivalent did.

Of course, the supported housing sector is wide and varied, but all the different kinds of provision have one thing in common: they all provide dedicated support for some of our country's most vulnerable people.

**Several hon. Members** *rose*—

**Brandon Lewis:** I am going to make some progress, because many Members wish to speak, but I will give way again shortly.

Many supported housing tenants have multiple physical and mental health problems, histories of offending and dependency issues. They might be elderly, socially isolated or face barriers to accessing employment or living independently. We know that supported housing can also reduce costs to the wider public sector—for example, in health and adult social care or in criminal justice.

I am sure that the whole House will agree that we want all our families, friends and constituents to live fulfilling and independent lives, wherever possible in a home of their own. Some people need more help to do that, and supported housing gives them that assistance. It provides a place of safety and stability. It helps people get their lives in order. It improves their health and wellbeing, and it provides the platform from which they can reach their full potential.

My ministerial colleagues and I have been out and seen for ourselves, over not only the past few months but the past few years, the difference that supported housing can make. Homeless hostels, such as Shekinah in Plymouth, which I visited last January, provide not only accommodation but invaluable opportunities for people in recovery. The same is true for specialised housing for older or disabled people, such as the Lady Susan Court development in Basingstoke, which I have visited. The residents there are delighted with their homes, which have allowed them to maintain their independence. Their only regret is not having moved in sooner.

My colleague Baroness Williams has also seen how domestic abuse refuges, such as the Saheli Asian Women's Project in Manchester, are helping women flee terrible abuse and violent relationships and start new lives. Protecting the most vulnerable in society and supporting their housing needs is just as much a priority as driving down the deficit. There need be no contradiction between those two aims.

**Helen Hayes** (Dulwich and West Norwood) (Lab): Last week I visited Camberwell Foyer in my constituency, which is run by Centrepont; I was shown around by Shante and Tia, who live there. The Foyer provides brilliant support for young people who would otherwise be homeless for a period of time. It has expressed grave concerns to me about the impact that the withdrawal of housing benefit from 16 to 21-year-olds will have on youth homelessness, in relation to the demand for their services, which it fears it would be unable to meet, and also on young people who are ready to move on and will not be able to access housing benefit for the homes they need. How does the Minister answer that point?

**Madam Deputy Speaker (Natascha Engel):** Order.

**Brandon Lewis:** I think there was an intervention somewhere in that speech. The hon. Lady has experience of the excellent work that those organisations do, as do I—I was a trustee of a Foyer. That is why it is important that we ensure that we protect the most vulnerable in society.

**Mr Jackson:** Is not the difference between the two sides of the House the fact that we on the Government side have got 339,000 disabled people into work and off benefits, whereas in 2010 the Labour party, to its eternal shame, presided over a situation in which 70% of people on disability living allowance had never been systematically re-assessed? That is a shocking and disgraceful record.

**Brandon Lewis:** My hon. Friend highlights the difference between the two parties. We want to ensure that we get a deal that protects the most vulnerable in society, helps them out and gives them an aspirational opportunity to move forward in their lives while getting a right and proper deal for the hard-working taxpayer.

In the autumn statement we announced that social sector rents eligible for housing benefit will be limited to the level of the relevant local housing allowance rate, including the shared accommodation rate for single claimants under 35 who do not have dependent children. It will be effective from 1 April 2018, affecting all tenancies that commenced from 1 April 2016. I know that has raised some concerns, so let me be clear that we will always ensure appropriate protections for the most vulnerable in supported housing. We will work closely with the sector, through the supported housing review, to ensure that we do that in exactly the right way.

**Several hon. Members** *rose*—

**Brandon Lewis:** I give way to the Chair of the Communities and Local Government Committee.

**Mr Betts:** The Minister has rightly recognised the importance of supported and specialist housing. He has now just indicated that the Government will somehow protect people in these circumstances. Can he give any indication of how that will be done and when these measures will be announced, given that housing associations are already having to plan for potential change in 2018 that could lead to the closure of existing accommodation and to new accommodation not being built?

**Brandon Lewis:** The hon. Gentleman has effectively asked me to continue my speech, because I was just about to say, as I am sure he will appreciate, that the underlying principles are the bedrock of this policy formation. He, along with the right hon. Member for Wentworth and Dearne, urges the Government to note the concerns of supported housing providers, so let me reassure all Members of the House that we have of course been listening very carefully to those concerns, and we will continue to do so.

My ministerial colleagues and I have met representatives of the National Housing Federation and chief executives of housing associations that provide supported housing. We have listened very carefully to all these representations and noted everything that we have been told. We know that the costs of supported housing provision are higher

than general needs housing and that providers rely on housing benefit funding for support elements such as wardens, security and the up-keep of communal facilities.

**Jess Phillips** (Birmingham, Yardley) (Lab): I thank the Minister for finally giving way. Could he just point out exactly how he has been helping to protect the most vulnerable in the 34 specialist women's refuges that have shut since the Conservatives came to power? I also wonder whether he would like to join me this afternoon at the all-party group on domestic violence to meet pretty much every CEO from all the Women's Aid organisations across the country and see what they think.

**Brandon Lewis:** I am slightly surprised by the hon. Lady's comments. If she looks back at the *Hansard* report of this debate, she will see how many interventions I have already taken, so she might want to talk to her colleagues about the fact that they got in before her. I am sure that she appreciates that I will always take an intervention from the Chair of the Select Committee first.

The future of supported housing matters, which is why my Department and the Department for Work and Pensions have jointly commissioned a fact-finding review of the sector. This will report by the end of March and will deepen our knowledge and understanding. The research has included extensive consultation with local authorities, supported accommodation commissioners and all categories of supported housing providers, be they charities, housing associations or, indeed, those in the commercial sector. It will provide us with a better picture of the supported accommodation sector.

In the meantime—Lord Freud has written to all interested parties outlining this today—the 1% reduction will be deferred for 12 months for supported accommodation. We will get the findings of the review in the spring. We will work with the sector to ensure that the essential services it delivers continue to be provided while protecting the taxpayer, making sure that we make best use of the taxpayer's money and meet the Government's fiscal commitments. We will look at this urgently to provide certainty for the sector.

**Andrew Gwynne:** I am grateful to the Minister for giving way and for setting out the next steps. I put it to him politely that he ought to have done that kind of research before making the announcement in the first place. In order to give those housing providers certainty, can he now also tell the House precisely what kinds of measures will be implemented to offset the changes in housing benefit?

**Brandon Lewis:** I say gently to the hon. Gentleman that the financial mess in which the previous Labour Government left this country means that we have to make difficult decisions and move quickly to ensure that hard-working taxpayers are properly protected. I am proud to be working with a Chancellor who sees that as one of our first and foremost duties.

**Geoffrey Clifton-Brown** (The Cotswolds) (Con): Can I be the first on the Government side of the House to warmly welcome the announcement that my hon. Friend has just made? It makes eminent sense to postpone this decision for one year on the basis of proper evidence and facts. His supported housing review will report at

the end of March. After the review has concluded, will he come to conclusions on the matter rapidly? I was lobbied about this on Saturday by Bromford housing association in my constituency. There is a lot of uncertainty in the sector, so I urge him to come to conclusions rapidly after the review has concluded.

**Brandon Lewis:** As my hon. Friend rightly says, as the findings of the review come in we will look to work urgently with those in the sector to provide certainty for them.

**John Healey:** I welcome this partial step as an indication of progress. It has taken Labour's forcing this debate to get Ministers to take this 12-month backward step on the reduction in rents. However, what about the cuts to housing benefit for supported and sheltered housing? A pause is not enough. It will not remove the alarm or anxiety of residents or the uncertainty for providers, and it will not affect the schemes that have already been scrapped. The Minister must provide an exemption. Will he announce that now?

**Brandon Lewis:** It is almost as though the right hon. Gentleman forgets that when he was a Minister—I think in the DCLG, although he might well still have been at the Treasury—the Government of the time moved the spare room subsidy, which was first introduced under Labour, into the private sector and created the unfairness that we now see. I am not going to stand here and take a lecture from him about this Government doing the right thing in working with the sector to deliver the right outcome and to do what we have always done, which is to protect the most vulnerable in our society. Labour—I am afraid that the right hon. Gentleman is guilty of this—simply wants to get a headline by scaremongering around the country.

**Craig Williams (Cardiff North) (Con):** I, too, hugely welcome the exemption for a year as a really meaningful announcement. Like the £40 million for domestic violence refuges—a tripling of the budget—it is really significant and contrasts with the political point-scoring we have heard from the Opposition.

**Brandon Lewis:** My hon. Friend clearly highlights the difference between the two parties. Labour spends a lot of time on bluster while the Government are focused on getting the job done for the people of Great Britain.

**Richard Graham (Gloucester) (Con):** Can my hon. Friend confirm that those who will benefit from this exception from the 1% rent reduction during this year of consideration include those fleeing domestic abuse, and that it affects homeless provision and housing for ex-offenders as well as supported housing for older and disabled people? Does he recognise how much this will be welcomed by many of us? Will he pay tribute to those who are working with him on it, including Homeless Link and St Mungo's?

**Brandon Lewis:** My hon. Friend makes a very good point. A large number of people provide phenomenal services, across the sector and across the country, in working with the most vulnerable. We are keen to work with them to make sure that, as we have said all along, the right protections are in place for the most vulnerable people.

Let there be no doubt: this Government will always protect the most vulnerable and provide them with the support they need and a safe home to live in. We are a one nation Government. We want everyone to have the opportunity to live happy and fulfilling lives, wherever they are and wherever they live. We want workers to earn a living wage and benefit from our strong economic growth. We want to support aspiration, boost productivity, reward work over welfare, and allow people to keep more of the money they have earned in their own pockets. That is our new settlement for Britain—to keep moving from a low-wage, high-tax, high-welfare economy to a higher-wage, lower-tax, lower-welfare country.

On this journey, we will, I repeat, always support vulnerable people and make sure they have a safe home to live in. The whole House should support that aim. Instead, Labour Members are resorting to their favourite tactic of scaremongering for a short-term political headline. It is time to stop that kind of poor politics. It is time to stop playing politics with the lives of vulnerable people while we are working to help to provide the support they need and deserve—and we will provide it.

**Several hon. Members** *rose*—

**Madam Deputy Speaker (Natascha Engel):** Order. I remind hon. Members that there will be a speech limit of six minutes after the SNP Front-Bench spokesperson has finished.

1.43 pm

**Chris Stephens (Glasgow South West) (SNP):** I rise to support the motion in the name of the shadow Front Bench.

The starting point on issues surrounding housing benefit was the decision made a couple of months ago in a Delegated Legislation Committee to freeze housing benefit for four years. Once again, a decision was made in a Delegated Legislation Committee that should have been made through debate in this House. I am glad that the *Independent* newspaper, among others, has started to highlight this mechanism that the Government are using to bring in their most damaging policies affecting the country. I represent a constituency where 40% of homes are in the social rented sector and 10% in the private rented sector, so any changes in housing benefit will have an impact.

What has been most startling about these proposed changes, and the key thing to note, is that the Government have not produced any statistics on the number of housing benefit claimants who receive the benefit to pay for supported accommodation. In other words, the UK Government are proposing to cap lower LHA—local housing allowance—with no knowledge of how that impacts on women's refuges and sheltered and supported complexes for pensioners, among other types of accommodation. No statistics are available on the number of residents in supported housing who are in receipt of full or partial housing benefit. On 17 November 2015, the Government were asked for the latest figures on the number of supported housing schemes in England that participate in such a scheme. Baroness Williams of Trafford answered for the Government:

“We do not hold this information. More information on the scale, shape and cost of the supported accommodation sector should be available through the evidence review jointly commissioned by the Department for Communities and Local Government and the Department for Work and Pensions.”

[Chris Stephens]

If the Government do not know the impact of the change, why make it?

This Tory Government must halt their continued assault on housing benefit so as to ensure that those who need supported housing are not literally left out in the cold. Supported housing provides vital help to tens of thousands of people. It plays a crucial role in securing a safe home and supports people to live independently. Supported housing provides the support for older people to maintain independent lives. It provides emergency refuge and support for victims of domestic violence, helping them to stabilise their lives and to engage with other services that they require. Supported housing providers work with homeless people with complex and multiple needs and help them to make the transition from life on the street to a settled home, education, training and employment. In my constituency, I know the work of a charity called Soldiers Off The Street that supports military veterans who are homeless and struggle to meet the challenge of civilian life, having served in our armed forces.

Supported housing assists people with mental health needs to stabilise their lives, recover and live more independently. It supports people with learning disabilities in the longer term to maximise independent living and exercise more choice and control over their lives. The stark reality is that any change to housing benefit can undermine the ability of such tenants to pay their rent, thereby putting their home at risk and threatening their physical and mental wellbeing, as well as posing a threat to the financial stability of housing associations. Single people under 35 will lose out, as well as those who need supported housing. Analysis by the Institute for Fiscal Studies concluded that the savings arising out of this measure would be small in the short run, cutting housing benefit expenditure by £255 million in 2020-21.

The longer-term impact of the change is expected to be more significant. If applied to all social tenants now, housing benefit would be cut by £1.1 billion from a base of about £25 billion, with 800,000 households losing an average of £1,300 per year across the UK. An *Inside Housing* article from 21 January 2016 claims that 95% of supported housing providers would be forced to close their schemes. The Scottish Federation of Housing Associations has arrived at figures that point to the potential cash impact of the policy, as it stands, in Scotland, based on a small-scale piece of research that it conducted with its members in the weeks since the autumn statement.

The proposed changes could have a devastating effect on the future provision of refuge accommodation in Scotland, because that accommodation is in the ownership of either housing associations or local authorities. LHA rates do not take into account the additional cost to refuge providers of leasing accommodation from social landlords and the associated service charge costs. A range of additional costs are involved in providing and managing refuge accommodation for women and children fleeing domestic violence. These costs derive from the more intensive housing management due to the crisis nature of admission, the special vulnerability of the women and children concerned, and the variable lengths of stay and rapid turnover. Other requirements include the need for increased safety and security measures,

and the provision of furniture, bedding and equipment. Many refuges also include additional facilities such as communal rooms for counselling and therapeutic playrooms for children.

An analysis by the Angus branch of Scottish Women's Aid found that in all cases, refuge rent and service charge costs are significantly higher than the LHA rate. It provides the example of a rural area where introducing a cap linked to the LHA rate would result in an annual loss of £5,800 for a two-bedroom refuge flat. In other examples, the annual loss on a one-bedroom refuge flat in an urban area is £7,100 per year, while the loss on a three-bedroom refuge in a semi-urban area is £11,600 per year. In each case, the financial cost will be multiplied by the number of refuge spaces provided. Without the existing level of housing benefit to cover costs, refuges may be forced to close. It is estimated that 62% of housing association tenants rely on housing benefit to help them to pay their rent.

**Alan Brown** (Kilmarnock and Loudoun) (SNP): My hon. Friend is making a powerful speech. His point about the protection of refuges is important. In addition to our opposition to the Government measures, is it not quite clear that in Scotland, where housing is devolving—leaving the Scottish Government to protect the general stock, end the right to buy and fund new build housing and new supported accommodation—we need the full devolution of housing benefit to square the circle and to allow us to protect the most vulnerable and our general housing?

**Chris Stephens:** I agree with my hon. Friend. The SNP has been pursuing the full devolution of housing benefit.

The proposed introduction of the under-35s shared accommodation rate in social rented housing means that younger people will struggle to meet their rents, and it places women under the age of 35 at much greater risk of further abuse. The Scottish Federation of Housing Associations has found, based on its own analysis of the figures, that a single person aged under 35 who is reliant on housing benefit would face a weekly shortfall of £6.22, which is £323.44 per year. That translates into a rental loss of £2.8 million per year for housing associations in Scotland. The SFHA comments that that is likely to be a conservative estimate, given that, in August 2015, there were already 67,462 housing benefit claimants in social housing tenancies with housing associations in Scotland under the age of 35.

If women under the age of 35 are unable to access refuge accommodation or move into their own tenancy because of a restriction on their entitlement to housing benefit, that will in effect prevent them from leaving an abusive partner. In 2014-15, the 26 to 30-year-old age group had the highest incident rate of domestic abuse recorded by the police in Scotland. Women in that age group clearly have a significant need for domestic abuse support services, including refuge accommodation.

**Alison Thewliss** (Glasgow Central) (SNP): I thank my hon. Friend for making very important points about women in vulnerable circumstances. Does he agree that there are issues about universal credit, in that women in domestic abuse situations may find themselves in difficulty if it is split? That would put them in a vulnerable position, which would be compounded by their not having a refuge to go to.

**Chris Stephens:** That factor would compound the original error. My hon. Friend is absolutely correct to raise that issue.

Discretionary housing payment to top up the gap between LHA rates and the actual costs of providing supported accommodation is simply not secure enough in these uncertain financial times. The autumn statement indicated that additional discretionary housing payment would be made available to local authorities to protect the most vulnerable. This type of discretionary funding for the social sector is far too insecure and uncertain a funding mechanism to allow providers to continue to provide specialised accommodation, such as refuge accommodation. It would mean local authorities deciding at an individual level whose support needs would or would not be met. That would create a postcode lottery, as well as distressing tenants, worrying about whether they would be successful.

The Angus branch of Scottish Women's Aid claims that that would create additional barriers, not to mention risk, particularly for those women and children experiencing domestic abuse who are seeking refuge. In April 2013, Lord Freud responded to Scottish Women's Aid with his commitment to protect refuge accommodation from any unintended consequences of the welfare reforms. In order to ensure that such vital supported accommodation is protected, the UK Government must commit to at least exempting refuge providers from further squeezes. The Department for Work and Pensions has stated that the extent to which supported accommodation, including refuges, will be included within the cap is still to be decided. The DHP fund is a cash-limited annual allocation and the future of the payment is not secure, particularly if the pot is stretched to meet growing numbers. The DHP fund should not be used to top up benefit; instead, the changes—leaving gaping holes in the support for those that need it most to keep a roof over their heads—should not go ahead.

The proposed capping will lock out those who need support from seeking it or being able to afford it. The gap between the LHA paid and the price of supported housing could mean that many at-risk individuals will not receive the support they need from a residential tenancy. The Scottish Federation of Housing Associations argues that uncertainty about the allocation of DHP could leave potential tenants reluctant to take up supported accommodation that better suits their needs. Furthermore, it argues that the uncertainty and distress about access to appropriate support could create a vicious cycle of tenants not accessing support and associations being left with empty properties.

**Alan Brown:** Is it not absolutely contrary of the Government to say that they will protect the most vulnerable by providing additional DHP? The only way in which they can actually protect vulnerable people is by completely exempting them from the proposals for such types of accommodation, rather than by providing additional DHP.

**Chris Stephens:** I agree with my hon. Friend. It was interesting that the Minister, in his response to the Labour spokesman, made no mention of the additional cost of the proposals to the health service and other social services across the board. In some respects, these are penny-pinching proposals, given the higher costs that will arise in future.

The proposed cuts come in the context of additional Tory planned restrictions on housing benefit for some of the most disadvantaged people in society. As part of summer Budget 2015, the Chancellor announced the removal of entitlement to the housing element of universal credit from young people aged 18 to 21, with some exceptions, from April 2017. The regressive rationale is to

“ensure young people in the benefits system face the same choices as young people who work and who may not be able to afford to leave home.”

The measure is forecast to save £40 million by 2020-21. Certain categories of young people will be exempt from the removal of housing benefit, including vulnerable young people, those who may not be able to return home to live with their parents, parents themselves, and those who have been in work for six months prior to making a claim. Organisations such as Shelter, Crisis and Centrepoint have welcomed the limitation of the impact to 18 to 21-year-olds, as opposed to the wider age group of 16 to 24-year-olds, but are actively lobbying against the removal of what they describe as an “essential safety net”, which can offer a lifeline to young people faced with homelessness.

Only with full power over social security can we fully protect individuals in Scotland from future housing benefit cuts. The Smith commission recommended that powers over discretionary housing payment be devolved to the Scottish Parliament. Clause 23 of the Scotland Bill allows for DHP to be paid in exceptional circumstances, where applicants would not normally be eligible. The Smith commission also recommended that the Scottish Parliament have the power to vary the housing costs element of universal credit. Clause 27 gives Scottish Ministers powers to vary the calculation of the housing costs element of universal credit, subject to consultation with the Secretary of State about the practicability of implementation. The Scottish Government are already protecting low-income families from the impact of the bedroom tax, with total funding of £90 million in mitigation of this draconian measure.

I am proud to represent a constituency rich in the history of helping and championing the less fortunate, and of standing up to those guilty of exploitation. In Glasgow South West only a few months ago, we commemorated the centenary of the Glasgow rent strikes, which were led by the great Mary Barbour. As is explained in early-day motion 684, which I commend to all hon. Members, that fight against unscrupulous landlords who increased rents on the home front took place during a time of sacrifice on the western front. It may have been a century ago, but we have come full circle, as exploitation of one of the most basic human needs—shelter and a place to raise a family—is once more a key issue in Parliament. That is why my right hon. and hon. Friends and I will vote for the motion.

1.59 pm

**Mr Stewart Jackson (Peterborough) (Con):** I want to put on the record my support for the one-year moratorium that has been announced, which demonstrates that being in government is about listening to a wide-ranging debate and taking on board the views of the key stakeholders. It is very welcome. Government is about matching policy principles, such as fairness and social equity, with practical policy implementation.

[*Mr Stewart Jackson*]

We have seen the usual hysterical shroud waving from the Labour party. It is working with people in the housing sector to scaremonger and to frighten the most vulnerable tenants.

**Neil Gray:** Will the hon. Gentleman give way?

**Mr Jackson:** No, I will not.

The question has to be, where is the Labour party's policy? Where is the coherence? Where is the comprehensive costing? Where is the alternative? It is not there. And this from the party that voted against every single welfare change that we made in the last Parliament. What would it have done? It allowed housing benefit claims to reach £104,000 for a single year. They are the people who saw a 46% rise in the housing benefit bill. They are the people who consigned millions of families to welfare dependency, with a record number of children in workless households. This Government are doing something about that.

**Maria Caulfield (Lewes) (Con):** Does my hon. Friend recall that Labour Members recently voted against the pay-to-stay policy in the Housing and Planning Bill, under which higher earners in social rented accommodation will pay more and housing associations will keep the revenue to invest in supported housing?

**Mr Jackson:** Exactly; that is a fairness issue. How can it be fair that working families effectively give a direct payment to other people in social housing, who are often not working? That cannot be fair. We have to deal with the issue of welfare dependency.

**Alison Thewliss:** Will the hon. Gentleman give way?

**Mr Jackson:** No, I will not.

As my hon. Friend the Member for Solihull (Julian Knight) said, these are difficult decisions. In the short term, they will deliver £240 million in savings. The Institute for Fiscal Studies has said that in the long term, they will save £1.1 billion. We have to do this, given the fiscal inheritance that we took on.

The Government have a responsibility—it was a manifesto commitment, so there is a mandate from the people of this country—to deliver welfare reform. The hon. Member for Nottingham East (Chris Leslie) is no longer in his place, but if Labour Members really believe, after reading the report by Deborah Mattinson on the BritainThinks focus group, that the Labour party will ever be trusted on the economy, and particularly on welfare, with the policies it is pursuing—the right hon. Member for Wentworth and Dearne (John Healey) knows that this is the case—they are completely wrong. They have to understand that completely opposing everything the Government do on welfare reform, in favour of more spending, more taxing and more debt, will never deliver another majority Labour Government.

I say gently to housing associations that the 1% cut in rents will have a direct impact on all their tenants in general needs housing. There will be a 12% reduction in average rents by the end of the Parliament. We give £13 billion a year to housing associations so that they can discharge their duty to house people. They have to raise their game and meet the challenge. This is not often commented on, but housing associations are not

subject to the Freedom of Information Act. We need to see that they are as efficient as possible. They are very efficient when it comes to campaigning against the Government, but they are not so efficient in resource allocation to deliver front-line services to the most vulnerable tenants.

**Richard Graham:** On that point, does my hon. Friend agree that over the past five years, large sections of the public sector have stepped up to the plate, delivered more for less and executed changes that have saved the taxpayer money and helped the public finances, and that housing associations should be able to follow that example?

**Mr Jackson:** I agree with my hon. Friend.

There will be an impact assessment and an evidence-based review of the whole assisted and supported housing regime. We do not know what the final decision will be, but it is for local housing associations to stop complaining and to work with planners, developers and other key partners, such as those in the national health service—

**Marie Rimmer (St Helens South and Whiston) (Lab):** Will the hon. Gentleman give way?

**Mr Jackson:** Sorry, I would love to, but I do not have time.

Housing associations must work with those partners to deliver the projects that they want to deliver.

I am not wholly supportive of the Government on this issue and I will tell the House why. There has to be a comprehensive and holistic approach to meeting the crisis that the demographic time bomb of older people will bring to acute social care and acute hospital care. We have to reduce those numbers. We have to use the tax system—

**Marie Rimmer:** Will the hon. Gentleman give way?

**Mr Jackson:** I will not, I am afraid. The hon. Lady is not taking the hint, but I cannot give way because I do not have time.

We must use the tax system and the expertise that we have to deliver good adult social care and to care for women who have been subject to domestic abuse. That is a massive issue. Of course, we have put £40 million into it. Mention was made earlier of discretionary housing payments, which will assist those tenants directly. Incidentally, we have talked about the spare room subsidy, but those payments were not always drawn down fully by local authorities, often Labour ones, because of inefficiency.

I say to Ministers that the Opposition spokesman made the fair point that we need further clarity. It cannot be the will of the Government to make it more difficult to develop more extra care facilities. We do not want non-viable projects to go forward. It is therefore important that the Treasury, the Department for Work and Pensions and the Department for Communities and Local Government get round the table and work out together how we can deal with this.

We have a duty and a responsibility to deal with the fiscal inheritance, including the out-of-control welfare spending, but we must balance that with practical, pragmatic solutions that deliver adult social care and that are fair to the most vulnerable people in our

society, whom we all care about—memo to the hon. Member for Bermondsey and Old Southwark (Neil Coyle). Fairness and equity are important, but if we demand tax revenue from our constituents, we must deliver value for money. That is why I will not support the Labour party tonight, but will support the Government.

2.6 pm

**Mr Clive Betts** (Sheffield South East) (Lab): We are here today for one of two reasons. Either the Government set out, as a matter of deliberate policy, to bring about the closure of specialist and supported housing—perhaps they are not bothered whether such housing units close—or this is an unintended consequence of a wider policy to change housing benefit that we have to deal with today because the Government did not do a proper impact assessment of the policy right at the beginning. We should have had an impact assessment before we began the process, rather than when concerns were rightly raised up and down the country about the potential impact. I welcome what the Minister has said today. It is right that a proper review will be carried out, and that the Government will not simply carry on with this policy and its potential consequences.

Government Members have said that there has been political point scoring and scaremongering by Opposition Members and the housing association movement. That is not true. When I am rung up by Tony Stacey, the chief executive of South Yorkshire Housing Association, who is widely respected by people on both sides of the House because of the work of his association and his personal commitment, and he says that the impact of these measures will be a £2.8 million reduction in the income of the association, out of a £20 million budget, that is a matter of major concern. That would lead to the closure of about 1,000 supported housing places and, because of the financial impact, the housing association would have to start acting on those closures within the next few months and would not be able to wait until 2018. That is not scaremongering; it is the financial reality for an association that has to balance its books over that period. That is why we are here debating the issue today.

Having welcomed what the Minister said, I have one or two questions. First, he talked about a review by the end of March. When is a conclusion likely to be reached to provide certainty for housing associations and others, including local councils, about the impact of these measures or the changed measures that I hope the Government will bring forward? In conducting the review and coming to a conclusion, will the Government talk not only to the National Housing Federation, which they must rightly talk to, but to the Local Government Association, because council schemes and voluntary schemes are also involved? Will the Minister ensure that all relevant parties are consulted? Will he indicate when conclusions will be reached so that there can be certainty?

Secondly, will the changes for new tenants that are due to be introduced in April 2016 now be postponed, or will new tenancies be created in 2016 on the basis of the changes proposed at present, before the review? I hope the Minister will say that no changes will be introduced, and that the full costs of supported housing will be covered through housing benefit for new tenancies from April 2016 until the review is concluded.

Finally, I also welcome what the Minister said about rent increases for supported housing—that the 1% reduction will not go ahead for next year, while the review is being undertaken. Does that mean that the changes in the Budget will not be implemented, that the 1% reduction will not now happen and that CPI plus 1% will be allowed for next year, or that rents will simply be frozen? There is quite a big difference for associations, because even the rent changes, without the housing benefit changes, have an impact on supported housing. Can we have clarification on that as well?

I welcome the direction of travel that the Government seem to be moving in now, back to a more realistic position. Perhaps the Communities and Local Government Committee will want to have a look at this as well. I hope the Minister will fully consult and take on board the real concerns that the housing association movement and local councils have raised about these measures. None of us wants to see supported housing units closed.

2.11 pm

**Graham Evans** (Weaver Vale) (Con): I would like to put it on record that I, too, welcome the announcement on the 1%.

We spend more on family benefits in Britain than they do in Germany, France or Sweden. There is no doubt that social housing is invaluable for hundreds of thousands of people in this country who need help in getting accommodation, but it cannot be right to continue to subsidise people to live in houses that are bigger than they need while there are 375,000 families living in overcrowded conditions. Nor can it be right to subsidise people to live in houses that are out of reach or unaffordable for hard-working taxpayers.

Page 97 of Labour's 2009 Budget summarised the problem:

"Indications...are that some claimants may be able to afford accommodation that is out of reach of working families on low incomes. Furthermore, costs of Housing Benefit have been rising above inflation despite static caseloads."

In fact, between 1999 and 2010, the cost of housing benefit rose by 46% in real terms, reaching £21 billion. Housing benefit was truly out of control, with the maximum housing benefit award reaching over £100,000 a year. Even after the benefit cap, people can seek support for housing up to a rate of £20,000 a year. What would a working family paying tax have to be earning to afford rent of £20,000 a year? They would have to be earning £60,000, £70,000 or £80,000 a year.

Rents in the social sector increased by 20% over the three years from 2010-11 and were markedly higher on average than for like-for-like properties in the private sector. That is clearly unsustainable and helped to fuel the something-for-nothing culture that Labour presided over for 13 years. Some 1.4 million people spent most of the previous decade trapped on out-of-work benefits, while the number of households where no member had ever worked nearly doubled under Labour.

The announcements in the autumn statement followed on from reforms in the last Parliament to better align the rules between social and private landlords, ensuring fairness between those receiving housing benefit and the hard-working taxpayers who have to pay for it.

**Alan Brown:** Will the hon. Gentleman give way?

**Graham Evans:** No, I will not.

Those who oppose making difficult decisions on welfare must say what they would cut or what taxes they would put up to pay for it. However, it would seem from some contributions by Opposition Members that Labour and its leader have still not learned the lessons of the past. Their plans to spend more, borrow more and tax more are exactly what got us into the mess before; and, as Labour's great recession showed, it is working people and their families who end up paying the price for it. When we came into government in 2010, the country was borrowing over £150 billion a year. One in every four pounds spent by the then Labour Government was borrowed. Unemployment had increased by nearly half a million. Britain had suffered the deepest recession since the war and had the second biggest structural deficit of any major economy.

We have halved the deficit and are working to eradicate it by 2020. It is a fundamental truth that without sound public finances there can be no economic security for working families and the country cannot pay for the hospitals, schools and housing that people rely on. It is this Government's long-term economic plan that is turning this country into a high-wage, low-tax, low-welfare economy. The Labour party is out of touch with hard-working people. Labour is out of touch, out of ideas on welfare and out of office—and, based on this debate, will be for a very long time.

2.15 pm

**Dr Alan Whitehead** (Southampton, Test) (Lab): I was just about to point out to the House, and in particular to Government Members, that a fairly easy way of finding out what this afternoon's debate is about is to actually read the title. It is about homelessness services and the unintended consequences, or maybe intended consequences, of the cap on housing benefit. It is about the potentially catastrophic outcome of these changes for people in specialist housing, homelessness arrangements or specialist schemes for dependent drinkers, for example—the catastrophic outcome for their rents, their circumstances and, indeed, the organisations that seek to house and provide services for them. That is what this afternoon's debate is about and we need to concentrate on that.

I must say that I was remarkably disappointed by the fact-free bluster that we heard from the Minister. I suppose one can only forgive him that, because there was never any impact assessment of these changes. Therefore, if he has not come here today armed with an impact assessment, he presumably does not really have any facts to defend his side of the argument in the first place. I want to provide a little impact assessment of my own. I want to base it on an organisation that is based in my constituency, but which nevertheless provides services for homeless people, people with severe and enduring mental health problems and people with alcohol or substance misuse problems, as well as specialist services for ex-offenders, in Southampton and around.

That organisation is called the Society of St James, and—[*Interruption.*] Government Members who are playing with their phones might put them to better use by looking up that organisation's website, because if there is any dispute in this debate about who cares, then the Society of St James certainly does care. It cares

deeply about all the people it is trying to house and help, and it assists by housing or helping some 2,500 people across Hampshire.

The Society of St James has looked at the impact of the changes on its various housing schemes across south Hampshire and calculates that the average rent reduction will be 40% across the 300-odd people who are housed at any one time, although that does not include the wider group of people it helps with various schemes, in addition to those it houses. The Society of St James calculates a sum of £1.03 million per annum, which means, quite simply and straightforwardly, that all those schemes are at risk over the next period, because it will not be able to fund them properly.

It has been said that the discretionary housing payment scheme might help in the longer term, but as its name suggests, it is discretionary. It covers temporary situations and cannot give the long-term revenue security that these organisations need to plan their future housing needs.

**Anna Turley** (Redcar) (Lab/Co-op): Does my hon. Friend agree that the discretionary housing fund is already barely covering the number of people applying for it, given the impact of the bedroom tax? What we are seeing is just another attempt to stretch it further, when it is already not going far enough.

**Dr Whitehead:** Indeed, and my hon. Friend makes an important point. I was perhaps being a little kind to the discretionary housing fund, in that so many things are being poured into it that the chances of it having a material impact in this field, even on a limited basis, look to be fairly low.

The other question is what happens with new schemes that develop in future. The Society of St James has recently received substantial capital donations to develop new properties to extend its services, but there is no chance that those sorts of schemes can now go ahead, because there is no prospect of them being funded properly once they have been built. Indeed, it would be deeply irresponsible.

**Marie Rimmer:** I have one experience already from St Helens. Helena housing has stopped four extra care schemes totalling 500 units. The impact of the change on those schemes alone is a £2.3 million deficit.

**Dr Whitehead:** My hon. Friend underlines powerfully the importance of understanding just how early organisations such as the Society of St James and the ones her constituency have to take decisions about what they do in future. In that context, a one-year moratorium will not make any difference to those decisions, because those schemes are concerned about the long-term security of revenue. It is very likely—it is certainly not scaremongering—that those schemes will disappear immediately, not in the future. The whole system will be greatly the poorer as a result.

Whether the Minister thinks in retrospect that the problem was not of his own making because he did not notice it arriving from the Treasury, or whether he was told too late for him to do anything about it, or whether he did something and the Treasury ignored him, there is an issue for him to address right now. The central question for the Minister in my mind boils down to this:



if we assess the impact on the organisations at the heart of the process of caring—in addition, they save the state large amounts of future public expenditure because they keep the people they care for and assist out of prisons, psychiatric institutions and emergency services by securing their accommodation in the community—what will he do immediately that specifically puts the problem right for the Society of St James in Southampton?

If the Minister does not have an answer to that question, he has a great deal of thinking to do about the wider issue. Up and down the country, those organisations—they are voluntary organisations rather than local authority organisations—find themselves holed below the water line. Unless the Minister can come up urgently with either a patch or a new boat, that will be the reality of the situation over the next period. I urge him to take action at the earliest possible opportunity to ensure that important organisations such as the Society of St James can continue their good work in future.

2.22 pm

**Maria Caulfield** (Lewes) (Con): I welcome the opportunity to talk about this important issue. I am concerned that the shadow Housing and Planning Minister and Opposition Members are confusing general needs housing and supported housing. Currently, no legislation going through will cap housing benefit in supported housing. An evidence review is being conducted. The hon. Member for Southampton, Test (Dr Whitehead) talked about not having an impact assessment, but that is exactly what is happening. Either Opposition Members do not understand the difference or they are scaremongering.

I am a big supporter of supported housing. I was a cabinet member for housing in a unitary authority under the Labour Government. Funding supported housing at that time was difficult because of the year-on-year cuts to our supported housing grant. We funded sheltered housing blocks—both our own stock, and through housing associations and charities. With those cuts, we had to dip in and find the difference to fund our sheltered housing services. The same applied to our learning disability clients who were funded in supported houses. Let us not pretend that Opposition Members did not cut that money when they were in government.

Up until recently, I was a trustee of a homeless charity. It helps people who have hit rock bottom through drug and alcohol dependency. That may not be of interest to Opposition Members, but it is of interest to people living in those hostels. They are supported not just through rehab, but in gaining independence and in sustaining a tenancy on their own in the long term. Supported housing benefit makes a huge difference.

General needs housing benefit is being capped, but there is currently no change to supported housing benefit—it is under review. Opposition Members need to be clear about that.

**John Healey:** Will the hon. Lady give way?

**Maria Caulfield:** No, I will not give way.

The Housing and Planning Minister's announcement today that the 1% reduction in social rents will not apply to supported housing for another year must be welcomed.

**Marie Rimmer:** Will the hon. Lady give way?

**Maria Caulfield:** No, I will not give way because I am conscious of the time and that other Members want to speak.

Let us look at the reasons why we are having to cap housing benefit. It is not just because of the economy, but because of the impact of the local housing allowance in constituencies such as mine. I have the town of Newhaven in my constituency. It is on the same LHA rate as Brighton and Hove, which is a much higher rate than the rest of East Sussex. The shadow Minister does not want to listen to this, but the LHA rate has artificially pushed up private rented rates for the ordinary person who is not on housing benefit. They can no longer afford to stay in Newhaven—the only people who can are those on general needs housing benefit. That has artificially increased the rental market and has not helped young families in my constituency.

If Opposition Members do not want to cap general needs housing benefit, how will they tackle the welfare bill, which they are proud of saying they will be able to manage so much better than the Government? Will they reduce money on the NHS, schools, the police service or the armed forces? They have to make a decision—*[Interruption.]* As an hon. Friend says, they could put up taxes. They need to be honest with the British public on how they would manage that.

To conclude—I know time is tight—I am a passionate supporter of supported housing. In the review that is taking place, will the Minister come to my constituency and visit Newhaven Foyer? We heard just yesterday that money is secure for that housing placement, where young people who have had a really rough start in life can have a secure tenancy for a period of time. They are able to gain skills and get into the workforce. Will he come and meet those young people and see the difference that supported housing is making for them? They are not under threat from the housing benefit cap because it is not currently relevant to supported housing. I will not support Opposition Members—they are misleading the most vulnerable in our society and scaremongering—and I will not support their motion.

2.27 pm

**Yvonne Fovargue** (Makerfield) (Lab): The confusion and lack of clarity on supported accommodation will have a devastating effect on my constituency. It is curtailing homelessness prevention strategies and jeopardising new extra care housing developments. For example, in Wigan, a need of 500 extra units of extra care housing was identified to meet housing needs, and to reduce the reliance on very expensive residential care facilities and future demands on the health service. That housing would allow people to live independently in the community for much longer—all hon. Members would agree that that would be a great outcome for the individual, the family, the local authority and the NHS.

Two years ago, work started on implementing that strategy, and a scheme comprising 130 flats and bungalows with community facilities at a site in Orrell was identified. A partner, Torus, was selected, the scheme was designed and consulted upon, and planning permission was obtained. Funding was obtained from the Homes and Communities Agency, and the valuable site was transferred at nominal

[ Yvonne Fovargue ]

cost. With the support of all, the start date was imminent. I say “was”, because with the change to the LHA rate, the scheme—a £13 million project that we desperately need—has stalled.

That is not the only future project under threat. Eighty units in partnership with Arena in Wigan, and 121 in partnership with Torus in Leigh, are also on hold. What about those projects that are in the process of being built? Wigan & Leigh Homes is building 25 units for older people in Hindley and a 39-unit sheltered plus scheme in Goose Green in my constituency. The financial projections for both those schemes do not now add up unless the Government exempt this type of accommodation from the cap.

I have given some examples of how future schemes are threatened, with the result that there will not be the houses for people to move into the community, but what about existing provision? Adactus Housing and Wigan & Leigh Homes have contacted me about this. Across the borough, approximately 400 properties provide homes for people with long-term care and support needs, ranging from learning disabilities to autism. These are people who are unable to live in, and become a valued part of, the community. Their security, and the ability of others to move from a care setting into this type of accommodation, is under threat due to the high rent and support charges required for such specialist accommodation. In fact, one mother has already contacted Wigan & Leigh Homes about her severely autistic 17-year-old son, saying, “Will I now have to have him in the home permanently?” She had scratches all down her arms where he had attacked her.

**Marie Rimmer:** Does my hon. Friend recognise the case of a 19-year-old with serious mental health problems and autism, who was talked down from a bridge in St Helens, where he was threatening to commit suicide? He was awaiting a mental health bed. The only bed offered to him was in France or Germany. I have written to the Minister about this case and am waiting for a response. What comfort can be given to that young man and his parents?

**Yvonne Fovargue:** I agree with my hon. Friend: there is cold comfort in many constituencies for parents caring for young people with severe autism and mental health disabilities. They are finding their choices on the best place for their sons and daughters becoming limited.

I return to the price that will be paid by people who are homeless or fleeing domestic violence. There will be an immediate impact on some 35 units of dispersed accommodation, which, by their nature, are short-term and for single people, saving them from going into hostels, which are not always the appropriate environment. For example, a young man came to see me whose parents had thrown him out when they found out he was gay. They had also emptied his bank account. All I could find for him was the local Salvation Army hostel, which was not a safe place for him at that time.

A further 100 units of homelessness accommodation, ranging from hostels to young mum and baby units, are threatened. Perhaps I can mention just one of the units I visited. It is a self-contained flat in a block where

young mums aged between 16 and 25 and their babies are supported, for a maximum of two years, to live independent lives. They learn from staff and from each other in a safe environment. They then leave with the confidence and skills to live in the community, and be excellent role models, providers and parents for their children. How can we threaten that type of service? What will be the cost, both human and financial?

Women’s refuges provide a safe haven for those who have suffered emotional and physical abuse. They also provide activities to improve their life and family skills. The Government’s solution to this is discretionary housing payments! That is not a solution. It is an excuse to continue with an ill-thought-out policy. No housing provider can build a business model and forecast finances with any degree of accuracy when their client base has to rely on cash-limited payments that are not guaranteed, but payable after all aspects are considered—that is, at discretion. How will we assist vulnerable people to apply for these payments? What will that cost? How many people will be deterred from living independently?

The policy has not been thought through. I welcome the announcement that there will be a review. As it stands, it will affect the most vulnerable and their families, those charged with making sure the best quality of life is available for all, the old, the ill and those at risk—in fact, anyone who is vulnerable at any stage of their life. It will end with increased costs and burdens on other services, for example the NHS. I urge the Minister to listen and to provide the clarity that is needed soon, and not to rely on discretionary payments, so that my constituents and others across the country can have a home that best suits their needs.

**Several hon. Members** *rose*—

**Madam Deputy Speaker (Natascha Engel):** Order. The speech limit is now five minutes.

2.35 pm

**Seema Kennedy (South Ribble) (Con):** The background to this debate is the deep changes in our society: a growing population, an ageing population, and more and more of our constituents living with long-term disabilities and illnesses as a result of medical advances. Not all, but many of the speeches from the Opposition have been rather simplistic. In fact, the situation is incredibly complex.

A wide range of our constituents live in supported housing: the elderly, refugees, victims of domestic violence and people living with mental health problems. Some will live in this environment for a matter of months, others for practically their whole lives. Members on both sides of the House have spoken passionately about organisations in their constituencies that work with those people. It is evident that we will need more supported housing. If that is the case, we need to ask very honestly: is this accommodation suitable and are the services that go with it suitable? Is supported living getting the best value for taxpayers’ money? If it is not, it will be unsustainable over the long term. In the end, it will be the vulnerable in our society and in our communities who will suffer.

I very much welcome the fact that this is a consultation. The Government are listening. We see that from the

one-year moratorium announced today. This debate will be a part of that, as will representations from housing associations.

We have to talk about sustainability because, as my hon. Friend the Member for Weaver Vale (Graham Evans) outlined, the housing benefit bill increased by 46% between 1999 and 2010. That was not a fair balance between those families living in social housing and the hard-working families who did not quite meet the threshold. Supported housing has to be on a sustainable footing. This policy is still being developed. With that in mind, I would be grateful if the Minister looked very closely at the representations from my local housing association, Progress Housing, which serves people all over South Ribble, but is based in Leyland. It has refuges and supports people with a wide range of difficulties.

I take great issue with some of the statements from those on the Opposition Benches that we on the Government Benches do not care about the vulnerable in our society. It is very easy to throw money at a problem and have a quick fix. We want to put supported living on a long-term sustainable basis, after a thorough consultation, so that it works for everybody—not just now and not just till the next election, but for the next 20 or 30 years. That is a clear plan of action, rather than criticism with no answers.

2.38 pm

**Martyn Day** (Linlithgow and East Falkirk) (SNP): Let me start by saying that I agree with many of the contributions already made from the Opposition Benches and I am happy to speak in support of the motion today.

Surely the mark of a civilised society is that it looks after its most vulnerable, yet here again we have a Government seeking to remove some of the support mechanisms for the most vulnerable in our supposed civilised society.

**Margaret Ferrier** (Rutherglen and Hamilton West) (SNP): Does my hon. Friend agree that supported housing provides the support older people need to maintain their independence? It also helps homeless people with complex and multiple needs to make the transition from life on the street to a settled home and education, training or employment. Surely any change to housing benefit could undermine the ability of such tenants to pay their rent, and threaten both their physical and mental wellbeing.

**Martyn Day**: I agree wholeheartedly with my hon. Friend, and not only does it affect the individuals; it can have a devastating effect on the organisations providing the services.

What is the purpose of the reforms? Is it to save money? According to the Institute for Fiscal Studies, any initial savings would be “small”. Indeed, not only will there be little saving to the public purse, but expenditure could rise as a result of the unintended consequences of this poorly thought out measure. This is a classic case of robbing Peter to pay Paul: a small saving on the housing benefit bill might be massively outweighed by the rise in costs associated with providing institutional care, funding an increase in hospital stays, the higher cost of private landlord housing and, in the worst case, the increased costs of imprisonment. This must surely be the very definition of fiscal irresponsibility.

The Scottish Federation of Housing Associations has identified that associations in Scotland could lose between £5 million and £14 million per year. This is completely unsustainable and will inevitably lead to the closure of accommodation that supports some of the most vulnerable in our society. Top-ups from discretionary housing payments will simply not provide the security that accommodation providers require to continue even the current level of specialised accommodation, let alone plan for additional provision in the years to come.

I am concerned about the potential effect of these changes on vulnerable young people. Open Door Accommodation Project, which operates in my constituency, has nine supported flats throughout West Lothian that can accommodate up to 16 young people between the ages of 16 and 21. The flats are fully furnished and most are shared accommodation. The aim is to prepare young people for their own tenancy. When a young person joins the supported flats service, they are allocated a dedicated support worker who works with them to give personal and practical support, helping them to develop the self-confidence and skills needed to live independently.

The young people being supported are already experiencing issues with the time it takes to receive benefit payments, and this wait can have a huge impact on the likelihood of them sustaining their accommodation. A major concern is that there is no longer a seven-day run-on between accommodation, meaning that young people have to move immediately when they sign up for a tenancy, which gives them no time to set up utilities or apply to the social welfare fund for the most basic of necessities. The uncertainty about the reductions in housing benefit can only exacerbate these issues and, worryingly, might even put this vital supported accommodation at risk. How will such organisations plan for the future when faced with yet more funding challenges?

I come now to one of the most serious of the unintended consequences: the impact on the funding for supported accommodation for people with substance abuse problems. Many such organisations are doing amazing work, especially with ex-offenders, helping people to rebuild their lives and rejoin society. Threats to funding for this type of supported accommodation are intolerable. There is a young offenders institution in my constituency. On leaving it, young people will be dependent on the very supported accommodation that is at risk if these draconian funding proposals are implemented.

**Dr Philippa Whitford** (Central Ayrshire) (SNP): Might the reforms not be a false economy, given that prison often costs more than £30,000 per year per prisoner?

**Martyn Day**: My hon. Friend makes her point very well. It is a completely false economy, and I believe it will end up costing the public purse far more than the Government are trying to save. Again, we must look at the fiscal implications of a saving in housing benefit that leads to a lack of supported accommodation for young ex-offenders. How many of these vulnerable young people will end up back in prison—the point she just made—at a higher cost to the public purse?

It is my firm belief that the Government must halt the continuing assault on housing benefits, or at least ensure that supported accommodation is exempt from these future changes. Scotland has already had to mitigate

[*Martyn Day*]

the effects of the unfair bedroom tax—a tax that, given today's court ruling, might be illegal. Will this reform to housing benefit be yet another botched Tory attempt at savings that simply moves an increased burden on to Holyrood? Only with full power over social security can we fully protect those in need from future housing benefit cuts.

2.44 pm

**Simon Hoare** (North Dorset) (Con): It is a pleasure to follow the hon. Member for Linlithgow and East Falkirk (*Martyn Day*).

I hope all Members agree that housing and homes are important. The security of a roof over one's head—be it owned, or rented privately or socially—or of a place of succour and sanctuary, temporary or permanent, at a time of emergency, is important. For that reason, Labour's position should be condemned. We have heard precisely what we are used to hearing from Labour. I have found this debate slightly annoying. I am annoyed not that the motion has been tabled—[*Laughter.*] If hon. Members would listen, they might hear a view that sheds some light on their prejudice. I am annoyed not that this important issue is being debated, but by the odour of smug hand wringing and crocodile tears from Labour Members.

Labour Members always purport to have a monopoly on caring. They believe that we are the nasty bunch—that we could not give a damn about anything. But we are not. As I said in an intervention on the shadow Minister, we all have constituents in sheltered housing and we all want to ensure the best provision for them. There is nothing kind or caring about trying to prop up an inflated and unsustainable welfare system.

**Dr Philippa Whitford:** Does the hon. Gentleman not agree that it is the ridiculous rents in many urban centres that are inflated? That is the private system. That is why housing benefit is out of control. It is not the social sector.

**Simon Hoare:** I am grateful to the hon. Lady for making the kernel of the argument for why a cap on housing benefit is important. The absence of a cap—of any control on housing benefit—has been the fuel to the fire of those who have sought to ramp up rents. A bottomless purse—a pit that always delivers the funding—provides the dynamic for higher rents. We believe that a cap will act as a brake on this runaway train.

Whenever a welfare reform is proposed, the default position of many Opposition Members is to say no. It is their eternal cry, the golden thread running through their political approach. As we have heard from my hon. Friends, Labour has not supported a single welfare reform. It has learned no lessons from last May's general election.

**Marie Rimmer:** These schemes have demonstrated clear success in providing a better quality of life for residents and delivering better social care and health outcomes. Failure to provide these schemes in the future will put greater pressures on health and social care services, as housing providers will not be able to deliver good quality independent living places. That means people going back to residential settings, old folks' homes, languishing in hospital beds—

**Madam Deputy Speaker (Natascha Engel):** Order. The hon. Lady's interventions are very long, and this is a time-limited debate.

**Simon Hoare:** The hon. Lady speaks with enormous passion, and I understand that. Of course, service providers want some certainty, and the pressing of the pause button announced by the Government today will be welcomed, but what has added precious little certainty to providers seeking to make short, medium and longer-term financial commitments has been Labour Members' panic-stricken shroud waving. They have been trotting round the country desperately trying to stoke this up for party political advantage.

**Jess Phillips** *rose*—

**Simon Hoare:** I can never resist the hon. Lady. The hon. Member for St Helens South and Whiston (*Marie Rimmer*) is passionate about this issue, but the hon. Lady exceeds her.

**Jess Phillips:** Will the hon. Gentleman recognise that it is not shroud waving? In this term and the last one, the Government exempted this group from every single one of their welfare reforms, having been forced to do so by alleged shroud waving. We are not saying no to the reform; we seek only an exemption for this group.

**Simon Hoare:** As the hon. Lady will have heard, as did we all, that was the point made by my hon. Friend the Minister when he referred to gathering the evidence, talking to experts and then producing a policy in due course. In all seriousness, I would hope that the hon. Lady could draw some comfort and satisfaction from that. She can put her shroud away, contain herself for a few moments and the debate can go on.

On the subject of service providers, I have spoken to all the housing associations covering my constituency. I hope I will not be misquoting them if I characterise their response as follows—things change; systems and procedures change from time to time. New policies usually present new challenges, but my housing associations are saying, "We will meet them. We will reform, change and recast what we do—but the central core of our ethos, and why we are in business, will remain intact." I think that is an important point to make.

The right hon. Member for Wentworth and Dearne (*John Healey*), as shadow Minister—he is no longer in his place—had the absolute brass neck to accuse my right hon. Friend the Chancellor of putting politics before policy. If his speech did anything, it was precisely that. We heard the crocodile tears of, "We care for these people who need these sorts of homes." We all recognise that, but it is shameful to drape the issue with the flag of party politics.

At the heart of what Her Majesty's Government are doing is an attempt to provide fairness, equity and equality. In my judgment, it is absolutely right that social sector housing benefit should be capped to mirror that of the local authority level—the same rates as those in the private sector. The reforms seek to align those two sectors and, as I said to the hon. Member for Central Ayrshire (*Dr Whitford*), to prevent private social landlords from artificial rent inflation. On the Conservative side, we care about getting this right, about fairness for taxpayers and about quality provision of housing. What we do not care for is the shroud waving, the hand wringing and the crocodile tears of Labour Members.

2.52 pm

**Steve McCabe** (Birmingham, Selly Oak) (Lab): I have listened and I am afraid that the hon. Member for North Dorset (Simon Hoare) exemplifies the brand “Same Old Tories”.

Let me make it clear from the start that I am a big fan of welfare reform. I believe that as we move to the second half of this decade, we need an active welfare system. However, the difficulty I have with measures such as the bedroom tax, the local housing allowance and caps on housing benefit is that I am not convinced that they are genuine welfare reforms. They ignore the supply problems in housing, rapacious landlords and the lack of specialist supportive accommodation. We treat all tenants as if their circumstances are the same. In fact, we simply passport cuts from the Department for Work and Pensions to the Department for Communities and Local Government without any regard to the consequences.

**Mr Jim Cunningham** (Coventry South) (Lab): This particular measure smacks of what in the 1960s we used to call “Rachmanism”. A lot of families will find themselves destitute on this route because they will not be able to pay those rents. It is a private landlord’s charter to make money.

**Steve McCabe:** Almost everyone now realises that we cannot have action on housing benefit without having action on rents. That is self-evident.

We are having this debate because those who are the targets of this change are not the workshy and the feckless. Too many of them are vulnerable people—the very people that many of us, including many Conservative Members, came into politics wanting to help, such as elderly people no longer fit to wholly look after themselves, veterans, youngsters leaving care and those fleeing domestic violence. The National Housing Federation claims the Chancellor’s changes could cost some people up to £60 a week, enough to force them to leave their accommodation and in some cases add to the growing number of casualties sleeping on our streets as a homelessness crisis sweeps our country like a plague.

The NHF also speculates that the changes may lead to the closure of thousands of homes. The kind of places we are talking about are retirement homes, active elderly establishments designed to improve the quality of life, supported accommodation and temporary accommodation. Is that really the kind of reform that Conservative Members want? There is already a 16,000 shortfall in meeting demand for supportive accommodation, and estimates say that is likely to double by the end of this Parliament.

**Simon Danczuk** (Rochdale) (Ind): I recently had the privilege of officially opening the Hare Hill extra care scheme, which has predicted that if the cap goes ahead, residents there will have to pay an extra £50 a week. That is completely unsustainable.

**Steve McCabe:** We have heard from some Government Members that they have the same fears. A lot now rides on this review.

Without exemption, we are about to witness a housing disaster for those with a clear learning disability who live in supported accommodation. After years of talking about rights and independence, are we seriously going

to banish them to institutions and substandard care homes? Seven out of 10 people with a learning disability would prefer to live by themselves or with friends rather than in a registered care home or with their parents. Are they not entitled to aspire to that? Are they not entitled to that degree of independence? Cannot this society, whatever cuts we want to make, afford to show just a bit of generosity to such people? How will the Government ever succeed in closing places like Winterbourne View and delivering on NHS England’s 2015 strategy “Building the Right Support” without a supported housing plan for those with learning disabilities?

What about young people leaving care? How are they going to make the first step on the ladder to independence? Vulnerable young people, especially care leavers, should be excluded from the under-35 shared accommodation rule. We should hear that announced today. Is the Minister now in a position to tell us when the housing benefit regulations for those aged between 18 and 21 will be published? How, too, have we got to a situation where the cap applies to any tenancy signed after 1 April—only 62 days away—and where housing associations are still not clear about the plans?

The Minister has offered no details of his review, and his party has form on promising things during debates on which it subsequently backtracks. In fact, everyone knows there is a dangerous air of hubris about Government Ministers these days. I believe they might find a degree of support if these measures were intended for working-age adults in general-needs housing only, instead of being such a sweeping threat to the vulnerable.

Allowing for the comment of my right hon. Friend the Member for Wentworth and Dearne (John Healey) when I intervened on him earlier, I believe that the Minister would ease the situation a little if he could say today that service charges will not be included in the cap. It is obvious that sheltered accommodation, support of housing schemes and extra care measures command higher rents than service charges since they are more expensive to build and manage, yet they bring huge savings to the NHS and other services. Some housing associations, including Midland Heart, as we heard earlier, fear that these proposals could cost a huge shortfall of over £1 million, and in some cases discretionary housing payments will not deal with the problem.

Before this debate concludes, the Minister needs to tell us that he has plans to protect vulnerable people. He needs to give some clue as to what they are, and he needs to demonstrate that he has listened to the plight of those in supportive accommodation. We want to hear that he will definitely exclude them from these measures.

2.59 pm

**Kevin Hollinrake** (Thirsk and Malton) (Con): It is a pleasure to follow the hon. Member for Birmingham, Selly Oak (Steve McCabe).

These measures are about striking a fair deal: a fair deal for those in accommodation, a fair deal for those who provide accommodation and a fair deal for the taxpayer. There needs to be a balance between the rent increases in the social housing sector and those in the private rented sector. Over the past 10 years, there has been a 60% increase in the social housing sector and a 23% increase in the private rented sector. I therefore consider that the 1% reduction in housing benefit is a

[Kevin Hollinrake]

fair measure. It is fair to the taxpayer and to tenants, but it is also a fair deal for the housing associations, and one that I believe they can manage.

This is, of course, all about balancing the books, which UK Governments have done in only 28 of the last 34 years. That has led to a cumulative debt of £1.6 trillion. The present Government have reduced the deficit from £150 billion to £75 billion, but there is much more to do. In the last eight months, since I have been in the House, the Opposition have opposed every single cut. So how would they balance the books? Would they cut funds for healthcare, the armed forces, welfare or pensions? I invite them to make constructive suggestions.

Housing associations have a responsibility to use taxpayers' money wisely. The top 100 housing associations employ, collectively, 91,000 people, and the number has been growing. Is a 1% reduction per annum feasible in an organisation with 1,000 employees? Yes, I believe it is. It is managed on a regular basis in the private sector.

Not only are these changes fair, but they will result in huge savings. They will save £255 million by the end of this Parliament, and £1.1 billion a year will be saved by future Parliaments. Of course, consolidation and greater efficiency may be needed.

**Anna Turley:** Does the hon. Gentleman not recognise that the impact on supported housing will fly in the face of any notion of economic credibility? When accommodation of that kind is closed, there will be knock-on effects: people will resort to NHS care or more costly residential care, and the impact on the taxpayer will be higher. This is not good economic policy.

**Kevin Hollinrake:** There is no doubt that we need to house vulnerable people in supported and specialist accommodation, and that our homes, hostels, refuges and sheltered housing need such support. They constitute a much more labour-intensive part of the market, involving personal care, supervision and maintenance.

**Dr Philippa Whitford:** May I take up the point made by the hon. Member for Redcar (Anna Turley)? It costs an extra £18,500 to house those with the most complex needs, and most users of supported living are over 70. In our health debates, we talk about trying to get people into the community. As a result of this measure, people will end up in expensive alternatives.

**Kevin Hollinrake:** I accept the hon. Lady's point. We need to ensure that we protect our most vulnerable people, and that is what I believe we will do.

Many of the providers of supported housing and specialist accommodation are part of much larger organisations which are able to blend reductions across their estates, but we want to ensure that specialist providers continue to supply accommodation. This policy is in its early stages, and is currently the subject of consultation. I welcome the Minister's announcement of a one-year delay, or interruption, so that we can get it right. However, it has been referred to before. In September last year, my hon. Friend the Minister for homelessness—the Under-Secretary of State for Communities and Local

Government, the hon. Member for Nuneaton (Mr Jones)—said that specialised supported accommodation was likely to be exempted. I do not think that there is any need for Opposition Members to frighten residents and make them fear that they will lose their homes. That is irresponsible.

It should also be borne in mind that, during the current Parliament, there will be £800 million in discretionary housing payments for the most vulnerable tenants, and £40 million for those who suffer domestic violence.

I suggest that Opposition Members should wait to see the results of a policy which I believe will provide a fair deal for the most vulnerable people.

3.5 pm

**Yasmin Qureshi (Bolton South East) (Lab):** I have listened to all the speeches that have been made by Conservative Members today, and have found myself wondering whether some of them are attending the right debate. If they consult the Order Paper, they will see that this debate is about supported housing. It is not about housing bills or taxation; it is about a very specific, vulnerable group of people.

We keep being told to wait and see what the proposals are. Would it not have been sensible for the Government to work out the costs of their proposals and establish the issues involved at the outset, and then conduct a review before making their announcement? If they had conducted the review properly, they might have established that the proposals were counter-productive in both economic and moral terms. If they had done their homework first, we might not be having this debate.

To suggest that mine are crocodile tears are very unfair. I rarely cry, but when I do, my tears are real. I assure the House that Labour Members care about people, and we care about people because it is what the Labour party was founded for. As for the suggestion made by some Conservative Members that social housing organisations have pots of money and spend millions of pounds on campaigning, that is absolute rubbish. I have been contacted by a number of housing associations and charities that look after vulnerable people in my constituency, and I assure Members that they do not have money to waste on campaigning. I have visited those places and I know what happens there.

Let me enlighten the House. At least three organisations in my constituency are doing valuable work. The main provider of social housing is Bolton at Home, whose representatives have contacted me—and I speak to them regularly in any event—to say that thousands of children will be made homeless, as well as hundreds of adults. Bolton at Home also provides supported housing, and it is important to remember what “supported housing” means. It means support for the vulnerable, the disabled, the elderly, those with mental health issues, and the young. The suggestion that turfing them out of their supported housing will enable the Government to economise and cut costs is absolute rubbish, because the state will then have to pick up an even bigger tab.

Another organisation in my constituency, St Vincent's Housing Association, is a charity which runs a secure unit for about six adults. It relies on housing benefit to look after those people, who have mental health and drug problems. They are extremely vulnerable. If they

are put on the streets, they will probably commit crimes and end up in the courts or in prison, and that will cost the state even more money.

Emmaus runs a “companions” system. It, too, looks after vulnerable people, using housing benefit to support them. I do not understand why the Government seem to think that their proposed cuts will save money. In fact, they are counter-productive.

**Simon Hoare:** In the words of the late Ronald Reagan, “There you go again.” The hon. Lady seems to be suggesting that she has a monopoly on understanding. Does she not accept that Conservative Members also talk to service providers in our constituencies, and also know what is going on?

**Yasmin Qureshi:** Sometimes I genuinely struggle with the question whether some Conservative Members either care or are bothered. If you were really concerned about disabled and vulnerable people, you would have spent your five-minute speech talking about them, rather than criticising Labour Members for raising this issue and accusing us of shedding crocodile tears. I do not know how many times you used that phrase.

**Madam Deputy Speaker (Natascha Engel):** Order. The hon. Lady is speaking through the Chair, and should not do so.

**Yasmin Qureshi:** I am so sorry, Madam Deputy Speaker; I got carried away.

If Members on the Government Benches were genuinely concerned about the vulnerable, they would be supporting our motion today, because it is only about specific sets and groups of people with a whole range of issues.

Going back to Emmaus and its companions, it gets £132 in housing benefit that it uses for them, but the companions then have to come off other social security benefits. The cost to the charity of providing a home for these people is £1,000, but it does it because it wants to help them learn skills and reintegrate into society. This cut in benefits will mean it will have to find even more money in order to support these people.

If the people in St Vincent’s housing, for example, are turfed out, that will cost the state far more than cutting their housing benefit. So I go back to the question I asked the Minister right at the beginning when he opened this debate: can he guarantee to us that people currently in supported housing will not be turfed out of their home? Will they be supported and protected? I have still not had an answer to that.

3.11 pm

**Huw Merriman (Bexhill and Battle) (Con):** Since my election in 2015 I have worked closely with my main housing association in Bexhill and Battle, AmicusHorizon, which I believe does a superb job in looking after its tenants.

Getting more people into homes was a key election priority for me: we have a huge shortage of properties in my constituency and I am pleased that this Government have set out their ambition of delivering 1 million new homes by 2020, and I applaud the doubling of the housing budget to £2 billion in order to make this happen. While this Government are rightly increasing

spending on the housing budget, difficult decisions must be made if this Government are to deliver a Budget surplus by 2020. With these ambitions in mind, I am conscious that the housing benefit bill has increased by £6.7 billion between 1997 and 2010, to reach a total of £23 billion.

I welcome the Government’s general intention to reduce the housing benefit bill by measures such as reducing the number of weeks a claimant can be absent from this country, reducing some rents by 1%, and requiring higher-income social tenants to pay near-market rents. So while I recognise the concerns raised in this motion, I fully understand the reasons why the Government are looking to cap the amount of rent that housing benefit will cover in the social sector to that of the local housing allowance, thus limiting this to the rate paid to private renters on housing benefit.

I am also conscious that, as my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) mentioned, over the past 10 years average social rents have risen by over 60%, compared with 23% in the private rented sector. There have been understandable concerns that ever-increasing costs of rent in the social sector are chasing up the housing benefit bill, and that this needs reform.

However, my leading local housing association provider wrote to me, prior to the Government’s welcome announcement, to express its concerns as to how it will be able to cover the additional funding required for supported housing for those with complex needs. I am further told that, as a result of these concerns, a proposed extra care scheme that is due to open in a new development in Bexhill, the Orangery, could be shelved. Representing a constituency where the proportion of over-65-year-olds is 28%, compared with a national average of 17%, bestows an even greater duty on me to ensure that the sometimes complex needs of my constituents are properly recognised and taken into account. So I welcome the Government’s intention to build a framework to support the most vulnerable at the same time as delivering the reforms to housing benefit, which I also support. To this end, I am conscious that the Government recognise that our new reforms will need time to bed in and will cost millions, and that the Government will have to pump money in to support these reforms, as they did in the last term in respect of housing benefit reform.

In addition to the £465 million of discretionary housing payments that this Government have pledged, they have now pledged an extra £70 million, which I welcome. I would ask the Minister if, as part of this review, it would be possible to build in some form of supported housing LHA which would embrace the concept of the capped amount with some top-up to cover the reasonable cost requirements of housing associations to provide for the most vulnerable. Until this time, I do hope that speculation from this House does not lead to the most vulnerable being driven to worry about what may not in fact occur.

While on the topic of housing associations, I would like to reference the importance of all housing associations acting with care and compassion to their tenants. I have recently acted on behalf of a number of concerned residents from Hilltop in Rye, which falls on the border of my constituency. The tenants of Hilltop were informed last year, in writing, that their landlord, Orbit, was looking to decant the properties. There was scant detail given to residents who had lived in their home for years.

[*Huw Merriman*]

There being no other Orbit properties locally, there was talk of moving these residents out of their town. At a time when this Government are giving housing association tenants a right to buy their property, I was staggered that these residents, who work in their town, educate their children in their town and volunteer in their town—in one case on a lifeboat—could actually lose their homes. I am pleased that the Government, having signed an order paper for the disposal, require that:

“Any tenants decanted from properties to be sold under this policy are suitably re-housed to their satisfaction before the date of completion of the disposal.”

In my interpretation, this means that the test of whether alternatives are “suitable” is a subjective one from the perspective of my constituents and I will be working on their behalf to achieve a better outcome than that feared.

I use this example because I feel it is essential, in circumstances where this Government are rightly giving rights to tenants to buy their own housing association properties, that the law of unintended consequences does not kick in to deprive tenants of these new rights.

In conclusion, I welcome the desire of this Government to make savings in the housing benefits bill and use these proceeds to build more houses. I also welcome the fact that the Government are looking at how they can support housing association tenants who are vulnerable and need additional support. I look forward to continuing to champion the needs of all my constituents who live in housing association properties.

3.16 pm

**Neil Gray** (Airdrie and Shotts) (SNP): I am grateful for the opportunity to take part in this important debate and congratulate Labour on bringing it before the House today. I also commend the excellent contributions by my hon. Friends the Members for Glasgow South West (Chris Stephens) and for Linlithgow and East Falkirk (Martyn Day). I also support the pertinent points and questions posed by the hon. Member for Sheffield South East (Mr Betts), and I hope the Minister was taking note and will respond to them. I also recommend that the hon. Member for Lewes (Maria Caulfield) and some others on the Government Benches look at the Library briefing on this subject and the Chancellor's autumn statement, as I do not believe their speeches bore any resemblance to either of them.

A secure, warm and fit-for-purpose home is a right we should all enjoy; it should never be threatened, least of all by the state. Yet I am afraid that this Government are doing just that. We have already seen what they are capable of through the expansion of the bedroom tax, and we are again seeing it here in the proposals to cut housing benefit.

On the subject of the bedroom tax, we hear today that the Court of Appeal has ruled in two cases that the policy is discriminatory. In the light of this ruling—and the overwhelming evidence of how detrimental this policy has been—the UK Government must now think again on the bedroom tax, and indeed on this proposal to cut housing benefit, and not just think about it for a year, but do so for good. They should get back to the drawing board and start again from a basis of supporting people in their homes, not threatening to evict them.

In Scotland, the SNP Scottish Government have committed to building 50,000 affordable homes over the course of the next Scottish Parliament should the SNP be returned. Those homes will provide much-needed capacity in the social rented sector, because we recognise the need to build houses, not cut support to housing benefit recipients. The Scottish Government have also taken the necessary steps to mitigate the draconian bedroom tax by providing funding of £90 million to more than 70,000 households, which have escaped rental arrears and the threat of eviction. The Scottish Government have done this despite the overall budget being cut by 12.5%—by one eighth—since the SNP came to power in 2007. In Scotland we realise that a house is a home, and it would serve the UK Government well to bear that in mind as well.

This cut threatens the very roofs over the heads of housing benefit claimants. The House of Commons Library briefing for this debate estimates that over 800,000 families across the UK will be affected by these cuts, costing them on average £1,300 a year. Where will this shortfall in annual rent bills be found? It cannot come from discretionary housing payments as this type of discretionary funding for the social sector is far too insecure and uncertain a funding mechanism to allow such providers to continue to provide specialised accommodation such as refuge accommodation. The Scottish Federation of Housing Associations has estimated that a single person under the age of 35 who is in receipt of housing benefit will face a weekly shortfall of £6.22, which equates to an annual loss of £323.44 and a total loss to the housing associations of £2.8 million a year.

The area in which this cut is of greatest concern is women's refuges. Scottish Women's Aid wrote to Lord Freud last week about the impact these cuts will have on its ability to provide a refuge service for women and children fleeing domestic violence. In its letter to the Minister, Scottish Women's Aid highlighted information that, frankly, the Government should have been aware of. Had they carried out an impact assessment, it would have been as clear as day to them. There is a range of additional costs involved in providing and managing refuge accommodation for women and children fleeing domestic violence.

As my hon. Friend the Member for Glasgow South West and Scottish Women's Aid have eloquently outlined, local housing allowance rates bear no resemblance to the actual costs incurred by women's aid groups, such as Monklands Women's Aid in my constituency, or to the way in which they provide refuge facilities. I have been working closely with Sharon Aitchison, who manages Monklands Women's Aid. It operates on very fine margins to provide a brilliant service for incredibly vulnerable women and children in their time of desperate need. It has already had its funding challenges, but this cut to housing benefit will put it out of the game. That will be the consequence of the Government's latest cut. While I am on this subject, I hope that the Chancellor will reply to my letter of 26 November last year regarding his announcement on the tampon tax fund. To date, I have not had so much as an acknowledgment.

Brilliant work has been done in recent years to highlight and tackle domestic violence and to provide better support for women and children fleeing from abusive relationships. All that work will be undone at a stroke as a result of this cut, because Monklands Women's Aid



will not be the only refuge that is forced to close. This is a cut that will once again hit those who need our support the most, and it is time that it was scrapped.

3.21 pm

**Jess Phillips** (Birmingham, Yardley) (Lab): Let us all ready ourselves for some “shroud waving”. I rise to speak as perhaps the only Member here today—and perhaps the only Member in the whole House of Commons—who has run one of these precious services. Let me tell you, it has been so frustrating today to listen to the lack of understanding of the practicalities and the reality of how these services actually work. It has been mind-boggling, so I apologise if any of my comments come out as aggression.

There are many women, and even more children, who have lived in a refuge who stick in my head, but none more so than Amirah. You learn to live with it, but she was the only woman who brought tears to my eyes. Amirah, who was pregnant, was found on the side of the road after she had drunk bleach in an attempt to end her life. She had been kept chained to a table and fed scraps like an abused animal by her perpetrator. In the refuge, we had to teach her to eat again, with small portions. It was slow progress. When her beautiful daughter was born, it was a refuge worker who held her hand while she was in labour and a refuge manager who picked her up from the hospital and took her back home. The women in the refuge became her family. Refuges are amazing.

I think back to the Conservative Members I walked round the women’s refuges where I worked and where Amirah lived. I remember drinking tea with the hon. Member for Halesowen and Rowley Regis (James Morris) and the then Minister Francis Maude in the playroom of one of our refuges. That playroom, in which the Minister so delighted in posing for his photo opportunity, will not be there if these changes come to pass. The likelihood is that they would not have had a refuge to visit at all if those measures had been in place then.

They were not our most eminent guests, however. That accolade goes to the Home Secretary, who was a keen visitor to my domestic violence services. If the Government’s plans to reduce housing benefit do not exempt this group, Ministers will be letting the Home Secretary down in a big way. In every safety net that she tries to put in place, these proposals without exemptions will snip a hole that women and children will fall through. Ministers here today should make no mistake that when people slip through these safety nets, no amount of hard work or personal responsibility will help them. They will face danger, abuse and, in too many cases, death.

The coalition Government and some Departments in this Government have shown their commitment to these families. The Home Office, while by no means perfect, has tried to invest pots of money and to create schemes for improved access to services. It has taken a good hard look at laws that will help these victims. There is a lot more to do, but it is not that the Home Office is not trying. I believe that its Ministers care, but they are being woefully let down by other Government Departments, which fail to recognise the Home Office’s role in the fight to end domestic abuse. There is no greater offender than the Department for Communities and Local

Government, whose brutal cuts to local authorities have already closed 34 specialist women’s refuges since 2010. Just before the election last year, facing “shroud waving” from Women’s Aid, the Department suddenly had an epiphany and released a fund to stimulate increases in the number of refuge bed spaces.

**Anna Turley:** Does my hon. Friend agree that these constant references to “shroud waving” are an insult to those refuges and housing associations that are genuinely concerned that they are going to have to close accommodation for the most vulnerable people? For example, Thirteen, which does great work in the Tees valley with veterans, ex-offenders, women fleeing domestic violence and people recovering from addictions, is going to have to close supported accommodation. If the Conservatives are so genuinely bothered about scaremongering and shroud waving, they could put an end to it by doing something about this policy today.

**Jess Phillips:** I could not agree more. The simple thing to do is to exempt this category. I think we all know that the Government are properly going to do that. We have waved our shrouds and, do you know what, in every single case, they listened. So stop me having to talk about this! Stop making me a shroud waver! Just do it!

Anyway, the 10 million quid over 12 months that the Government gave just before the election was intended to create new beds, and I have heard Ministers stand at that Dispatch Box and talk about the number of extra bed spaces that they have created. However, I know that every single bid that was put in for that fund will have made its calculation based on the existing rates of housing benefit. I also know that every bid, as part of its sustainability plan beyond the 12 months, will have contained calculations based on the existing rates of housing benefit. Without the housing benefit-plus settlement, the £10 million offered would have been completely meaningless. I know that because I helped to write three of the successful bids.

I have run refuges that survived solely on housing benefit contributions, without any recourse to the now non-existent Supporting People funds. At my charity, when times were tough and our refuge funding was cut in half, we sucked it up, made tough decisions and found new ways and new funds. We worked on different models to bring in support staff to our refuges. None of that would have been possible without the existing system of housing benefit. We got all those Tories coming to see us because we had done such a great job of cutting our cloth to suit our needs, but we were only able to do it because of housing benefit. Day one of this change would have closed at least 20 of our bed spaces. That would have resulted in turning away more than a hundred women and at least as many vulnerable children every year.

This week, I spoke in the debate on childcare and begged once again for the responsible Minister to consider exempting victims of domestic violence from the rules on the 16-hour threshold for increased childcare. He stopped me in my tracks and made that commitment. I am begging the Ministers here today to do what he did, and what the Home Secretary is trying to do, to protect victims of domestic violence and their children.

[*Jess Phillips*]

The Minister might think that this is hyperbole, but I shall say it anyway: without the exemption, what he is proposing will, for many, be a death penalty. Please don't do it.

3.27 pm

**Peter Dowd (Bootle) (Lab):** It is becoming increasingly apparent that this Government are one of the most pusillanimous in living memory when it comes to tackling the powerful and vested interests in this country. This pusillanimous approach extends to the interests of the media, the utilities and any companies that replenish the coffers of the Tory party. In fact, it also extends to the international community as well. The obsequious kowtowing to foreign Governments, such as those of China and Saudi Arabia, is cringe-worthy, embarrassing and not worthy of a British Government. It comes to something when the Italian Government have managed to get more taxes out of big corporations than the Chancellor of the Exchequer, and that is saying something.

It does not matter whether a person is young, old, disabled—either physically or mentally—distressed, unemployed, on low pay, or on temporary or zero-hours contracts, they are fair game for this Government. This is a Government who challenge the weak, the vulnerable and the needy and dress it up as a virtue or something that is character building. The trend now is for the Government to discredit anyone who gets in their way, or who they think is getting in their way. The Government could teach the mafia a thing or two about extortion, but without the charm.

The House of Lords, the bastion of the Tory party for decades, challenges the Government, so the Government are now giving thought to how to clip its wings. It is strange that they have managed to do that only now when they no longer have a built-in majority in the Lords.

Let me turn now to the banks and the bankers. Today, we are seeing the continued fall-out from their reckless decisions that led to the crisis, with the Royal Bank of Scotland having to put aside a further £2 billion to cover its incompetence. Ministers sound like a stuck record, as they once again blame the previous Labour Government. Yet those are the people who, in the form of the shadow Cabinet in 2007, wanted to deregulate the banking and financial services sector lock stock and barrel through their “Freeing Britain to Compete” document. Following the banking crisis, which was caused by their friends in the City, they quietly buried that document much to the chagrin of the right hon. Member for Wokingham (John Redwood) who co-ordinated it. Although that document is as rare as rocking horse dung, I do suggest, none the less, that Government Members try to acquaint themselves with it—that is if they can find a copy of it.

I noticed the Prime Minister patting himself on the back today when he talked about the Government's record on tax collection. If that is the best this Government can do, it is no wonder they are having to penalise those who can least afford it. If they cannot get the money off the corporations, they will get it off the dispossessed.

Yet again we are hearing about another policy that has not been thought through. The fact that the Minister has announced some delay in the proposed cuts to

supported housing is evidence of that. The long-term impact on the finances of local government and of the health service are potentially catastrophic. It is significantly cheaper to have elderly people living in supported accommodation than it is to have them in residential care. There is a danger that these proposals will bring forward that cost with the transfer to residential care. Not content with penalising older people for being old, the Government are now on a roll, as they tackle homeless people, those escaping domestic violence and people with disabilities. Around 440,000 homes are potentially affected. Discretionary support will not make up the difference. Charlotte Norman of Place Shapers and St Vincent's Housing Association says that the proposals look like having a more detrimental effect than any other recent housing or welfare announcement. In my own constituency, Anchor Housing will struggle. The average rent in sheltered housing schemes is £123 a week, which will leave a shortfall of £32. There will be a significant detrimental effect on those organisations that support the most vulnerable.

When we talk about the most vulnerable, the Government accuse us of shroud waving. We are not shroud waving; we are telling the facts as they are, or possibly as they could be. Those on the Government Benches can wring their hands and accuse my right hon. Friend the Member for Wentworth and Dearne (John Healey) of being a scaremonger, but they are putting their heads in the sand. It is the responsibility of the Ministers on the Front Bench and this House to get a grip of the situation and get the Chancellor to change his mind for the umpteenth time.

3.32 pm

**Daniel Zeichner (Cambridge) (Lab):** My city of Cambridge is a high-cost area in the grip of a housing crisis. The problem is multi-faceted and complicated, and every single thing that the Government are doing is making it worse. This policy is no exception. We have been asked by Government Members what we would do. Well, I can tell them that three-year tenancies without any unexpected rent rises would be a very good start, and I commend that idea to them.

I have spent the past few days talking to providers of supported housing in Cambridge. What struck me was that every single one of them warned about the dangers of this policy and the effect that it will have on our cities. I will relay a few of the things that I was told. Let me start at the YMCA, which has 80 residents—a mixture of students and people in work—70 of whom receive housing benefit. I was told that if housing benefit is cut, the residents will be turfed out on to the streets. The YMCA does not want to do that, but it will have no choice. That would, of course, completely undermine recovery programmes and cause yet more young people to end up living on not the Conservatives' spin-happy road to recovery, but the street.

What of the local council? Cambridge City Council directly provides or manages more than 100 units of accommodation for homeless households, including three hostels, 22 units of move-on accommodation for adults recovering from mental health conditions, and 13 sheltered housing schemes for older people—more than 460 tenancies. This will be the same story for every Member across the House. The council rightly says that, if this policy goes ahead, it will inevitably result in their tenants facing a

higher net weekly payable rent. There will be no more income to pay the rent, just a higher rent. These are vulnerable people who will struggle to prioritise paying that rent, so we know what will happen: they will either sink into a spiral of debt or lose their accommodation—or, most likely, both.

My council also tells me that its inevitable loss of income will force it to reduce the services that it provides, which means fewer wardens, less support and less preventive work to stop people needing to go to hospital. My local NHS already has severe well-documented problems, which have recently been rehearsed in the Chamber, but the changes will just make that situation worse. We hear about joined-up government—I do not think so—but the policy will cost more money. It will just pass the buck by putting the cost on our hospitals and homeless services, which are already overstretched and working flat out.

Housing associations will also be affected. CHS Group tells me that the overall impact of the LHA cap will be a loss of income of £537,000 a year and that four of its support schemes in Cambridge will be plunged into a significant operating loss. Those schemes house 47 people—vulnerable teenagers, people with learning difficulties, and vulnerable women and older people—yet that provision will be under immediate threat.

Let me be generous for a moment. Perhaps the Government will change their mind, as happened when they thought again on tax credit cuts, after being presented with the facts. We have heard powerful and persuasive arguments from Labour Members today. Maybe the Government did not really understand the consequences of their proposals, but if that is the case, they should listen carefully now.

I shall conclude by being slightly less generous, however. I think that the proposal is part of a deadly cocktail of housing reforms that will decimate the sector and make our country's housing problems worse. There is constantly a gap between what the Government say and what they do. They talk about helping our country to live within its means, but in reality they are just mean. I urge the Government to think again. We all make mistakes, so there is no shame in their admitting that sometimes they get things wrong. It would be far better to change course now than to risk inflicting such harm on so many vulnerable people.

3.36 pm

**Owen Smith** (Pontypridd) (Lab): In my part of the world, often the best thing that is said about the Conservative party is, “You know where you are with them: they may be cruel, but at least they're competent.” Following today's debate, however, and particularly after this week for the Department for Work and Pensions, one must wonder about at least the latter part of that sentence.

We began the week with the Government's defeat in the other place on their ludicrous suggestion that incomes should be carved out of the meaningful measure of child poverty that the previous Labour Government introduced. The Government then had to acknowledge that they should exempt those in receipt of carer's allowance from the punishment of the benefit cap, despite the fact that they spent £50,000 in the courts just a few weeks ago defending the inclusion of carers under the aegis of that cap.

This morning, we saw extraordinary events in the Court of Appeal as the Government found their bedroom tax ruled not only cruel, but unlawful, because it discriminates against disabled people—in particular my friend and fellow countryman, Paul Rutherford, his wife, Susan, and their profoundly disabled child, Warren. He was discriminated against by the bedroom tax for many years, but he had his day in court today. I can only hope that the Government reflect on the meaning of that ruling with a little more grace than the Prime Minister during today's Question Time, and that they will come back to the House to give us satisfaction by getting rid of the bedroom tax.

**Barbara Keeley:** Does my hon. Friend agree that it was always unfair to include carers under the bedroom tax and the benefit cap because their caring role means that they cannot go out to work or increase the number of hours that they do? These 60,000 unpaid family carers already save the state billions, so is it not time for them to be exempted? We call on the Government to take action straight away.

**Owen Smith:** Is not that just shroud waving? We have heard for the past few years—not just months or today—that we are shroud waving about the bedroom tax and its effects on the vulnerable. Indeed, we have been told that it is shroud waving to suggest that the bedroom tax might be unlawful, but it turns out that it is illegal, so the Government must come back to the House to address the situation—[*Interruption.*] The Minister for Housing and Planning is chuntering, but this afternoon there was a welcome yet extraordinary turn of events in the House. Despite Labour Members and others interested in the social rented sector asking him on hundreds of occasions in recent months to make the change, the Minister has only now said that he agrees with us.

We should address the deeply unfair 1% cut to social housing rents which is but part of the problem that the social supported housing sector faces. I welcome the fact that the Minister, without much good grace, conceded that there should be a delay. It is extraordinary that his Government have been looking at the policy not, I have to tell my right hon. Friend the Member for Wentworth and Dearne (John Healey), since 2014 but since 2011, which is when they first suggested that they ought to address the question of, in their view, high social rented costs versus local housing allowance. Five years later, they still have not reached a conclusion on what they are going to do. It is incompetence on a gross scale.

In the Welfare Reform and Work Bill Committee, we lost count of the number of occasions on which we were offered excuses as to why the change could not possibly be made, and why the moratorium—or, as we asked for, a full exemption—was not affordable or allowable. In Committee, I believe that the words, “shroud waving” were used on a number of occasions. We were accused of jumping the gun, and told that the measures would not be introduced for a while, so there was plenty of time for the Government to get their papers in order and get the policy right.

**Mr Jackson:** The hon. Gentleman makes an eloquent case. Can he explain to the House why, in benign economic times, his own Government failed to deliver tax breaks to encourage the development of extra care

[Mr Jackson]

facilities and specialist housing facilities? Why did they stand still when there was plenty of money coming in and they had the opportunity to do so?

**Owen Smith:** The National Audit Office concluded that under the Tory and Liberal Government there was a 45% reduction in the amount of funding for the supported housing sector. That is the reality.

**Mr Jackson:** What about your Government?

**Owen Smith:** We have not been in power for six years, and there is only so long that the hon. Gentleman can keep waving that shroud at me. The key point is that under the hon. Gentleman's Government there was a 40% cut, and we face the prospect of the end of supported housing in this country unless there is a change of course from his Government.

There is a lot of misunderstanding among Government Members about what we are talking about. I do not know whether they do not read the briefing from the Whips or the Whips do not tell them the truth, but there are two measures that we are debating. On the first measure—a 1% cut in social housing rents—there is now a one-year stay of execution. The second and more important measure, which the Minister did not address despite the questions raised by my right hon. Friend the Member for Wentworth and Dearne, is the equalising of the amount of housing benefit available to people in social rented accommodation with the local housing allowance. That is the biggest, most substantive change that the Government propose to make.

The hon. Member for Lewes (Maria Caulfield) said that the measure had not been introduced and is not happening yet. She really ought to read the Government's statements. I shall read from the autumn statement, which said at paragraph 1.125:

“The Government will cap the amount of rent that Housing Benefit will cover in the social sector to the relevant local housing allowance. This will apply to tenancies signed after 1 April 2016”.

According to my maths, that is in a couple of months, with housing benefit entitlements changing across the board from April 2018. This is not shroud waving, nor is it jumping the gun: it is the Opposition drawing to the attention of the House and, it would seem, Government Members, a measure that will impact on their constituents in just a few months' time.

**Maria Caulfield:** The hon. Gentleman is being misleading, because the motion is about supported housing. Now he is speaking about general needs housing benefit, and there is a difference. There is no change in legislation: an extensive review is under way on housing benefit for people in supported housing. There is a difference, and I am sorry that he does not appreciate that.

**Owen Smith:** I am, unusually, lost for words. It is extraordinary that the hon. Lady does not understand what we are talking about. Supported housing—specified housing—is caught within the envelope of social housing.

**Maria Caulfield** *rose*—

**Owen Smith:** I will not give way to the hon. Lady. There is no point—she does not understand.

**Brandon Lewis** *rose*—

**Owen Smith:** I will give way to the Minister if he will tell us what he is going to do about local housing allowance.

**Brandon Lewis:** The hon. Gentleman has managed to brush over the fact that his colleague who spoke earlier was a Minister who was involved in bringing in the spare room subsidy originally. Perhaps he could confirm that our affordable housing programme has delivered 6% more supported homes per year than did the Labour equivalent?

**Owen Smith:** It is interesting that the Minister did not ride to the rescue of his hon. Friend the Member for Lewes: he knows that she does not know what she is talking about on this subject.

The hon. Lady could have a further look at the Budget book produced by the Government for the same spending review, which shows clearly that £515 million is the saving anticipated from the cuts. The IFS goes further and says that by the time the cuts are fully implemented, the Government might save £1.1 billion. The largest part of that is the change equalising housing benefit with local housing allowance, not the one-year stay of execution that we have heard about today. Now that I have explained the position, does the hon. Lady wish to intervene?

**Maria Caulfield:** I thank the shadow Minister for his reply. I am even more worried that he does not understand the difference. The supported housing allowance is much higher than the ordinary general needs housing benefit. The Opposition called this debate and we are supposed to be discussing supported housing, not general needs housing. I am shocked that the shadow Minister does not understand the difference.

**Owen Smith:** I have made the point about general social housing catching specified supported housing. That is clear. It is also clear, because Ministers admitted it at the Dispatch Box today, that the hon. Lady is right—supported housing does cost more because it is bespoke and it is intended for people with, for example, complex autistic needs or physical disabilities, women fleeing persecution and violence, or elderly vulnerable people. It costs more money to look after those people because an in-house concierge and other things are needed. That is why it is so wrong for the Government to equalise the amount of housing benefit that they can get with local housing allowances available for the private rented sector. That is the issue we are discussing.

The issue was not raised by us initially. Those in the sector have approached us and Ministers on many occasions. I shall quote a few. Andrew Redfern, chief executive of the specialist housing association Framework, said that the planned cut

“ would mean the end of supported housing. All our schemes would close, and I think all others would as well.”

That seems fairly straightforward. Other housing organisations such as Great Places, New Charter, Hightown Praetorian and Family Mosaic all confirmed that many of their schemes would be unviable if the cut went ahead. AmicusHorizon, which I believe has 119 such supported housing bodies across London, has confirmed

that it will have to close supported housing in London and elsewhere if these changes go ahead. Charlotte Norman of PlaceShapers and St Vincent's housing said:

"We cannot believe that government understands the consequences of these changes and the vast extra costs that would fall to the public purse as a result of scheme closures. Nothing short of exemption for all such housing will be adequate and we very much hope that common sense will prevail."

We heard a lot of common sense from Opposition Members, including from the hon. Member for Glasgow South West (Chris Stephens) and in particular from my hon. Friend the Member for Sheffield South East (Mr Betts), the Chairman of the Select Committee, who asked the central question: what will happen to the LHA equalisation with housing benefit that the Minister failed to mention? Will there be an exemption for supported housing associations and for specified housing? He asked a further question that the Minister failed to answer, which I hope the Under-Secretary of State for Disabled People will answer in a moment. If the rents are to go up next year and are not cut by 1%, will they go up in line with the formula, as they would have done ordinarily, or are they to be frozen? I would be grateful for an answer from the Minister.

My hon. Friend the Member for Southampton, Test (Dr Whitehead) talked about the Society of St James, which helps 2,000 people and will lose £1 million. The hon. Member for Macclesfield (David Rutley) and my hon. Friend the Member for Bolton South East (Yasmin Qureshi), drawing on their personal experience and deep knowledge, spoke about what this will mean for their constituents. My hon. Friend the Member for Birmingham, Yardley (Jess Phillips) spoke with particular expertise about her experience of running a women's refuge. She explained how these changes would shut that refuge and begged Ministers to listen to her and to the Home Secretary about the value of women's refuges and the damage that will be done to them. My hon. Friends the Member for Bootle (Peter Dowd) and for Cambridge (Daniel Zeichner) also spoke.

On the Government side, Members were sanguine. On the Government side, Members dissembled. On the Government side, Members have a choice about what to do today. Will they agree with us that nothing short of the exemption of specialised supported housing is required in order to safeguard the most vulnerable in our communities and that what we have heard today from the Government is welcome but insufficient? When the Minister comes to the Dispatch Box, will he agree with me that it is time for the Government to admit that they got it wrong and, as they have done so many times this week, reverse ferret?

3.50 pm

**The Parliamentary Under-Secretary of State for Disabled People (Justin Tomlinson):** This has been a powerful and important debate, and we have listened to the arguments from both sides of the Chamber. A number of important points were raised and questions asked, and I will do my best to cover as many of them as I can.

Our welfare reform is about bringing wide-ranging reforms to the welfare system and bringing the budget back under control after years of overspending by Labour. My hon. Friends the Members for Peterborough (Mr Jackson), for Weaver Vale (Graham Evans) and for

North Dorset (Simon Hoare) set out eloquently how important that is. Our reforms are bringing fairness for hard-working taxpayers, making work pay and making welfare sustainable for the future.

Protecting the most vulnerable is the key part of today's debate. As we have progressed with these important and necessary reforms, we have stuck to our principle of protecting the most vulnerable. As the Minister for Disabled People, I hold that principle to be particularly important. I know how important the right housing is for an individual's needs. I am proud of our record on helping those who need the most support.

I want to remind the House that we have spent around £50 billion every year on benefits to support people with disabilities or health conditions, and that spending will be higher in every year until 2020 than it was in 2010. We are spending £400 million to deliver 8,000 specialist homes for the vulnerable, elderly or those with disabilities, and funding for the disabled facilities grant, which funds around 40,000 adaptations a year, is due to increase by nearly 80% next year. We are providing £870 million of support through discretionary housing payment over the next five years to help those who need support, and the Department of Health has committed to funding up to 7,500 further specialist homes for disabled and older people.

We are also providing support to other vulnerable groups. For example, we are providing £40 million for victims of domestic abuse, which is a tripling of the support, ensuring that no one is turned away from the support they need. I pay tribute to the hon. Member for Birmingham, Yardley (Jess Phillips) for focusing the House on the absolute importance of the services that refuges provide, bringing real dynamism and realism to the debate. I understand that, because I have done a lot of work with Women's Aid, particularly in the last Parliament, and I pay tribute to the women's refuge in Swindon. It cannot boast about what it does, because it has to be behind closed doors. The hon. Lady has really focused minds, which is an important thing to do. More than £500 million has been spent since 2010 on tackling homelessness, preventing almost 1 million households from becoming homeless.

Let me turn to supported housing. I pay tribute to my hon. Friend the Member for Lewes (Maria Caulfield) and the hon. Member for Makerfield (Yvonne Fovargue), who drew upon their real-life experience and set out some of the challenges and opportunities faced in this area. We recognise the value of the supported housing sector and want to ensure that the essential services it delivers continue to be provided, within the context of driving appropriate value for money. Many Members have put that on the record today and spoken about that support, which is very important. We want to ensure that the sector can continue to deliver the important services it provides, which is why we will be putting in place a one-year exemption from the 1% rent reduction for all supported accommodation. That will give us time to study the evidence from the supported housing review, which is due to report in the spring, and consider a longer-term solution for the sector.

The hon. Member for Sheffield South East (Mr Betts) asked a number of questions, including about what happens to rents for supported housing next year during the one-year delay. They will be uprated by CPI plus 1% up until April 2017, then reviewed after that.

[Justin Tomlinson]

The review will tell us the size, scale and scope of supported housing funded through housing benefits. The policy options will be considered after the report is published, in consultation with a wide range of stakeholders, and conclusions will be reached in due course as that is brought together.

**Mr Jackson:** I am reassured by the Minister's comments. Will he ensure that the Treasury and NHS England are involved in this issue, because it is important that there is proper co-ordination between acute hospital care and social care as we face demographic issues in the future?

**Justin Tomlinson:** We all accept that this issue goes far wider, and we must look at all that in the consultation.

My hon. Friend the Member for South Ribble (Seema Kennedy) asked me to take on board the comments from Progress Housing, and I will happily do so. The hon. Member for Cambridge (Daniel Zeichner) talked about the YMCA, which is an important organisation. I am pleased that Denise Hatton, YMCA England's chief executive, has already tweeted:

"It is positive that the Government has listened to the concerns of the sector and we welcome the fact it has taken appropriate action to protect supported housing."

**John Healey:** If the House is to take the Minister at his word that he wants to have the evidence from the review, then a consultation, in order to make these policy decisions, will he place a moratorium on the application of the LHA benefit cut, as he proposes with the rent cut, so that new tenancies from April this year will not be affected in the way that the Chancellor announced?

**Justin Tomlinson:** For new tenants, the change comes into effect in 2016; for existing ones, it will come into effect in 2018. The delay on the 1% is just for supported housing, so I am afraid that I cannot give that commitment.

**Mr Betts:** The question is this: will the Minister defer the change in housing benefit related to LHA for supported housing from April this year so that it does not apply to new tenancies until the review has been completed?

**Justin Tomlinson:** The changes do not come into effect at that point. That is why we said that we will urgently take forward the review based on the points that have been raised.

I can assure Members that DWP and DCLG will work closely together to ensure that the appropriate protections are in place for those in supported housing.

**Mr Betts:** I am sorry, but the changes do come into effect for new tenancies in supported housing from April this year, so will the Minister please defer them?

**Justin Tomlinson:** I have made it clear that, for those in supported housing, the change will be delayed for a year as we conduct the urgent review.

On the rationale for changes in the social rented sector, we will stick to our principles of protecting the most vulnerable. However, these are important reforms.

We inherited a burgeoning housing benefits bill that we had to get control of. We have started to do that, but we need to go further. The housing benefit bill for England has risen by over 20% during the past 10 years, as my hon. Friend the Member for Bexhill and Battle (Huw Merriman) said. Part of the reason is that the rises in social rents have outstripped those in the private sector, as highlighted by my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake). Social rents are up by 60% compared with 23% in the private sector. In the private sector, the local housing allowance curbs the spiralling housing benefit bill, but there is no similar restraint in the social sector. That is why we are going to cap social sector rents in the same way as in the private sector, thereby reducing rents in the social sector. We should remember that this will help the one third of people in this sector who do not claim any housing benefit and whose rents will come down. However, we will continue to protect the most vulnerable.

This is just part of our wider housing reforms. We are improving access, creating more choice and building more affordable homes. We are doubling the housing budget to more than £20 billion over the next five years to help to ensure that housing is prioritised for those who need it most.

**Neil Coyle:** Will the Minister give way?

**Justin Tomlinson:** No. I am short of time.

Under Labour, the number of social and affordable rented homes fell by 400,000, but under the Conservative Government, 700,000 new homes have been built in the past five years, of which 270,000 are affordable homes. We are broadening opportunities for people to access housing through Help to Buy, right to buy and the £8 billion commitment to deliver 400,000 more affordable home starts. This Government are tackling the chronic problems of under-supply and access to housing, which the Labour party failed to do.

In conclusion, we will not fall into the trap of Labour's blank-cheque approach by paying away problems without making any real or meaningful reforms to welfare. Our reforms bring fairness for hard-working taxpayers and make the welfare budget more sustainable for the future, and we are doing that while providing the right protection for the most vulnerable in society.

*Question put.*

*The House divided: Ayes 239, Noes 286.*

**Division No. 177]**

**[4 pm**

**AYES**

Abbott, Ms Diane	Blomfield, Paul
Abrahams, Debbie	Boswell, Philip
Alexander, Heidi	Bradshaw, rh Mr Ben
Ali, Rushanara	Brock, Deidre
Anderson, Mr David	Brown, Alan
Ashworth, Jonathan	Brown, Lyn
Austin, Ian	Bryant, Chris
Bailey, Mr Adrian	Buck, Ms Karen
Barron, rh Kevin	Burden, Richard
Beckett, rh Margaret	Burgon, Richard
Berger, Luciana	Butler, Dawn
Betts, Mr Clive	Cadbury, Ruth
Blackford, Ian	Cameron, Dr Lisa
Blackman, Kirsty	Campbell, rh Mr Alan
Blenkinsop, Tom	Campbell, Mr Ronnie

Champion, Sarah  
 Chapman, Douglas  
 Chapman, Jenny  
 Clegg, rh Mr Nick  
 Coaker, Vernon  
 Coffey, Ann  
 Cooper, rh Yvette  
 Cowan, Ronnie  
 Cox, Jo  
 Coyle, Neil  
 Crausby, Mr David  
 Crawley, Angela  
 Creasy, Stella  
 Cruddas, Jon  
 Cryer, John  
 Cummins, Judith  
 Cunningham, Alex  
 Cunningham, Mr Jim  
 Dakin, Nic  
 Danczuk, Simon  
 David, Wayne  
 Day, Martyn  
 De Piero, Gloria  
 Dodds, rh Mr Nigel  
 Donaldson, Stuart Blair  
 Doughty, Stephen  
 Dowd, Jim  
 Dowd, Peter  
 Dromey, Jack  
 Durkan, Mark  
 Eagle, Ms Angela  
 Eagle, Maria  
 Edwards, Jonathan  
 Efford, Clive  
 Elliott, Julie  
 Esterson, Bill  
 Evans, Chris  
 Fellows, Marion  
 Ferrier, Margaret  
 Field, rh Frank  
 Fitzpatrick, Jim  
 Ffello, Robert  
 Fletcher, Colleen  
 Flint, rh Caroline  
 Fovargue, Yvonne  
 Gardiner, Barry  
 Gibson, Patricia  
 Glindon, Mary  
 Godsiff, Mr Roger  
 Goodman, Helen  
 Grady, Patrick  
 Grant, Peter  
 Gray, Neil  
 Green, Kate  
 Greenwood, Lilian  
 Greenwood, Margaret  
 Griffith, Nia  
 Gwynne, Andrew  
 Haigh, Louise  
 Hamilton, Fabian  
 Hanson, rh Mr David  
 Harman, rh Ms Harriet  
 Harris, Carolyn  
 Hayes, Helen  
 Healey, rh John  
 Hendrick, Mr Mark  
 Hendry, Drew  
 Hepburn, Mr Stephen  
 Hermon, Lady  
 Hillier, Meg  
 Hodge, rh Dame Margaret  
 Hoey, Kate

Hollern, Kate  
 Hopkins, Kelvin  
 Hosie, Stewart  
 Howarth, rh Mr George  
 Huq, Dr Rupa  
 Hussain, Imran  
 Irranca-Davies, Huw  
 Jarvis, Dan  
 Johnson, rh Alan  
 Johnson, Diana  
 Jones, Gerald  
 Jones, Helen  
 Jones, Mr Kevan  
 Jones, Susan Elan  
 Kane, Mike  
 Keeley, Barbara  
 Kendall, Liz  
 Kerevan, George  
 Kerr, Calum  
 Kinahan, Danny  
 Kinnock, Stephen  
 Kyle, Peter  
 Lammy, rh Mr David  
 Lavery, Ian  
 Law, Chris  
 Leslie, Chris  
 Lewell-Buck, Mrs Emma  
 Lewis, Clive  
 Long Bailey, Rebecca  
 Lucas, Caroline  
 Lucas, Ian C.  
 Lynch, Holly  
 Mactaggart, rh Fiona  
 Madders, Justin  
 Mahmood, Shabana  
 Malhotra, Seema  
 Mann, John  
 Marris, Rob  
 Marsden, Mr Gordon  
 Maskell, Rachael  
 Matheson, Christian  
 McCabe, Steve  
 McCaig, Callum  
 McCarthy, Kerry  
 McDonagh, Siobhain  
 McDonald, Andy  
 McDonald, Stewart Malcolm  
 McDonald, Stuart C.  
 McDonnell, Dr Alasdair  
 McDonnell, John  
 McGarry, Natalie  
 McGinn, Conor  
 McInnes, Liz  
 McKinnell, Catherine  
 McLaughlin, Anne  
 Mearns, Ian  
 Miliband, rh Edward  
 Monaghan, Carol  
 Morden, Jessica  
 Mulholland, Greg  
 Mullin, Roger  
 Murray, Ian  
 Nandy, Lisa  
 Newlands, Gavin  
 Nicolson, John  
 O'Hara, Brendan  
 Onn, Melanie  
 Onwurah, Chi  
 Osamor, Kate  
 Owen, Albert  
 Paisley, Ian  
 Paterson, Steven

Pearce, Teresa  
 Pennycook, Matthew  
 Perkins, Toby  
 Phillips, Jess  
 POUND, Stephen  
 Powell, Lucy  
 Pugh, John  
 Qureshi, Yasmin  
 Rayner, Angela  
 Reed, Mr Jamie  
 Reed, Mr Steve  
 Rees, Christina  
 Reeves, Rachel  
 Reynolds, Emma  
 Rimmer, Marie  
 Ritchie, Ms Margaret  
 Robinson, Gavin  
 Rotheram, Steve  
 Saville Roberts, Liz  
 Shah, Naz  
 Shannon, Jim  
 Sheerman, Mr Barry  
 Sherriff, Paula  
 Shuker, Mr Gavin  
 Siddiq, Tulip  
 Simpson, David  
 Skinner, Mr Dennis  
 Slaughter, Andy  
 Smith, Angela  
 Smith, Cat  
 Smith, Nick  
 Smith, Owen  
 Smyth, Karin  
 Spellar, rh Mr John

Adams, Nigel  
 Afriyie, Adam  
 Aldous, Peter  
 Allen, Heidi  
 Amess, Sir David  
 Andrew, Stuart  
 Ansell, Caroline  
 Argar, Edward  
 Atkins, Victoria  
 Bacon, Mr Richard  
 Baker, Mr Steve  
 Baldwin, Harriett  
 Barclay, Stephen  
 Baron, Mr John  
 Barwell, Gavin  
 Bellingham, Sir Henry  
 Benyon, Richard  
 Berry, Jake  
 Berry, James  
 Bingham, Andrew  
 Blackman, Bob  
 Blunt, Crispin  
 Boles, Nick  
 Bone, Mr Peter  
 Borwick, Victoria  
 Bottomley, Sir Peter  
 Bradley, Karen  
 Brazier, Mr Julian  
 Bridgen, Andrew  
 Brine, Steve  
 Brokenshire, rh James  
 Bruce, Fiona  
 Buckland, Robert  
 Burns, Conor  
 Burns, rh Sir Simon

Starmer, Keir  
 Stephens, Chris  
 Stevens, Jo  
 Streeting, Wes  
 Stringer, Graham  
 Stuart, rh Ms Gisela  
 Tami, Mark  
 Thewliss, Alison  
 Thomas, Mr Gareth  
 Thomas-Symonds, Nick  
 Thompson, Owen  
 Thornberry, Emily  
 Timms, rh Stephen  
 Trickett, Jon  
 Turley, Anna  
 Turner, Karl  
 Twigg, Derek  
 Twigg, Stephen  
 Umunna, Mr Chuka  
 Vaz, rh Keith  
 Vaz, Valerie  
 Weir, Mike  
 Whiteford, Dr Eilidh  
 Whitehead, Dr Alan  
 Williams, Hywel  
 Williams, Mr Mark  
 Winnick, Mr David  
 Winterton, rh Dame Rosie  
 Wishart, Pete  
 Woodcock, John  
 Zeichner, Daniel

**Tellers for the Ayes:**  
**Vicky Foxcroft and**  
**Sue Hayman**

#### NOES

Burrowes, Mr David  
 Burt, rh Alistair  
 Cairns, Alun  
 Carmichael, Neil  
 Carswell, Mr Douglas  
 Cartledge, James  
 Cash, Sir William  
 Caulfield, Maria  
 Chalk, Alex  
 Chishti, Rehman  
 Chope, Mr Christopher  
 Churchill, Jo  
 Clarke, rh Mr Kenneth  
 Cleverly, James  
 Clifton-Brown, Geoffrey  
 Coffey, Dr Thérèse  
 Colville, Oliver  
 Costa, Alberto  
 Cox, Mr Geoffrey  
 Crabb, rh Stephen  
 Davies, Byron  
 Davies, Chris  
 Davies, Glyn  
 Davies, Dr James  
 Davies, Mims  
 Davies, Philip  
 Dinenage, Caroline  
 Djanogly, Mr Jonathan  
 Dorries, Nadine  
 Double, Steve  
 Dowden, Oliver  
 Drax, Richard  
 Drummond, Mrs Flick  
 Duncan, rh Sir Alan  
 Duncan Smith, rh Mr Iain

Dunne, Mr Philip  
 Ellis, Michael  
 Ellison, Jane  
 Ellwood, Mr Tobias  
 Elphicke, Charlie  
 Eustice, George  
 Evans, Graham  
 Evennett, rh Mr David  
 Fabricant, Michael  
 Fallon, rh Michael  
 Fernandes, Suella  
 Field, rh Mark  
 Foster, Kevin  
 Fox, rh Dr Liam  
 Frazer, Lucy  
 Freeman, George  
 Freer, Mike  
 Fuller, Richard  
 Fysh, Marcus  
 Garnier, rh Sir Edward  
 Garnier, Mark  
 Ghani, Nusrat  
 Gibb, Mr Nick  
 Gillan, rh Mrs Cheryl  
 Glen, John  
 Goodwill, Mr Robert  
 Gove, rh Michael  
 Graham, Richard  
 Grant, Mrs Helen  
 Gray, Mr James  
 Grayling, rh Chris  
 Green, Chris  
 Green, rh Damian  
 Greening, rh Justine  
 Grieve, rh Mr Dominic  
 Griffiths, Andrew  
 Gummer, Ben  
 Gyimah, Mr Sam  
 Halfon, rh Robert  
 Hammond, rh Mr Philip  
 Hammond, Stephen  
 Hancock, rh Matthew  
 Hands, rh Greg  
 Harper, rh Mr Mark  
 Harrington, Richard  
 Harris, Rebecca  
 Hart, Simon  
 Haselhurst, rh Sir Alan  
 Hayes, rh Mr John  
 Heald, Sir Oliver  
 Heapey, James  
 Heaton-Harris, Chris  
 Henderson, Gordon  
 Herbert, rh Nick  
 Hinds, Damian  
 Hoare, Simon  
 Hollingbery, George

Hollinrake, Kevin  
 Hollobone, Mr Philip  
 Holloway, Mr Adam  
 Hopkins, Kris  
 Howarth, Sir Gerald  
 Huddleston, Nigel  
 Hunt, rh Mr Jeremy  
 Hurd, Mr Nick  
 Jackson, Mr Stewart  
 James, Margot  
 Javid, rh Sajid  
 Jayawardena, Mr Ranil  
 Jenkin, Mr Bernard  
 Jenkyns, Andrea  
 Jenrick, Robert  
 Johnson, Boris  
 Johnson, Gareth  
 Johnson, Joseph  
 Jones, Andrew  
 Jones, rh Mr David  
 Jones, Mr Marcus  
 Kawczynski, Daniel  
 Kennedy, Seema  
 Kirby, Simon  
 Knight, rh Sir Greg  
 Knight, Julian  
 Kwarteng, Kwasi  
 Lancaster, Mark  
 Latham, Pauline  
 Leadsom, Andrea  
 Lee, Dr Phillip  
 Lefroy, Jeremy  
 Leigh, Sir Edward  
 Leslie, Charlotte  
 Letwin, rh Mr Oliver  
 Lewis, Brandon  
 Lewis, rh Dr Julian  
 Lidington, rh Mr David  
 Lilley, rh Mr Peter  
 Lord, Jonathan  
 Loughton, Tim  
 Lumley, Karen  
 Mackinlay, Craig  
 Mackintosh, David  
 Main, Mrs Anne  
 Mak, Mr Alan  
 Malthouse, Kit  
 Mann, Scott  
 Mathias, Dr Tania  
 May, rh Mrs Theresa  
 Maynard, Paul  
 McLoughlin, rh Mr Patrick  
 McPartland, Stephen  
 Menzies, Mark  
 Mercer, Johnny  
 Merriman, Huw  
 Metcalfe, Stephen

Miller, rh Mrs Maria  
 Milling, Amanda  
 Mills, Nigel  
 Milton, rh Anne  
 Mitchell, rh Mr Andrew  
 Mordaunt, Penny  
 Morgan, rh Nicky  
 Morris, Anne Marie  
 Morris, David  
 Morris, James  
 Morton, Wendy  
 Mowat, David  
 Mundell, rh David  
 Murray, Mrs Sheryll  
 Murrison, Dr Andrew  
 Neill, Robert  
 Newton, Sarah  
 Nokes, Caroline  
 Norman, Jesse  
 Nuttall, Mr David  
 Offord, Dr Matthew  
 Parish, Neil  
 Patel, rh Priti  
 Pawsey, Mark  
 Penning, rh Mike  
 Penrose, John  
 Percy, Andrew  
 Perry, Claire  
 Phillips, Stephen  
 Philp, Chris  
 Pincher, Christopher  
 Prentis, Victoria  
 Prisk, Mr Mark  
 Pursglove, Tom  
 Quin, Jeremy  
 Quince, Will  
 Raab, Mr Dominic  
 Redwood, rh John  
 Rees-Mogg, Mr Jacob  
 Robertson, Mr Laurence  
 Rosindell, Andrew  
 Rudd, rh Amber  
 Rutley, David  
 Sandbach, Antoinette  
 Selous, Andrew  
 Shapps, rh Grant  
 Sharma, Alok  
 Simpson, rh Mr Keith  
 Smith, Chloe  
 Smith, Julian  
 Smith, Royston  
 Solloway, Amanda  
 Soubry, rh Anna

Spelman, rh Mrs Caroline  
 Spencer, Mark  
 Stevenson, John  
 Stewart, Bob  
 Stewart, Iain  
 Stewart, Rory  
 Streeter, Mr Gary  
 Stride, Mel  
 Stuart, Graham  
 Sturdy, Julian  
 Sunak, Rishi  
 Swayne, rh Mr Desmond  
 Swire, rh Mr Hugo  
 Syms, Mr Robert  
 Thomas, Derek  
 Throup, Maggie  
 Timpson, Edward  
 Tomlinson, Justin  
 Tomlinson, Michael  
 Tracey, Craig  
 Tredinnick, David  
 Trevelyan, Mrs Anne-Marie  
 Truss, rh Elizabeth  
 Tugendhat, Tom  
 Turner, Mr Andrew  
 Tyrie, rh Mr Andrew  
 Vaizey, Mr Edward  
 Vara, Mr Shailesh  
 Vickers, Martin  
 Villiers, rh Mrs Theresa  
 Walker, Mr Charles  
 Wallace, Mr Ben  
 Warburton, David  
 Warman, Matt  
 Watkinson, Dame Angela  
 Wharton, James  
 Whately, Helen  
 Wheeler, Heather  
 White, Chris  
 Whittaker, Craig  
 Whittingdale, rh Mr John  
 Wiggin, Bill  
 Williams, Craig  
 Williamson, rh Gavin  
 Wilson, Mr Rob  
 Wollaston, Dr Sarah  
 Wragg, William  
 Wright, rh Jeremy  
 Zahawi, Nadhim

**Tellers for the Noes:**  
**Jackie Doyle-Price and**  
**Guy Opperman**

*Question accordingly negated.*



## Prisons and Probation

4.13 pm

**Andy Slaughter** (Hammersmith) (Lab): I beg to move,

That this House believes UK prisons are in crisis; notes the increasingly high rates of violence, self-harm and drug use in prisons, and the resulting pressure on the NHS; further notes that the last report by the outgoing Chief Inspector of Prisons warned that outcomes across the prison estate were the worst for ten years; believes that no prison staff should have to go to work facing a threat to their safety; notes with concern the decision of the Scottish Government, announced in its recent draft Scottish Budget for 2016-17, to reduce funding for the Scottish Prison Service by almost £40 million in cash terms; is appalled by the disturbing allegations of violence at Medway Secure Training Centre; regrets the Government's inadequate response to the Harris Review and to mental health in prisons; is concerned that re-offending rates are so high; believes the Government lets down victims of crime by failing to enshrine their rights in law; regrets the Government's reckless privatisation of the probation service and the job losses in community rehabilitation companies; and calls on the Government to put all G4S-run prisons, STCs and detention centres into special measures, to immediately review the implementation of Transforming Rehabilitation and to publish the Memorandum of Understanding on Judicial Cooperation with Saudi Arabia.

Prison and probation staff have some of the toughest jobs in our country. With few exceptions, they work with industry, compassion and resolution to protect the public and to help to change lives through rehabilitation. All of us in this House owe them our gratitude. Over six years in the shadow Justice team, but also as MP for one of Britain's most iconic prisons, HMP Wormwood Scrubs, and, in the past, as a criminal barrister, I have visited many prisons and spoken to both prisoners and staff, and to their representatives in the Prisoner Learning Alliance and Napo, to which I also pay tribute.

The inescapable conclusion is that the prison system in this country—I use the term to include both the adult and youth estates—is not working, contrary to the famous pronouncement of the noble Lord Howard. From the Lord Chancellor's statements and speeches so far, I think he may agree. The question for today is: what are he and his Government going to do about it? It is certainly the view of many in his party that prison is not working. We have waited some time for a parliamentary debate on the crisis in our prisons. This will be the fourth in a week. I hope that is a reflection of the new priority that parliamentarians in both Houses are giving to this issue.

**Sir Edward Garnier** (Harborough) (Con): When I was in the hon. Gentleman's position as shadow prisons Minister 10 years ago, I could have tabled a motion in the name of the official Opposition in exactly the same terms as the first four and three-quarter lines of his motion. Why did he not do something about the problem then?

**Andy Slaughter:** I take the intervention in the spirit in which it is meant, but I hope we are not going to have a war over who did what when. As the right hon. and learned Gentleman will see in a moment, we are talking not about the last 10 years, but the last 50 years.

I should make a special mention of the debate on prison reform in the other place on 21 January in the name of the noble Lord Fowler. Lest the Lord Chancellor take exception to the wording of today's motion—

“That this House believes UK prisons are in crisis”—

the noble Lord ended his excellent speech with these words:

“In 1970, we faced a prisons crisis; today, we face a prisons scandal.”

Every speech in that debate was superb, and I hope this House can live up to those high standards today.

Lord Fowler set out five proposals. In concluding the debate, the Minister, Lord Faulks, said he “had no difficulty in supporting any of them”.—[*Official Report, House of Lords*, 21 January 2016; Vol. 768, c. 910-940.]

I assume the same can be said for the Lord Chancellor. To remind him, the five proposals are: deprivation of liberty, but not to make life as uncomfortable as possible; end overcrowding; reduce the number of people sent to prison; do so by re-examining sentences; and pass responsibility to the governor and staff. The Lord Chancellor has spoken approvingly of the last of those points, but does he agree with Lord Fowler and his Minister on the other four points? More importantly, if he does, how will he set out to accomplish them? That is not a trick question. I do not know whether the Lord Chancellor is in muesli mode or Shipley mode today. He has made some fine rhetorical flourishes on the subject of prison reform and set reviews in progress, but what action do his Government intend to take?

I am happy to give the Lord Chancellor a platform today to add some substance to the rhetoric—it is a platform rather than a scaffold—but I will do so by setting out the scale of the task before him. Let me begin with the basic issue of safety. In the 12 months to September 2015, there were 267 deaths in prison custody—95 suicides, up from 60 in the same period in 2010; 153 deaths from natural causes, up from 123; and seven homicides. There have been the same number of homicides in prison in the past two years as there were in the preceding eight. In the 12 months to June 2015, there were 28,881 reported incidents of self-harm, up by 21% in just a year; 4,156 assaults on staff, a 20% rise from the year before; and 578 serious assaults on staff, a rise of 42% from the year before. Tragically, a prison officer, Lorraine Barwell—it was the first such incident of its type in a quarter of a century—died in July last year after being the victim of an attack in the line of duty one month earlier. We owe it to her and her family to ensure that her colleagues are as safe as possible.

**Andrew Gwynne** (Denton and Reddish) (Lab): My hon. Friend has started by setting out staggering and appalling statistics on the number of prisoners who have sadly taken their own lives or who are self-harming. Does that not underline the problems of mental health in prisons? What more should the Government do to tackle the serious problem of mental ill health among the prisoner population?

**Andy Slaughter:** My hon. Friend—I know he speaks from a position of knowledge on the subject—is right. I will come to that in a moment.

The prison riot squad was called out 343 times last year—once a day on average—compared with 223 times the year before and 118 times in 2010. Alcohol finds have nearly trebled since 2010. From mobile phones to drugs and legal highs, the list of what people can smuggle into prison at the moment is elastic. According to one prisoner at HMP Oakwood, a prison that the previous Lord Chancellor called

“an excellent model for the future”—[*Official Report*, 5 February 2013; Vol. 558, c. 114.],

[*Andy Slaughter*]

it was easier to get drugs than soap, so there are some restrictions. Earlier this month, seven officers reported suffering ill effects from inadvertently inhaling legal highs. You couldn't make that up.

**Steve Brine** (Winchester) (Con): It would be remiss at this point not to place it on the record that the Psychoactive Substances Bill, which passed through the House last week, will make possession inside the secure estate a criminal offence. I think the hon. Gentleman welcomed that.

**Andy Slaughter:** I agree with most, if not all, of the provisions in the Bill. The issue we are dealing with here, however, is smuggling contraband into prisons by a number of means, including the increasing use of drones.

Turning to overcrowding, figures released by the Prisons Minister on Monday showed that 25% of all prisoners are in overcrowded cells. In some prisons, such as Wandsworth, the figure rises to over 80%. It is, in the words of the chief inspector,

"sometimes exacerbated by extremely poor environments and squalid conditions."

This memorably led one member of staff to tell him, of a cell in Wormwood Scrubs, that he

"wouldn't keep a dog in there".

In the past 25 years, the prison population has almost doubled, from under 45,000 in 1990 to over 85,000 now. It is projected to increase to 90,000 by 2020. Staff are already struggling, following cuts on an unprecedented scale. There are 9,760 fewer operational prison staff than in 2010, and nearly 5,000 fewer prison officers since 2010. Some 250 prison governors resigned or moved jobs in the past five years.

On education, the Prisoners Education Trust reports that prisoners tell them they have to choose between going to the library and having a shower, because of the lack of staff to escort them. Nearly half of prisoners report having no qualifications and 42% of people in prison say they had been expelled or permanently excluded from school. The Lord Chancellor appointed Dame Sally Coates, the distinguished former head of Burlington Danes Academy, to review prisoner education. Perhaps he will let us know what progress she has made.

On mental health, according to an answer given to my hon. Friend the Member for Liverpool, Wavertree (Luciana Berger), 60% of prisoners who took their own life last year were not receiving assistance under the assessment, care in custody and teamwork process, which is supposed to identify prisoners at a heightened risk of suicide or self-harm.

**Steve Rotheram** (Liverpool, Walton) (Lab): My constituency has two prisons—Altcourse, which is privately run by G4S, and Liverpool Walton. Both were inspected recently. The common factor in both inspections was understaffing. Does my hon. Friend think that some of the factors he is identifying are due to the staff numbers at both prisons being the lowest in living memory?

**Andy Slaughter:** The cuts in staff lie at the root of many of the problems I am identifying. The fact that in many cases prisoners now spend 22 or 23 hours in their cell, and have restrictions on work, education and

association, is leading to increased violence and poor behaviour in prisons. That is a very short-sighted development. I think the Government realise that, but perhaps too late.

Turning to probation and reoffending, figures I obtained last month revealed that almost one in 10 offenders are convicted of an offence within 18 days of release. HM inspectorate of probation's fourth report on the implementation of transforming rehabilitation was published on 15 January. It highlighted the disparity in performance between the national probation service, which is still part of the National Offender Management Service, and the 21 community rehabilitation companies managed by private providers. For CRCs, one quarter of the offenders sampled had been convicted of a further offence, whereas for the NPS the figure was less than one fifth. On child protection and safeguarding on home visits, the NPS again outperformed CRCs. Earlier this month, the Lord Chancellor's Department stopped publishing figures relating to staffing figures at CRCs. Why was this, except to conceal the hundreds of experienced probation staff being laid off across the country to promote the bottom line for the CRCs' owners?

Let me turn to the youth estate, and in particular the role of G4S. We welcome the measures announced yesterday by the Lord Chancellor to effectively put Medway secure training centre into special measures. This is unsurprising, as they are exactly what I called for in an urgent question two weeks ago. I also welcome the decision by the director of Medway to stand down. However, individuals should not bear the entirety of the blame for what looks like corporate failure by G4S. I have now written to the Serious Fraud Office to ask that it investigates the allegations, made in the BBC "Panorama" programme on Medway, that instances of disorder were concealed to avoid G4S incurring fines under its contract. This is in addition to the ongoing SFO investigation into G4S and Serco's manipulation of the tagging contracts for financial gain.

G4S has a truly dismal record of managing public contracts here and abroad. At Rainsbrook STC, six staff were dismissed and the contract was terminated last September, following an inspection report that said some staff were on drugs while on duty, colluded with detainees and behaved extremely inappropriately with young people. The company taking over the contract is MTCnovo. It is a name not well known in this country because, in origin, it is a US prison firm. As such, it presided over a riot in an Arizona state prison and ran a youth facility in Mississippi that a judge described as

"struggling with disorder, periodic mayhem, and staff ineptitude which leads to perpetual danger to the inmates and staff."

It probably left that reference out of its application, along with the fact that its directors helped to set up Abu Ghraib prison in Baghdad.

The problems of the youth estate go way beyond G4S, however, which is why the chief inspector of prisons has called for an inquiry into the failings at Medway and the implications for the wider youth justice system.

**Dr Rupa Huq** (Ealing Central and Acton) (Lab): On the Justice Committee, we interviewed the chief inspector and found his answers on ministerial interference in his reports very interesting. Does my hon. Friend agree that, to the outside world, the fact that the chief inspector's

contract is not being renewed makes it look like he was doing an effective job in holding the MOJ to account, and is now being silenced?

**Andy Slaughter:** My hon. Friend makes an extremely good point, and one that I will come on to.

If the Lord Chancellor is a prison reformer, as he is now billed, we are prepared to work with him. He could start with the Prison Reform Trust report, "Correction or care? the use of custody for children in trouble", published last year, which looked at successful models around the world. Successful prisons are becoming smaller, more focused and more rooted locally, which is why he is right to abandon his predecessor's plans for a new borstal. Although he is also to be commended for wishing to close unsuitable prisons, if, as a consequence, prisons are built a long way from friends and family or we move from local to titan prisons, that will have its own drawbacks.

We need prison watchdogs with real teeth and independence. The outgoing inspector, Nick Hardwick, has done a great job in spite of, not because of the Government. This brings me to the point made by my hon. Friend the Member for Ealing Central and Acton (Dr Huq). The reports last week that the MOJ had tried to control or muzzle him were outrageous. I welcome the Lord Chancellor's announcement yesterday that he will retain Mr Hardwick's expertise as head of the Parole Board, but let us use this opportunity to shake things up. We need a stronger, more independent inspectorate that is able to produce reports with total independence from the MOJ and to conduct more frequent and unannounced inspections.

**Lucy Frazer** (South East Cambridgeshire) (Con): The hon. Gentleman paints a bleak picture. Of course we must always do more, but does he accept that, according to a recent report by the chief inspector, outcomes for women have improved and the number of children in custody has fallen?

**Andy Slaughter:** I accept entirely what the hon. Lady says. I am painting a realistic picture, as the necessary starting point for the improvements that Members on both sides of the House wish to see. There have been improvements. The decline in the number of people in youth custody, from more than 3,000 to less than 1,000, is extremely impressive. It has happened under successive Governments. We are concerned, however, about the condition and treatment of the young people still in custody and the type of facility they are in. The incidents at Medway and elsewhere are examples of how things are failing in that sector as much as elsewhere.

My hon. Friend the Member for Darlington (Jenny Chapman) wrote in response to a prison report:

"Too often we see the response to a poor inspection report centre on the appointment of a new governor or the assertion that things have improved dramatically since the poor inspection took place."

It is time we put much greater effort into preventing people from getting involved in crime in the first place. We need a renewed focus on education and stepping in to divert young people from a life of crime. We must do better for trans people in our prison system. The "Dying for Justice" report, by the Institute of Race Relations, and the Harris review both revealed that black, Asian and

minority ethnic people were over-represented at every stage of the criminal justice process. Yesterday, I spoke at a meeting here on the discriminatory effects of joint enterprise charging decisions on BAME individuals and groups, and asked the Lord Chancellor to examine that area of law, which his predecessor failed to do.

In the light of the number of Members wishing to speak, I shall terminate my remarks. I welcome the change in tone on prisons since the Lord Chancellor's appointment, but so far that is about all it is. It is possible to be tough on crime, to put the protection of the public first and to make sure prisons play their role in punishment as well as in rehabilitation, but it is also true, to quote Dostoevsky, who knew a thing or two about crime and punishment, that,

"the degree of civilisation of a society can be judged by entering its prisons."

It is in the self-interest of every citizen that prisoners, having served their time, become productive members of society and do not continue to pose a risk through reoffending. The Lord Chancellor may not be "a muesli muncher", as he put it yesterday, but he is the Minister for porridge—and it is about time he served up something substantial.

4.31 pm

**The Lord Chancellor and Secretary of State for Justice (Michael Gove):** Coming as I do from Aberdeen, I know that porridge is not necessarily something that we consider to be unattractive. My hon. Friend the Member for Shipley (Philip Davies) might be relieved to hear that.

Let me first congratulate the hon. Member for Hammersmith (Andy Slaughter) on securing this debate. I thank him for the serious way in which he laid out the scale of the challenge that my Department faces—and, indeed, that faces all of us in this House. He rightly drew attention to the fact that this is the fourth debate on prisons and probation in the last week. He was absolutely right to draw attention in particular to the excellent debate conducted in the other place last week. It was a debate on a motion initiated by Lord Fowler, a former Conservative Cabinet Minister, and it is striking that so many Conservative colleagues are here today. It is important to recognise across the House that the cause of prison reform is one that is shared by people from every political party and should not be regarded as the province of any particular political organisation or caucus.

In thanking the speakers in the House of Lords, I draw attention to the fact that the hon. Member for Hammersmith, as well as most of them, took the opportunity in the time allowed to them to thank those who work in our prisons. It is important for us all to place on the record if we have time—I recognise that many want to contribute to the debate—our gratitude for the courage and the idealism of those who work in our prisons. I mean not just prison officers, but chaplains, volunteers, teachers and others.

In tandem with the Under-Secretary of State for Justice, my hon. Friend the Member for South West Bedfordshire (Andrew Selous), who is the prisons Minister, I had the opportunity last year to visit Manchester prison, or Strangeways as it used to be known. I spoke to a young man who works in the segregation unit and I asked him why he had chosen to work with some of the most challenging offenders. He explained movingly that

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he had come from a part of the city that was particularly affected by crime, and he wanted to do something in his own career and profession to help make his community safer. He chose to work with those challenging prisoners in the segregation unit because he believed that the personal relationships he could form with individuals there might be able to change their lives for the better while making his community safer. I believe that sort of idealism is typical of those who work in our prisons, and it reinforces an essential point: the quality of the relationship between those who work in our prisons and those for whom they care is not soft or in any way a retreat from public safety, but critical to ensuring it.

**Tulip Siddiq** (Hampstead and Kilburn) (Lab): The right hon. Gentleman may be aware that the number of attacks on our prison staff has increased by 42%, and these range from severe cuts to damages to internal organs and fractures. In order to keep safe the people who, as he has outlined, work so hard in our prisons, will he order a review into safety at work for prison staff?

**Michael Gove:** The hon. Lady makes an entirely fair point. I do not deny the scale of the problem revealed in the statistics that she and her hon. Friend the Member for Hammersmith deployed. The National Offender Management Service runs a violence reduction programme that involves studying precisely why there has been this upsurge in violence. Factors, which have been acknowledged by Members on both sides of the House, have contributed to that. One is the pattern of offenders. Prisons contain more people who have been convicted of violent and other challenging offences. It is also the case that the spread of new psychoactive substances—which have been misleadingly called “legal highs”, but which the Under-Secretary has more accurately termed “lethal highs”—has contributed to a lack of self-control and to psychosis, increased mental health problems and violence in our prison system. We must make some difficult choices to ensure that we limit the currently widespread availability of those drugs, and also keep people safe in our prisons. I shall talk about one or two of those choices shortly.

I agree that we face a problem—let me emphasise that—but I do not wish to use the word “crisis”, for two reasons. First, I think that it has the potential to undermine the morale of the people who work in our prisons. Secondly, I think that it might draw attention away from the incremental changes that we need to make, which can add up to a significant programme of prison reform. If we allow ourselves to be panicked by headlines and scared into overreaction, we may not be able to take the solid incremental steps that we need to take if we are to improve the present situation.

I was struck by the concern expressed by the hon. Member for Liverpool, Walton (Steve Rotheram) about prison staff numbers. Those of us who care about not just the safety of staff but the effectiveness of the prison regime are understandably keen for our prisons to be staffed effectively, but let me make two points. First, the number of prison officers has increased by more than 500 in the last year. Secondly, there is no absolute correlation between the number of prison officers and

the nature of the regime, and the number of violent incidents. I do not deny for a moment that we need to ensure that prisons are properly staffed and prison officers are safe, but the extent of the security that individuals enjoy in a prison is a consequence of a number of factors.

**Steve Rotheram:** The Secretary of State is absolutely right. Not only should there be safe staffing levels, but we have a duty of care to ensure that that is the case. However, it was Her Majesty’s chief inspector of prisons, not me, who identified the correlation between low staff numbers and the propensity for drug-taking on the prison estate.

**Michael Gove:** The hon. Gentleman is right to say that, if we are to deal with this problem, we must be vigilant in ensuring that we have not just staff but the training that is needed to support them.

The hon. Gentleman’s mention of the chief inspector of prisons gives me an opportunity to repeat what I had a chance to say only briefly yesterday, and again to express my gratitude to Nick Hardwick for the role that he has played. His latest annual report certainly does not make comfortable reading for someone in my job, but I would far rather have someone who told us the truth, and ensured that we performed our duties as elected representatives and as Ministers in the full knowledge of the truth, than someone who felt, for whatever reason, that they had to varnish or edit the truth. As I think most people would acknowledge, Nick Hardwick and I do not come from exactly the same point on the ideological spectrum, but because I am committed to using every talented voice and experienced pair of hands that I can find in order to improve our prison system, I am delighted that he accepted my invitation to chair the Parole Board.

It is understandable that, during an Opposition day debate, the hon. Member for Hammersmith should point the finger at failings that he alleges are unique to the Conservatives, and it is understandable that he should focus on the trends and statistics that appear to have worsened under a Conservative Government. However, it is also appropriate to recognise that, as was pointed out by my right hon. and learned Friend the Member for Harborough (Sir Edward Garnier), there were problems under Labour as well. For example, the incidence of reoffending—which I think provides a real index of the effectiveness of our prisons—is broadly unchanged. I do not say that because I want to make a partisan point; I say it merely because I want to emphasise the difficulties that we all face in improving our prison and probation service. In 2009, 46.9% of those who served custodial sentences went on to reoffend. The figure is now 45.1%. If I wanted to make a partisan point, I would say that the number of reoffenders had declined, but in fact the difference is statistically insignificant, and it is a reproach to all of us.

**Kit Malthouse** (North West Hampshire) (Con): My right hon. Friend has made an important point about reoffending. I wonder whether he has had a chance to consider my suggestion that the probation and police services should be merged so that offender management outside the prison estate becomes the responsibility of the police, who, in the end, are having to pick up the

pieces. Might we not see a step change in the numbers that he has just outlined if we made that move, as well as quite a large financial saving?

**Michael Gove:** I thank my hon. Friend for the work he did as Deputy Mayor of London, when he was responsible for policing and crime and made a significant contribution to reducing knife crime on our streets and in deploying the Metropolitan police more effectively. I think all of us would agree that prisons and probation cannot work effectively unless there is a close working relationship with the police service. However, I would caution against making a change at this point of the kind my hon. Friend suggests. It is a fascinating idea, and it has been put to me by others whom I respect, but we are just 12 months into the transforming rehabilitation programme initiated by my predecessor, and it is only appropriate that we acknowledge that that programme has already seen an increase in the number of frontline probation officers, again of more than 500.<sup>1</sup> Yes, it has brought in commercial expertise, but it has also brought in the charitable and voluntary sector and, for the first time, there is a direct requirement to provide support for those prisoners who leave after serving sentences of 12 months or less.

I think that was a humane and wise decision on the part of my predecessor, because we know that people who serve shorter sentences are more likely to reoffend. We can debate the factors that drive that, but what is undeniable is that if someone has served a shorter sentence—if they are part of that cohort more likely to reoffend—they deserve the support of probation just as much as, if not more than, other offenders.

The situation that used to prevail, where these offenders would be given £46 and left to their own devices as they went through the prison gate, was replaced by my predecessor and it is only appropriate that this House, whatever other criticisms it directs at this Government, acknowledges that that was a step forward for which he was responsible.

**Andrew Gwynne:** The right hon. Gentleman is right to highlight the persistent failure in reducing reoffending rates. Of course part of the challenge in successfully rehabilitating a prisoner is making sure their health and welfare are looked after while they are in prison and also that, when they are released from prison, there is adequate support in the community, particularly for their mental health needs. What more does the right hon. Gentleman think should be done, that is not being done at present, to improve that?

**Michael Gove:** The hon. Gentleman makes a very good point, and let me answer it by saying a little more about my analysis—our shared view on the Front Bench—of what contributes to crime, and therefore how we might reduce it.

There are more than 85,000 people in our prisons; 5,000 of them are female prisoners, and almost 10,000 are foreign national offenders, and we obviously want to try to reduce that number by having as many as possible serving sentences abroad. Of the remainder, some have made a conscious decision to do the wrong thing; they have crossed a moral line and society has to make it clear, with a serious punishment, that they should not be let out. It is not just that they are a danger to others; we have got to enforce the principle—the

clear, bright line between right and wrong. But there are others in our prison system who will be suffering from mental health problems, and sometimes very serious personality disorders, and while they pose a danger to the public, they also pose a danger to themselves. We need to ensure we improve what is called diversion and liaison—the early detection of these problems and making sure there is an appropriate health solution—and if we do need to keep them safe, whether in a secure hospital or a prison, we also need to ensure that there is the right mental health provision for them.

One of the things I have been doing in the last two weeks is talking to the Secretary of State for Health and the Minister with responsibility for prisoners' health, my hon. Friend the Member for Ipswich (Ben Gummer), and I am due to talk to Simon Stevens, the director of the NHS, in order to ensure we can develop a more sophisticated approach. I am also grateful for the work done in this area by Lord Bradley, whose report on offenders' mental health under the last Government contains a number of powerful recommendations.

**Mr David Anderson (Blaydon) (Lab):** I have done work in my local area of Tyneside with a veterans group, many of whom are suffering from post-traumatic stress disorder. One thing we have done is develop work in the United States, which has a veterans' treatment course. The course in Buffalo is the best example; it was the first to be set up and, out of 300 cases, not one reoffended. Will the Secretary of State meet the people involved in this work to try to see if we can make this work, in everybody's interests?

**Michael Gove:** The hon. Gentleman makes a very good point. We already take seriously the position of veterans in the criminal justice system. At the behest of my predecessor, my hon. and learned Friend the Member for Sleaford and North Hykeham (Stephen Phillips) has produced a report on the care of those offenders, and the Minister for Policing, Crime and Criminal Justice, is carrying forward that work. In particular, he is working with Care after Combat, a charity that supports offenders who have been in the military.

The hon. Gentleman's point about problem-solving courts is also powerful. When I had the opportunity to visit the United States of America, I saw how veterans courts, drugs courts and problem-solving courts can make a real difference in keeping people out of jail and helping them to put their lives back together, so I would be more than happy to ensure that the Minister talks to the hon. Gentleman.

The hon. Gentleman's intervention brings me on to my next point. Yes, there are some people in our prisons who deserve to be there because they have done wrong. Yes, there are some people in our prisons who are there because of mental health or personality disorders. And then there are other people who have made profound mistakes, crossed the line and committed crimes, but whose actions deserve to be placed in context. I am not for a moment suggesting that the pain a victim feels is any less as a result of the difficult circumstances that some people have been brought up in, but if we want to ensure that there are fewer victims and less pain, we need to ask ourselves what led that young man or woman into criminal activity.

1. [Official Report, 23 February 2016, Vol. 606, c. 3-4MC.]

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In many cases, the individual will have grown up in a home where violence was the norm. They might have witnessed domestic violence in their very early years. Their brain development might have been arrested by a failure to ensure that there was a loving and secure attachment to a parent or carer who put them first. There might have been an absence not only of love but of loving authority—perhaps no one cared enough about them to teach them the difference between right and wrong. Someone who grew up in such circumstances could go to primary school ill-equipped to benefit from good teaching and go on to secondary school still unable to read.

Such people could find in the culture of gangs on the streets a warmth, a false camaraderie and a sense of self-esteem that they had never found anywhere else. That individual could then go on to commit crimes. Of course, once that individual has broken the law, justice must be done. However, as well as ensuring that justice is done in our courts, we must also ensure that social justice is done on our streets. That means looking at some of the root causes—family breakdown, substance abuse, domestic violence—that contribute to the difficulties that these young people grow up in.

**Kit Malthouse:** My right hon. Friend is making a profound and powerful point, with which I agree. Does he also agree that the involvement of alcohol is one of the largest drivers of short sentences, and that it often tips people over the edge? He will be aware of the compulsory sobriety project, which has been running in Croydon with powerful results. Now that he has licensed its use across the country, will he put some of his Department's resources into spreading this disposal, which avoids the need for people to go to prison altogether and is a much more effective treatment for the problem? In removing alcohol, it removes offending.

**Michael Gove:** My hon. Friend makes a very good point. The Minister for Policing has been closely involved in that pilot. So far as we can see, sobriety tags have made a significant contribution to reducing reoffending, and we hope that they will be able to form part of a significant extension of what is known as electronic monitoring, or tagging—in other words, ways in which individuals can be monitored to ensure that they stay on the straight and narrow, as far as possible, in a cheaper and more effective way that can often enable them to maintain their links with work, family or education, which are critical to improving their lives.

That brings me to the hon. Member for Hammersmith's challenge: what are we going to do about these things? I will be honest: I came into this job not expecting to be in it, but I have found it fascinating and challenging and I have found some of those with whom I have to work inspiring. In contrast to the time that I spent at the Department for Education—I had three years to shadow; when I came to office I had a clear plan that I wished to implement, although not one that necessarily recommended itself to all parts of the House—I have deliberately set out to listen and to learn. I have asked people whose idealism is not in doubt and whose ability is clear to explore the landscape for me. That is why I asked Sally Coates, who cares about the education of

the disadvantaged, to look at education in our prison system. Her report will be published in the next couple of months.

It is already clear, as a result of a decision made at the time of the autumn statement, that money that was previously spent by the Department for Business, Innovation and Skills will now be spent by us in a way that suits prisoners and the needs of offenders and of wider society rather than the requirements of a further education framework that was not appropriate for all offenders. More will be said by Sally in due course and by Charlie Taylor, who has devoted most of his career to working with some of the most difficult young people and who, in his review of the youth estate, has drawn preliminary lessons similar to those highlighted by the hon. Member for Hammersmith.

Yes, it is the case that young offenders are, in many cases, better cared for in smaller environments. Yes, it is the case that they need structure and discipline in their lives, but they also need a clear path towards educational attainment. One problem in our prisons is that, for many, educational attainment is capped by the way in which qualifications have been funded and educational providers have been procured. Prisoners have had diet after diet after diet of level 2 qualifications, which initially may give them a sense of purpose and renewed hope, but ultimately end up with them on a hamster wheel where they are not making the progress—in terms of education and of rehabilitation—that we would like to see.

I have addressed the issue of improving education. I have also asked the Under-Secretary to lead a programme to ensure that we can get more prisoners working fruitfully. That will mean: building on the success of organisations such as Halfords and Timpson that have done so much to recruit offenders; incarnating the lessons that the Mayor of London pointed out last week when he said that many employers found that ex-offenders are more honest and more reliable than many of those whom they hire; and providing new incentives for prison governors to give their inmates meaningful work. We must think hard about how we can expand the use of release on temporary licence.

We need to give governors more power to ensure that offenders, at a particular point in their sentence when the governor is as sure as he or she can be that that individual's risk to others is diminishing, have the opportunity to go out during the day to work or to acquire educational qualifications to prepare them for life on the outside. Almost every prisoner will be let out at some point; we cannot keep every criminal in jail forever. If we are to release prisoners at some point, it is far, far better that they have, by a process of acclimatisation and growth, learned what it is to work responsibly in an appropriate environment or to work hard to acquire the educational qualifications that will give them a new start.

As well as giving governors more power over release on temporary licence, we want to give them more autonomy overall. In offering governors more autonomy, I know that there will be some—perhaps it will be colleagues in the Prison Officers Association—who think that this is a Trojan horse for privatisation or for a bigger role for the private sector. Let me say two things. First, the private sector has had something to offer in prisons, and that is something that unites both Front-Bench

teams. There was a growth in the number of private prisons under Labour, and private prisons such as G4S's Prison Parc in Bridgend do an exemplary job. That is underlined in every inspection.

I want to see governors who are currently in the system—people who joined the National Offender Management Service because of their idealism—given more freedom within the state sector to do what they do best. Baldly, my model is one of academy principals or of the chief executives and clinical directors of NHS foundation trusts who have shown that, with increased autonomy within a structure of clear accountability, they can achieve significant improvements.

I began by saying that I was grateful for the tone in which this debate was opened by the hon. Member for Hammersmith and I am looking forward to hearing and reading as many of the contributions as possible. Let me apologise to the House for the fact that I will have to leave the Chamber at 5.30, although I hope to return at 6.30. Every single contribution to this debate matters. All 85,000 of the prison population, which is so often out of sight and out of mind, are individuals whom we should see not as liabilities but as potential assets. Many of them have led broken lives and many of them have brought pain and misery into the lives of others, but we want to ensure that, in the future, they can contribute to our society rather than bring more pain and misery.

We are tough on crime in the Conservative party, and we appreciate that really being tough on crime means being intellectually tough enough to wrestle with the problems of why crime occurs and how to stop criminals from offending again. What is truly soft on crime is being intellectually soft and reaching for easy, simple soundbites instead of intellectually rigorous solutions, and that is why I commend the Government's prison reform programme to the House.

4.55 pm

**Angela Crawley** (Lanark and Hamilton East) (SNP): The question of how prisons cope with offenders safely and securely is incredibly important, so I welcome the opportunity to speak in the debate. The concern that prisons are becoming an increasingly dangerous environment for staff and prisoners must be addressed. On the one hand, we have people with the incredibly tough job of regulating and ensuring the safety of those in prisons and, on the other hand, we have offenders who are themselves vulnerable, especially in relation to their mental health. The claim by the outgoing chief inspector of prisons for England and Wales that prisons are at their worst for 10 years is therefore alarming. Deaths in prison custody, incidents of self-harm and assaults on staff are grave issues, so it is important not only that they are tackled, but that we discover their root causes and develop legislation that aims to curb negative behaviours.

Prisons are a devolved issue in Scotland, and the approach of the Scottish Government is distinct from that for England and Wales. While we might be dealing with similar challenges on crime and punishment, we respond to offenders differently. The strategy in Scotland reflects our reshaping of penal policy. The decision not to proceed with the women's prison in Inverclyde highlights the fact that the Scottish Government are listening and want to reform prisons to make things better for those

serving their sentences and the people who work there. Funding will instead go to alternative initiatives further to reduce reoffending with an emphasis on rehabilitation and effective reintegration. Reducing reoffending is a key aspect of resolving the problems faced by the prison system and society as a whole. Reoffending costs about £3 billion a year. It creates victims, damages communities and wastes potential.

The Scottish Government recognise the specific needs of female offenders. Some £1.5 million of community-based justice services for women and support for specialist services for female offenders have been costed. They are based on recommendations by the commission on women offenders and include intensive support to overcome problems caused by alcohol, drugs, mental health and domestic abuse trauma, as evidence shows that they can be drivers of offending behaviour.

The change of policy has been widely accepted. Sharon Stirrat, the director of operations west of Sacro, the community justice organisation, voiced her support of the Scottish Government's plans. She said that Sacro supports

“the use of credible alternatives to imprisonment for women, many of whom present with multiple and complex issues. The strong focus on recovery, improved partnership working and the investment in community-based services offer an encouraging way forward.”

The Scottish Government believe that short-term prison sentences are ineffective and contribute to several of the problems cited in the motion, yet community-based alternatives such as electronic monitoring and community support initiatives can curb the violence, abuses and ill mental health associated with prison life. Such an approach has already been successful in Scotland.

The Scottish National party's vision for Scottish penal reform reflects our aim of trying to mitigate some of the effects of austerity on vulnerable people. Through such reform, the SNP offers a safe and effective alternative to the prison system with a focus on rehabilitation, reintegration and a reduction in reoffending. The policy is deliverable within the Scottish budget and tackles the root causes of the very issues that Labour opposes in its motion.

4.59 pm

**Mr Kenneth Clarke** (Rushcliffe) (Con): My right hon. and learned Friend the Member for Harborough (Sir Edward Garnier) said that some of the dire descriptions of the state of affairs in the prison system could have been given in the House several times in the past few decades. Twenty-five years ago, when I was Home Secretary, and responsible for the prison system, we had debates such as this one, and we have not made enough progress since then, I quite agree.

I am glad that my right hon. Friend the Lord Chancellor has provided a new impetus with positive new ideas, and the tone of his speech—and the tone of his speeches since he began to address the issue after, as he said, studying the subject and propounding the way he meant to go on—has been extremely reassuring. The prison system is what we are all rightly concentrating on, as that is where the problems are. I agree with what has been said: the prison system serves two purposes. One is just retribution and punishment, both for serious crime where people have deliberately decided for personal

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advantage to defy the law, and for people who commit dangerous and violent acts when they lose, or fail to keep, self-control.

The second principal purpose of prison is to try to reform prisoners and to try to ensure that as many of them as possible are cured of their former behaviour when they leave prison so that they find a new purpose in life and do not offend again. Every prisoner reformed means fewer crimes and fewer victims in future. I am delighted that in his approach to his task the Lord Chancellor has put rehabilitation of offenders, where offenders are prepared to take advantage of the opportunities, at the forefront of his aims.

I made speeches in the last Parliament when I was Lord Chancellor covering much of this ground, but I will not repeat any of that. Those fascinated by my ancient views can go back and read them again. My right hon. Friend has spoken about raising the standard of education in prison. Far too many prisoners do not attain any basic standards of literacy or numeracy. Raising skills levels for outside employment is important, as far too many prisoners have never had a job in their life, and we should bring yet more businesses in to join the existing excellent businesses that give proper skills training to prisoners in prison.

We need to tackle drug abuse, which remains scandalously high in prison. We must deal with mental health problems, which are the biggest single issue in raising the healthcare standards of people in prison. I agree with all of that, and I support my right hon. Friend's enlightened policies. Rehabilitation has been the Government's agenda ever since we were first elected. Looking back at our performance, I concede that I am disappointed by the progress we have made. Prison management in the Ministry of Justice is infinitely better than it was 25 years ago, and some things have improved. Staff are keen to see the progress described by my right hon. Friend, and there are successes in the treatment of women offenders and young offenders, despite the problems in some institutions, as has been said.

The test that I apply is on the success that we have achieved in rehabilitation. No one shrinks from the fact that we still have to confess that 45% of adult offenders reoffend within 12 months of release. For offenders who serve sentences of less than 12 months, the figure, I believe, is 58%, which means that the prison system is not working as effectively as it should to protect honest citizens outside.

No one knows exactly why that problem is so persistent, but I remain strongly of the view that part of the trouble, if we look at enlightened policies not delivering the results—that is the test we should consider—is the fact that there are too many prisoners in prison. We cannot deliver these policies in squalid overcrowded slums where we do not have the space or the resources to deliver education, training, proper healthcare and better attitudes of the kind we wish to give.

A few years ago when I was Lord Chancellor I complained that the prison population had doubled since I was Home Secretary, despite the fact that the level of crime in the country had markedly dropped. I do not think there was any relation between the two because crime has dropped across the entire western world, in those countries that have shortened their

incarceration rate and in those that have extended it. We now have the highest incarceration rate in democratic Europe. We are second only to the United States, where many states now are making determined efforts with even right-wing leadership to get the incarceration rate down and get out of the prisons the people who should not be there.

**Philip Davies** (Shipley) (Con): Will my right hon. and learned Friend give way?

**Mr Clarke:** No. I am sorry. I know my hon. Friend's views. That is not the reason that I am not giving way. I look forward to hearing them in the short time available, but I do not want to cut anybody out of this debate.

I believe that we should set out as one of our objectives reducing the prison population. I say to my right hon. Friend the Lord Chancellor, who is still in his place, that I set out to do that, not only because I believed that there were people in prison who should not be there, but because that reduction underpinned the bold spending commitments that I offered to the Treasury and which it gratefully accepted. I proposed a 30% cut in the budget of the Department that I had walked into, partly based—there were other savings as well—on getting down the ridiculously excessive prison population. I got it sagging, but it has gone up again, and it is about where it was when we came into office.

My right hon. Friend should not shrink from sentencing reform. He should consult my friend Lord Justice Treacy, who is in charge of the Sentencing Council, face up to the fact that mandatory minimum levels of all kinds do not match the reality of the varied circumstances of cases, develop better non-custodial sentences and so on. There is a whole speech to be made on that.

Finally, I shall concentrate on one positive suggestion, on which I think my right hon. Friend could proceed, serving the cause of justice, which above all we have to follow, and also meeting the needs of the moment by reducing unnecessary overcrowding. I urge him to get rid of the last vestiges of indeterminate sentences and those who are still serving such sentences in prison. Those sentences were introduced in 2003, they took off surprisingly, and I abolished them in 2012. They were sentences where a minimum tariff was given to reflect the crime but the prisoner would be held in prison indefinitely until he was able to satisfy the Parole Board that he was no longer a risk, or rather that the risks were manageable. I assumed that once we abolished those sentences so that no more would receive them, we would not keep for long those who were already serving such sentences as they steadily earned their release. That has not happened.

When I was Lord Chancellor, there were over 6,000 prisoners serving indeterminate sentences. The forecast was that there would be 8,000 or 9,000 by 2015. We have over 4,000 still there. Of those, three quarters have now exceeded the tariff—the sentence that the judge gave them for their offence—and 392 prisoners have already served five times the sentence imposed on them. Some of them will never be released unless we change the sentencing system. My right hon. Friend has the power to do so.

I wanted to get rid of those sentences altogether and let people out as they reached the tariff. Senior colleagues were understandably nervous and cautious about that



and I was not allowed to take the step I wanted to take to achieve that. I took the power in the Bill. If my right hon. Friend studies the Legal Aid, Sentencing and Punishment of Offenders Act 2012, he will see that he has the power to alter the terms of reference for the Parole Board. At the moment, the individual prisoner has to prove to the Parole Board that he poses no risk. Of course, no prisoner could make any of us certain that he will not reoffend when released; we just hope that most of them will not. The burden should be the other way around: we should only keep a prisoner indefinitely—some of them will stay for life if we are not careful—when there is reason to believe that he would pose a risk if released.

There are 4,000 prisoners that my right hon. Friend could steadily and more rapidly get rid of. I think that easing the pressures on the Prison Service would help him achieve all his goals. I very much hope that he achieves them. If he can deliver what he has decided to try to deliver, he will indeed be a great reforming Lord Chancellor.

**Several hon. Members** *rose*—

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Order. After we hear from Ian Lavery, I will put a six-minute limit on Back-Bench speeches.

5.10 pm

**Ian Lavery (Wansbeck) (Lab):** The tone of this debate has been very civil, so let us hope that that continues—I am not sure whether it will. I am reassured by the civil tone taken by the Justice Secretary, a man I have a lot of respect for, as I do for the Prisons Minister, who I have met on many occasions to discuss the prison nearest my constituency. The Opposition's motion is well crafted and spells out clearly the situation facing not only the Prison Service, but the probation service—the debate so far has not focused enough on the probation service.

It is absolutely clear that the Prison Service is in utter chaos. Now, I am not looking to put the blame on anybody. I am not looking to hold these six fingers up and say, "You've been in for six years, so you should have cleared it by now." And I do not want anybody to intervene and ask, "What did you do when you were in power?" That is not the issue; the issue is how we put this situation right. The Prison Service is in utter chaos, and I am not bothered about what anybody says, because I have had constituents coming to see me about it, including prisoners, members of the public, teachers, chaplains, people who work on the prisons estate and members of the Prison Officers Association. It is right to place on the record our high praise for the men and women in the Prison Service and the probation service, who do a fantastic job in the most difficult circumstances. It is important that they realise that Members of this House understand the problems they face.

It was not just the unions or individuals who have suggested that the Prison Service has deteriorated; it was the chief inspector of prisons himself. He said that they were the worst he had seen them for 10 years. At the same time as the prison population continues to increase—a record 85,000-plus people are now in prison—we are seeing a reduction in the number of staff on the prisons estate. We have more prisoners but fewer people looking after them. Surely that is a recipe for disaster.

The Justice Secretary said there have been 500 new recruits over the past year or so, but we must consider the staff reductions on the prisons estate before then. We lost lots of people with tremendous experience from the Prison Service, and the people who filled that hole are on lower wages, have worse terms and conditions and lack any experience in what is an important occupation. We lost that experience from the Prison Service and have not regained that ground.

All of us, as politicians, have deep concerns about this situation, and I will tell Members why. This has been mentioned already, but let us look at the bare statistics on what is happening in the Prison Service as we sit here debating. Deaths in custody are up by 14%, self-harming is up by 21%, and prisoner-on-prisoner assaults are up by 13%. There were 4,156 staff assaulted by prisoners last year—a 20% increase, which has got to horrify everyone—and 572 serious assaults on staff, an increase of 42%, as Members on both sides of the House have said. At the very least, we should be ensuring that members of the Prison Service, who are doing the job that they are paid to do, should be safe in doing so. These rates show that there must be fear and stress every time they get out of bed in the morning or the evening. We are not looking after them—the statistics show that. We have seen the horrific injuries that many of them have received while doing a day's work to put shoes on the kids and bread on the table. We should be looking at ways and means of ensuring that these statistics are greatly reduced.

The right hon. and learned Member for Rushcliffe (Mr Clarke) talked about reoffending rates. The adult reoffending rate is now 45.8%—that is wholly unacceptable—and the juvenile reoffending rate is 66.5%. We have to get to the bottom of this, because if we do not, the rates will continue to increase and there will be further chaos on the prison estate. It is frightening. I am not being alarmist, but the Prison Service is in complete and utter meltdown and mayhem.

When we talk about the privatisation of prisons, which has happened many times, it is said, "Well, the Opposition privatised prisons when they were in government." That is true—it is pointless my standing here trying to erase historical facts—but that does not make it any better when we see what is happening in some privatised prisons today. Sodexo was the successful bidder to operate HMP Northumberland, the prison nearest to my constituency. Immediately, the Sodexo model was to reduce the workforce from 440 to 270. That frightened so many experienced people—I have mentioned them before—that there was a rush for redundancies and many of them left the service, something that we did not want to see.

People who come to see me are frightened. We hear reports about what is happening in the likes of HMP Northumberland with the drugs and the Spice. Spice must be unbelievable. I am not sure if anybody here will admit to having taken it. Certainly I have not, and it would not be my intention to do so. People reckon that Spice is rife—that everybody in the prison is on it, and if not there is something wrong with them, so they should be on it. How are they getting this stuff into the prison? Why has it been allowed to escalate to the proportions it has? Someone mentioned earlier the Bill on legal highs that is passing through Parliament. It does not matter whether these highs are legal or illegal—we must stamp

[*Ian Lavery*]

them out on the prison estate, because they are causing problems with violence and everything else associated with the things we are discussing.

Alcohol is a huge problem. There is alcohol in the prisons. People are making their own alcohol. Not last Christmas but the Christmas before, there was an emergency situation in HMP Northumberland where the contact room could not get in contact with one of the prison officers. He was a man who had just been employed; he had not even been checked. He was one of the people who had no experience, but he knew from where he lived a few of the prisoners, who were his mates. Those in charge looked for him and tried to contact him—this was on new year's day—and when they eventually went up on the wing, where the doors were open and everyone in the prison was having a whale of a time, they found not the prisoners lying intoxicated on their beds, but the prison officer. The real crime was that the keys for the wing were lying there for anybody to get hold of, which I believe is considered a cardinal sin.

I have raised such points with the Under-Secretary of State for Justice, the hon. Member for South West Bedfordshire (Andrew Selous), who has responsibility for prisons. Similar things are happening. We have people with mobile phones arranging crimes from their cells. That cannot be right, and we must stamp it out. We have discussed such things. We have bullying and intimidation as we have never seen them before. Another incident at HMP Northumberland that we need to look at happened when there were not enough prison staff to ensure the segregation of vulnerable prisoners from ordinary, mainstream ones. That caused absolute mayhem, as hon. Members can understand. Faeces were found in the vulnerable prisoners' food, which cannot be allowed to happen in the modern day.

I will wrap up simply by saying that I hope, in this debate on prisons and probation, that someone will speak about the probation side. Since privatisation, the fragmentation of the probation service has caused lots of problems within the service, which is something else we need to consider.

**Several hon. Members** *rose*—

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Order. There is now a six-minute limit on Back-Bench speeches.

5.21 pm

**Robert Neill (Bromley and Chislehurst) (Con):** It is a pleasure and a privilege to speak in this very important debate. I recognise the serious tone that has been adopted by hon. Members thus far.

I particularly commend the Lord Chancellor for his immensely impressive analysis. He was spot on both about the cause of offending and about the way forward. I commend his analysis to my hon. Friends not just as thorough and thoughtful, but, from my point of view, as profoundly Conservative. As he rightly observed, none of us has a monopoly on understanding the need for prison reform.

The issues are intractable. When I started to make prison visits as a young barrister some 30—nearer 40—years ago, institutions or facilities such as Wandsworth,

Holloway and Wormwood Scrubs were already unsatisfactory and not fit for purpose. They have not got better since, and the pressures have become greater. The pressures of overcrowding and of contraband entering prisons existed then—contraband has long been an issue; what has changed is simply the nature of the technology of the contraband and the means by which it is brought in—so these are long-standing issues.

The Lord Chancellor and his team deserve credit for addressing such issues, and particularly for having the imagination to replace our ageing Victorian prison estate when it is virtually impossible to carry out serious rehabilitative work, and given that dealing with the very real mental health and psychological issues of many prisoners is and should also be a top priority. Now that he has set out a vision, I hope that the Lord Chancellor will very swiftly give the House detailed proposals on how we can move forward.

The Justice Committee is currently carrying out an inquiry concentrating on young adult offenders, which is a particularly difficult subset of the prison population. The inquiry is influenced by the excellent review by Lord Harris of Haringey; in fairness, I should say that his work was done at the request of the previous Lord Chancellor in the coalition Government. The Government have responded to Lord Harris's review, but I would argue that its detail—it goes beyond purely the specifics of young offenders to draw many other lessons—deserves a more detailed and substantive response than has been made so far. Much that is of general application can be taken from the review.

Safety in prisons is a critical issue. I do not doubt the quality of our prison staff. In the course of our inquiry, the Select Committee has visited Holloway prison and the young offenders institution at Aylesbury, where excellent people are working. My concern is that the senior management of NOMS do not always give the impression that, in their operations on the ground, they have worked through in practice the assurances they have given us in the Select Committee or elsewhere. It is important that NOMS has a genuinely flexible and responsive management system. There is scope for further review of the way in which NOMS delivers its laudable objectives in practice. I am sure that the new chief inspector, whom we look forward to having back before the Select Committee in about three months' time, will have a strategy on that matter that he will want to discuss with the Lord Chancellor.

The Select Committee was particularly struck during the inquiry by the evidence we took from the families of young people who had died in custody. It was profoundly moving and demonstrated that there have been repeated and needless failings in some areas, such as sharing information and acting swiftly and decisively on information that could have been addressed. Those things can be put right through fairly basic measures.

There are successes and failings in the prison estate, but neither the successes nor the failings are unique to either privatised or publicly run prisons. We need to be realistic and not simplistic about that. We welcome the evidence that the prisons Minister and the chief executive of NOMS have given to us, but we think that there needs to be a specific programme, with action plans, to tackle violence and self-harm in prisons. I agree that there must certainly be more of an emphasis on rehabilitation.

My right hon. and learned Friend the Member for Rushcliffe (Mr Clarke) was right to refer to the pointlessness of continuing with the so-called indeterminate public protection sentences. Yesterday, I was at the same event as the shadow Minister, the hon. Member for Hammersmith (Andy Slaughter), where that point, among others, was made powerfully. We could start work on that swiftly.

We should recognise that a structured life and meaningful work are important in prison. Perhaps we should see whether we can remove some of the legal constraints that prevent meaningful and paid employment. Perhaps it would be right for prisoners to do work that is taxable. The money that they earned could be set aside for them and their families upon release. The Lord Chancellor's vision points in that direction and I hope that he will give us more detail on how that might be achieved.

Finally, it is important that we have a robust inspectorate to ensure compliance. I wish the new inspector well. I hope that the protocol that was referred to when the permanent secretary and the outgoing chief inspector gave evidence to us recently will be put in place swiftly to ensure that resourcing and independence are not an issue in the ability of the inspectorate to deliver its important work.

All in all, this is an important and thoughtful debate. Those who believe in genuine reform and not in simplistic sloganising, and those who have spent much of their working lives in the system will welcome it.

5.27 pm

**Jenny Chapman** (Darlington) (Lab): I thank my hon. Friend the Member for Hammersmith (Andy Slaughter) for his tenacity in at last securing this Opposition day debate on prisons.

In preparing this speech, I thought about the different angles from which I could come at the topic. I could have picked radicalisation, women offenders, mental health, drugs, violence, opportunities for early intervention and diversion, or young people. There are plenty of ways to approach the topic of prisons, but I will talk mostly about staff. I spent five years shadowing prisons Ministers. As one would expect, I visited prisons regularly and met hundreds of prison staff, as well as offenders and victims of crime. I cannot tell you, Mr Deputy Speaker, how poorly understood, undervalued and ignored our criminal justice workforce feel and, indeed, have become.

That was brought home to me in the starkest possible way when a custody officer, Lorraine Barwell, lost her life at the hands of a prisoner at work. When serving armed forces personnel lose their lives in the course of duty or when, occasionally, police officers sadly lose their lives in the course of duty, their names are rightly read out at the beginning of Prime Minister's questions that week. No such honour was afforded to Lorraine. I know that no disrespect was intended, but it does illustrate the disparity in the esteem in which prison officers and other uniformed services are held.

Those of us in the House with an interest in prisons policy—it is great that there is so much interest today that there is a speaking limit—have the capability and, I would say, the duty to change that, and change it we must. There is no doubt in my mind that our prisons are in a dreadful state, but, with the right leadership

from the Government, it is prison staff who hold the key to unlocking the rehabilitation revolution that we all want.

Several Government Members have said that it is all very well our presenting this motion to the House, but we could have presented it six years ago, in 2010, when things were just as bad. They should take absolutely no pride or comfort in that fact. I want to be part of a Parliament that sees improvement. The opportunity to deliver the rehabilitation revolution that the right hon. and learned Member for Rushcliffe (Mr Clarke) promised us—and that I believe he so dearly wanted and tried to deliver—has been completely wasted in the last five years. We have seen a deterioration of standards in our prisons and no improvement at all.

So how bad is it really? It is my view—and the data from the Ministry of Justice bear this out—that our jails have never been less safe. Further, the interventions put in place by Government have been ineffective in putting prisons on course for improvement. They are getting worse; they are not getting better. Last year there were 95 self-inflicted deaths in prison. That means that, once every four days, someone in prison takes their own life. There have been seven murders in our prisons. These events are devastating for the families concerned, they sometimes leave victims feeling cheated and they can be deeply traumatic for staff.

The secret to safer prisons is in staffing, and I do not mean just staffing numbers—we have spoken about that already—although that is incredibly important. What I am talking about is what our staff actually do. All staff I have spoken to can tell us of occasions when they believed they made a difference, but they can also tell us of many more occasions when they wished they could have done more. I am all for bringing experts and specialists into prisons to help to deliver education, rehabilitative courses and the like—some of them work and do some good—but what we should be doing more of is using the experienced staff resource that is present on the wing, day in, day out. When a visit is cancelled, when news of a loved one dying needs imparting or when a fight breaks out, it is the officers who are there. They are the staff who should be demonstrating, and are demonstrating on a daily basis, how to keep one's cool, de-escalate a situation or sometimes, for example, even just how to take a joke properly. It is not psychologists, counsellors or boards of visitors who are present; it is prison officers. They are undervalued, undertrained and underutilised.

There are undeniably problems with substance misuse and mental health, particularly for women prisoners, when we look at the suicide rate.

**Jim Shannon** (Strangford) (DUP): I am interested to hear the hon. Lady refer to substance abuse. She will know that the figures indicate that there is a greater incidence of those addicted to substances in prison than there is outside. There is also the issue of how the drugs come in. How does she feel the Prison Service should stop drugs coming through the prison gates—perhaps the Minister could respond to that—and ensure that those inside who were not drug users before do not become drug users when they leave?

**Jenny Chapman:** I am extremely grateful for that intervention. The way we solve that is through staff, because they are there and it is their job to deal with it.

[Jenny Chapman]

There are not enough of them and they are not sufficiently well trained to perform that task to the standard that we want them to. I want our prisons to be safer, because if they are safer, they are doing their job of rehabilitation properly.

I want to raise one thing with the Minister. The Harris report on deaths in custody recommended that the Minister should phone the family of anybody who dies in prison by taking their own life. He has rejected that recommendation, but I would ask him to adopt it today—to phone the family of anyone who takes their own life and any member of staff who finds somebody who has taken their own life. That would focus his attention, but just as importantly it would focus the attention of his officials and senior staff in NOMS. Facing that reality is something that no official wants to do. They certainly do not want to have to prepare their Minister to do it. There is one self-inflicted death every four days. That is not good enough. He needs to take personal responsibility for that. It would be a welcome move on his part if he could commit that small amount of time to contact the family of someone who dies in our prisons, in our care, each time it occurs.

5.35 pm

**Steve Brine** (Winchester) (Con): Sadly, I cannot support the motion on the Order Paper, but I agree with parts of it. As the hon. Member for Darlington (Jenny Chapman) said, we have high rates of violence, self-harm and drug use in prisons, which I agree puts pressure on our NHS. I agree that no staff member should have to go to work to face threats to their safety. Who is not concerned with rehabilitation? The question concerns what we do about it.

I want to focus on prisons. Let me begin by reading a short passage to the House:

“The justice budget is far too high. Over the course of the last two decades, the vision for the justice system has been a maximalist one: expanding the reach of the system into people’s lives; expanding state interference through...legislation; expanding the numbers of people entering the courts and, ultimately, entering prison. The justice budget therefore could and should be cut substantially, but it must be cut in the right way.”

Hon. Members could be forgiven for thinking that that is a quote from a Conservative manifesto or a right-leaning think-tank, but they would be wrong. It is the opening paragraph from the 2015 spending review submission from the Howard League for Penal Reform.

I believe that we have a golden opportunity in this country. We have a new Government, a reforming Justice Secretary—my goodness, did he not prove that today?—a tough financial environment and a third sector crying out for a different approach. It is therefore good that the Prime Minister said the following in his party conference speech last autumn:

“We have got to get away from the sterile lock-em-up or let-em-out debate, and get smart about this”.

He was quite right.

Our aim has to be to reduce the incidence of crime and the factors that pull people into the criminal justice system in the first place. Is our reason for doing so money? Yes, it is about money and the need to find big savings in the Department, but it is also about effective government. I believe—this is not often said in the

House—that it is also the Christian thing to do. Nearly half of all inmates go into prison with no qualifications. Many of them come out with none. All the problems that may have led them to that life remain unchanged, including, as the Secretary of State said, drug addiction, mental health problems and childhood abuse. Prison is literally locking poverty into our country and we as a society are paying the bills.

What is the intellectual basis for that? I have never been more sure that prison reform is compassionate Conservatism in action, both financial and social. That is why I would argue that criminal justice policy is not solely about the Ministry of Justice; it is as much about our education and welfare reforms. In my opinion, prison is the ultimate state failure, so a smaller secure estate is a smaller, cheaper and more effective state. That should be a cause that all Conservatives can rally around.

**Alex Chalk** (Cheltenham) (Con): Does my hon. Friend agree that, if we are going to reduce the strain on our prisons, it is essential that we devise community penalties that are more robust and, frankly, more onerous, so that they can command the respect of the public, who rightly expect crime to be punished?

**Steve Brine:** I will come on to that. The community courts that I saw in the United States were a good step towards that. My hon. Friend will find that the Government are very interested in what is happening over there.

The Ministry of Justice is currently a demand-led Department—demand for prison places and probation services is fed by the criminal courts, which are in turn fed by the police and prosecution services, which are in turn fed by the incidence of crime. My view is that we should seek to place the penal system on a more sustainable footing by seeking to reduce demand on the system, particularly in respect of prison numbers, rather than pursuing the old, tired predict-and-provide policy.

If austerity did not force our hand, we should do it anyway. Austerity did not lead to the Right on Crime initiative in Texas, but we should look to it. The Justice Committee of the last Parliament, of which I was a member alongside the current Leader of the Opposition, visited Austin and Houston, where we met Republican state representative Jerry Madden, who is no fluffy liberal—he describes himself as a typical Texan Republican. He told us this:

“30% of the people in prison today we’re scared of - 70% we’re just mad at. We need to lock up the 30 and get a whole lot smarter about the 70.”

I think he is right. Let me be clear before anyone gets excited: this is not about throwing open the doors, but about slowing down the rate at which prisoners come in by providing less costly and more effective alternatives to sentences.

Custody should not be the only means through which society expresses its disapproval. Treatment should be a way of doing that, too. The Texan focus would therefore be to give judges options and to finally tackle the underlying causes of repeat offending. Madden made what must have been a welcome call on the Texas Governor of the time to recommend that he halve the budget earmarked for new prisoners and spend the rest on treatment instead. The drug courts that followed are one of his most striking creations. I spent an afternoon

in Houston in Judge Denise Bradley's STAR drug court in Harris County observing this new justice in action. Every one of the young people coming before it has been in prison before and is now a non-violent reoffender, which is why they are back.

Drug courts are a tough alternative. Offenders live in halfway house-style premises, but they hold jobs and maintain links with their families and, most importantly, their children. Every two weeks they come back to court for a kind of progress report. It is working. Recidivism rates in Texas are falling fast, so it is very welcome that the Government are exploring how we can bring these courts here to England and Wales.

There will always be serious offenders who need locking up and need to stay there. No one, neither here nor in Texas, is arguing any differently, but there are the others and we cannot afford the ongoing rate of state failure that they represent. I agree we should close the old Victorian prisons, but we should not just build more like-for-like. To be clear, I absolutely am saying we should reduce the prison population significantly. The Government should look again at older prisoners, the fastest-growing group in the estate, return to the 82 recommendations from Lord Bradley on the over-representation of people with mental health problems, and look again at Jean Corston's work on women prisoners.

The Justice Secretary said, in his first major speech last summer, that there is

"treasure in the heart of man".

I believe he is right. I believe that, like me, he is an optimist about the human condition. My right hon. Friend will know that Winston Churchill said:

"there is a treasure...in the heart of...man"—[*Official Report*, 20 July 1910; Vol. 19, c. 1354.]

at that Dispatch Box when he was Home Secretary with responsibility for police, prisons and prisoners. We have a much more fragmented system these days, but the basics have not changed. We can lock 'em up and spend a fortune biting off our nose to spite our face in the long run, but it is time to try something different.

5.42 pm

**Cat Smith** (Lancaster and Fleetwood) (Lab): I welcome the tone of the debate, and I welcome the Justice Secretary's approach in listening to those who work in the prison service and those who experience it. I have spoken to prison officers in my constituency, as well as to social workers who work with young offenders and to education workers in our prisons, in putting together my speech for this debate.

HMP Lancaster Farms is in my constituency and it employs a great number of my constituents. In the summer, I had the opportunity to visit the prison and meet staff and representatives of the Prison Officers Association. It was during that visit that I observed a control and restraint training session. It was clear that the physical requirements of being a prison officer were considerable. A concern raised with me by prison officers—they asked me to raise it in the House—is whether, with the increase in the retirement age to 68, we are expecting our prison officers to remain in effective service until that age, given what they face with incredibly strong, often young prisoners who challenge them physically as well as verbally.

Since November, it has been a criminal offence to throw items into a prison without authorisation, but at Lancaster Farms 36 parcels have been thrown over the fence and retrieved by staff. One such parcel contained a hunting knife—a horrific weapon that could have done a massive amount of damage had it made it into the hands of the prisoner it was intended for. During my visit, I had the opportunity to speak with Sarah Rigby, the POA branch chair at HMP Lancaster Farms. She raised concerns about the reduced staffing levels she has seen in the eight years she has worked at the prison. In the interests of listening to the voices in the profession, I hope the House will indulge me if I read from an email she sent me yesterday:

"the reduced staffing levels do mean that my colleagues and I do not feel as safe or confident in dealing with prisoners as we previously have done. When I first started working at Lancaster Farms there could be between 8 and 10 prison officers to supervise meal time when all of the wing would be unlocked. This meant that if a prisoner became non-compliant, or there was an incident (a fight, an assault for example) there was an adequate amount of staff to deal with the incident and to continue to supervise the rest of the wing. There are now 3 Prison Officers to supervise at meal times when the whole wing is unlocked and the majority of the time it is very difficult to find enough staff to ensure there are the minimum 3 we require before we are able to unlock. This is stressful and impacts on both staff and prisoners alike. It can also mean you deal with a situation very differently if you find yourself isolated with a prisoner threatening you. This would not have happened when we had more staff as there was always someone available to come to your aid. The reduced staffing levels also have an impact on prisoners in that we struggle to deliver as high a level of care as we used to be able to. There is little time for general conversation and for building good staff/prisoner relationships."

The latter point ties in with the speech by my hon. Friend the Member for Darlington (Jenny Chapman).

In all my meetings with Sarah, she has always been passionate about her job—she is passionate about the rehabilitation of prisoners—but the reduced staffing levels are clearly distressing for her and her colleagues working with these vulnerable adults and trying to do their best by them. Assault is a fairly regular occurrence. I recently took on some casework on behalf of two prison officers at Lancaster Farms who were assaulted when a mixture of urine and faeces was thrown at them. The prisoner was prosecuted by the police, but when the victims are asked for their victim impact statements after the prisoner has been sentenced, what message does that send to our prison staff? It sends a message to prisoners that staff are there to be abused and assaulted with little or no consequences for their actions. This view is shared by prison officers I have spoken to in my constituency.

This week in Lancaster Farms, three members of staff were injured in an incident when restraining two prisoners who would not stop fighting. Further to this, two female officers have been assaulted in the last week. Sarah told me that

"neither were considered to be 'serious' as there were no visible injuries. Speaking from experience...there may be no visible injuries but these incidents always have a negative impact on staff - it is irrelevant whether or not they are considered to be serious."

These incidents and experiences of prison staff at HMP Lancaster Farms are sadly far from unique. The Government are presiding over a crisis in our prisons. Too many of our prisons are unsafe, overcrowded,

[Cat Smith]

understaffed and violent. It is not right that people go to work fearing violence, but that is the sad reality for our prison officers.

The latest statistics, which have been mentioned, are shocking: a 42% increase in the number of assaults on prison officers in the last year. Does the Minister think it acceptable that any prison officer should have to go to work facing such a threat of violence? We need the best and brightest to enter the profession to rehabilitate our prisoners. What message are we sending people considering this as a career option, when so many of them are being assaulted at work? The state of our prisons is letting down our prison staff, prisoners struggling to rehabilitate themselves, victims of crime and society.

5.48 pm

**Rebecca Harris** (Castle Point) (Con): I am delighted the Government have recognised the problems in our Prison Service that need to be addressed. In order to bring down crime rates, it is vital that we tackle reoffending rates in Britain, which we know are far too high. Those reoffending rates are no coincidence. Many prisoners who reoffend are habitual offenders who have been offered little or no rehabilitation during their time in prison. Often they have already been victims themselves. They have been failed by the inability of successive Governments, of all colours, to address problems such as drug addiction, mental health issues and poor education in wider society and the prison system.

That is why I believe it is vital to open up our prisons to many more outside organisations with new and fresh ideas. I want to mention the amazing work of my constituent, Jackie Hewitt-Main, of whom I am immensely proud, and the charity she founded, the Cascade Foundation, of which, I am proud to declare, I am a patron. The charity does amazing work. It has carried out a pilot at Chelmsford prison in Essex and is now working with the National Offender Management Service and Manchester college in Doncaster prison.

Cascade helps offenders at every stage in prison—from when they arrive, following through with education and then release and beyond, as it houses many prisoners when they leave. The primary focus is on assisting offenders who suffer from dyslexia or other learning difficulties and particularly head injuries, who have often long been overlooked and let down by their early experience in schools. We know that more than 70% of prisoners have low levels of literacy, and it is no wonder they are in prison. Many of them are not even able to take the theory part of the test for a driving licence, which would help them to get some legal work.

It is vital to approach such prisoners, but they have often not been well served by the prison education system. Many had a phobia about the classroom environment, and the novel multi-sensory techniques of the Cascade Foundation are superb for reaching those prisoners in a one-to-one way. Jackie and her team of trained ex-offenders and other prisoners use all kind of techniques, including the use of glitter, toothpaste, sand, even pastry cutters to try to engage these often illiterate prisoners, many of whom might be starting with pre-entry-level English.

By using these means, Jackie has achieved some extraordinary successes. The success stories speak for themselves and are inspirational. That is so much the case that Jackie's work has been honoured by the TV programme "Surprise Surprise", and she even became *The Sun* "wonder mum of the year" for 2015 in recognition of the work she has done with so many of these youngsters.

When Jackie was working on her programme in Chelmsford prison, she had incredible success rates in reducing reoffending. Indeed, the rates plummeted to less than 6% among the people she took on in her cohort. Six years later, the rate was massively below the national average. Three of those who had served more than 40 years in prison did not reoffend. I challenge anyone to discount looking at such an innovative idea that has brought such extraordinary success rates.

Jackie is getting amazing results in her current work in Doncaster, bringing people with pre-entry levels of English up to level 2 and beyond within a matter of months. Some make a whole year's progress within a month, having utilised her extraordinary methods. Let me cite what John Biggin, the previous governor of Doncaster prison, said:

"The potential for sustained and often life-changing results for prisoners going through this programme cannot be underestimated... The potential for good that this programme can deliver is not only worth investing in, but embracing as part of the DNA of our prison."

Another great success story from Doncaster prison is about an ex-prisoner called DL, who had spent virtually his entire adult life in prison for 22 years. He was deemed to be one of the most disruptive and disengaged men in the prison. He had had a troubled upbringing and successive school failures, giving him a fear of the classroom. With the use of small spaces and multi-sensory learning, he was taught to read and write the alphabet for the first time, and he subsequently made rapid progress—eight years' progress in eight months! DL says:

"I've spent 22 years in prison. I've beaten up staff and everything. I've just had my 40th birthday and it's the first one outside prison as an adult. Now I can attend job interviews and I'm planning to take the driving theory test which I've always feared to do before."

I would recommend anyone not impressed by those results and the possible transformative effects that can be seen if we change our approach to rehabilitation in prison to visit the Cascade website.

I mentioned Jackie Hewitt-Main not just to draw attention to her amazing work—it is easy to tell that I am very proud of it—but to stress the transformative role that outside independently run agencies can achieve by bringing new ideas into the Prison Service. I also commend Doncaster prison because two ex-prisoners from the previous project at Chelmsford prison—Colin Nugent and Phil Aldis—have trained as teachers. These are the only ex-offenders ever to be able to teach within a prison setting. I commend the work of Doncaster prison, which is run by Serco. I say congratulations on adopting that innovative approach.

I believe that freezing funding for prisons and outside agencies to offer assistance to offenders will be an absolute disaster. We need to do more to open up to further new innovative ideas—supporting the work both of prison staff and prison governors. They should be able to innovate, to bring in new ideas and new organisations, and to experiment. We need to do something

new, because much of what has been done for years has not worked. Anything that works to bring down rates of offending will also bring down the number of victims.

5.54 pm

**Marie Rimmer** (St Helens South and Whiston) (Lab): The corrosive effect of imprisonment on young people, particularly those entering custody for the first time, is absolutely appalling. Is incarceration, in its present form, suitable for the overwhelming majority of young people? I believe that prevention is far better than cure, and that if we catch them when they are young, we can do so much good.

Report after report highlights the vulnerability of most of these young people, who have been bullied, abused and neglected, emotionally, physically and sexually, and it also highlights their lack of education. If prison is to be justified, as a last resort, it must operate in a small, rehabilitative and therapeutic environment. I speak on the basis of my experience as chairman of Red Bank, a small secure children's home in St Helens North, when I was leader of the borough council. The staff and board of the home were absolutely committed to the young people's reform, care and rehabilitation, and they were treated with the respect and empathy that such children need in order to develop trusting relationships and change their behaviour. They were able to learn and understand about society, about why and how their behaviour was unacceptable, and about why they needed to change.

The Red Bank home was given the first "excellent" educational rating that had been achieved in our borough. The children were able to engage in purposeful activities such as cookery, "Dine With Me", car valeting, woodwork and gardening. They took part in discussion groups, and they learnt how to decorate a home and paint murals. When I saw the programme about the Medway secure training centre, I found myself comparing it to the Red Bank.

We were given a grant of £7 million, which we used to create a purpose-built secure education unit, but it became redundant within two years of being opened. Sadly, we did not receive the capital allocation that we needed to replace the appalling living conditions, and as a result we were not awarded a Youth Justice Board contract. It was traumatic and disruptive for those young people to have to move to different places where they were not given the same care and attention, and the purpose-built education block stands empty now.

Prisons do not work. The outcomes are extremely poor. Prisons have revolving gates. My hon. Friend the Member for Lancaster and Fleetwood (Cat Smith) asked how drugs get into prisons. Well, one answer is drones: there were eight drops last year. Another is potatoes, which are scooped out and filled with drugs before being delivered with other cooking materials. Sometimes drugs are kicked over walls. Visitors are coerced into taking them into prisons, as, of course, are staff. Spice is big business. It is cheap, it does not involve much risk because it is not a crime, and there is a big market for it in prisons. I hope that the criminalisation of the act of taking drugs into prisons, which will take effect in April, will help to reduce the problem.

Last week, along with the other members of the Justice Committee, I had the privilege of meeting some young adults who had been released on temporary

licence. I use the word "privilege" because it heartened me—particularly after the Medway case—to see the good work that was being done. Young people working with the St Giles Trust were involved in all kinds of social work and education. Some were working for degrees, and some were helping other people by, for instance, answering calls. All were enthusiastic and proud of what they were doing, and I was proud to meet and talk to them.

I also met the parents of two young people who had died, and heard about the traumatic times that they had experienced. I heard that they had been let down by institutions that did not hand over the reports that had been given to them, and had been put in inappropriate secure accommodation when they were experiencing mental health problems. Risley remand centre is short of staff, and cannot provide rehabilitation or engage with young people. Older people had also been segregated in inappropriate secure units, for as long as 22 hours a day.

I have often said that my passion is prison reform. I have often asked who would be brave enough to stand up in the House and say what is necessary and to see it through. I listened very carefully to the Secretary of State, and I think he means business. I hope the Government and this House give the necessary support to bring about the change that we owe to society, because at present we are wasting millions and millions of pounds and breeding more hardened criminals. We are doing an injustice to young people who are mentally ill, and we are doing an injustice to their parents who have tried to get help.

There is lots going on in prisons that is wrong, of course; we have all read the reports. I urge that we address the issues raised in the Harris review and the many other reviews. I look forward to being in this Chamber to see, and be part of, the reform and rehabilitation of the punitive system in this country.

6.1 pm

**Philip Davies** (Shipley) (Con): First, may I apologise to you, Mr Speaker, and other Members: I have a meeting at 6.15 pm with the relevant Minister about the flooding in my constituency so I will be away from the debate for that time? No discourtesy is intended, and I hope my apology will be accepted.

I want to concentrate on one thing that I believe is seriously overlooked in debates on justice: the use of fixed-term recalls, one of the biggest injustices in the criminal justice system. Most people believe that if someone is let out of prison early—whether halfway through their sentence, a quarter of the way through on home detention curfew, or at some other point before they should be let out—if they reoffend during that time or breach their licence conditions, they should go back to prison to serve the rest of their original sentence at the very least, and some, like me, might argue that they should be sent to prison for longer. Unfortunately, that is not always, or even often, the case.

The Criminal Justice and Immigration Act 2008 amended the Criminal Justice Act 2003 to introduce fixed-term recalls. It was not done because it was the right thing to do; it was done to reduce the prison population when it got out of hand under the last Labour Government and they did not have the necessary capacity. A fixed-term

[Philip Davies]

recall occurs when an offender reoffends or breaches their licence conditions, and as a result they do not go to prison for the remainder of their original sentence; they go back for 28 days—just 28 days.

The overwhelming majority of the public believe offenders should serve the whole of the sentence they were given in the first place. In fact, a poll by Lord Ashcroft found that 80% of police officers, 81% of the general public and 82% of victims believe sentences are already too lenient, but thanks to the Legal Aid, Sentencing and Punishment of Offenders Act 2012, as of 3 December 2012, the eligibility criteria for fixed-term recalls were relaxed further to make them available to previously denied prisoners. These were offenders serving a sentence for certain violent or sexual offences, those subject to a home detention curfew and those who had previously been given a fixed-term recall for breaching their licence within the same original prison sentence.

I recently asked a parliamentary question and found that in 2014 an astonishing 7,486 people were given this 28-day, all-inclusive mini-break in prison for reoffending or breaching their licence conditions. These included a staggering 3,849 burglars and 546 people whose original offence involved violence against another person, including wounding, manslaughter and even murder.

The sheer number of offenders being returned on these 28-day recalls appears to show that people are being let out when they are not ready to be released into society, yet those who have committed the most serious offences, such as murder, who are released and breach their licence conditions are still required to come back to prison only for a mere 28 days. Anyone who thinks someone on licence for murder should simply be returned to prison for 28 days for reoffending or breaching their licence condition surely needs their head tested. This kind of initiative is ridiculous in an age when public confidence in the criminal justice system is so low.

The Ashcroft poll found that more than two thirds of people—69%—believed that rates of reoffending were high because sentences were too short and prison life was not hard enough. Just recently I was made aware of a case of a local serial offender who was released early on licence for burglary only to commit multiple offences weeks afterwards. That offender was returned to prison, but he was not required to stay there until early 2017, as he would have been if he had had to serve his sentence in full. He was just given his 28-day fixed-term recall. How can that possibly be right? How can that possibly protect the public? That should be the first duty of the Government, rather than making speeches in here trying to make it look to the wider world as though we are compassionate. Do I want people to think that I am compassionate just for the sake of my own reputation? We should be concentrating on how we protect the public from becoming the unnecessary victims of crime.

**Michael Tomlinson** (Mid Dorset and North Poole) (Con): Surely, if rehabilitation is effective, it will protect the public and reduce the number of future victims of crime. Is not my hon. Friend making the wrong argument on that point?

**Philip Davies:** According to the Ministry of Justice's own figures—the Minister can confirm this—the longer people spend in prison, the less likely they are to reoffend.

There should be a lesson in there for my hon. Friend. In fact, the punishments with the lowest reoffending rate of all were the indeterminate sentences that were introduced in the name of public protection—the very punishments that my right hon. and learned Friend the Member for Rushcliffe (Mr Clarke) scrapped, even though he said at the time that his main purpose was to reduce reoffending. Let us stick to the facts about what actually works, rather than trying to make ourselves sound good to our constituents and to the wider public.

An equally staggering fact is that many of the offenders who are released on licence and who then reoffend or breach their licence conditions and are recalled for 28 days and then go on to reoffend or breach their licence conditions again once they have been re-released are still only recalled for 28 days on that second or subsequent occasion. Between September 2013 and September 2014, 1,160 offenders received more than one fixed-term recall, including 49 offenders who were serving sentences for violence against the person and 705 who were serving sentences for burglary. That is absolutely outrageous, as my constituents in Wilsden and Harden, who are facing a spate of burglaries at the moment, will know only too well. Perhaps we should ask them to listen to some of this liberal claptrap while they are having their homes burgled every five minutes by people who have been released from prison on fixed-term recall.

This weak response to reoffending is becoming so well-known in the criminal community that some people are taking their chances and reoffending, knowing that the punishment will be pathetic. Worse still, some are deliberately trying to get themselves back into prison for 28 days, as that is just enough time for them to make money from dealing drugs and committing other crimes on the inside before being released again. They are deliberately going back into prison because they know that it will only be for 28 days, and that they will not have to serve the rest of their original sentence. The concept of the fixed-term recall takes dishonesty in sentencing—which is already bad enough with people only serving a maximum of half their sentence—to a new low. Fixed-term recalls are completely unjust and unjustifiable, and they should be scrapped with immediate effect.

6.7 pm

**Liz Saville Roberts** (Dwyfor Meirionnydd) (PC): The prison system is a source of much frustration for many people involved in justice in Wales, and I welcome this opportunity to raise a number of specific issues. Despite recommendations from the police, unions and independent commissions, as well as from a cross-section of politicians, this remains a reserved matter for the UK Government, and the consequences for Wales are clear. In spite of the excellent work done by many justice officers, our prisons are neither located nor designed with the needs of Welsh citizens in mind. We still do not have a women's prison in Wales—

**Jenny Chapman:** We don't want one.

**Liz Saville Roberts:** I will return to that.

There is nowhere in Wales for women prisoners to go. Young offenders from the north must also be housed in England, as there is no facility in the north of Wales.



What we do have is a plan from the UK Government to build a so-called super-prison in the north, but it is not being built to serve the needs of Wales. It is a priority for an England-centred justice system—a monolithic pack-them-in-and-pile-them-high type of prison to house offenders from all over the north-west of England. There will be around 700 prisoners from Wales, but double that number will be transported in. Its *raison d'être* is to meet the needs of north-west England, not those of north Wales. This is about overcrowding in English prisons. The prison happens to be in Wales as a matter of convenience, rather than being for Wales as a matter of strategic design.

This is not just nation-building from Plaid Cymru. This is about ensuring that young people can be housed in their own country, and that women do not have to cross the border into England, far away from the stability of their families and loved ones, as they will surely have to do if we do not have a women's prison in our own country. Has there been a cold evaluation of the wider cost to Wales, especially to the Betsi Cadwaladr University Health Board, which will carry the cost of providing healthcare to 2,100 prisoners? If healthcare at HMP Cardiff costs £2.24 million, has any estimate been made of the Wrexham care costs, as that prison is set to house two and a half times more prisoners? How much additional money will be made available to the health board by the UK Government via the Welsh Government? What are the wider costs of housing released prisoners, especially those deemed vulnerable and thus with priority housing status, and what indeed of the additional policing costs?

**Ian C. Lucas** (Wrexham) (Lab): I represent the constituency in which Wrexham prison is being built. Does the hon. Lady not welcome the fact that there will be a prison in north Wales for the first time? I am as conscious as she is of the pressure on resources. I know that it is vital, and I will hold the Minister's feet to the fire on the matter of resources for health and for other services for my constituents.

**Liz Saville Roberts**: I welcome the presence of a prison, but the size of this prison is over and above the needs of Wales, and it will bring with it many social problems as well as the costs that I have outlined.

We know that the demand for prison places in the north of Wales is around 700, not more than 2,000. If we are to have a new prison, it would surely make more sense to have a conventional prison that responds to the needs of north Wales, with places for 700 prisoners and separate wings for women and young offenders.

Provision for women who commit crimes in Wales needs to be overhauled to become fit for the 21st century. I support the campaign of the former MP for Swansea East, Siân James, to seek restorative methods that recognise that women's criminal behaviour has often different motivations to that of men. Too often these women are the victims of the toxic trio of domestic abuse, mental health problems and substance misuse. Female criminals need different solutions to break the patterns of criminal behaviour.

Society needs not just a roll-call of ever-increasing prisoner numbers, but results. We need a justice system that reforms criminals, not one that merely holds them in captivity and out of sight.

The probation system in Wales is facing extreme pressure at present. The probation service was underfunded and did not have the resources that it needed, and yet it showed itself to be far more effective than short-term prison sentences in rehabilitating offenders. The service has met almost all the targets it has been set in recent years and was even awarded a British quality gold award for excellence, and yet, even though it was not broken, we have seen the changes that it has suffered. It did not need fixing. There was no need for privatisation. It was an ideological choice by the Tories, who have scant interest in results, value for money or public safety. Their interest lies in lining private sector pockets.

We firmly believe that the Welsh Government are in the best place to make decisions for the justice system in Wales. Plaid Cymru is not alone in calling for the devolution of justice. There has been an almost unanimous call from legal experts, who have been giving evidence to the Welsh Affairs Committee during the pre-legislative procedures of the draft Wales Bill, that a distinct legal jurisdiction in Wales should be established, which would, in turn, pave the way for the devolution of justice, including policing, prisons and probation.

I reiterate that Plaid Cymru opposes entirely the building of a super-prison but, in the interests of improving access to justice in Wales, if it is to go ahead, the recommendations and the adaptations that have been suggested, particularly to provide separate wings for women and young people, must be considered.

6.13 pm

**Heather Wheeler** (South Derbyshire) (Con): I rise to speak in this very important debate as the queen of prisons. I have the women's prison of Foston in my constituency, and Sudbury open prison and Marchington prison on my border, so the area of Derbyshire and Staffordshire is well placed for prisons and for understanding prison problems. I do not agree with the motion on the Order Paper, as there is no real understanding of the changes that have been made to the prison system.

I will focus my remarks on Foston women's prison because it is the one in my constituency. A number of changes have been made. There is help for the ladies who have financial problems, and care for those with mental health issues. There is also advice for those who know they will be leaving, and what that will mean in terms of their family—whether they can still stay with them or whether they need to make new arrangements. They have also been given tools to help them not only with their numeracy and so that they are better equipped for reading and writing but, even more importantly, to cope with financial pressures when they come out of prison.

All that has been made possible by tremendous innovative thinking and, specifically, the excellent work of my local citizens advice bureau. We found that people were making repeat visits to the CAB, so it built up a dossier of the needs of women leaving Foston prison, after which it put together a bid, which I was delighted to support. The scheme has now gone out to other prisons throughout the country because it is working so well. The programme is totally cost-effective and it is not fluffy bunny stuff. Talking as the South Derbyshire MP, I can say that unless such a scheme is tried and tested,

[Heather Wheeler]

offers value for money and helps people in our society, it will not get my signature, but the programme ticks all the boxes.

I am proud that our Government are taking such an innovative approach because we do not want people to reoffend. We want people to go back to having a family life. We want them to give something back to society because that is a meaningful part of rehabilitation not only for them, but for their victims. The scheme should be considered even more deeply and I hope that more prisons throughout the estate will get the opportunity to adopt it.

In the couple of minutes remaining, I shall talk about victim support in the context of parole boards and prisons. Regretfully, I know of a horrendous constituency case, of which the Minister is aware, in which owing to a mess in the civil service, an inmate was allowed a second go before a parole board, despite having previously been turned down. He passed the second time, and of course went out and created mayhem, as we knew would happen. Fortunately, he has now been locked up again. I have not heard that the civil servant responsible for the mistake has apologised or been sacked. Even now, I have not heard any apology from the civil service for the fact that the prisoner could get out and create mayhem. I do not want the Minister to apologise today because that would not be fair on him, and that is not what we are here for—we are here to vote against this ridiculous motion. We are here because we want to ensure that people learn from mistakes and that victims are supported to the same extent as inmates through rehabilitation.

6.18 pm

**Liz McInnes** (Heywood and Middleton) (Lab): The motion, which is far from ridiculous, states “this House believes...prisons are in crisis”.

Our prisons are becoming less safe for staff and prisoners. With rising prisoner numbers and fewer staff, will prisons be able to continue to provide programmes and activities, or will rehabilitative work be squeezed out as they struggle simply to contain their populations? The outgoing chief inspector of prisons argues in his annual report that prisons are at their worst for 10 years, with the deficiencies most acute in adult male prisons. In addition, we face the reckless privatisation of the probation service.

The most recent Ministry of Justice statistics show that deaths from natural causes, self-inflicted deaths and homicides in prisons have increased. The rate of self-harm incidents in prisons has increased, as have rates of prisoner-on-prisoner and prisoner-on-staff assaults. Mental ill health is more prevalent among prisoners than the general population. Between April and September last year, 343 prisoners who had been sectioned under the Mental Health Act waited more than 14 days for hospital treatment.

The Howard League for Penal Reform report entitled “Breaking point: Understaffing and overcrowding in prisons” points out that the number of front-line prison officers in England and Wales dropped by 30% between 2010 and 2013 from 27,650 to 19,325. In some prisons, the number of officers has halved in only three years, and many prisons have been forced to operate

with 40% fewer staff. However, the prison population has not reduced. In April 2014, it was 85,264—255 more than in May 2010.

The motion refers to “increasingly high rates” of drug use in prison, and there is clear evidence of inmates developing drug addiction inside prison. Drug seizures from prisoners have hit a new high, with almost 6,000 finds of illicit substances in 2014. As many hon. Members have mentioned, the use of new psychoactive substances is rife in prisons. The chief inspector of prisons published a report last month stating that so many prisoners abused psychoactive drugs that that put a strain on local ambulance services. Additionally, there are some frightening statistics on drug-related deaths of prisoners after their release. Such deaths are seven and a half times higher among UK prisoners in the first fortnight after release. Many of those deaths are due to opiate use, which could be prevented with the use of Naloxone, a synthetic drug that blocks opiate receptors in the nervous system. Prisoners are failed by local authorities that do not provide access to Naloxone for opiate users in the community, disregarding the recommendations of the World Health Organisation and Public Health England. Healthcare provision in all UK prisons should include the issue of Naloxone on release where appropriate, and NHS England, Public Health England and local authorities should develop a joint strategy and funding arrangements for such provision.

The motion is headed, “Prisons and probation”, and I want to say a few words about the probation service. My hon. Friend the Member for Hammersmith (Andy Slaughter) has discussed reoffending rates, with one in 12 criminals committing another offence within three weeks of release. The probation service, however, suffers from a staffing crisis as a result of cuts and reforms. The Government have split the service in two, outsourcing the least complex work to privately run groups known as community rehabilitation companies or CRCs. In 2015, at least 1,200 staff left the probation service as a result of planned redundancy, retirement and career changes due to disillusionment. I should like to quote a senior probation officer, who has chosen to remain anonymous:

“Collectively the service is having a nervous breakdown and my guess is that at least 80% of staff are just looking to get out by any means. The damage is done; there’s worse to come and there’s absolutely nothing that can stop it. I’m pessimistic about the future and it will take a couple of serious murders, prison riots or similar for politicians and the public to take the slightest notice”.

Those are the words of someone working in the probation service, and I truly hope that they do not come true. I hope that we can address the crisis in the probation service. The staff and the work that they do are valued, but they are struggling with an excessive workload and loss of expertise, which has had a detrimental effect on complex cases, including those involving sexual and domestic violence.

In conclusion, I am encouraged by the approach of the Justice Secretary. Like him, I am a great believer in the rehabilitation of prisoners, but I was surprised to hear him refer to the prison in Manchester as “formerly known as Strangeways”. I think that we will achieve prison reform sooner than the good people of Manchester stop referring to that building as Strangeways.

6.24 pm

**Michael Tomlinson** (Mid Dorset and North Poole) (Con): It is a pleasure to speak in this important debate, and I am grateful to have been called.

I shall focus on two main areas—first, victims, and secondly, rehabilitation. It is not a case of either/or; the two can go hand in hand. Rehabilitation can protect the public by helping to prevent future victims. There is a clear link between securing employment and a reduction in reoffending. Offenders who leave prison and secure employment reoffend at the rate of 32%, which is still too high. For those who fail to secure employment, the reoffending rate goes up to 69%. There is a demonstrable link.

As the Secretary of State invited us to do, I place on record my thanks to those who work in our prisons. I shall pick out three aspects, all of which have links to Dorset. First, the Footprints project is a volunteer scheme that mentors offenders recently released from prison and those serving community sentences. It serves the area of Dorset, Somerset and Hampshire. Encouragingly, ex-offenders often want and aim to become mentors themselves, such is the success of the scheme.

Secondly, Clean Sheet is an independent charity focused on the employment of ex-offenders. It delivers a “Ways to Work” employability scheme. I know that the Secretary of State has visited Guys Marsh prison and, importantly, the Jubilee wing, which is in my neighbouring constituency, North Dorset. There is a less formal environment there, the regime is less strict, and prisoners are encouraged, for example, to make their own meals. As of 2015, only four out of 58 prisoners had reoffended—a striking example. I invite the Minister to look again at that model and see whether it could be rolled out more widely.

Finally, I would like to mention the work of Peter Jones from the Counselling in Prisons Network. He is a constituent of mine and has produced a document on promoting excellence in therapy in prisons. Through counselling and psychological therapy, he works with victims of sexual violence and trauma who are themselves in a custodial setting. This helps to prevent reoffending.

All three of those initiatives have a link with Dorset, but there is a more important link—the passion to reduce reoffending and ensure that ex-offenders get back on the straight and narrow. For me, there is not a choice between victims first or rehabilitation. It has to be both. Victims are very much at the heart of our criminal justice system, but so too should be rehabilitation. Get that right, and there will be fewer victims.

6.27 pm

**Mr Ranil Jayawardena** (North East Hampshire) (Con): Thank you, Mr Speaker, for the opportunity to speak in this debate. I know that others wish to make their contribution so I shall be brief.

It is incumbent on us all to protect the society in which we live. Rehabilitation, as my hon. Friend the Member for Mid Dorset and North Poole (Michael Tomlinson) says, is an integral part of that, but rehabilitation is not new. Those of us who worship from the Book of Common Prayer will recognise the words that God “desires not the death of sinners, but rather that they may turn from their wickedness and live”.

That has been with this country for many centuries. It is important that the Lord Chancellor outlined today, as he has done previously, the increasing focus on rehabilitation, but I would like to temper that enthusiasm and that positivity with a note of caution.

We must be mindful of those who do not wish to change, those who show no remorse, those who should be punished so that if they are locked up, they are not a risk to the good people of our country. But to be positive and to return to the agenda that the Government have outlined, it is right that we give those who want to change the opportunity to do that. They should not be written off by society, but should be seen as individuals and given the tools to make a contribution to our country.

A troubling issue at the moment is the number of individuals returning from fighting with so-called Islamic State—the satanic state, as I call it, because those people are not followers of Islam. The number of such individuals continues to rise, so it is inevitable that our prisons will soon be housing unprecedented numbers of extremists. We must address the unfortunate truth that British prisons have in some cases been incubators of extremism. I urge Ministers to ensure that we develop an ever-more successful de-radicalisation programme; one that can both punish and rehabilitate, and transform extremists into more tolerant individuals while they serve their time and repay their debt to society. That is a huge task, but it is a vital one. If properly carried out, not only will it tackle the problem of radicalisation in British prisons, but, if we can show that these abhorrent ideologies can be defeated, it will do much to challenge extremist groups in Britain and across the world.

Since 2010, those who break the law have been more likely to go to prison, and for longer, than they would have been in the past. I cannot support the motion because I do not believe that that is wrong in all cases. I do not believe that rehabilitation is right in all cases, as I have outlined. I believe that prison can give us the opportunity, as a country, to change those who wish to change for the better.

6.31 pm

**Kwasi Kwarteng** (Spelthorne) (Con): I am grateful to you, Mr Speaker, for giving me an opportunity to speak in this important debate. There are constraints on time, so I will keep my remarks brief. I want to make three main points, some of which I do not think have been made in the debate.

First, I am very proud to have in my constituency HMP Bronzefield, which is an excellent women’s prison. It is run privately. Some disparaging remarks have been made about privatisation and the involvement of the private sector in prisons. I think the example of HMP Bronzefield belies all those disparaging remarks. It is progressive, highly effective and very efficient. Interestingly, the prison was opened in 2004, seven years into the previous Labour Government. I think that sort of development should be welcomed.

Secondly, and we have not spoken about this enough, it is an incredible success that crime is down 30%. That is the broad context in which our constituents understand the criminal justice system. The figures that really worry the people of this country are the overall crime figures—the likelihood of being a victim of crime. That sits at the

[Kwasi Kwarteng]

top of people's concerns. It is to the Government's real credit that those figures have come down considerably over the past five years. That point should always be made.

Lastly, I completely understand the need for punishment, as my hon. Friend the Member for Shipley (Philip Davies) mentioned—I share some of his views on these matters, but not all of them. Rehabilitation is clearly a very important part of any criminal justice system. What I will say—I fear that this is a slightly partisan point—is that when times were good we did not invest enough in maintaining our criminal justice infrastructure, by building and modernising prisons and by moving away from the model of the old Victorian prisons. That was a missed opportunity. I am glad that, under the guidance of my right hon. Friend the Justice Secretary, we are trying, despite a constrained budget, to bring about reform in this respect. He is to be commended for that.

6.33 pm

**Fiona Bruce** (Congleton) (Con): Helping prisoners to maintain stable family relationships improves rehabilitation and reduces reoffending rates, making a real contribution towards improving the life chances of a prisoner after they leave. There are already a number of positive Government and volunteer projects alive to that and they are seeing exceptional returns on investment. Sadly, however, despite the recognition of the stability and quality of prisoners' family relationships as a key contributor to rehabilitation, NOMS's own review of parenting and relationship support has found that there is considerable variation in the quality of provision across the country, and that only a third of offenders are given help in maintaining family ties.

Will Ministers consider including the issue in the outcomes that governors will be expected to deliver as they have greater autonomy? There are some really good examples that could be replicated more widely, including informal projects such as the family visit days run at Thorn Cross, where prisoners can eat family meals together and do crafts with their children. There is also the involvement of families of victims and perpetrators in restorative justice programmes. It is important for families of offenders to be involved and to hear their apologies. That enables them to see their father, husband or son say they are sorry and show a desire to live differently, and gives them, as a family, the chance to forgive their loved one, too.

There are more formal programmes such as the Stronger Families and Building Bridges programme. The Family Man programme, which, in effect, pays for itself in preventing reoffending, citing returns of £1.33 for every £1 invested, uses drama, group discussions and written work to help to improve relationship skills—skills that we all need and can be learned in the absence of positive role models in early life.

It is also critical that we enable prisoners to maintain contact with their young children. That is vital if we are to improve the life chances of not only the offender but their children, and break the potential cycle of reoffending into the next generation. At present, two thirds of young males separated from imprisoned fathers

in childhood go on to commit crime themselves. The numbers are substantial. A recent report by Barnardo's estimates that 200,000 children have a parent in jail. That is why courses like Time to Connect, the work of family engagement workers, and even the marriage course at HMP Spring Hill are so important in helping families to communicate and understand each other better.

Will Ministers look at how such courses can be replicated in other prisons? Will they take steps to ensure that such initiatives are highlighted to governors and consider how they can be expanded to help offenders to build strong, positive relationships and give their families a better start when they come out of prison?

6.36 pm

**David Warburton** (Somerton and Frome) (Con): I not only join others in celebrating the conduct of this debate but commend the Opposition for their choice of topic.

Fluffy bunnies aside, I think it is fair to say that there is perhaps no greater test of a civilisation than how it treats those who have fallen foul of its laws. Those who do so often come from deprived, or certainly more vulnerable, sections of society. The Lord Chancellor's speeches on this subject over the past twelve months or so, like those of Ministers, have been among the most thoughtful and the most wide-ranging I can remember on this subject, and today's was no exception. The focus on prison education and the redemptive power of work, along with, of course, the necessity for prison to act as a place of punishment, is very encouraging and reflects the importance of answering coherently the question of what prison is actually for. At no time and in no other area will the state have such a direct influence over our lives as with those who are in its care, and it is of course absolutely right that we should be held to the most rigorous standards.

Work and education are the real arteries of rehabilitation. Prisoners are removed from society, but they do not stop being a part of it. Through work and education, they can see beyond the confines of the prison. As my hon. Friend the prisons Minister pointed out yesterday, employers who subsequently hire ex-offenders talk about a higher than average level of commitment and loyalty. Last August, the Government brought in mandatory assessment of maths and English for all newly arrived prisoners. This, combined with the Coates review, which will report in March, and the proposals to give prison governors more control over their own prisons, offers hope to all those who see education as a transformational force within our prisons. Almost half of those in prison were expelled or otherwise excluded from education. It is obvious that a relationship of cause and effect is at work: society is paying the price for its failure to offer these people a route to the future.

Of course there are ongoing problems that we need to address, and, as this debate has shown, are addressing, but we are seeing signs of progress. The £1.3 billion investment in modernising the prison estate, shifting it away from its Dickensian infrastructure and improving the lives of inmates, and a renewed focus on education and work as tools of redemption and rehabilitation, are very welcome, but there is still much more to do.

6.39 pm

**Lucy Frazer** (South East Cambridgeshire) (Con): The hon. Member for Hammersmith (Andy Slaughter) opened the debate by saying that it was not one about blame. He was right to do so because it would be absolutely wrong to suggest that the problems in our prison service can be laid at the foot of a particular Government or that the other party has a monopoly on the answers or on success. Government after Government have grappled with the problem of how to reduce recidivism. Throughout the Blair and Brown years, prisoners reoffended in their tens of thousands.

To understand the problems, it is important to start with some statistics. Some 67% of young people who leave custody reoffend within a year, while 72% of those young people regularly played truant from school and more than half of them do not have any qualifications. Those few facts tell us that it is the disadvantaged in society who end up in prison. The Secretary of State is therefore absolutely right to look into the provision of education in our prisons, as he is doing. We know, as the Centre for Social Justice reported, that prisoners who do not take part in any education or training during their years in prison are three times more likely to be reconvicted on release.

It is important to look not only at the availability of education—it is already currently offered—but at how we can encourage people to take up such education. I hope that Dame Sally Coates will consider in her review whether it is appropriate for education to form part of a prison sentence, and whether a reduction in a sentence might incentivise prisoners to improve their skills.

Nelson Mandela said that

“no one truly knows a nation until one has been inside its jails. A nation should not be judged by how it treats its highest citizens, but its lowest ones.”

Our nation—our one nation—should hold out a hand and help all those who need a step up and a step out of their current world. However, our ambition should not just end there. We should aim to cut not reoffending, but all offending. For those who are vulnerable, who lack skills and who mix in circles where there is truancy and crime, the other world may be daunting and difficult. Fear is sometimes the greatest prison of all. Victor Hugo said:

“He who opens a school door, closes a prison.”

Let us continue to invest further in the education of the next generation to ensure not simply that our young criminals do not reoffend, but that they do not offend in the first place.

6.42 pm

**Jo Stevens** (Cardiff Central) (Lab): I thank all hon. Members for their contributions to the debate. The tone of the debate has been one of consensus. Hon. Members from both sides of the House want improvements, perhaps with the exception of the hon. Member for Shipley (Philip Davies). He appears to want to take us back to the penal system of the 18th century. Fortunately, penal policy has moved on since then, and I often think it would be nice if he did so too. There have been many notable speeches, and I apologise in advance that the constraints of time mean I cannot mention everybody.

We heard from the former Lord Chancellor, the right hon. and learned Member for Rushcliffe (Mr Clarke). He said he was disappointed by the progress made on rehabilitation and criticised our ridiculously excessive prison population. He referred to the last vestiges of indeterminate sentences, and I look forward to hearing from the Minister about any plans he has about such sentences. My hon. Friend the Member for Wansbeck (Ian Lavery) made a wide-ranging speech, and gave examples of the terrible things going on at HMP Northumberland.

The Chair of the Justice Committee, the hon. Member for Bromley and Chislehurst (Robert Neill), spoke about the excellent report by Lord Harris, which has not been fully implemented. He referred to the protocol we would like for the chief inspector of prisons. It would ensure that his independence does not become compromised, as was suggested in a recent Justice Committee hearing.

I particularly want to mention the speech by my hon. Friend the Member for Darlington (Jenny Chapman), who is very experienced in these areas. She talked about the tragic case of Lorraine Barwell, and made two requests of the Minister—about naming prison officers killed on duty at the start of Prime Minister’s questions, and about the Harris report recommendation for a personal telephone call to be made to the family of prisoners who take their own lives and to the officers who find them.

My hon. Friend the Member for Lancaster and Fleetwood (Cat Smith) asked whether a retirement age of 68 is too high for prison officers and whether it is safe for them to continue working up to that age. My hon. Friend the Member for St Helens South and Whiston (Marie Rimmer) spoke from personal experience as the chair of a secure unit for children in her borough, and did so with great passion. Finally, my hon. Friend the Member for Heywood and Middleton (Liz McInnes) rightly highlighted the problems in probation since privatisation.

The public and victims of crime need to have confidence that justice is being done, that offenders are being punished appropriately and rehabilitated, and that communities are being protected. Making prisons work is not only the right thing to do; it will save us money and make us all safer. What we have heard in this debate is deeply concerning. We have a prison service that is at breaking point, with nearly 85,000 people in our prisons. We have the highest imprisonment rate in western Europe, with an average annual cost per place of over £36,000. There is projected to be an increase in the prison population at a time when the Ministry of Justice is required, under the Chancellor’s spending review, to reduce its running costs by £600 million by 2019-20. That is what it costs to run 30 medium-to-large prisons annually.

It does no one any favours—not the Government, the Ministry of Justice, those working in the prisons sector, taxpayers or prisoners themselves—to ignore the fact that we have, despite what the Justice Secretary said earlier, a crisis on our hands. That crisis was eloquently summed up by the current chief inspector of prisons, Nick Hardwick, whom the Justice Secretary rightly praised yesterday and again today in this House. His annual report stated:

“You were more likely to die in prison than five years ago. More prisoners were murdered, killed themselves, self-harmed

[Jo Stevens]

and were victims of assaults than five years ago. There were more serious assaults and the number of assaults and serious assaults against staff also rose.”

Here is just one example of what that looks like. At Cardiff prison in my constituency, Darren Thomas, who was jailed for breaching an antisocial behaviour order for street begging in the city centre, was stabbed to death with a ballpoint pen in his cell by his cellmate. The perpetrator was convicted of Darren’s murder last year.

We need to look wider than Medway. According to press reports that feature in *Private Eye* this week, the failure of the operators of a G4S-run prison to allow medical assistance to be given to a 37-year-old prisoner meant that he died in his cell because his epilepsy had not been diagnosed. That prison was HMP Parc in Bridgend, which the Justice Secretary singled out for praise this afternoon, so I repeat the Opposition’s call for him to instigate a review of all G4S-run prisons.

Prison staff are not safe either. Serious assaults on staff are up by 42%. The prison watchdog has warned that the increasing use of psychoactive drugs is the most serious threat to the safety and security of jails. The use of those drugs increased by 615% between 2014 and 2015, and the use of the drug Spice has increased by 4,813% over the past four years. I know that the Justice Secretary has said that the legislation on psychoactive substances is making possession within prison a specific offence, but does he really think that that alone will solve the problem in our prisons? As my hon. Friend the Member for Hammersmith (Andy Slaughter) has pointed out, the issue is the smuggling of the drugs into prisons.

The combination of a growing prison population, prisons awash with drugs and alcohol, cuts to staffing and prison budget cuts is a very dangerous mix. The former chief inspector of prisons predicted the danger in a report published as long ago as 2010:

“The hidden and incremental pressures this produces should not be underestimated, even though they are at present being contained. As I said...there are two risks: of increased instability in inherently fragile environments, and of reducing prisons’ capacity to rehabilitate those they hold.”

What was predicted has now happened. All of these problems have costs. They cost lives, they cost livelihoods and they cost taxpayers’ money.

We all agree that we need to reduce our prison population. We can solve the problem only through effective prevention. Prisons try to teach offenders to be good prisoners and to be compliant, but it is more important that we teach them to be good citizens and to be able to show initiative and independence to prepare them for reintegration into our communities. That is why the reckless privatisation of the probation service by the coalition Government was such a mistake, artificially splitting responsibility for offenders between two separate organisations based on different levels of risk, while taking no account of how risk levels fluctuate.

**Mr Kenneth Clarke:** Will the hon. Lady give way?

**Jo Stevens:** I am sorry, I do not have time.

What was predicted by probation professionals, outside experts, Napo and service users has happened: chaos; huge numbers of redundancies—up to 40% of staff in

some community rehabilitation companies—and IT systems not fit for purpose; cases falling through the cracks; and service in South Yorkshire, which the Government gave to a French catering company to run, under threat of renationalisation. Will the Minister tell the House whether the rumours of renationalisation of the South Yorkshire CRC are correct? Decisions on the supervision of dangerous offenders should be determined by public safety rather than profit.

I believe the Justice Secretary is trying his best, and I almost have some sympathy for him. It cannot be easy having to take up his role equipped with a shovel to clear up what I will politely call the residue that his predecessor, now Leader of the House, left him. Perhaps when he has finished shovelling that up—which will obviously take some time—we will see more than just an acknowledgement of the problems or references to prison reform strategy, and instead see concrete steps taken to address the scale of the crisis. This is the third time the Conservatives have promised a rehabilitation revolution. I look forward to hearing soon the Justice Secretary’s explanation of what went wrong last time and what will be different this time round on his watch.

6.51 pm

**The Parliamentary Under-Secretary of State for Justice (Andrew Selous):** We have had an excellent debate, with 22 Members taking part. I want to start, as others have, by putting on record my thanks to the men and women of our probation and prison services. They are outstanding public servants. They are often not in the public eye and do not get the thanks and appreciation they deserve. Probation officers make difficult professional judgments every day, often to tight timescales for the courts and the parole service. Prison officers face unacceptable violence, which we do not tolerate and are determined to reduce.

The Government are not in denial about the problems we face. We are not rehabilitating or reducing reoffending enough in order to keep the public safe. That is why our reforms are so vital, to protect the public by better rehabilitating offenders. That is why I am delighted that we have more support for prison reform from the top of Government than we have had for very many years. Reoffending has been too high for too long. That is why we have brought together the best of the voluntary, charitable and private sectors to join our excellent public service probation workers in bringing in our probation reforms. That has meant that we have extended probation supervision to some 40,000 short-sentence offenders who did not get it before. We have also introduced a through-the-gate service, joining up probation from prison into the community.

We have created the National Probation Service, and I should tell Members that 19 of the 22 CRCs are being run with a staff mutual or a voluntary, charitable or social enterprise sector body alongside their owners. We monitor their performance very carefully indeed, and the October 2015 performance figures showed that we are advancing in performance in almost all areas. South Yorkshire CRC has developed an action plan to deal with the issues it faces, but I can tell the House that no CRC is in a formal remedial plan. I can also tell the House that there are 560 more probation officers than there were 12 months ago. That is the largest intake of newly qualified probation officers for some considerable period.<sup>1</sup>

1. [Official Report, 23 February 2016, Vol. 606, c. 4MC.]

In the Prison Service, we saw a net increase of 540 prison officers in the year to 30 September last year. We have appointed some 2,340 extra prison officers. As of last week, we have increased prison officer training to 10 weeks, to make sure they are able to deal with many of the serious issues that colleagues from around the House have mentioned. We are going to carry on recruiting at that rate to make sure that we run safe prisons.

Many Members raised the very serious issue of self-inflicted deaths. I want to reassure the House that the Justice Secretary and I continue to take it very seriously indeed. We have acted on the vast majority of the recommendations of the prisons and probation ombudsman and will continue to do so. We have put more money into providing safer custody in prisons and at a regional level. We have also revised and improved our case management system for at-risk prisoners, which is being implemented.

We are reviewing early days care—sadly, prisoners often take their life in the first few days of their sentence. I draw the House's attention to our extensive use of the Samaritans-trained prisoner volunteer listener scheme. That is extremely worth while and very much appreciated by prison officers.

I attend every single inter-ministerial group on deaths in custody and will continue to do so. We will carry on learning lessons around the system.

**Jenny Chapman** *rose*—

**Andrew Selous:** I will mention the hon. Lady's points. I regularly meet victims and commit to keep on doing so, but she raises a good point. I will increase the amount of victims that I meet, specifically and particularly the families of those who have lost their life in prison. However, as the prisons and probation ombudsman has said, there is no simple, well-evidenced answer as to why self-inflicted deaths have increased so sharply.

Many Members mentioned violence within our prisons. We are taking a lot of measures to equip prison officers better. We are trialling body-worn cameras in 23 prisons. That evaluation is progressing well, and both staff and prisoners see the benefits of it. We are ensuring that every conversation a prison officer has with prisoners is productive and supportive.

We have better multidisciplinary case management involving psychologists and mental health workers to get on top of violence in prisons. For the first time, we have introduced a national protocol to ensure that the police and the Crown Prosecution Service work as closely as they should with the National Offender Management Service to ensure that cases are dealt with seriously. I will take up the specific case that the hon. Member for Lancaster and Fleetwood (Cat Smith) mentioned, when a victim impact assessment appears not to have been addressed in time. We have given clearer guidance to staff on defending themselves and will do everything to get on top of this issue, which is not acceptable. A positive, rehabilitative culture, with rigorous education, purposeful work and strengthened family links, is absolutely central to dealing with it.

Part of the reason why violence and assaults have gone up is that we have too many drugs within our prisons, specifically the new psychoactive substances. The good news is that this month, at last, we start to test for those new types of drugs, which we have not had the

ability to do in the past. We will extend that testing to all prisons by 1 April this year. We are currently evaluating a full-body scanner in one of our prisons, which will give us the technology to help us to get on top of that problem. We have trained drug dogs and made it illegal to throw anything over the wall—it was not illegal in the past—and we are communicating in every possible way with prisoners about the dangers of those substances.

As many Members have said, there are too many mobile phones within prisons. We are acutely aware of that and are investing in new technology such as metal-detecting wands, body orifice scanning chairs, signal detectors and blockers, and dogs that can specifically find phones. However, we recognise that more needs to be done. We will carry on until we are on top of that issue.

Many colleagues who have spoken today mentioned the prison estate. It is excellent news that the Chancellor committed to invest £1.3 billion to build nine new prisons in addition to the new prison that we are building in north Wales, which has not had a prison for well over 100 years. We will design out the features of the new prisons that facilitate bullying, drug taking and violence, so that we get on top of those problems.

Many Members rightly said that it is not acceptable that people go into prison with educational qualifications and leave with none. We are determined to do better in this area. We want prisoners to have the literacy, numeracy and information communications technology skills they need to get on, get a job and sustain that job. It is excellent that the Secretary of State has got Dame Sally Coates—

**Mr Alan Campbell** (Tynemouth) (Lab) *claimed to move the closure (Standing Order No. 36).*

*Question put forthwith, That the Question be now put.*

*Question agreed to.*

*Main Question accordingly put.*

*The House divided: Ayes 186, Noes 278.*

**Division No. 178]**

**[6.59 pm**

**AYES**

Abbott, Ms Diane	Campbell, rh Mr Alan
Alexander, Heidi	Campbell, Mr Ronnie
Ali, Rushanara	Champion, Sarah
Allen, Mr Graham	Chapman, Jenny
Anderson, Mr David	Coaker, Vernon
Ashworth, Jonathan	Coffey, Ann
Austin, Ian	Cooper, rh Yvette
Bailey, Mr Adrian	Corbyn, rh Jeremy
Barron, rh Kevin	Cox, Jo
Beckett, rh Margaret	Coyle, Neil
Benn, rh Hilary	Crausby, Mr David
Berger, Luciana	Creagh, Mary
Betts, Mr Clive	Creasy, Stella
Blenkinsop, Tom	Cruddas, Jon
Blomfield, Paul	Cummins, Judith
Bradshaw, rh Mr Ben	Cunningham, Alex
Brown, Lyn	Cunningham, Mr Jim
Bryant, Chris	Dakin, Nic
Buck, Ms Karen	Danczuk, Simon
Burden, Richard	Davies, Geraint
Burgon, Richard	De Piero, Gloria
Burnham, rh Andy	Doughty, Stephen
Cadbury, Ruth	Dowd, Jim

Dowd, Peter  
 Durkan, Mark  
 Eagle, Ms Angela  
 Eagle, Maria  
 Efford, Clive  
 Elliott, Julie  
 Ellman, Mrs Louise  
 Esterson, Bill  
 Evans, Chris  
 Field, rh Frank  
 Fitzpatrick, Jim  
 Flello, Robert  
 Fletcher, Colleen  
 Flint, rh Caroline  
 Flynn, Paul  
 Fovargue, Yvonne  
 Gardiner, Barry  
 Glindon, Mary  
 Godsiff, Mr Roger  
 Goodman, Helen  
 Green, Kate  
 Greenwood, Lilian  
 Greenwood, Margaret  
 Griffith, Nia  
 Gwynne, Andrew  
 Haigh, Louise  
 Hamilton, Fabian  
 Hanson, rh Mr David  
 Harris, Carolyn  
 Hayes, Helen  
 Healey, rh John  
 Hendrick, Mr Mark  
 Hepburn, Mr Stephen  
 Hoey, Kate  
 Hollern, Kate  
 Hopkins, Kelvin  
 Howarth, rh Mr George  
 Huq, Dr Rupa  
 Hussain, Imran  
 Irranca-Davies, Huw  
 Jarvis, Dan  
 Johnson, rh Alan  
 Johnson, Diana  
 Jones, Gerald  
 Jones, Graham  
 Jones, Helen  
 Jones, Mr Kevan  
 Jones, Susan Elan  
 Kane, Mike  
 Keeley, Barbara  
 Kendall, Liz  
 Kinnock, Stephen  
 Kyle, Peter  
 Lammy, rh Mr David  
 Lavery, Ian  
 Leslie, Chris  
 Lewell-Buck, Mrs Emma  
 Long Bailey, Rebecca  
 Lucas, Caroline  
 Lucas, Ian C.  
 Lynch, Holly  
 Mactaggart, rh Fiona  
 Madders, Justin  
 Mahmood, Shabana  
 Malhotra, Seema  
 Mann, John  
 Marris, Rob  
 Marsden, Mr Gordon  
 Maskell, Rachael  
 Matheson, Christian  
 McCabe, Steve  
 McCarthy, Kerry

McDonagh, Siobhain  
 McDonald, Andy  
 McDonnell, John  
 McGinn, Conor  
 McInnes, Liz  
 McKinnell, Catherine  
 Mearns, Ian  
 Miliband, rh Edward  
 Morden, Jessica  
 Murray, Ian  
 Nandy, Lisa  
 Onn, Melanie  
 Onwurah, Chi  
 Osamor, Kate  
 Owen, Albert  
 Pearce, Teresa  
 Pennycook, Matthew  
 Perkins, Toby  
 Phillips, Jess  
 Pound, Stephen  
 Powell, Lucy  
 Pugh, John  
 Qureshi, Yasmin  
 Rayner, Angela  
 Reed, Mr Steve  
 Rees, Christina  
 Reeves, Rachel  
 Reynolds, Emma  
 Rimmer, Marie  
 Ritchie, Ms Margaret  
 Rotheram, Steve  
 Shannon, Jim  
 Sheerman, Mr Barry  
 Sherriff, Paula  
 Shuker, Mr Gavin  
 Siddiq, Tulip  
 Skinner, Mr Dennis  
 Slaughter, Andy  
 Smeeth, Ruth  
 Smith, Angela  
 Smith, Cat  
 Smith, Nick  
 Smyth, Karin  
 Spellar, rh Mr John  
 Starmer, Keir  
 Stevens, Jo  
 Streeting, Wes  
 Stringer, Graham  
 Stuart, rh Ms Gisela  
 Tami, Mark  
 Thomas, Mr Gareth  
 Thomas-Symonds, Nick  
 Thornberry, Emily  
 Timms, rh Stephen  
 Trickett, Jon  
 Turley, Anna  
 Turner, Karl  
 Twigg, Derek  
 Twigg, Stephen  
 Umunna, Mr Chuka  
 Vaz, rh Keith  
 Vaz, Valerie  
 Watson, Mr Tom  
 Whitehead, Dr Alan  
 Winnick, Mr David  
 Winterton, rh Dame Rosie  
 Woodcock, John  
 Zeichner, Daniel

**Tellers for the Ayes:**  
 Vicky Foxcroft and  
 Sue Hayman

## NOES

Adams, Nigel  
 Afriyie, Adam  
 Aldous, Peter  
 Allen, Heidi  
 Amess, Sir David  
 Andrew, Stuart  
 Ansell, Caroline  
 Argar, Edward  
 Atkins, Victoria  
 Bacon, Mr Richard  
 Baker, Mr Steve  
 Baldwin, Harriett  
 Barclay, Stephen  
 Baron, Mr John  
 Barwell, Gavin  
 Bellingham, Sir Henry  
 Benyon, Richard  
 Beresford, Sir Paul  
 Berry, Jake  
 Berry, James  
 Bingham, Andrew  
 Blackman, Bob  
 Boles, Nick  
 Bone, Mr Peter  
 Borwick, Victoria  
 Bottomley, Sir Peter  
 Bradley, Karen  
 Brazier, Mr Julian  
 Bridgen, Andrew  
 Brine, Steve  
 Brokenshire, rh James  
 Bruce, Fiona  
 Buckland, Robert  
 Burns, Conor  
 Burns, rh Sir Simon  
 Burrowes, Mr David  
 Burt, rh Alistair  
 Cairns, Alun  
 Carmichael, Neil  
 Cartlidge, James  
 Cash, Sir William  
 Caulfield, Maria  
 Chalk, Alex  
 Chishti, Rehman  
 Chope, Mr Christopher  
 Churchill, Jo  
 Clark, rh Greg  
 Clarke, rh Mr Kenneth  
 Cleverly, James  
 Clifton-Brown, Geoffrey  
 Coffey, Dr Thérèse  
 Colville, Oliver  
 Costa, Alberto  
 Cox, Mr Geoffrey  
 Crabb, rh Stephen  
 Davies, Byron  
 Davies, Chris  
 Davies, Glyn  
 Davies, Dr James  
 Davies, Mims  
 Davies, Philip  
 Dinenage, Caroline  
 Djanogly, Mr Jonathan  
 Dorries, Nadine  
 Double, Steve  
 Drax, Richard  
 Drummond, Mrs Flick  
 Duncan Smith, rh Mr Iain  
 Dunne, Mr Philip  
 Ellis, Michael  
 Ellison, Jane  
 Ellwood, Mr Tobias  
 Elphicke, Charlie  
 Eustice, George  
 Evans, Graham  
 Evennett, rh Mr David  
 Fabricant, Michael  
 Fallon, rh Michael  
 Fernandes, Suella  
 Field, rh Mark  
 Foster, Kevin  
 Fox, rh Dr Liam  
 Frazer, Lucy  
 Freeman, George  
 Freer, Mike  
 Fuller, Richard  
 Fysh, Marcus  
 Garnier, rh Sir Edward  
 Garnier, Mark  
 Ghani, Nusrat  
 Gibb, Mr Nick  
 Gillan, rh Mrs Cheryl  
 Glen, John  
 Goodwill, Mr Robert  
 Gove, rh Michael  
 Graham, Richard  
 Grant, Mrs Helen  
 Gray, Mr James  
 Grayling, rh Chris  
 Green, Chris  
 Green, rh Damian  
 Greening, rh Justine  
 Grieve, rh Mr Dominic  
 Griffiths, Andrew  
 Gummer, Ben  
 Gyimah, Mr Sam  
 Halfon, rh Robert  
 Hammond, rh Mr Philip  
 Hammond, Stephen  
 Hancock, rh Matthew  
 Hands, rh Greg  
 Harper, rh Mr Mark  
 Harrington, Richard  
 Harris, Rebecca  
 Hart, Simon  
 Haselhurst, rh Sir Alan  
 Hayes, rh Mr John  
 Heald, Sir Oliver  
 Heappey, James  
 Heaton-Harris, Chris  
 Henderson, Gordon  
 Herbert, rh Nick  
 Hinds, Damian  
 Hoare, Simon  
 Hollingbery, George  
 Hollinrake, Kevin  
 Hollobone, Mr Philip  
 Holloway, Mr Adam  
 Hopkins, Kris  
 Howarth, Sir Gerald  
 Huddleston, Nigel  
 Hunt, rh Mr Jeremy  
 Jackson, Mr Stewart  
 James, Margot  
 Javid, rh Sajid  
 Jayawardena, Mr Ranil  
 Jenkin, Mr Bernard  
 Jenkyns, Andrea  
 Jenrick, Robert  
 Johnson, Boris  
 Johnson, Gareth  
 Johnson, Joseph



Jones, Andrew  
 Jones, rh Mr David  
 Jones, Mr Marcus  
 Kawczynski, Daniel  
 Kirby, Simon  
 Knight, rh Sir Greg  
 Knight, Julian  
 Kwarteng, Kwasi  
 Lancaster, Mark  
 Latham, Pauline  
 Leadsom, Andrea  
 Lee, Dr Phillip  
 Lefroy, Jeremy  
 Leigh, Sir Edward  
 Leslie, Charlotte  
 Letwin, rh Mr Oliver  
 Lewis, Brandon  
 Lewis, rh Dr Julian  
 Lidington, rh Mr David  
 Lilley, rh Mr Peter  
 Lord, Jonathan  
 Loughton, Tim  
 Lumley, Karen  
 Mackinlay, Craig  
 Mackintosh, David  
 Main, Mrs Anne  
 Mak, Mr Alan  
 Malthouse, Kit  
 Mann, Scott  
 Mathias, Dr Tania  
 May, rh Mrs Theresa  
 Maynard, Paul  
 McLoughlin, rh Mr Patrick  
 McPartland, Stephen  
 Menzies, Mark  
 Mercer, Johnny  
 Merriman, Huw  
 Miller, rh Mrs Maria  
 Milling, Amanda  
 Mills, Nigel  
 Milton, rh Anne  
 Mordaunt, Penny  
 Morgan, rh Nicky  
 Morris, Anne Marie  
 Morris, David  
 Morris, James  
 Morton, Wendy  
 Mowat, David  
 Mundell, rh David  
 Murray, Mrs Sheryll  
 Murrison, Dr Andrew  
 Neill, Robert  
 Newton, Sarah  
 Nokes, Caroline  
 Norman, Jesse  
 Nuttall, Mr David  
 Offord, Dr Matthew  
 Parish, Neil  
 Patel, rh Priti  
 Pawsey, Mark  
 Penrose, John  
 Perry, Claire  
 Phillips, Stephen  
 Pickles, rh Sir Eric  
 Pincher, Christopher  
 Prentis, Victoria  
 Prisk, Mr Mark  
 Pursglove, Tom  
 Quin, Jeremy  
 Quince, Will

Raab, Mr Dominic  
 Redwood, rh John  
 Rees-Mogg, Mr Jacob  
 Robertson, Mr Laurence  
 Rosindell, Andrew  
 Rudd, rh Amber  
 Rutley, David  
 Sandbach, Antoinette  
 Selous, Andrew  
 Shapps, rh Grant  
 Sharma, Alok  
 Simpson, rh Mr Keith  
 Smith, Chloe  
 Smith, Julian  
 Smith, Royston  
 Solloway, Amanda  
 Soubry, rh Anna  
 Spelman, rh Mrs Caroline  
 Spencer, Mark  
 Stevenson, John  
 Stewart, Bob  
 Stewart, Iain  
 Stewart, Rory  
 Streeter, Mr Gary  
 Stride, Mel  
 Stuart, Graham  
 Sturdy, Julian  
 Sunak, Rishi  
 Swayne, rh Mr Desmond  
 Swire, rh Mr Hugo  
 Syms, Mr Robert  
 Thomas, Derek  
 Throup, Maggie  
 Timpson, Edward  
 Tomlinson, Justin  
 Tomlinson, Michael  
 Tracey, Craig  
 Tredinnick, David  
 Trevelyan, Mrs Anne-Marie  
 Truss, rh Elizabeth  
 Tugendhat, Tom  
 Turner, Mr Andrew  
 Tyrie, rh Mr Andrew  
 Vaizey, Mr Edward  
 Vara, Mr Shailesh  
 Vickers, Martin  
 Villiers, rh Mrs Theresa  
 Walker, Mr Charles  
 Wallace, Mr Ben  
 Warburton, David  
 Warman, Matt  
 Watkinson, Dame Angela  
 Wharton, James  
 Whately, Helen  
 Wheeler, Heather  
 White, Chris  
 Whittaker, Craig  
 Whittingdale, rh Mr John  
 Wiggin, Bill  
 Williams, Craig  
 Williamson, rh Gavin  
 Wilson, Mr Rob  
 Wollaston, Dr Sarah  
 Wragg, William  
 Wright, rh Jeremy  
 Zahawi, Nadhim

**Tellers for the Noes:**  
 Guy Opperman and  
 Jackie Doyle-Price

*Question accordingly negated.*

## Business without Debate

### DELEGATED LEGISLATION

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

#### SOCIAL SECURITY

That the draft State Pension and Occupational Pension Schemes (Miscellaneous Amendments) Regulations 2016, which were laid before this House on 30 November 2015, be approved.—(Guy Opperman.)

*The Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until Wednesday 3 February (Standing Order No. 41A).*

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

#### SOCIAL SECURITY

That the draft Pensions Act 2014 (Consequential and Supplementary Amendments) Order 2016, which was laid before this House on 30 November 2015, be approved.—(Guy Opperman.)

*The Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until Wednesday 3 February (Standing Order No. 41A).*

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

#### ENVIRONMENTAL PROTECTION

That the draft Producer Responsibility Obligations (Packaging Waste) (Miscellaneous Amendments) Regulations 2016, which were laid before this House on 17 December 2015, be approved.—(Guy Opperman.)

*Question agreed to.*

### PETITION

#### Planning and studentification (Chester)

7.14 pm

**Christian Matheson** (City of Chester) (Lab): I beg leave to present to the House a petition on planning policy relating to studentification, signed by my constituents and others, including the constituents of my right hon. Friend the Member for Exeter (Mr Bradshaw), who I see in his place. My constituents seek a change in planning law better to secure the character of local communities during expansion of universities.

The petition states:

Wherefore your Petitioners pray that your Honourable House urges the Government to make provision for legislation to ensure that local authorities sustainably manage the interests of all parties when considering where student accommodation is developed.

*Following is the full text of the petition:*

*[The Humble Petition of residents of the City of Chester,*

*Declares that Government planning guidance requires amendment to ensure that it includes a statutory strategic studentification policy and to ensure that student accommodation demand is factored into housing assessment made as part of any emerging Strategic Local Plan; further that the Government should make clear all development options and locations concerned with delivery of amenities to meet higher education growth; further that student*

[Christian Matheson]

*accommodation has been and continues to be permitted at inappropriate locations to house increasing numbers of students in the City of Chester; further that this adversely affects the working city and residential local community; further that the Local Authority and Inspectorate decisions taken to allow this accommodation undermines commitments made on the Petitioners' behalf in the recently adopted Strategic Local Plan to bring a growing West Cheshire elderly population and required future workforce into the city; further that this undermines the Government's National Planning Policy Framework commitment to protect the character of local areas and to defend people's rights to tranquillity as well as compromising delivery of required affordable and mixed residential accommodation; further that in Chester the loss of potential inner city development sites are having adverse effects; and further that in 2011 the Council voted in favour of consolidating a significant body of student intake into a single area by way of a student village solution but despite this, student accommodation is appearing in many areas in the city, causing unbalanced outcomes.*

*Wherefore your Petitioners pray that your Honourable House urges the Government to make provision for legislation to ensure that local authorities sustainably manage the interests of all parties when considering where student accommodation is developed.*

*And your Petitioners, as in duty bound, will ever pray, &c.]*

[P001671]

## Flood Defences (Leeds)

*Motion made, and Question proposed, That this House do now adjourn.—(George Hollingbery.)*

7.15 pm

**Rachel Reeves** (Leeds West) (Lab): The River Aire runs through my constituency on its way through west Yorkshire to the heart of Leeds city centre and towards the East Riding of Yorkshire. The Aire has been central to the life and development of Leeds, and Kirkstall specifically, for centuries. Kirkstall Abbey, a Cistercian monastery founded in the Aire valley in 1152, served as a centre of work, education and welfare for hundreds of years. A corn mill built by the monks on the river's banks survived the abbey's dissolution to power iron production and the manufacture of agricultural tools. Around Kirkstall forge grew engineering works that became a centre for steam train and automotive manufacturing, and the forge is now the focus of a major redevelopment and regeneration scheme which includes the building of a new railway station.

The industry and inventiveness of the local community has seen Kirkstall through the ups and downs of history, and today the area is home to more entrepreneurial people and businesses than ever. On Boxing day night, however, the Aire showed its full force when it rose to its highest-ever level of 5.2 metres—more than a metre higher than it has been since its previous peak in 1886—and its banks burst, devastating local businesses, families and the community. At the latest count, 519 businesses across Leeds were affected, along with 2,113 residential properties and 14 other properties, including the industrial museum at Armley Mills and Rodley nature reserve in my constituency.

In Kirkstall, approximately 250 businesses employing 2,500 people were affected. Businesses of all sizes lost machinery and stock, workers were laid off, and jobs were lost. Many small businesses have not yet been able to reopen, and many have laid off staff. I have heard from some that may never open their doors again. Furthermore, £8 million-worth of key infrastructure across the city was damaged. The A65 Kirkstall Road, one of the main routes into and out of our city, had to close, as did the railway line from Leeds to Ilkley and Bradford.

The clean-up operation that took place so intensively in Kirkstall was a tribute to the community, as well as to Leeds City Council and our emergency services. With nearly 1,000 volunteers in Kirkstall alone, my constituency saw countless acts of everyday heroism that will be remembered by the people of Leeds for years to come. It is at times of adversity that we often see communities at their strongest, and we are reminded that together we can achieve so much more than we can alone. I have never been so proud to represent the people of Leeds West in Parliament.

I intend to focus on the flood defence scheme in Leeds, but let me first touch briefly on two other issues: flood insurance, and the funds that are available for immediate support. There is absolutely no guarantee that the businesses that are able to open their doors again after the floods will be able to gain access to affordable flood insurance. The Flood Re scheme, which is very welcome, applies to residential properties, but will not help small businesses in my constituency.

The Government must immediately review the extent of the challenges faced by businesses, and think about how they can step in to help when markets fail.

**Sue Hayman (Workington) (Lab):** One of the problems with flood insurance for businesses is the fact that they often have to pay huge excesses. It is not just a question of obtaining affordable insurance; it is a question of ensuring that the excesses are manageable.

**Rachel Reeves:** I entirely agree. Many businesses, particularly in Kirkstall industrial park, have spoken of excesses of £8,000 or more. Others were underinsured. Because it was Christmas, a number of businesses had more stock than they would usually have, so their insurance claims will not meet the full extent of their losses.

**Fabian Hamilton (Leeds North East) (Lab):** I thank my hon. Friend for securing this important debate. The whole of Leeds was affected by these terrible floods. She has highlighted many of the businesses that were affected. Does she agree that one of the greatest tragedies was that of Duffield Printers, which has been in existence for many decades, and which has been forced to close with the shedding of 27 skilled jobs because of the under-insurance and its inability to get future insurance? That is a tragedy for everybody in Leeds.

**Rachel Reeves:** I thank my hon. Friend for his intervention. He is right to say that Duffield Printers has had to lay off 27 workers. The Sheesh Mahal on Kirkstall Road, which has been open for 26 years, has also closed, and there are fears for the future of those businesses and many others, in part, because of the worries about their being able to access affordable insurance in the future.

The second point I wanted to make was about immediate support. Leeds must continue to receive the immediate funding it needs. The people have played their part in the clean-up operation, and now it is time for the Government to play theirs. The city has received £4.7 million up to 11 January in Government grants to help with the clear-up and recovery efforts from the recent flooding, but that is still not half the overall £11.44 million that is deemed to be needed. I urge Ministers to release the additional funds without any further delay and, importantly, to allow local authorities dealing with these situations as much flexibility as possible in how these funds are spent, so that there are no unhelpful barriers preventing them from assisting local residents and businesses.

Now let me turn to the crucial issue of flood defences in Leeds.

**Hilary Benn (Leeds Central) (Lab):** As well as the river that ran down Kirkstall Road, residents and businesses around the The Calls, Dock Street and Stourton were affected. Given that we have known in Leeds for a long time that there was a risk of serious flooding, which is why the full flood defence scheme was drawn up in 2011, does my hon. Friend agree that the only way to give the city and the economy of Leeds the protection it needs is by having a full scheme now, funded by the Government?

**Rachel Reeves:** I thank my right hon. Friend for that intervention. He speaks with great authority on these matters, and of course the constituency of Leeds Central was badly affected by the floods. I agree wholeheartedly

with what he says and I will come now to why it is so important that we have a full and comprehensive flood defence scheme in Leeds.

As my right hon. Friend said, in 2011 there were plans on the table for a £188 million flood defence scheme. This would have provided a one-in-200-year standard of flood protection for our city, yet the decision was taken to split the defence scheme into three phases and funding was available only for phase 1. This phase, which has the aim of defending the city centre against a one-in-75-year flood event, is under way with additional funding from Leeds city council.

Phases 2 and 3, which would cover the 12-mile stretch from Newlay bridge through Kirkstall and the city centre to Woodlesford to provide a one-in-200-year standard of protection, was cancelled in 2011. I recognise that the scheme is expensive, but let me also say this: the costs of inaction exceed the costs of investing in infrastructure. A full flood defence system does not come cheap but, according to previous estimates, if the flood had happened on a normal working weekday the cost would have been about £400 million, twice as much as the cost of investing in the first place.

**Greg Mulholland (Leeds North West) (LD):** I praise the hon. Lady for securing the debate and the work she is doing to co-ordinate this matter—the wonderful Kirkstall Bridge inn in her constituency, where a lot of help was necessary, is run by constituents of mine. Does she agree that the statement made by Ministers in 2011 that we did not need this Rolls-Royce scheme for the River Aire, but that a family-car scheme would do, was a flawed decision? We still have not had answers and, considering the damage, it was an utterly false economy.

**Rachel Reeves:** For the reasons I have outlined, I agree with the hon. Gentleman. It is a false economy not to make these investments in flood defences because of the damage that has been done to businesses and prosperity in cities such as Leeds. The president of Leeds chamber of commerce, Gerald Jennings, has this week also described the failure to invest in flood defences as a false economy, and I agree with him, as do many other hon. Members in the Chamber this evening.

**Richard Burgon (Leeds East) (Lab):** It gives me no pleasure to say this, but what will my hon. Friend's constituents think when they reflect on the fact that my right hon. Friend the Member for Leeds Central (Hilary Benn), my hon. Friend the Member for Leeds North East (Fabian Hamilton) and my predecessor, George Mudie, spoke in this place in 2011 of the flooding that could happen in Leeds if their dire warnings were not heeded? I am afraid that those warnings were not heeded.

**Rachel Reeves:** My hon. Friend is right to say that we gave those warnings in 2011. Many people have been affected by the floods—whether it is their houses or their businesses that have been flooded, or whether they have lost their jobs—and they are all asking how many warnings have to be given and how many times Leeds has to flood before we get the flood defences we need. That is why I am asking the Minister to listen carefully to what we are saying and to make the investments that our city desperately needs.

**Mary Creagh** (Wakefield) (Lab): We heard in the meeting with Leeds City Council's leaders that, had the flooding happened on a weekday, 27,000 office workers would have been trapped in the city centre with no road or rail exits. Does my hon. Friend agree that we would not tolerate that lack of resilience in any other large city in the country? It is totally unacceptable for this country's third-largest city to be left so vulnerable.

**Rachel Reeves:** I entirely agree with my hon. Friend.

I want to turn now to the economic effects on Leeds of the floods. The workforce in Leeds total 470,000 people, with a huge number travelling into the city from the surrounding areas every day. If the flood had happened on a working day, thousands of people would have been unable either to get to work or to get out of the city, resulting in huge amounts of congestion and countless working days being lost. The disruption to mobile telecoms infrastructure was bad on Boxing day, but it could have been worse. Significant risks have been identified at key infrastructure sites, including the Vodafone site off Kirkstall Road, which provides important communications to the council, the police and the national health service, and the power substation on Redcote Lane in Kirkstall, which powers 50,000 properties. Both were disrupted on Boxing day and for days afterwards. Leeds is also the regional centre for emergency and specialist healthcare, hosting the largest teaching hospital in Europe, and it relies on that infrastructure on a daily basis. For that reason as well, the city needs to be accessible by road and by rail.

**Rachael Maskell** (York Central) (Lab/Co-op): In York, 50,000 phone lines went down and vital emergency infrastructure was impacted, including the lifeline that 700 elderly residents depend on. Is it not right that telecoms should now be part of the gold command and silver command operations, to ensure that we have full support for our communications?

**Rachel Reeves:** I absolutely agree with my hon. Friend, whose constituency has also been devastated by the floods.

The point is that important infrastructure sites such as the Vodafone site off Kirkstall Road and the power substation on Redcote Lane were not protected and were badly damaged on Boxing day. In Kirkstall, in my constituency, the consequences for the local economy of having no investment in flood defences is devastating. Businesses will leave, and new businesses will not come. We risk creating ghost towns if we take no action.

Last week, I and my fellow Leeds MPs—all eight of us—along with Leeds City Council leader Judith Blake and the council chief executive Tom Riordan, met the Secretary of State to ask for the reinstatement of the flood defence scheme in Leeds. We welcomed her saying that further flood protection for Leeds was a priority for the Government, but we were disappointed that no firm commitment was made to provide funding—not even the £3 million required to commence urgent design and preparatory work for flood defences over and above phase 1. We need that money for flood defences if we are to turn her commitment into a reality. I fully appreciate the budgetary challenges relating to flood defences, but we must all acknowledge the significance of the flooding arising from Storm Eva and the significant economic

risk that the city of Leeds, and thus the UK economy, will therefore face without adequate investment in flood defences.

**Stuart Andrew** (Pudsey) (Con): I am grateful to the hon. Lady for giving way, and I am pleased that she has been able to secure this debate. I, too, welcome the fact that the Secretary of State has said that flood protection for Leeds is a priority. I have also had a meeting with the Chancellor, who has promised to look at this matter personally. Although there is a role for Government, does she agree that there is also a role for local councils in looking at where future housing will be built, because the rain that may fall in my constituency could have a severely adverse effect on her constituency?

**Rachel Reeves:** I thank the hon. Gentleman for his intervention. Leeds City Council helped to fund phase 1 of the flood defence scheme in Leeds, recognising that it was important to make that contribution to protect our city. Of course we need to consider where housing is built, and it is right, as the Secretary of State has said, to look at the whole catchment area, and not just at the parts of the river that flood. As the hon. Gentleman will agree, we need £3 million to carry out an urgent feasibility study to see what the flood defence scheme will look like. That said, we need the flood defence scheme to protect our city. Many constituents from Pudsey rely on the A65 and the train links to get to work, so the problem affects both our constituencies.

**Craig Whittaker** (Calder Valley) (Con): On the point about catchment areas, in Calder Valley, which of course has high-sided valleys, it is a case of not just building walls down the river, but looking at the moors above, tree planting, and how we slow water coming down the valley. If we do not stop the water in the Calder valley, Leeds will flood anyway.

**Rachel Reeves:** The hon. Gentleman speaks with great authority and knowledge because of the flooding that he has seen on many occasions in his constituency. Again, I agree that we need to take a whole catchment area approach. It is now more than a month since those floods happened, and we do need those feasibility studies to be quickly carried out, so that we are protected in the future.

In his letter to the Chancellor this week, Gerald Jennings of the Leeds chamber of commerce said:

“As the engine room of the Yorkshire economy, Leeds already plays a major role in driving forward economic prosperity; we have seen significant private sector investment over the last 25 years. The city has created jobs in large numbers as a consequence, which have benefited the entire city region. Without further investment in flood defences, businesses may be forced to reconsider their own investment plans and the ability to attract new investment will be curtailed.”

People's homes, jobs and livelihoods are at stake, and so too are communities, local economies and the future of the northern powerhouse. The community played its part in the immediate aftermath of the floods, clearing up, rebuilding and repairing, but now the Government must do their part, too. They must ensure that there is affordable and available flood insurance; that financial support is available to those most affected; and that they build the flood defences that our city so desperately needs. To fail to do so will let down the people who turn

to Government to harness our collective effort. Let us build the northern powerhouse—let us not sink it before it has a chance even to set sail.

7.32 pm

**The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Rory Stewart):** I pay tribute to the hon. Member for Leeds West (Rachel Reeves) for her powerful speech in which she made a very strong case for the unique status of Leeds and its importance as a city—and, indeed, as the hub of a whole city region. That is the nub of the discussion that we are having today. We must strike the right balance between the unique needs of Leeds and being fair across the country to many other communities. I absolutely agree with the hon. Lady that Leeds is unique in many ways and requires unique treatment. I will try to come back to that point, hopefully with some good news, at the end of my speech.

Let me develop a few points to put the whole matter in context. Clearly, the challenge that we face in dealing with a floods budget—it does not really matter how much money a Government have—is being fair across the country and trying to find a way of looking different communities in the face and explaining why we are investing in one place rather than another. There are 250,000 houses in the Humber which are below the mean sea level. If the water were to over-top the defences there, there would be a national emergency. In 1953-54, 400 people were killed there. An investment of £80 million in the Humber would protect 50,000 homes.

The challenge that Leeds faces—we can go back in time to the shadow Foreign Secretary's involvement with this between 2008 and 2011—involves that funding formula, and getting the right balance between the hon. Lady's good points about Leeds's enormous importance as one of our great cities, and the number of houses protected and the level of protection offered to them. I defend the Environment Agency because I think that it works transparently and straightforwardly, and it has always clearly explained how its decisions are made. However, I agree that it is time to look again at Leeds for reasons that I shall come on to later.

I also pay huge tribute to the people of Leeds for their response to this extraordinary event. As the hon. Lady pointed out, flooding of this sort has not occurred on the Kirkstall Road since 1866, so it was very unusual. The 24-hour, 48-hour and monthly rainfall records were broken. In addition to the 1866 flooding, there was flooding on the Kirkstall Road in 1946, but with the exception of those two cases, we have not seen an event of anything like this sort, which was why the historical decision was taken to invest south of the train station. It is absolutely right that £10 million of the £44 million investment has come from Leeds City Council, but that was not the only source of funding. The Department for Environment, Food and Rural Affairs has put £23 million into flood defences in Leeds. All the protection that covers Asda and the Royal Armouries, and the work on the movable weir and the canal, was done not on the basis of the traditional formula, but through our growth fund, because we recognise the unique importance of Leeds and its real importance to the broader economy.

We should pay tribute to the shadow Foreign Secretary for his work to make that innovative scheme possible.

From the first installations of weirs in 1699 right the way through to 1816, as the canal network developed, the large concern was how to keep water in the centre of Leeds for navigation and to power the wool industry. Those weirs therefore existed to keep water back. There are still navigation needs in Leeds, which means that there has to be a way in which those weirs can remain when the water is low, but we now have a kevlar solution that allows us to demount them and to let the weirs down so that the water can come out. Furthermore, the important Knostrop scheme will benefit constituents further upstream. By taking away the distinction between the canal and the river, we are essentially creating a catchment lagoon downstream that will benefit people a long way beyond the upper walls.

Let us move on from the past because we need to think about the future. The hon. Lady said that she had a good meeting with the Secretary of State. I do not think that I am sharing any secrets when I say that the Secretary of State is genuinely moved by what happened in Leeds. I believe that her parents live there and she is committed to the city. She cares about proving that something can be done in Leeds, so I hope that the hon. Lady sensed that during their meeting.

A cross-party case needs to be made, because we will need to have difficult conversations with other communities throughout the country to explain why we are acting in such a way, but we will build a case together exactly along the lines of what the hon. Lady set out. We need to point out that Leeds is the UK's second, third or fourth largest city, depending on where we put the boundaries. It certainly has the second largest legal centre in the United Kingdom after London. It is one of our leading financial centres, with an economy worth £54 billion. It is an extraordinary transport hub. It has, after London, the second or third busiest commuter train station in the United Kingdom with 140,000 people a day passing through it. If we get this right, there is enormous potential in Leeds for not only existing businesses, but development land. With its many brownfield sites, Leeds has more potential than almost anywhere else that one can think of for the development of new businesses. The headquarters of businesses such as Asda and Direct Line are in Leeds city centre.

Over the next six years, we will invest £2.3 billion in flood defences, and the £44 million for Leeds, or at least our contribution to that, forms part of that investment. To make this new argument, which I am fully behind, we need to focus on a different kind of economic case—not the traditional formula, but a case about how a northern powerhouse requires a great northern city. If we get this right, there could be huge economic benefits, as well as in terms of amenities, because people coming to see the river and canal could bring benefits similar to those experienced by cities such as Newcastle.

We are keen to work with Leeds City Council, and the Environment Agency had another meeting with it yesterday. May I break with protocol, Madam Deputy Speaker, and ask whether the shadow Minister intends to speak, or whether I can take a couple of minutes to develop my argument?

**Madam Deputy Speaker (Mrs Eleanor Laing):** The shadow Minister is not allowed to take part in the debate. The Minister has nearly five minutes left.

**Rory Stewart:** Thank you very much indeed, Madam Deputy Speaker. In that case, I shall exploit my five minutes.

The right hon. Member for Leeds Central (Hilary Benn) made a powerful argument as someone who was involved. To some extent, he embraced the £44 million scheme, but he would like much more to be done and a higher level of protection throughout the city. The hon. Member for Leeds North East (Fabian Hamilton) made a powerful contribution, with an argument for an economic centre. We also heard from the hon. Member for Leeds East (Richard Burgon), my hon. Friends the Members for Calder Valley (Craig Whittaker) and for Pudsey (Stuart Andrew), and finally from the hon. Member for Wakefield (Mary Creagh), who made a strong argument about how all of this should be tied together.

**Greg Mulholland:** What about Leeds North West?

**Rory Stewart:** Many apologies. The hon. Member for Leeds North West (Greg Mulholland) also made a good case.

There has to be a cross-party approach, because we need investment from businesses and councils. We have to deal with communities upstream or downstream that are concerned about the impact of the flood defences that we are putting in. We need a communications drive across the country. I am happy to confirm that we will now go ahead with the feasibility study that the hon. Member for Leeds West requested. That money will be made available, and we will make a full analysis of the Leeds scheme. That will allow us not just to complete phase 1 but to look at the future.

We will have to look at various options. Outside the window in the apartment of the right hon. Member for Leeds Central, he would be looking at the possibility of raising those walls that are already going in. There is not much more that we can do downstream, as that

work has already been done with the moveable weirs. Upstream on the Kirkstall Road, we would have to look at putting in walls where walls do not currently exist, and higher than that we will have to look at the possibility of two different types of reservoir: permanent reservoirs and offline reservoirs—in other words, farmland can occasionally be used. We can also look, as my hon. Friend the Member for Calder Valley said, at the potential of measures on upstream catchments to slow the water coming downstream.

The feasibility study will address the catchment coming through Leeds. It will look at upstream mitigation, reservoirs and the potential for walls to be built along the road, which will involve many hon. Members discussing with local residents whether they are prepared to have their views cut off, how high the walls should go, and to what extent companies want to contribute to those walls. I believe that, after this flooding event, the political will is there and residents will be happy to do that. It will have to go all the way down to the constituency of the right hon. Member for Leeds Central, where we will have to look at raising the walls of that £44 million scheme.

On that, and with great thanks to the hon. Member for Leeds West, I wish to say a huge thank you for all the work that has been done by people in Leeds, including the leader of Leeds City Council, who has put a huge amount of heart and soul into this, and by the thousand volunteers who were mentioned. May I assure the people of Leeds, as was made absolutely clear by the Secretary of State, that Leeds is a priority, exactly because of the unique characteristics that have been raised so powerfully in this debate?

*Question put and agreed to.*

7.43 pm

*House adjourned.*

# House of Commons

*Thursday 28 January 2016*

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

## PRAYERS

[MR SPEAKER *in the Chair*]

## Speaker's Statement

**Mr Speaker:** Robin Fell, the acting Deputy Serjeant at Arms, is retiring at the end of this month. Colleagues, he has worked at the House of Commons as a police officer and a Doorkeeper since 1969. Owen Sweeney, the deputy Deliverer of the Vote, is also retiring after 46 years as a House employee, having worked in the Serjeant at Arms Department before moving to the Vote Office. I am sure the whole House will join me in wishing these two very long-serving members of staff the very best for their retirement, and in thanking them, as I know I do extremely personally, for their quite outstanding contributions to this House and to the public service over nearly five decades. They have helped most magnificently in contributing to the smooth running of the House. Thank you both.

**Hon. Members:** Hear, hear.

## Oral Answers to Questions

### TRANSPORT

*The Secretary of State was asked—*

#### High Speed 2

1. **David Mowat** (Warrington South) (Con): What progress has been made on finalising the route for phase 2 of High Speed 2. [903309]

**The Secretary of State for Transport (Mr Patrick McLoughlin):** May I associate myself with your remarks, Mr Speaker, to both members of staff who are retiring and wish them well in their retirement? I am sure they would be welcome to come back and observe us in a different role, if they so wished.

In November last year I confirmed plans for accelerating the construction of phase 2 from the west midlands to Crewe so that it opens in 2027, six years earlier than planned. We are developing our plans for the rest of phase 2 and I intend to make decisions on the rest of the route by the autumn at the latest.

**David Mowat:** The Secretary of State will be aware that HS2 Ltd is currently evaluating a proposal to extend the line north of Manchester to Wigan. The cost of that is around £1 billion but as yet no incremental business or economic case has been produced. Will my right hon. Friend undertake that, before a decision is taken to extend the line north of Manchester, a business case will be laid before this House so that it can be reviewed?

**Mr McLoughlin:** When we come forward with proposals, they will receive the same scrutiny as those for the earlier part of the line. I believe that high-speed rail is essential for the long-term economic future of the United Kingdom. It gives us the increased capacity that we so desperately need on our railways, and that is a whole other scheme.

**Mrs Louise Ellman** (Liverpool, Riverside) (Lab/Co-op): Can the Secretary of State tell us how planning the route for HS2 will be linked with planned improvements for east-west rail travel—for example, Liverpool to Hull?

**Mr McLoughlin:** The hon. Lady, as Chairman of the Select Committee, is absolutely right that that is part of what needs to be done. It is part of what is being addressed by David Higgins as chairman of HS2 in his designs for the routes. Also, we wait to see what the National Infrastructure Commission led by Lord Adonis comes out with on the east-west link on HS3.

**Fiona Bruce** (Congleton) (Con): Will the Secretary of State give close consideration to how Middlewich railway station can be reopened to passengers? That would facilitate much increased use of the rail line right into Manchester from Crewe and relieve considerable congestion on the M6, which has the support not only of local residents, but of a number of surrounding Members of Parliament.

**Mr McLoughlin:** I am not sure that comes into the HS2 line route development, but I am more than happy to discuss these matters with my hon. Friend, as is the rail Minister, the Under-Secretary of State for Transport, my hon. Friend the Member for Devizes (Claire Perry). One of the reasons for developing a high-speed rail link is that we need to find a lot more capacity on the existing rail network, and one of the ways we do that is by providing the extra capacity that HS2 will give.

**Graham Jones** (Hyndburn) (Lab): I share the concerns of the hon. Member for Warrington South (David Mowat). Is not it poor that there are no plans for any HS2 rail service north of Manchester, particularly to Wigan? The 530,000 people in east Lancashire will be completely disconnected from phase 2 of HS2. Will the Secretary of State look at that?

**Mr McLoughlin:** The simple fact is that from day one I see HS2 serving areas wider than just those in which it is built. When we start the service from Birmingham, it will be possible to link with conventional rail routes, rather as high-speed trains currently run from St Pancras to Ashford and then beyond. I hope that the northern parts of the United Kingdom will be served by HS2 straightaway.

**Jeremy Lefroy** (Stafford) (Con): When the plans were put forward in November, they included none of the proposals for mitigation in my constituency that I and my constituents had put forward. Will my right hon. Friend give me an assurance that those proposals will continue to be looked at throughout the passage of the Bill?

**Mr McLoughlin:** Indeed. When we bring forward the Bill, my hon. Friend and his constituents will have every opportunity to make their case, including throughout its consideration in Committee.

**Meg Hillier** (Hackney South and Shoreditch) (Lab/Co-op): This is one of the largest and most expensive Government projects on the table. Just before Christmas the Public Accounts Committee heard from the Secretary of State's permanent secretary about the evaluation of High Speed 1, which was two years late and was therefore not included in the evaluation for the early stages of High Speed 2. How can he convince us that he really has a grip on the costs of this project and that the House will have proper, full scrutiny of that challenge?

**Mr McLoughlin:** The hon. Lady represents a London constituency and will therefore get the benefit of Crossrail, which is a very expensive scheme—the expense is not dissimilar to that of the first part of phase 2 of HS2. We are evaluating the project very carefully indeed, and we look very closely at anything the Public Accounts Committee tells us—of course, it always tells us in hindsight; never in advance.

**Mr David Nuttall** (Bury North) (Con): If the Wigan spur proceeds, does that mean that when it comes to extending the HS2 line up to Scotland, it will go up the west coast, rather than the east coast, thereby missing out the north-east and Newcastle?

**Mr McLoughlin:** No, I very much want to see Newcastle served. Those decisions are yet to be taken in full, but there is no reason why Newcastle should not be served on the east side of the HS2 spur.

**Lilian Greenwood** (Nottingham South) (Lab): We welcome the decision to accelerate HS2's construction to Crewe. However, the whole of phase 2 is crucial for the midlands and the north. We were told that Ministers would confirm the route by the end of 2014, but that target has now slipped by at least two years, prolonging blight for residents, creating uncertainty and scaring off investment. Does the Secretary of State agree that there must be no doubt about the Government's commitment to phase 2? Does he further agree that were a Chancellor with a Cheshire constituency to terminate the route south of Manchester, that would be an abject betrayal of the northern powerhouse?

**Mr McLoughlin:** I agree with the first part of the hon. Lady's question, but I have had no stronger support in promoting this scheme from any member of the Government than I have had from the Chancellor of the Exchequer, even though it affects his constituency. He has been very clear about the benefits it will bring not only to the north, but to the whole of the United Kingdom. To intimate that he is somehow against the scheme is wholly wrong. I said that I hoped to have the full scheme announced by the end of this year, but I left a bit of leeway in order to make announcements sooner if I possibly can, to alleviate the blight of certain areas affected, which might not be affected under the proposals now being worked on.

### Transport Fuels: Renewable Sources

3. **Graham Stuart** (Beverley and Holderness) (Con): What recent assessment has his Department made of when the UK will meet its target in the EU renewable energy directive of 10% of its transport fuels coming from renewable sources. [903311]

**The Minister of State, Department for Transport (Mr Robert Goodwill):** We are determined to achieve the target of 10% biofuel inclusion by 2020 and are working with industry and others to that end.

**Graham Stuart:** There has been a £400 million investment in the Vivergo Fuels plant in my constituency, supporting 4,000 jobs. Does the Minister agree that the most cost-effective way of meeting our transport emissions targets is to increase the share of bioethanol in our petrol?

**Mr Goodwill:** I suppose I should declare an interest, as 100 tonnes of my wheat went to that plant just before Christmas to produce bioethanol. It is important that we work with not only the plant in my hon. Friend's constituency, but the one on Teesside to ensure that the industry has a sustainable future. We must also look carefully at other knock-on effects that indirect land use change might have, as the decisions we make in Europe can affect habitats in south America or the far east, for example.

**Mr Clive Betts** (Sheffield South East) (Lab): Does the Minister agree that it is absolutely essential that we get on with developing alternative fuels of a variety of kinds to power our vehicles? Without that, the levels of nitrous dioxide are causing permanent health damage to many people in this country. At Tinsley, the local authority in Sheffield has decided to move a school away from the motorway because of the levels of NO<sub>2</sub>, but residents are still living there. The city council is responsible for air quality to some degree, but in the end it is down to Government to deal with problems such as air pollution from the motorway. When are they going to act on this?

**Mr Goodwill:** In the wake of the Volkswagen scandal, the Government are acting to ensure that diesel-powered vehicles are meeting their obligations, but our push towards electric vehicles and other novel-fuel vehicles also has a part to play. The Government are determined to improve air quality.

**Michael Fabricant** (Lichfield) (Con): I am glad that my hon. Friend has mentioned electric vehicles, because Continental, which is a major player in research and development for electric car drivetrains, making them for many different manufacturers, is based in my constituency. What is the Department doing to encourage the use and development of electric cars?

**Mr Goodwill:** The plug-in car grants have been very successful, and we have seen an increase in the take-up of electric cars. Indeed, I was recently in Milton Keynes opening a facility there to test the drivetrains and motors in electric cars. The UK is taking a lead in this technology, which is being developed here. The Nissan Leaf is a major product produced in the UK to contribute to this market.

**Drew Hendry** (Inverness, Nairn, Badenoch and Strathspey) (SNP): On behalf of SNP Members, I add my thanks and best wishes to the departing staff members and wish them a happy retirement.

Good work needs to be done on new fuels, but there is a glaring omission within the Government's work just now. Regardless of the current fuel position, there is a need to plan ahead. The Minister will know that Oslo



airport has become the world's first airport to offer sustainable jet biofuel to all airlines, and that Lufthansa Group, SAS and KLM have already signed agreements to buy it. Here, meanwhile, the aviation industry has raised concerns that the industry's sustainable aviation agenda is not being supported by Government. Will the Minister reconsider his position and include aviation in the renewable transport fuels obligation?

**Mr Goodwill:** In terms of the sustainability of aviation, this is an important year at the International Civil Aviation Organisation, where we should get, I hope, agreement on a market-based mechanism to combat the issue of carbon dioxide. Within the industry, both Virgin and British Airways are working on alternative fuels produced from waste products, which will help with the sustainability of aviation.

**Drew Hendry:** I do not think that anybody, especially in the aviation industry, is persuaded by the tortured explanations that we get on this. The aviation industry tells me that the UK Government are in policy paralysis—they are not dealing with biofuel development and they are not dealing with airport expansion. Will the Minister commit to action on a renewable transport fuels obligation for aviation?

**Mr Goodwill:** That is not the impression I get when I meet representatives of the aviation industry. Indeed, the improvement of sustainable aviation is an industry-led initiative. I repeat that this is a very important year for the world in terms of tackling CO<sub>2</sub> emissions from aviation. We all want to achieve a globally based mechanism, and I am determined to ensure that we play our part in negotiating it.

**Richard Burden** (Birmingham, Northfield) (Lab): I really do need to press the Minister a bit further on this. Recently, British Airways postponed its GreenSky project to establish a facility to produce advanced biofuels for aviation here in the UK. While the issues involved in that are no doubt complex, will the Minister listen to the increasingly widespread warnings from those involved in aviation that inaction and lack of clear policy direction from the Government are holding back the development and use of renewable fuels in aviation, thereby missing opportunities to boost jobs and skills in these technologies and making it more difficult to meet our obligations on carbon and harmful emissions?

**Mr Goodwill:** I can understand the hon. Gentleman's frustration in wanting to make more progress, but I have to say that there is more than one way of killing a cat. Yes, alternative fuels may have an important role to play, but more importantly—[*Interruption.*] More importantly, a market-based mechanism will allow other types of technology to be developed which can then be used to offset the emissions from aviation, which will always be dependent on liquid fuels. [*Interruption.*]

**Mr Speaker:** We are grateful to the Minister, who I fear is being accused of what might be called metaphorical inexactitude.

### High-speed Rail Network

4. **Marion Fellows** (Motherwell and Wishaw) (SNP): What recent discussions he has had with Ministers in the Scottish Government on development of the high-speed rail network. [903312]

**The Minister of State, Department for Transport (Mr Robert Goodwill):** I shared the platform with the Scottish Minister, Keith Brown, at the HS2 supply chain conference on 5 November in Edinburgh. We discussed the benefits that Scotland will get from HS2. My right hon. Friend the Secretary of State has arranged to meet Keith next week.

**Marion Fellows:** The Minister will recall that he was previously asked by my hon. Friend the Member for Kilmarnock and Loudoun (Alan Brown) about the potential for increased journey times north of Crewe to Scotland under the current proposals for HS2. At the time, he suggested that upgrades on the line were already under way. Therefore, will he now commit to providing the Scottish Government with a definitive timetable for those upgrades?

**Mr Goodwill:** I can tell the hon. Lady that HS2 will deliver increased benefits to Scotland. From day one, journey times from Glasgow will be reduced from four hours 31 minutes to three hours 56 minutes. Indeed, the full Y network will benefit Scotland to the tune of £3 billion. Interestingly, she does not mention Nicola Sturgeon's own bullet train, the Glasgow-Edinburgh scheme, which she announced as infrastructure Minister in 2012. It appears that Scotland's First Minister has now given her bullet train the bullet.

### Local Roads

5. **Daniel Kawczynski** (Shrewsbury and Atcham) (Con): What recent assessment he has made of the condition of local roads. [903313]

**The Parliamentary Under-Secretary of State for Transport (Andrew Jones):** The Government fully understand how important it is to have a reliable quality road network, which is why we are providing a record £6 billion for local highways maintenance. We have also created the pothole action fund with a budget of £250 million dedicated to delivering better journeys.

**Daniel Kawczynski:** I am grateful to the Minister for his answer. I am pleased that he has agreed to come to Shrewsbury soon to look at some congestion problems in the town. May I draw his attention to the state of the roads in rural counties where there are huge numbers of potholes, a lack of pavements and significant problems? We really need more investment for those roads in rural counties.

**Andrew Jones:** I am looking forward to visiting my hon. Friend's constituency on 27 May. I agree that more money is required, which is why the Government have increased the budget. Within the two initiatives that I have just highlighted, may I include the fact that we are also incentivising part of the maintenance fund so that efficient and organised councils are rewarded? That will encourage local councils to improve the maintenance regime on their highways. I urge him to work with his council so that it can benefit from that scheme to the maximum.

**Mrs Emma Lewell-Buck** (South Shields) (Lab): From this year until 2021, both the A1 and the A19 will be undergoing extensive roadworks. Although that investment

is welcome, the current plans show that both roads will be upgraded at the same time, which will create total chaos on our region's road network and bring the north-east to a total standstill. I have already written to the Secretary of State about this, and he is clearly not interested. Will he show some interest from today?

**Andrew Jones:** We are investing significantly in our road network. We have the Government's first road investment strategy, with a significant overall pot of £15.2 billion. It is phased to deliver maximum benefit across our country. Of course Highways England plans such things effectively, and then works with local partners to ensure that there is minimum disruption. We should welcome the investment, as I certainly do.

19. [903330] **Michael Tomlinson** (Mid Dorset and North Poole) (Con): The Institute of Advanced Motorists has praised Dorset County Council for focusing on long-term road repairs. Will the Minister join me in praising the council for using its scarce resources wisely, and ensure that vital funding continues to enable Dorset to maintain the standards of its roads?

**Andrew Jones:** I will indeed join my hon. Friend in praising Dorset County Council. It is great to hear that its long-term approach is paying dividends. It is that approach that we want to see across the whole network. I will write to Dorset County Council to highlight the views of this House, to pass on our congratulations, and to confirm his main point that budgets will be increasing.

**Jim Shannon** (Strangford) (DUP): Last year, the Department of Agriculture and Rural Development paid £4.5 million in compensation for the damage done to vehicles by potholes. The Government allocated extra moneys to Northern Ireland to help with that problem. Will the Minister agree to allocate the same amount of money to Northern Ireland this year?

**Andrew Jones:** I will certainly look into that matter, and write to the hon. Gentleman with an answer.

### Local Transport Projects

6. **Jack Lopresti** (Filton and Bradley Stoke) (Con): What steps he is taking to provide funding for large local transport projects. [903315]

**The Minister of State, Department for Transport (Mr Robert Goodwill):** For the avoidance of doubt, I want to put on the record that I have never actually skinned a cat. I have, however, skinned a large number of rabbits and I imagine the principles are the same.

In answer to the question, the Department is providing over £7 billion for the devolved local growth fund, which will fund over 500 local transport projects by 2020-21. This now also includes £475 million for transformational local transport schemes that are too large for the devolved allocations. We will provide further details in the spring.

**Jack Lopresti:** I thank the Secretary of State for meeting me and my hon. Friends the Members for Kingswood (Chris Skidmore), for Bath (Ben Howlett) and for Thornbury and Yate (Luke Hall) last week to discuss our campaign for a new junction 18A on the M4. What

assessment can the Minister make about the likelihood of the proposed junction? It would support job creation, as well as ensure that reducing traffic congestion in our constituencies actually happens.

**Mr Goodwill:** I have seen examples up and down the country of such road projects unlocking growth and creating jobs in particular areas. I know it was a very fruitful meeting with the Secretary of State, who has asked Highways England to take a close look at this matter.

**Caroline Flint** (Don Valley) (Lab): The National Infrastructure Commission has called for evidence on future road projects, and one such area is about connecting northern cities. Doncaster and Barnsley have put evidence in to the commission for the trans-Pennine tunnel link. Does the Minister know when the commission will report, and how soon after the report will he have a chance to make up his mind about which projects he will fund?

**Mr Goodwill:** Such decisions will certainly be made more quickly than they were under the previous Labour Government, who did not get round to investing in infrastructure in the way that we have committed to do. The National Infrastructure Commission is looking at big ticket items or major projects that will be transformational for areas, not least in the north of England, and we are determined to push forward with our northern powerhouse project.

**Ben Howlett** (Bath) (Con): Following on from his answer to my hon. Friend the Member for Filton and Bradley Stoke (Jack Lopresti), does the Minister agree that a new junction 18A on the M4 would unlock regional growth and jobs, and enable Bath University to open its new vehicle emission testing plant at Emersons Green, which will help to reduce congestion on the windy, narrow roads in Bath and Bristol?

**Mr Goodwill:** I know that my hon. Friend was at the meeting and made those points to the Secretary of State. It is absolutely vital that we look at how we can unlock growth and jobs through investment in infrastructure, as this Government understand all too well.

**Tom Brake** (Carshalton and Wallington) (LD): Is the Minister able to say whether funding will be available for a very important local transport project, which is to extend the overground line from West Croydon through to Sutton? That would enable passengers who currently have to rely on the shambolic services provided by Southern and Thameslink to use that line instead.

**Mr Goodwill:** We have record investment both in our conventional rail network and high-speed rail and in the strategic road network, and we are also working with local enterprise partnerships and local authorities on their own local schemes. That is just the sort of scheme that we need to look at closely.

**Peter Aldous** (Waveney) (Con): A compelling business case for the third crossing in Lowestoft was submitted to the Minister's Department just before Christmas. I would be grateful if he advised when a bid can be submitted to the local majors fund so that we can get on and build this bridge and ensure it is completed by 2020.

**Mr Goodwill:** I had the pleasure of visiting my hon. Friend's constituency to see that particular issue for myself. I will be in a position to make an announcement in due course.

**Andrew Gwynne** (Denton and Reddish) (Lab): At the last Transport questions, I asked the Secretary of State if he could look into the issue of excess noise coming from the M60 motorway, which has been made worse as a result of the Denton pinch point scheme. Since then, I have met officers of Highways England on site with the residents. Highways England officers have basically told me that they will not do anything, because the noise affects only eight properties. Will the Minister please meet me to discuss this matter, and will he knock some common sense into Highways England, which, quite frankly, has given me a jobsworth's answer?

**Mr Goodwill:** I know that particular communities around the country are affected by noise. Mitigation can often be put in place by using better road surfacing materials or noise barriers, and it may well be that something could be done in that area. I suggest that the hon. Gentleman gets in touch with the Under-Secretary of State for Transport, my hon. Friend the Member for Harrogate and Knaresborough (Andrew Jones)—he has responsibility for roads—who will no doubt be very happy to meet him.

#### Rail Lines: Flooding

7. **Jim McMahon** (Oldham West and Royton) (Lab): What assessment he has made of the effect of disruption to rail lines caused by the recent winter floods on the economy. [903316]

**The Parliamentary Under-Secretary of State for Transport (Claire Perry):** Just days after the hon. Gentleman's election, he will have seen for himself the impact of the transport disruption caused by this winter's unprecedented weather conditions. I am sure he will join me in paying tribute to Network Rail's orange army, who managed to get the west coast main line opened within four days of its being flooded with 8 feet of water. We remain absolutely committed to getting all such lines back up and able to run a full service safely as soon as possible. I am sure he would also like to join me in thanking passengers for their patience during this time.

**Jim McMahon:** I share the Minister's appreciation for the staff and for the patience of passengers, but I think the point is being missed. Because money has been taken away from routine maintenance and flood defences, there has been a massive effect on our local economy. If an assessment has been carried out, surely it should be made public.

**Claire Perry:** I am afraid that I have to disagree with the hon. Gentleman's facts, although I hate to do so at his first Transport questions. The Government have announced that overall flood spending in the next period will be £1.7 billion higher than it was in the previous period. Within the transport budget, about £900 million is dedicated to things like making sure that the banks and cuttings are safe—those things that are often the first to go when there is heavy flooding. Improving the resilience of the rail network and making sure that it is

fit for a 21st-century climate are at the heart of the record level of investment that this Government are putting into the railways.<sup>1</sup>

**Ms Margaret Ritchie** (South Down) (SDLP): Pursuant to that answer, will the Minister clarify what discussions have taken place with colleagues at the Department for Environment, Food and Rural Affairs and the Department of Energy and Climate Change to prepare rail links for the flood damage that is likely in the weeks and months ahead as a result of climate change?

**Claire Perry:** I am sure that the hon. Lady will be relieved to know that all the Cobra discussions over Christmas on the immediate effects had strong transport representation. I went to Scotland and saw for myself with the SNP Minister for Transport the impact of scouring on the Lamington viaduct. That bridge has been there for over 100 years and has never been so damaged by a weather event. It is a tribute to the engineering work that is being done that the bridge will be secured and back open by 1 March. We treat such links with incredible importance.

**Lilian Greenwood** (Nottingham South) (Lab): Two years ago, the Prime Minister stood on the ruins of the Dawlish sea wall and said:

"If money needs to be spent, it will be spent; if resources are required we will provide them".

Now, we learn that Network Rail cannot even afford to fund a report on improving the south-west's rail lines, putting millions of pounds of investment at risk. Yesterday, the Prime Minister could not say where that money would come from. I want to give the rail Minister a chance. Will she honour her right hon. Friend's commitment and fund that study?

**Claire Perry:** I pay tribute to my hon. Friend the Member for Torbay (Kevin Foster), who raised this question with the Prime Minister. The hon. Lady really needs to sort out her facts. The Government spent £35 million on the Dawlish repair and opened the line in record time. We are spending over £400 million on transport investment in the south-west, unlike her party, which wanted to can two major roads. I am looking carefully—*[Interruption.]* Perhaps she would like to listen, rather than chunter. I am looking carefully at how we can fund this very small amount of money without in any way inhibiting the overall report that we are looking forward to seeing from this very important organisation in April.

#### Rail Franchising

8. **Suella Fernandes** (Fareham) (Con): What his policy is on rail franchising. [903317]

**The Secretary of State for Transport (Mr Patrick McLoughlin):** The Government believe that franchising is the best way of delivering benefits for both passengers and taxpayers. The proof of that is in the benefits we gain for passengers and taxpayers on the open market, such as new trains, new services, more frequent services and improved stations. As my hon. Friend is aware, we are currently consulting on the specifications for the next south western franchise. I hope that she and her constituents are fully engaged in the process.

1. *[Official Report, 29 January 2016, Vol. 605, c. 3MC.]*

**Suella Fernandes:** Southern rail allegedly serves Fareham, Swanwick and Portchester stations in my constituency, but commuters are fed up with the cancellations and severe delays. I am glad that the Secretary of State acknowledges that the service is not good enough, but will he reassure me that the mainline west and coastway west routes will be considered as part of the future improvement plans? Will the franchise be withdrawn if no improvement is shown?

**Mr McLoughlin:** We are seeing unprecedented growth in rail traffic and transport. Importantly, the Government have matched that by increasing the investment for Network Rail over the next control period. Some of the improvement that my hon. Friend talks about needs to take place. I say to my hon. Friends, however, that there will be disruption while some of this improvement is taking place. Sometimes that will be because of the train operating companies, but sometimes it will be because of the failure of previous Governments to invest properly in the railways and upgrade them.

**Nic Dakin (Scunthorpe) (Lab):** There is unlikely to be much UK steel used in the train contract that has just been awarded to the Spanish. What can the Government do to use franchising and other measures to ensure that their new procurement guidelines, which are a big step in the right direction, begin to have some purchase to ensure that steel content is included in such contracts?

**Mr McLoughlin:** First and foremost, I would point out to the hon. Gentleman the amount of money that is spent by Network Rail in purchasing steel from his constituency or thereabouts. That is an important movement in the right place. It would have been a bigger betrayal to the people of the north had we not said that we need new rolling stock to replace the Pacers. I am pleased that the Government will replace the Pacers. The very fact that our train builders in this country—Bombardier and Hitachi—are busy is because of the record investment the Government are putting into the railways.

**Chris Green (Bolton West) (Con):** For many years, commuters in Bolton West have found that the trains and carriages at rush hour are heavily overcrowded—we have about the third worst overcrowding in the country. Will the Secretary of State assure me that the new franchising will deal with that problem?

**Mr McLoughlin:** Yes, but the new franchising could lead to more passengers on that track and the problem might grow. I am very pleased with the investment taking place in and around my hon. Friend's constituency, not least the work on the Farnworth tunnel, which will increase the capacity and availability of electric trains to eventually serve his constituency.

**Alan Brown (Kilmarnock and Loudoun) (SNP):** Will the Secretary of State learn from the Scottish Government on franchising? As well as new trains and capacity, will he get commitments for the real living wage for all staff and subcontractors, new apprenticeships, no compulsory redundancies and, importantly, an end to toilets being emptied on to railway tracks?

**Mr McLoughlin:** I trust that the Scottish Government are learning from what the UK Government have managed to achieve in the franchises we have let. A lot of the policies that are being followed by the Scottish Government are based on policies that we have implemented.

**Andy McDonald (Middlesbrough) (Lab):** In 2011, FirstGroup, which runs Great Western, avoided paying contractual premium payments to the Treasury by choosing not to take up its option of a three-year extension, but in January 2013, the Secretary of State abandoned the competition for a new franchise and simply agreed a renewal with First until 2015, and subsequently announced a second direct award running till 2019, thereby avoiding the inconvenience of a competitive bidding process. Have not the Government made a mockery of free market franchising?

**Mr McLoughlin:** I welcome the hon. Gentleman to his post. As I said last week in a transport debate, I hope he lasts longer than his predecessor—[*Interruption.*] I think there was somebody in between. The contract to which he refers did have a break clause for First, but it was negotiated by the Labour Government. Therefore, they caused that break and it was part of their contract.

I am pleased to be able to remind the hon. Gentleman of the words of the right hon. Member for Tooting (Sadiq Khan), who I believe has an important role in the Labour party—I hope it is a very unsuccessful one in a few weeks' time. He said that:

“one reason we are able to invest record sums in our railway service is the revenues that the franchises bring in and the premiums that they pay”.—[*Official Report*, 1 July 2009; Vol. 495, c. 430.]

He said that when he was in a position of responsibility: that of Transport Minister.

#### Trans-Pennine Rail Line

9. **Mr Barry Sheerman (Huddersfield) (Lab/Co-op):** What recent discussions he has had with Network Rail on the proposed electrification of the trans-Pennine rail line. [903318]

**The Parliamentary Under-Secretary of State for Transport (Andrew Jones):** The Secretary of State, Ministers and officials meet Network Rail regularly to progress the complex and transformative upgrades that we are undertaking on the trans-Pennine line. These upgrades will deliver faster journey times and significantly more capacity by improving the track and signalling as well as electrifying the line.

**Mr Barry Sheerman (Huddersfield) (Lab/Co-op):** Mr Speaker, may I quickly associate myself with the generous tribute you paid to those great servants of the House, but point out that you seemed to omit the time and date of the lavish retirement party you are putting on for them?

May I say to the rail Ministers that they have challenged us to speak to the facts? According to the BBC, the facts are that the trans-Pennine electrification is in severe doubt because of what is happening in the south, where electrification is four years late. New trains are arriving before the rails are ready and they are parking them up in sidings.

**Mr Speaker:** I am not sure the hon. Gentleman will be on the party invitation list with a question that length.

**Andrew Jones:** The hon. Gentleman is wrong. Let me briefly remind him that under this Government there has been more electrification than in the entire 13 years of the previous Labour Government.

16. [903326] **Bill Esterson** (Sefton Central) (Lab): The north of England rail electrification taskforce, which the Minister chaired, recommends as its second priority Liverpool to Manchester via Warrington, with Southport and Kirkby to Salford Crescent as its third. Can he tell us when the work on those projects will take place?

**Andrew Jones:** The taskforce informed the next control period and the control periods after that. The detail of the content of CP6 is not yet complete.

**Mr Speaker:** I call Jake Berry.

**Jake Berry** (Rossendale and Darwen) (Con): Number 11, Mr Speaker.

**Mr Speaker:** Number 10. A modest difference, but an important one.

#### Lancashire Transport Links: Flooding

10. **Jake Berry** (Rossendale and Darwen) (Con): What progress has been made on repairing transport links damaged by flooding in Lancashire. [903319]

**The Minister of State, Department for Transport (Mr Robert Goodwill):** This Government are determined to help families and businesses in Lancashire, including those in Rossendale and Darwen. The Department for Transport announced on 27 December 2015 that we will be providing £5 million to Lancashire County Council to help it to prioritise what local highway infrastructure must be repaired following the storms.

**Jake Berry:** I congratulate the Minister and the Department on their response to the floods. Specifically, will he go away and look at the issue of private vehicular bridges crossing rivers in Rossendale and Darwen? I understand that the householders and businesses are liable for them, but in a couple of places they collapsed causing flooding upstream that has caused millions of pounds of damage. It may be that if we can find some money to help them to repair them, it will be a case of a stitch in time saves nine.

**Mr Goodwill:** I will certainly look at that, but the basic principle is that we are not in a position to provide assistance for private infrastructure that is not a public right of way.

**Robert Ffello** (Stoke-on-Trent South) (Lab): I draw the attention of the House to my declarations of interest.

The UK freight sector is absolutely dependent on areas such as Lancashire having good infrastructure. Given that Ministers have come to the House three times in recent memory to say that the storms are unprecedented, they are clearly not unprecedented. What will the Government do to ensure that our national infrastructure, which the freight sector and all of us rely on, has proper resilience and that there are proper plans for rapid repairs where necessary?

**Mr Goodwill:** Certainly the strategic road network has been particularly resilient despite the storms, and Network Rail has been absolutely valiant in fixing problems, particularly as over the Christmas period it

was engaged in a massive investment programme to upgrade the service. We must certainly learn lessons. Network Rail is on standby this week in areas where it suspects there may be problems.

**Mr Speaker:** I call Stephen Phillips.

**Stephen Phillips** (Sleaford and North Hykeham) (Con): Since I have the ability to count, I think I will ask for question 11.

**The Parliamentary Under-Secretary of State for Transport (Claire Perry):** Clearly a man who has had a double espresso this morning, Mr Speaker.

#### Great Northern Great Eastern Upgrade

11. **Stephen Phillips** (Sleaford and North Hykeham) (Con): What discussions he has had with Network Rail on compensation for residents affected by the upgrade of the great northern great eastern line. [903320]

**The Parliamentary Under-Secretary of State for Transport (Claire Perry):** I have regular discussions with Network Rail on a range of issues and this issue has not yet been raised. I am interested to hear more, because I was really proud to open the £280 million line upgrade. It has massively improved freight capacity and, potentially, passenger capacity. As part of the scope, Network Rail reduced track noise and vibration through the use of continuously welded rail.

**Stephen Phillips:** I am grateful to my hon. Friend for that answer, although I have to say I am astonished that she is unaware of this issue. I have been contacted by very large numbers of constituents who are suffering greatly increased noise and vibration following the upgrade of the line. I met Network Rail, which is adamant that it will neither mitigate those effects nor compensate residents. Will she put pressure on Network Rail and fire a rocket up it, so it actually does something to help?

**Claire Perry:** I am disappointed to hear this. There was a huge amount of consultation on the scheme, including with local schoolchildren to let them know the dangers of high-speed trains running through areas. If my hon. and learned Friend would perhaps set out his concerns in more detail, I will of course raise this at my next meeting.

#### Emissions Tests

12. **Dr Lisa Cameron** (East Kilbride, Strathaven and Lesmahagow) (SNP): What recent discussions he has had with the Secretary of State for Environment, Food and Rural Affairs on new emissions tests for cars. [903321]

**The Secretary of State for Transport (Mr Patrick McLoughlin):** I have held regular discussions with my ministerial colleagues on the new European emissions tests for cars. The Government strongly support the real driving emissions agreement, which is expected to significantly reduce real-world oxides of nitrogen emissions from diesel cars.

**Dr Cameron:** The Secretary of State will be aware that the European Commission has proposed new rules to test car emissions following the scandal involving Volkswagen vehicles. What discussions have the UK Government had with their EU counterparts on the proposals?

**Mr McLoughlin:** There have been several sets of negotiations. This came up at the last Transport Council I attended and I reported back to the House on its conclusions. The hon. Lady is absolutely right. This is a very important subject that needs to be addressed right across the car manufacturing industry.

#### Road Investment Strategy

13. **Paul Maynard** (Blackpool North and Cleveleys) (Con): What steps his Department is taking to implement the Government's road investment strategy. [903322]

**The Parliamentary Under-Secretary of State for Transport (Andrew Jones):** Highways England's delivery plan sets out how it will deliver the Government's £15 billion road investment strategy. Work on site is already under way on 19 major schemes, five of which Highways England has started this financial year, as planned. I meet it on a monthly basis to monitor progress.

**Paul Maynard:** Residents, including myself, remain grateful for the Government's commitment to upgrading the new A585 in my constituency, but they are keen to get a progress report on identifying the precise route and securing the landownership required to commence work in 2019. Can the Minister give us that update please?

**Andrew Jones:** I can indeed. Highways England is making good progress. It has been doing initial work on options and anticipates beginning engagement with stakeholders and the wider public later this year. The scheme is on track to start construction in the 2019-20 financial year, as planned, but I will ask Highways England to keep my hon. Friend informed of progress.

**Mims Davies** (Eastleigh) (Con): Will the Minister give me an assurance that the long-needed and very complicated Chickenhall link road in my constituency will be properly considered? It would deliver new jobs, less congestion and pollution, increased productivity, and access to Southampton airport, but has been decades in the waiting.

**Andrew Jones:** I congratulate my hon. Friend on her work on this issue. I know she has put an enormous effort into it. The congestion in the Eastleigh area is a significant local problem, and I am aware of the work that Hampshire County Council is doing, but perhaps it would be helpful if we met outside here to discuss what we can do to move this project forward.

#### Engineering Projects: Christmas and New Year

14. **Iain Stewart** (Milton Keynes South) (Con): What assessment he has made of the performance of Network Rail in delivering engineering projects during Christmas and new year 2015-16. [903323]

**The Secretary of State for Transport (Mr Patrick McLoughlin):** I pay tribute to Network Rail and its hard-working orange army of more than 20,000 staff who successfully delivered £150 million of essential improvements to the network over the holiday period, as part of our record programme of investment in the railways. Planning for Easter is well advanced, and the good practice demonstrated over Christmas is being embedded in the planning process for Easter and beyond.

**Iain Stewart:** Network Rail is rightly criticised when it fails to deliver, but given its unsung success in delivering many complex projects on time and on budget, will my right hon. Friend join me in congratulating the orange army on a job well done?

**Mr McLoughlin:** I am more than happy to do that. It is difficult to do these works. We tend to do them over bank holidays, when there is not so much usage on the network. I realise it inconveniences people who want to travel by train, but it is all part of a major and vital upgrade of our rail network.

#### Rail Infrastructure: South-west

15. **Mr Ben Bradshaw** (Exeter) (Lab): What additional investment the Government plan to make in rail infrastructure in the south-west during this Parliament; and if he will make a statement. [903324]

**The Parliamentary Under-Secretary of State for Transport (Claire Perry):** I am sure that the right hon. Gentleman, as a fellow south-western MP, will be pleased that the Government have committed to investing about £400 million in rail infrastructure in the south-west. This includes re-signalling the main line from Totnes to Penzance; developing a strategic freight network; electrifying the Great Western main line; refurbishing the Cornwall sleeper; £35 million for the necessary repairs at Dawlish; a brand-new station at Newcourt, just outside his constituency; another station planned in his constituency at Marsh Barton; plus 29 new AT300 trains. The Government get the importance of rail investment in the south-west.

**Mr Bradshaw:** Of course, that electrification is into south Wales, not the south-west.

The people of the west country well remember the repeated promises from the Transport Secretary, the Prime Minister and the Chancellor of billions of pounds of investment in rail in the south-west, but the Minister has just failed, once again, to confirm that the Government will commit a paltry half a million pounds for the feasibility study that Devon and Cornwall needs after the Dawlish disaster into improved resilience and rail transport times. Do not the people of the south-west rightly feel completely betrayed by the Government?

**Claire Perry:** Month after month, the right hon. Gentleman comes here and seems to be in complete denial about the fact that his Government did nothing for the people of the south-west and that his party wanted to cancel the vital A358 road scheme that helps people directly in his constituency. I have already set out—but I am happy to discuss it further—that I am considering ways to find the very small amount of money required to do this one technical feasibility study, which is a tiny

part of the south-west peninsula taskforce study. We expect that report to come out in April and deliver the strategic uplift the region requires.

**Oliver Colvile** (Plymouth, Sutton and Devonport) (Con): To help my hon. Friend, would she be willing to meet me and fellow colleagues in the south-west to ensure that Network Rail and the taskforce have enough funding for the two studies into the electrification of the line through the peninsula and the reduction in journey times?

**Claire Perry:** I am always happy to meet my hon. Friend, but let me gently remind him that Network Rail has already spent almost £3.5 million supporting the analysis of the resilience groups and the vital geological survey of the sea cliffs along the area. This work will be done, the Government will listen and this Government, unlike that lot on the Opposition Benches, will invest in the south-west.

### Topical Questions

T1. [903299] **Graham Jones** (Hyndburn) (Lab): If he will make a statement on his departmental responsibilities.

**The Secretary of State for Transport (Mr Patrick McLoughlin):** This has been a very difficult time for the communities of the north of England. I have enormous sympathy for those flooded out of their homes. I am determined that we will continue to stand shoulder to shoulder with local communities as they strive to return to business as usual. That is why I have commissioned the highways agencies and Network Rail to work particularly closely with the local authorities directly affected by flooding.

**Graham Jones:** Unsustainable cuts by the Department for Communities and Local Government have left Lancashire County Council able to provide only statutory services across the county. This has led to an end to fare box subsidies. Some 2,400 bus routes have been cut or downgraded by this Government nationally. Why is it that this Government are leaving bus users without services?

**Mr McLoughlin:** The hon. Gentleman needs to question Labour-controlled Lancashire County Council about how it provides its services, along with those local authorities that have managed to enhance their bus services. My Department has secured funding through the bus service operators grant and will continue to do so, and will continue to support bus services across the country.

T2. [903300] **Sir David Amess** (Southend West) (Con): Given the adverse impact that c2c timetable changes are having on the quality of commuters' lives in Southend, and that the franchise has been renewed and the impact is now being blamed on the Government, will my right hon. Friend leave the train operators in no doubt at all that the Member of Parliament for Southend West believes that these timetable changes are simply untenable?

**Mr McLoughlin:** I well remember my hon. Friend campaigning for c2c to keep the franchise for that particular line. Obviously any changes early on in a franchise sometimes lead to difficulties, but I am concerned to work with him. c2c is improving the service. It has one of the highest reliabilities among train operators across the country and I know it is going to bring in additional rolling stock in late spring.

**Daniel Zeichner** (Cambridge) (Lab): In last week's Opposition day debate on the cost of public transport, Government Members seemed reluctant to say anything about buses and particularly fares, which is no great surprise, because the Department keeps hardly any information on the issue. Others tell us that fares have risen by 26% since 2010—three times as fast as wages. What does the Secretary of State think about that and when is he going to start collecting and publishing the data—or would he rather the public did not know?

**Mr McLoughlin:** I think—I will check this, and if I misinform the House, I will come back to it—we publish the same data and a lot more than the last Government ever published.

**Daniel Zeichner:** Oil prices are now low, but we have not seen bus operators passing on the savings to passengers. It was very different when oil prices were going up: fares quickly went up too. What has the Secretary of State been doing to put pressure on the operators to cut fares? When is he going to start standing up for hard-pressed bus passengers?

**Mr McLoughlin:** I hope that bus fares come down as a result of falling fuel prices, but I would also point out to the hon. Gentleman that fuel prices are only one part of the industry's costs—I think they represent about 40% of the costs. Another part is investment in new buses, which I very much welcome—I have seen many examples of that. Quite often the oil is bought in advance, but I agree with him that the bus companies should look to see whether there is room to reduce the cost of using buses.

T3. [903301] **Oliver Dowden** (Hertsmere) (Con): Thousands of hard-working people from Radlett, Elstree and Borehamwood rely, like me, on Thameslink to get into London every day. We are utterly despairing at the ever declining service under the new franchisee. What reassurance can the Minister give us that Govia Thameslink will be held to account for those failures and what hope can he provide for future improvements to the service?

**The Parliamentary Under-Secretary of State for Transport (Claire Perry):** My hon. Friend knows that I think it is inexcusable that some customers on that part of the network are not receiving the service they deserve. Interestingly, the national rail passenger survey this week said that three out of four passengers on the franchise were in fact satisfied with the service they were receiving. There are problems, which are being fixed, such as driver shortages and old trains, but Network Rail has to do better when it comes to fixing faults and communicating with passengers. It is a fact that these lines are very old and successive Governments failed to

invest in them. We are all completely committed to getting all parts of the franchise back to high performance by 2018.

T6. [903305] **Kelvin Hopkins** (Luton North) (Lab): In the light of the recent proposal to build a railway line from China to Europe with capacity for freight as well as passenger traffic, will Ministers consider what further rail investment is required to ensure that the regions and nations of Britain are effectively linked to the continent?

**Claire Perry:** I recently had one of the most interesting and informative meetings with the hon. Gentleman, who has been a long-standing campaigner for lorries on freight trains. As he knows, I think the idea is appealing in concept, but it needs to be examined in a lot more detail, and a stronger economic case made. I would welcome his and others' involvement in putting a more substantive business case before me.

T4. [903303] **Richard Graham** (Gloucester) (Con): As a result of changes shockingly agreed by the Labour Government of 2006, the rail Minister knows that only three out of 63 trains a day operated by CrossCountry on the so-called inter-city service actually stop at the city of Gloucester. Does she agree that a significant increase in the number of trains stopping at Gloucester is a vital part of any settlement to extend the CrossCountry franchise?

**Claire Perry:** There is a reason why Gloucester has elected my hon. Friend twice now, because unlike the last lot, he stands up for rail links to his constituency. He knows very well and has made the case many times that the rail link is important. The CrossCountry direct award consultation process is currently in operation. I am sure he will continue, along with the council, to make these very good representations.

T7. [903306] **Marion Fellows** (Motherwell and Wishaw) (SNP): What discussions has the Secretary of State or the Vehicle Certification Agency had with Volkswagen to ensure that the UK taxpayer is not out of pocket for the re-testing of Volkswagen vehicles following the recent scandal?

**Mr McLoughlin:** I refer the hon. Lady to the response I gave to the hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron). Discussions on this particular matter are ongoing. I have taken the issue up in meetings with Volkswagen, which I believe appeared before the Transport Select Committee earlier this week.

T5. [903304] **David Rutley** (Macclesfield) (Con): Will my right hon. Friend tell us how, with Arriva having secured the new 10-year Northern rail franchise, this will help to improve and support the Government's northern powerhouse strategy, and, more importantly, how it will help to improve rail services in Disley in the Macclesfield constituency?

**Mr McLoughlin:** My hon. Friend should know that this franchise was last let in 2004 on a nil-growth exercise—quite the reverse of what we have done. What will happen with the new franchise is that we will see the complete removal of the outdated and unpopular Pacers

by 2019; £400 million of investment in 281 brand-new air-conditioned carriages; more than 2,000 extra services provided each week, including around 400 on Sundays; space for an extra 31,000 passengers; and £45 million invested in stations. Yes, my hon. Friend's constituents will see a major improvement.

**John Pugh** (Southport) (LD): I invite the Minister to comment on my question 18 on Government support for hydrogen fuel cell technology.

**The Parliamentary Under-Secretary of State for Transport (Andrew Jones):** Hydrogen fuel cell electric vehicles, alongside battery electric vehicles, have the potential to play an important role in decarbonising road transport. The Government began working with the industry in 2012 through the UK H<sub>2</sub>Mobility programme, developing a road map for hydrogen-based transport. It has a big role in the future.

T8. [903307] **Sir Henry Bellingham** (North West Norfolk) (Con): Is the Secretary of State aware that, back in the 17th century, the port of King's Lynn was the fourth largest in the country and has been thriving ever since? Now, however, it is under severe threat from a pernicious and job-destroying European port services regulation. What are the Secretary of State and his Ministers going to do to make the EU see sense and withdraw this unwanted regulation?

**The Minister of State, Department for Transport (Mr Robert Goodwill):** I have always made it clear that this regulation is not required to fix a problem in the UK because we already have a competitive port sector with competition between ports. The general approach adopted by Council addressed many of our concerns, particularly the competitive market exemption. What is interesting is that this week, while a number of amendments were passed in the European Parliament's transport committee, the mandate to go forward into trialogue was not given. At the moment, the regulation has run into the deep sand, and I hope it will remain there.

**Conor McGinn** (St Helens North) (Lab): St Helens North is in the Mersey travel area, but thousands of my constituents commute outside it to work in Wigan, Warrington and Manchester, which means that they are effectively paying a levy on their journeys. What progress has been made towards a smart ticketing system for the north of England, which would put an end to these increasingly arbitrary travel boundaries?

**Andrew Jones:** Transport for the North is developing its plans for smart ticketing across the north, and the Government have provided £150 million to assist it with the project. I am a great supporter of smart ticketing, and I will be helping Transport for the North all the way.

T9. [903308] **Robert Jenrick** (Newark) (Con): We in Nottinghamshire thank Gordon Brown for dualling the A46, but unfortunately, as was so often the way, the money ran out. The dualling ends outside Newark, and the gridlock begins. Will the Minister confirm that the dualling of the A46 from Farndon to Winthorpe is part of the Government's plan, and that it could be brought forward in the event of slippage elsewhere?



**Andrew Jones:** My hon. Friend is a diligent campaigner on this issue. In October we met Councillor Blaney, a representative of his local authority.

The scheme is highly complex. The Government are committed to beginning construction in our next roads period, which means that we can start the assessment and development work now, but I am afraid I cannot tell my hon. Friend that the scheme is being brought forward.

**Diana Johnson** (Kingston upon Hull North) (Lab): We are approaching the second anniversary of the private finance initiative to electrify the line from Hull to Selby. Can the Minister update us on that no-brainer, which will benefit both the travelling public and the Government because it is privately financed?

**Claire Perry:** As the hon. Lady knows, this is a ground-breaking way of ensuring that infrastructure is delivered, and of course we want to deliver that particular infrastructure, given Hull's importance in the next 12 to 18 months. I shall be happy to obtain an update on the exact timing and write to her.

**Huw Merriman** (Bexhill and Battle) (Con): This morning my train to London Bridge got me in on time. Does the Minister agree that, as well as being negative when things do not work, we should adopt a positive attitude to our rail franchises when they get it right, as they do on most days?

**Mr McLoughlin:** My hon. Friend is absolutely right. Trains to London Bridge, and other Thameslink trains, are benefiting from a massive upgrade costing some £6.5 billion. Obviously there will be difficulties at certain stages of the line's reconstruction, but once it is finished it will be a far superior line, and it will benefit from the new trains that will come into service in the spring.

**Stewart Malcolm McDonald** (Glasgow South) (SNP): The proposals on emissions standards that were published yesterday by the European Commission give us a real opportunity to turn a corner and get to grips with an industry that has been circumventing environmental regulations for too long. Will the Secretary of State assure us that those proposals will not become a bargaining chip in the Prime Minister's renegotiation, resulting in watered-down outcomes?

**Mr McLoughlin:** We want to consider the Commission's proposals very carefully, and that is what we will do.

**Sir Gerald Howarth** (Aldershot) (Con): Ten days ago a group of us visited Cairo, where everyone from the Prime Minister downwards impressed on us the devastating impact of the suspension of flights to Sharm el-Sheikh on the Egyptian economy. Has my right hon. Friend any plans to reinstate those flights so that the 1 million British visitors to Sharm el-Sheikh can resume their holidays there?

**Mr McLoughlin:** I cannot yet say when the resumption of flights might be possible, but the agreement that was

reached with the Egyptian authorities in December on a joint action plan was a significant and welcome step forward. Since then we have had an ongoing presence in Sharm el-Sheikh, working with the Egyptians on the implementation of that plan, and I think that good progress is being made. I fully understand the importance to Egypt of the resumption of flights to destinations in the country.

**Greg Mulholland** (Leeds North West) (LD): Leeds City Council is currently consulting on road options for leaving Bradford airport, but it is ignoring the obvious solution of a rail link to the railway line, which is 1.1 miles away. Why is the council considering those options, given that they are based on flawed assumptions in a flawed report from the Department for Transport?

**Andrew Jones:** The importance of connectivity to our airports has long been underestimated in transport policy, and that certainly applies to the Leeds-Bradford connection. I think that we should be positive about the fact that work is being done to establish how we can improve connectivity, but I suggest that the hon. Gentleman join the campaign that is being run by my hon. Friend the Member for Pudsey (Stuart Andrew).

**Sir Alan Haselhurst** (Saffron Walden) (Con): I warmly welcome the prospectus offering new rail passenger services in London and the south-east. It states, on page 26, that

"Crossrail 2 would move inner suburban services onto new tracks", thus improving those services. However, there is no plan to try to run this enhanced metro on the current rickety two-track system, which means further delays in train services from outer suburban stations. Can my right hon. Friend reassure me about that?

**Mr McLoughlin:** The document I issued last week with the Mayor of London was a consultation document. I will take my right hon. Friend's question as part of that consultation exercise, and we will not leave alone the points he has made.

**Paula Sherriff** (Dewsbury) (Lab): The main platform at Mirfield railway station in my constituency is only accessible via very steep steps, which can make it very difficult, and sometimes impossible, for the disabled and the elderly or infirm to access the station. Will the Minister agree to meet me or perhaps visit Mirfield to see how we can facilitate much needed improvements to the station?

**Claire Perry:** I am always happy to discuss these issues with the hon. Lady. She will know that more than 400 stations have significantly benefited from the investment of the Access for All scheme. Clearly there is more to do and I am very happy to have a conversation with her about that.

**Several hon. Members** *rose*—

**Mr Speaker:** Order. Demand exceeds supply, as so often, but I am afraid we must now move on.

## Under-occupancy Penalty

10.35 am

**Owen Smith** (Pontypridd) (Lab): (*Urgent Question*): To ask the Secretary of State for Work and Pensions if he will make a statement on the Court of Appeal ruling that the bedroom tax has caused discrimination, contrary to article 14 of the European convention on human rights.

**The Parliamentary Under-Secretary of State for Disabled People (Justin Tomlinson)**: We know there are people who need extra support. That is why we are providing local authorities with discretionary housing payment funding. Local authorities are best placed to assess people's needs in their area and identify where extra support is needed.

We have increased the amount of discretionary housing payment available. On top of the £560 million since 2011, we are providing an extra £870 million over the next five years. The people involved in these cases are receiving discretionary housing payments. That is precisely why we have discretionary housing payments, and shows that these are working.

We welcome the fact that the High Court and the Court of Appeal both ruled that the public sector equality duty had been met in respect to women. Furthermore, we have won a Court of Appeal ruling where the court ruled in our favour on the policy of the spare room subsidy. In that judgment, the court found that the discretionary housing payments were an appropriate means of support for those who are vulnerable. So this is a complex area and in terms of these two latest cases, it is a very narrow ruling.

On these cases, the High Court found in our favour and we fundamentally disagree with yesterday's Court of Appeal ruling on the ECHR. This is not a case of people losing money, for in these cases they are in receipt of discretionary housing payments. This is about whether it is possible to define such exemptions or whether direct housing payments through local authorities give the right flexibility to help a wide range of those in need. The Court of Appeal itself has already granted us permission to appeal, and we will be appealing to the Supreme Court.

**Owen Smith**: May I start by saying that I am flabbergasted by that response and I am flabbergasted that the Secretary of State, to whom I asked the question, is once more ducking his responsibilities?

We knew the bedroom tax was cruel, but we now know it is illegal, and this decisive ruling from the Court of Appeal should mark the end of this pernicious policy. The ruling could not be any clearer: the bedroom tax is unlawful and discriminatory.

The Court of Appeal considered two cases against the Secretary of State, who once again is not prepared to defend his policy: one from a victim of rape who had had a panic room installed by the police; and one from the Rutherford family, whom I know personally, and to whom I pay tribute here today both for the care they provide for their severely disabled grandson, Warren, and for the bravery they have shown in taking on the Secretary of State.

In both instances, the court ruled that the bedroom tax had caused "discrimination". It found, moreover, that the

"admitted discrimination... has not been justified by the Secretary of State".

So the question for the Minister—in place of the missing Secretary of State—is what does this ruling mean for the 450,000 families currently affected by the bedroom tax? If the Government are appealing to the Supreme Court, as, extraordinarily, it seems they are, can the Minister tell us on what specific grounds they are appealing? Crucially, as a matter of urgency, will the Government immediately exempt the two groups that have found to have been discriminated against from paying the bedroom tax: victims of domestic violence and the families of severely disabled children?

Can the Minister confirm there are 280 victims of domestic abuse who have had a panic room installed under the sanctuary scheme and who are affected by this policy? Can he further confirm that exempting victims of domestic abuse would only cost the Government £200,000 a year? By comparison, can he tell us how many hundreds of thousands of pounds he has already spent on legal fees defending this vile policy, and how much more he is prepared to defend? Does he have a blank cheque to defend this to the end?

Can the Minister also tell us how many families with severely disabled children are currently paying the bedroom tax? Will he inform the House what proportion of domestic violence victims and families with disabled children are in receipt of discretionary housing payments? This ruling was on two specific grounds, but will the Minister confirm that the bedroom tax is failing in every regard? He talks of discretionary housing payments, but his own Government's report, which was dumped before Christmas, admitted that 75% of victims did not receive DHP, that three quarters of those hit by the bedroom tax were cutting back on food, that only 5% had been able to move and that 80% regularly ran out of money.

Politics is about choices, and the choice that faced the Secretary of State today was very clear. He could have come to the House and admitted that this was a rotten policy that was punishing poor people across the country, and he could have scrapped it. Instead, he is sitting on the Front Bench before going back to Caxton House to consult his lawyers in order to defend this policy against the victims of domestic violence and the parents of disabled children. We know the choice he took.

**Justin Tomlinson**: To be absolutely clear, this is about whether it is possible to find such exemptions or whether direct housing payments through local authorities give the right flexibility to help a wide range of those in need, and we will be appealing this to the Supreme Court. If we try to set strict categories, people—especially those with unique circumstances and issues—could fall just below an artificial line, meaning that they would miss out. Is it realistic to expect that here in London we could set such an exhaustive list? Direct housing payments, for which we are providing £870 million over the next five years, give flexibility that allows us to work with organisations such as the police, social services and medical professionals to provide a co-ordinated level of support underwritten by the public sector equality duty.

It is right to say that politicians face choices. When the local housing allowance was introduced into the private sector under the last Labour Government, no additional support was provided to those in the private sector who faced exactly the same challenges as those we are discussing here. Why have things changed so much now? We keep making references to taxes. What about the 1.7 million people on the social housing waiting list? What about the 241,000 people in overcrowded accommodation? The Opposition have scant regard for them, but they are the people we are speaking for, and it is right to provide flexibility and a co-ordinated approach. This is the right thing to do.

**Nusrat Ghani** (Wealden) (Con): Does the Minister agree that this is an issue of fairness, and that it is about giving help to people who are stuck in overcrowded accommodation and waiting on social housing lists?

**Justin Tomlinson:** I thank my hon. Friend for her question. In our casework, we all talk to families who are on housing waiting lists. There are 1.7 million people on waiting lists across England and 241,000 people living in overcrowded accommodation. It is absolutely right that we are trying to match the right accommodation to people's individual needs.

**Ian Blackford** (Ross, Skye and Lochaber) (SNP): I cannot believe that we have just heard someone from the Tory Back Benches saying that this is about fairness, because that is exactly what this is about. Is it not a disgrace, given that this is the policy of the Secretary of State, that he should be sitting there whispering into the ear of his Minister? He is quite clearly out of his depth on this, as he is on so many other things. The decision in the courts follows a series of embarrassments for the Secretary of State, and there is also the matter of a United Nations investigation into the UK Government's welfare policies. The SNP Scottish Government have committed £90 million to mitigating the effects of the bedroom tax in Scotland to stop, among other things, the threat of eviction being imposed on many through this Dickensian Tory policy. We will end the bedroom tax when we have the powers to do so. If the Secretary of State will not heed the warnings of the SNP, will he at least listen to the rulings of some of the highest courts, scrap this unfair and discriminatory tax and think again about the pursuance of these most damaging cuts to vital support for some of the most disadvantaged in society? Parliament in London did not stop this disastrous policy. Thank heavens the courts are intervening. It is little wonder that the Tories are so unpopular in Scotland. They have returned to being the nasty party that they were under Thatcher. This time under Cameron, Osborne and—

**Mr Speaker:** Order. I fear that the hon. Gentleman is rather exceeding his time. A short sentence now.

**Ian Blackford:** In conclusion, I echo the words of the Court of Appeal. This policy is discriminatory and unlawful. Will he commit to scrapping this draconian policy?

**Justin Tomlinson:** In fairness, I am the Minister who responds on housing issues in Parliament. In terms of fairness, we all talk to families on the housing waiting

list. Try explaining to them why we should not make more of the accommodation available to them. We have already provided greater flexibility in Scotland through devolution to do what you wish to do with discretionary housing payments.

**Richard Graham** (Gloucester) (Con): Clearly, we shall all wait for the Supreme Court judgment that will be delivered in due course, but two points must be clear today. Does the Minister agree that the incredible indignation expressed by the shadow Minister is blown apart by the fact that the family in question are receiving exactly the same amount of benefits as they were before the introduction of the spare bedroom subsidy? The Opposition's opportunism is shown clearly by the fact that they took away the spare room subsidy from the much larger number of people in the private rented sector.

**Justin Tomlinson:** That is right. The people in these cases are in receipt of payment, which shows that discretionary housing payments work. It shows that, through flexibility, a co-ordinated approach is possible with the police, social services, medical professionals and other agencies.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): Will the Minister wake up? This is a miserable, vindictive little policy and one that, with the ability of housing associations to sell off homes, ducks the real question, which is that we are not building appropriate housing for the people in this country. This is a diversion; get on with the real job.

**Justin Tomlinson:** That is why our £8 billion programme will deliver a further 400,000 affordable housing starts during this Parliament—a stark contrast to the loss of 400,000 homes under the last Labour Government.

**Mrs Anne-Marie Trevelyan** (Berwick-upon-Tweed) (Con): I agree with my hon. Friend the Member for Wealden (Nusrat Ghani) that the question of fairness is vital. So many in north Northumberland struggle to find a home. The key question is balance. We have a real issue with smaller communities. If families are to stay within their community, we cannot find a match. Will my hon. Friend the Minister consider ways to help the local authority find new systems for matching families to the right homes?

**Justin Tomlinson:** I thank my hon. Friend for that. That is why it is so important that we are increasing housing starts. Landlords are already changing the way in which they bring new housing stock on, which is welcome news.

**Mr Clive Betts** (Sheffield South East) (Lab): Have the Government effectively abandoned the principle of a benefits system that properly assesses people according to their needs and circumstances and pays them a benefit while those circumstances last? The answer to everything seems to be discretionary housing payments. They are discretionary, they are paid on a case-by-case basis, 75% of people paying the bedroom tax do not get them and they are time-limited. Does the Minister recognise the enormous uncertainty that that creates, and the hardship for people in very real housing need?

**Justin Tomlinson:** I thank the hon. Gentleman. I have a huge amount of respect for his knowledge of local authorities. Like him, I have served on a local authority and I trust their ability to work with other agencies, which I have already mentioned. Hon. Members should remember that this is underwritten by the public sector equality duty, which ensures that all issues are considered.

**Bob Blackman** (Harrow East) (Con): Can my hon. Friend set out the exceptions to the spare room subsidy and the help that is available to people?

**Justin Tomlinson:** Well, we have pensioners, those with disabled children who cannot share a room, foster carers, and those serving in the armed forces who are currently on deployment. Discretionary housing payments allow flexibility to take into account individual circumstances and adopt a co-ordinated approach. If we tried to come up with an exhaustive list, there would always be people who fell just below the line, and they would miss out on any support. That is unacceptable.

**Barbara Keeley** (Worsley and Eccles South) (Lab): Unpaid family carers are not included in the list. From what I have seen, the Rutherfords look like wonderful carers for their grandson. Why should such people live in fear of losing their home—an adapted bungalow in this case? Sixty thousand carers are hit by the bedroom tax. It has always been illogical to hit people who save the state billions. Can the Minister not see that the Secretary of State should abandon this shabby little policy and recognise that carers should not be hit by this unfair charge?

**Justin Tomlinson:** Everyone in the House recognises the valuable role that carers play in society. There is an opportunity to provide discretionary housing payments when that is appropriate, but where was the hon. Lady when such a system was introduced in the private sector? Why did we not hear the argument that there should be exemptions for carers in the private sector? It is one rule then and one rule now.

**Kevin Foster** (Torbay) (Con): Does the Minister agree that a list of strict criteria would undermine the whole point of having discretionary housing payments in the system? Does he also agree that it is interesting to hear the false anger of Labour Members, given that their party introduced this system for tenants on housing benefit in the private sector?

**Justin Tomlinson:** I thank my hon. Friend, who addresses the point that such payments allow for discretion and mean that there can be a multi-agency approach to help individuals according to their needs. People do not neatly fall into a convenient box whereby society provides support. Discretion and flexibility are needed to do the right thing.

**Mr Angus Brendan MacNeil** (Na h-Eileanan an Iar) (SNP): After this embarrassment, and if the next ill-advised legal steps go against the Government, will those affected get an apology for the bedroom tax from the Government Dispatch Box?

**Justin Tomlinson:** We think that this is a good policy that helps the 1.7 million people on the waiting list. It provides for discretion and does not create artificial lines that people can just fall beneath.

**Michael Fabricant** (Lichfield) (Con): If it were not out of order, would my hon. Friend agree that given that Labour Members introduced this very principle for the private sector, their outrage now is hypocritical?

**Justin Tomlinson:** I thank my hon. Friend. I hope that that is not out of order, because I fully agree.

**Chris Bryant** (Rhondda) (Lab): But it is out of order.

**Mr Speaker:** Order. If it were, I would have ruled thus, and it was not, so I did not—we will leave it at that. I am always grateful to the hon. Gentleman for his advice, even if it is proffered from a sedentary position but, in this instance, it suffers from the material disadvantage of being wrong.

**Liz McInnes** (Heywood and Middleton) (Lab): I just want to put a simple question asked by Mr Paul Rutherford himself: why are the Government spending taxpayers' money on an appeal?

**Justin Tomlinson:** Because we want to ensure that those who are vulnerable get the right support.

**Mr Steve Baker** (Wycombe) (Con): Now that my hon. Friend has reminded Labour Members what they did in government, will he also remind them that it is not a tax when people are being treated equally?

**Justin Tomlinson:** I thank my hon. Friend for putting that point so eloquently.

**Liz Saville Roberts** (Dwyfor Meirionnydd) (PC): Gwynedd Council should be praised for adding extra money over and above the insufficient, arbitrary and tokenistic discretionary housing payments. Will the Government increase discretionary payments until we get the Supreme Court ruling?

**Justin Tomlinson:** We have committed the considerable amount of £870 million over this Parliament. At the halfway point of the year, most local authorities had not spent even 50% of that money. I hope that they will continue to examine ways to support those who are vulnerable, and I give credit to the hon. Lady's local authority if it is taking extra steps.

**Nigel Mills** (Amber Valley) (Con): Can the Government do more to encourage and enable councils to give longer discretionary housing awards, so that those claiming them will have more certainty that they can afford their rent?

**Justin Tomlinson:** My hon. Friend makes an important point. We are looking to encourage that and to allow more common sense to be applied.

**Mike Kane** (Wythenshawe and Sale East) (Lab): The Financial Conduct Authority told me this week that 40% of adults in my constituency face severe debt problems, but that is because Wythenshawe and Sale East has more than 3,000 families suffering the bedroom tax, which is the highest rate in the land. Some Nehemiah-esque debt bondage is going on here. Will the Minister visit my constituency to meet people suffering the bedroom tax, and especially women in the safe spot scheme who have suffered domestic violence but are being punished by the Government's rulings?

**Justin Tomlinson:** I meet residents all the time because as well as being a Minister I am, like the hon. Gentleman, a constituency MP. We have trebled our funding to support victims of domestic abuse to £40 million a year, and arrears in housing have actually fallen for the past four years.

**Mr David Nuttall** (Bury North) (Con): Given the earlier and contradictory ruling in the case of MA and others v. The Secretary of State for Work and Pensions, does my hon. Friend agree that no change should be considered until the Supreme Court has made a final ruling on this matter?

**Justin Tomlinson:** That is absolutely the case.

**Jim Shannon** (Strangford) (DUP): In Northern Ireland 66% of Housing Executive tenants and 62% of all working-age housing benefit recipients are under-occupiers. Under the Fresh Start agreement accepted by all parties in Northern Ireland last year, it has been agreed that the moneys to offset the bedroom tax for Northern Ireland will come out of the Northern Ireland block grant. Has the Minister had any discussions with the other devolved Administrations to enable them legally to make similar decisions?

**Justin Tomlinson:** I have not, but that is something I will look at.

**Oliver Dowden** (Hertsmere) (Con): As the Minister has said on several occasions, in both recent cases the appellants were in receipt of discretionary payments. Does he therefore agree that this demonstrates that the fund is working and helping those most in need?

**Justin Tomlinson:** That is exactly why we are getting the money to the people who need it, and rightly so.

**Justin Madders** (Ellesmere Port and Neston) (Lab): One of the main drivers of the policy was to force people to find alternative accommodation, but the majority have stayed put despite the many difficulties they face. Does this not show that not only is the policy inhumane, cruel and discriminatory, but it is a failure?

**Justin Tomlinson:** I disagree. In August 2014 16% had registered to look to move. Remember, those 1.7 million people—247,000 families—in overcrowded accommodation need people to move in order to give them the same chance as those people had. It is the right thing to do.

**Matt Warman** (Boston and Skegness) (Con): Some of my most moving meetings with constituents have been with those whose circumstances are unique and who are in great need of help. Does the Minister agree that it is precisely because there is discretion in the system that the Government are able to help those people?

**Justin Tomlinson:** I thank my hon. Friend for that. It is just one example of how we are supporting people. There is a 79% increase in the disability facilities grant next year, taking funding from £220 million to £394 million, which will significantly increase the 40,000 properties per year that we are helping to adapt.

**Gerald Jones** (Merthyr Tydfil and Rhymney) (Lab): The bedroom tax is the most unpopular tax since another Tory invention, the poll tax. Given the recent judgment, surely this is an opportunity for the Government to review their position. Why will they not take that opportunity and scrap the tax once and for all?

**Justin Tomlinson:** First, I gently remind the hon. Gentleman that this is not a tax. Secondly, if it was so desperately unpopular, why are we in government?

**Jake Berry** (Rossendale and Darwen) (Con): On fairness, taxpayers will think it is fair that they subsidise social housing rent so that people living in social housing pay about 30% of market rent, in some cases. They do not think it is fair that they subsidise at 30% of market rent people having spare rooms that they do not use or do not need. If, as I suspect, the Minister is unable to give a definitive list of all the cases where people may need a spare room, surely that shows that our discretionary system is the best system and one that we must continue with.

**Justin Tomlinson:** That is exactly the point. It seems that the Opposition want to create an artificial bar which will see some people who should be getting support miss out. That is not acceptable.

**Andy Slaughter** (Hammersmith) (Lab): It is extraordinarily cynical for the Minister to talk about housing waiting lists when the Government are forcing the sale of council houses to subsidise the sale of housing association homes. How does he explain the fact that only 5% of people who have been affected by the bedroom tax have been able to move, but more than 10 times that number are in rent arrears?

**Justin Tomlinson:** The hon. Gentleman seems to object to allowing people the opportunity to buy their own home. We are not all from gifted backgrounds and people should have an opportunity to do that. That, in turn, will raise the funds to create new housing.

**Robert Jenrick** (Newark) (Con): The amount we spend on housing benefits rose by 50% in the last years of the Labour Government. We now spend more on housing benefit than we spend on secondary education, and that sum is equivalent to 50% of the Ministry of Defence budget, yet there is a chronic shortage of social housing. Does the Minister agree that no reasonable, competent Government would not be trying to find fair and just solutions to both those problems?

**Justin Tomlinson:** The money spent on housing benefit was £24.4 billion. Without our reforms it would have been £26 billion per year. The Opposition are calling on us to scrap the whole of the spare room subsidy policy. That would be an extra £2.5 billion in their ever-growing black hole.

**Kirsten Oswald** (East Renfrewshire) (SNP): Some 71,500 people in Scotland would be affected by the bedroom tax if not for the actions of the SNP Scottish Government in mitigating that. This UK Government's policy clearly has a devastating and discriminatory impact on some of the most vulnerable people in our society, so in the week when we have seen an astonishing tax deal with Google hailed by the Chancellor, is it not time this

[Kirsten Oswald]

Government stopped prioritising sweetheart tax deals and started representing the needs of the ordinary people?

**Justin Tomlinson:** No. I wonder how the Scottish National party would explain to the people on the waiting lists why efforts are not being made to create more appropriate housing.

**Chris Davies** (Brecon and Radnorshire) (Con): Will my hon. Friend confirm that before this reform, 820,000 spare rooms were being paid for by the taxpayer, not only wasting taxpayers' money, but denying so many other people a roof over their head?

**Justin Tomlinson:** Absolutely, and that was of no help at all to the 241,000 families in overcrowded accommodation.

**Mrs Louise Ellman** (Liverpool, Riverside) (Lab/Co-op): The Minister says that this is complex. Does he not accept that this is about straightforward suffering by people who are already struggling with hardship and have literally nowhere else to go?

**Justin Tomlinson:** Not at all, because these people have been given the money that shows that discretionary housing payment works.

**David Mowat** (Warrington South) (Con): When the Labour party introduced the spare room subsidy for the private sector, there was no discretionary housing payment to go with it. Have we made an assessment of whether we could extend discretionary housing payment to the spare room subsidy introduced by Labour?

**Justin Tomlinson:** Why was no additional support provided to vulnerable people when Labour introduced it for the private sector? That was not fair.

**Huw Irranca-Davies** (Ogmore) (Lab): Will the Minister —[*Interruption.*] Mr Speaker, I apologise, but I have lost my voice and cannot shout.

**Mr Speaker:** Order. The hon. Gentleman says that he has lost his voice, which saddens me. The least that we owe the hon. Gentleman is a degree of quietude so that we might detect what he has to say.

**Huw Irranca-Davies:** Thank you, Mr Speaker. On a point of fact, will the Minister and his officials by the end of today be able to supply me and all other Welsh MPs with a list of how many people who are in households where there are victims of domestic violence or disabled children will be affected if this decision is upheld? On a point of common decency, if he and his Ministers are unable to issue an apology today, if the decision is upheld, will he then apologise?

**Justin Tomlinson:** I am not sure whether we can get all that information by the end of today, but I am happy to see how quickly we can get as much of it as possible to the hon. Gentleman.

**Tom Blenkinsop** (Middlesbrough South and East Cleveland) (Lab): Irrespective of the fact that the Minister is ignoring the court ruling, why is the cost of housing benefit expected to go above £25 billion next year?

**Justin Tomlinson:** We are not ignoring the ruling; we are appealing it. We are doing that because we feel that discretionary housing payment is the correct way to do it. Reforms take time to come in, as I said earlier. Housing benefit cost £24.4 billion this year. Had we not brought in reforms, every single one of which was opposed by the Labour party, it would have cost £26 billion this year.

**Ms Margaret Ritchie** (South Down) (SDLP): Given yesterday's landmark ruling, given the report by the UN's special rapporteur on housing, which said that the bedroom tax damaged the lives of vulnerable citizens, and given that there is scarce housing to meet those particular needs, will the Minister indicate today, in a compassionate way, that the Government will abandon the bedroom tax?

**Justin Tomlinson:** No.

**Neil Coyle** (Bermondsey and Old Southwark) (Lab): When the Government consulted on the bedroom tax in the run-up to the introduction of the Welfare Reform Act 2012, how many disability and carers' organisations and others warned the Department categorically of the discriminatory nature of the measure, and why was their advice ignored at such substantial cost to the taxpayer?

**Justin Tomlinson:** In the development of this policy there was full and wide consultation.

**Alan Brown** (Kilmarnock and Loudoun) (SNP): Let me first say to the Minister that the SNP is building record numbers of council houses in Scotland. In contrast, since the new right to buy was introduced in 2013, there have been 33,000 house sales in England and Wales and fewer than 3,000 new starts, so he cannot dare say that new house building will solve the problem. The High Court ruling stated quite clearly that, because DHP cannot be guaranteed, this policy is discriminatory. While we are against the bedroom tax altogether, is it not time the Government thought again? They cannot hide behind the fact that they cannot give an exhaustive list; they can and must think again.

**Justin Tomlinson:** With all due respect, I have met families who are on those waiting lists and want to see those properties become available.

**Suella Fernandes** (Fareham) (Con): In Fareham we have over 1,000 people on the housing waiting lists, including young families with children. Will the Minister provide a breakdown per constituency of how many people are on housing waiting lists, so that we can better understand the extent of this problem?

**Justin Tomlinson:** I thank my hon. Friend. I hope she will excuse me if I cannot provide that breakdown instantly for every constituency. We are making efforts, through our combined package of £20 billion-worth of measures, to increase housing supply and help to get those people out of those overcrowded properties and off those waiting lists into appropriate accommodation.

**Diana Johnson** (Kingston upon Hull North) (Lab): How much public money has been wasted so far in legal fees on defending this cruel policy?

**Justin Tomlinson:** It is not cruel to provide support to the most vulnerable in society. It is also sensible, as there would be a £2.5 billion extra cost if Labour were to abandon this policy.

**Steve Double** (St Austell and Newquay) (Con): Does the Minister agree that not only is the discretionary housing payment the right way to address this issue, but the fact that so many local authorities are not spending their full allocation is evidence that the Government are fully resourcing this matter?

**Justin Tomlinson:** I thank my hon. Friend. Not only is £870 million proving to be the right amount of money for local authorities, but awareness continues to increase year on year.

**Greg Mulholland** (Leeds North West) (LD): It is simply astonishing that the Government are still not listening and not facing up to the reality of the flaws in this policy, in the same way as they blocked the Affordable Homes Bill, the private Member's Bill in the name of the former MP for St Ives. Instead of wasting yet more public money on a court case, can they not dust off that Bill and make the changes that clearly need to be made to this policy?

**Justin Tomlinson:** We are determined to protect the most vulnerable in society. As we have shown, these people were getting the funding that they should have got and were entitled to.

**Andrew Gwynne** (Denton and Reddish) (Lab): We have now had over half an hour of non-answers from this hapless Minister, when actually we wanted his boss, the Secretary of State, to come to the Dispatch Box to defend this disgusting and pernicious policy. Will he now answer the question asked by my hon. Friend the Member for Kingston upon Hull North (Diana Johnson)—how much public money are this Government wasting to defend the indefensible?

**Justin Tomlinson:** That level of anger pretty much matches that of some of the families I met waiting on the waiting list to whom the hon. Gentleman wishes to turn a blind eye.

## Arms Sales to Saudi Arabia

11.7 am

**Hilary Benn** (Leeds Central) (Lab) (*Urgent Question*): To ask the Secretary of State to make a statement on arms sales to Saudi Arabia in the light of the report of potential breaches of international humanitarian law in Yemen.

**The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr Tobias Ellwood):** As the Prime Minister said yesterday, the Government take their arms export responsibilities very seriously and operate one of the most robust arms export control regimes in the world. All export licence applications are assessed on a case-by-case basis against the consolidated EU and national arms export licensing criteria, taking into account all relevant factors at the time of the application. A licence will not be issued for any country if to do so would be inconsistent with any provision of the mandatory criteria, including where we assess there is a clear risk that it might be used in the commission of a serious violation of international humanitarian law. All our arms exports to Saudi Arabia are scrutinised in detail through established processes and against the EU and national consolidated criteria.

The Government are aware that UK-supplied defence equipment has been used in Yemen. We take very seriously any allegations of IHL violations and regularly raise the importance of compliance with the Saudi Government and other members of the military coalition, as I did when I visited Saudi Arabia on Monday. We have said that all allegations of IHL violations should be investigated.

The Ministry of Defence monitors incidents of alleged IHL violations using the available information, which in turn informs our overall assessment of IHL compliance in Yemen. The Government are satisfied that extant licences for Saudi Arabia are compliant with the UK's export licensing criteria.

As the House knows, the situation in Yemen is complex and difficult. The UK supports politically the Saudi-led coalition intervention, which came at the request of the legitimate President Hadi, to deter aggression by the Houthis and forces loyal to the former President Saleh and allow for the return of the legitimate Yemeni Government.

We have been clear with all parties that military action should be taken in accordance with IHL. The coalition has played a crucial role in reversing the military advance of the Houthis and forces loyal to the former President, which is now helping create the conditions for the return of the legitimate Yemeni Government.

The military gains of the coalition and the Yemeni Government must now be used to drive forward the political process. The UN-facilitated political talks are the UK's top priority, and they are likely to recommence in February.

**Hilary Benn:** I thank the Minister for his reply. As the House knows, there is a humanitarian catastrophe in Yemen as a result of the civil war, in which more than 7,000 people have been killed, 2.5 million displaced, and millions more left without food. We all want to see the return of a legitimate Government to Yemen, but non-governmental organisations, including Médecins sans Frontières, Amnesty International and Human Rights

[Hilary Benn]

Watch, have reported serious potential breaches of international humanitarian law by all sides, and the UN has spoken out about what is happening.

Yesterday, it came to light that the final report of the UN panel of experts has

“documented that the coalition had conducted airstrikes targeting civilians and civilian objects, in violation of international humanitarian law.”

It refers to weddings, civilian vehicles, residential areas, schools, mosques, markets and factories. I understand that the Government received the report on Monday. Will the Minister set out what specific action, if any, has been taken since receiving it?

The panel documented 119 coalition sorties relating to violations of international humanitarian law, and we know that UK armaments and planes sold to Saudi Arabia are legitimately being used in this conflict. However, our arms export licensing criteria state clearly that

“the Government will...not grant a licence if there is a clear risk that the items might be used in the commission of a serious violation of international humanitarian law.”

Will the Minister explain how many of these incidents have been examined, and why he is satisfied that IHL has not been breached? How many of the 119 Saudi-led coalition sorties have the British personnel on the ground provided a “quick check” on given that the Foreign Secretary told the House that

“our people on the ground have reported that there is no evidence of deliberate breaches of international humanitarian law”?—[*Official Report*, 12 January 2016; Vol. 604, c. 697.]

Can the Minister explain how he squares that statement with the conclusion of the UN panel of experts? Will the Minister assure the House that he has not received reports from our personnel of any breaches of international humanitarian law and not just “deliberate” breaches?

Given all the reports, particularly the findings of the new UN panel, will the Minister explain on what grounds he thinks that there should not be a proper investigation into whether there is a clear risk that British items might be used in the commission of a serious violation of international humanitarian law? Given the detail of the UN panel’s report and the extreme seriousness of its findings, will the Government now suspend arms sales to Saudi Arabia until that investigation concludes? This is about whether the Government are implementing their own arms control rules. Appearing to be reluctant to do so does them no credit nor does it help those who are affected by this conflict, which urgently needs to come to an end.

**Mr Ellwood:** First, I thank the right hon. Gentleman for the tone and manner in which he has raised these very important issues. He was absolutely right to start by outlining the humanitarian catastrophe that we face, with so many people failing to get the food and water necessary to survive.

Unfortunately, NGOs are prevented by the conflict from getting to the very areas they need to reach. Sadly, however, we have also seen the Houthis using food—denying it to people—as a weapon of war. Not only have they taken away trucks from NGOs and UN organisations, but they have taken away the trucks that Saudi Arabia has provided. The kit, trucks, food and water have all been stolen by the Houthis and distributed by them to favour their supporters in a country that—we should

understand this—is extremely complex. Even the concept of the nation state is very modern in a country that, for thousands of years, has been conducted as a tribal society, where loyalty is to the family, the community and the tribe.

The right hon. Gentleman mentioned potential breaches. I am pleased that he used the words “alleged” and “potential”, because it is important that this is evidence-based: we need to see the evidence and the details to make firm judgments, rather than rely on hearsay or, indeed, photographs. That is what we should do to understand such a dynamic situation, in which asymmetric warfare is being used.

We are aware that the Houthis, who are very media-savvy in such a situation, are using their own artillery pieces deliberately, targeting individual areas where the people are not loyal to them, to give the impression that there have been air attacks. That is not to exonerate Saudi Arabia from any of the mistakes it might have made, but it is why it is so important to have a thorough process to investigate absolutely every single incident. During my visit this week, I made it very clear that while we now have a process to be followed in Saudi Arabia—as in Kunduz, and in countries such as Afghanistan—it must be improved: every time an alleged incident is put forward by an NGO or another country, Saudi Arabia must conduct the necessary process to confirm exactly what happened and whether its aircraft were involved. If the Saudi Arabians were involved, they must put up their hands and follow the due processes of international law.

The right hon. Gentleman referred to the report by the UN panel of experts. He has a copy of it, and so do I. However, it is the leaked report. It was received by the UN on Monday, but not given to us. We have not officially received the report. [*Interruption.*] Yes, of course I have got it, but I have not received it or had time—[*Interruption.*] The hon. Member for Rhondda (Chris Bryant) should hang on for a moment. I have not received it officially, and it is important to have a chance to digest it.

From what I have read of the report, I can say that I take it extremely seriously, as we absolutely must. I commit myself to inviting the Saudi Arabians to sit down with us at a very senior level. There are two opportunities to do so next week: first, in Rome, where the counter-Daesh coalition will meet; and secondly, in London, where, as the right hon. Gentleman will be aware, we are hosting the Syria conference. We will sit down and discuss with them the allegations and all the information in this important report.

We should however recognise, as I know from having been able to glance at the report, that the people who wrote it did not visit Yemen. They did not actually go there, but based the report on satellite technology. That does not mean that we should dismiss it; we are taking it very seriously, and I commit myself to sitting down with the Saudi Arabians to go through it with a fine-toothed comb. I just make it very clear, however, that we must do so in a methodical way, on the basis of the evidence and following the process itself.

The right hon. Gentleman spoke about the number of sorties that have taken place. Yes, there are questions about many of the sorties, but we must understand that thousands of sorties are taking place and we must put the questions about those sorties in that context.



As the Prime Minister and the Foreign Secretary have said, it is clear that we are not part of this coalition—we are not in the targeting cell—but it is important, because of the equipment we are selling to Saudi Arabia, that we make sure due process is followed absolutely.

**Crispin Blunt** (Reigate) (Con): The difficult truth is, is it not, that the charge sheet laid out in the report and repeated by the shadow Foreign Secretary could have been laid against us and other countries when conducting military operations in the past? The lesson that must be learned is that operating outside the rule of law is ultimately self-defeating. What is the Minister's assessment of the Saudis' determination to acknowledge such lessons and to keep their and their coalition partners' operations within the rule of law?

**Mr Ellwood:** The Chairman of the Select Committee on Foreign Affairs raises the very important point that whatever theatre of operations we are operating in, there must be the same processes when collateral damage takes place. That applies to us and it must apply to Saudi Arabia. It is fair to say that Saudi Arabia has not been fast enough to respond to the details of the report. We must make sure that that happens.

One purpose of my visit was to ensure that there is transparency, so that people are aware exactly when there has been collateral damage for which Saudi Arabia is responsible, but also when it is not involved. If I may give an example of that, Mr Speaker, the Iranian embassy was allegedly hit. That message did a couple of laps around the world on the Twittersphere. I asked some of the local staff at our embassy to wander down and look at the Iranian embassy. Actually, there was no real damage at all. That is an indication of how we need to get to the truth and make sure that everything is evidence-based.

**Brendan O'Hara** (Argyll and Bute) (SNP): I am sure that everyone in this House would agree that the report that arrived at the UN is deeply, deeply worrying. It raises serious questions not only about the UK's arms exports to Saudi Arabia, but about what the British military advisers are currently doing in Saudi Arabia, particularly given that the report states that Yemeni civilians have been deliberately starved as a tactic of war by the Saudi coalition.

It is worth remembering that the UK Government gave just £75 million in aid to Yemen last year, while at the same time raking in £5.5 billion in profits from arms sales over the past five years. It is time for an immediate ban on arms sales between the United Kingdom and Saudi Arabia, and it is time for the Government to make good on the promise that they signed up to in the arms trade treaty. Can the Minister tell me when the Committees on Arms Export Controls will next meet? They should have investigated this case, but have not met in this Parliament. Will he make a firm commitment to work with the United Nations and support an international commission of inquiry?

**Mr Ellwood:** I am sorry to hear that the position of the Scottish nationalists is that they are willing to take what they hear in the media and turn it into British foreign policy. That is incorrect. We need to work on evidence. I am pleased to see my hon. Friend the Minister for Defence Procurement in his place. As he has confirmed, there are many cases in which the Ministry of Defence

and I choose to refuse the continuation or start of a licence because we believe that the situation has changed. We do that based on evidence when we know the facts. We do not have a knee-jerk reaction and only later realise whether we were wrong or right.

**Kevin Hollinrake** (Thirsk and Malton) (Con): Will the Minister confirm the presence and strength of militant organisations such as al-Qaeda and Daesh in Yemen?

**Mr Ellwood:** My hon. Friend raises an important point that shows the complexity of this situation. Very sadly, the governor of Aden was killed, not by the Houthis, but by Daesh, which is developing a presence in Yemen. As we know, extremists take advantage of a vacuum of governance. The port of Mukalla, which is further down the east coast, is entirely run by al-Qaeda. That shows that the extremists are based there. Al-Qaeda in Yemen are the ones who were allegedly responsible for the Charlie Hebdo attack, the print bombing attack and the underpants bombing attack. They are exactly who we are trying to defeat, but they are embedding themselves in a country where governance is missing.

**Ann Clwyd** (Cynon Valley) (Lab): I am sure that the Minister would agree that under the chairmanship of Sir John Stanley, the Committees on Arms Export Controls, of which I was a member for 15 years, played a very useful role in checking some of the exports that the Government had agreed to. In fact, we had 100 of them revoked. The Committee has a very useful role to play. Why has it not met for the last eight months?

**Mr Ellwood:** I do not know why the Committee has not met and I want it to meet. The right hon. Lady makes a powerful point but it is not in the gift of the Government. It is an important Committee—a critical Committee—not least in respect of subject we are discussing. It is the one Committee that can provide the details and the scrutiny, in the way that the great Sir John Stanley did. That is exactly what is missing. It is in the gift of the three international-facing Committees, because they make up the membership. I encourage the Committee to form as soon as possible so that it can scrutinise the Executive.

**Stephen Phillips** (Sleaford and North Hykeham) (Con): As the right hon. Member for Leeds Central (Hilary Benn) said, and as the Minister accepted, a humanitarian crisis of unprecedented magnitude has unfolded in Yemen. As we learned from the United Nations last August, Yemen in five months is like Syria after five years. It is critical that humanitarian aid gets into the country and that, for those purposes, the Red sea ports are opened up. Will the Minister say when he expects that to happen and what we and others are doing to ensure that it happens?

**Mr Ellwood:** <sup>1</sup>My hon. and learned Friend makes a powerful point and I acknowledge his expertise and interest in the area. The logistics of getting humanitarian aid across the country are severely limited, because aid has to go through the main port of Aden in the south. It is therefore critical that the port of Hudaydah on the Red sea coast is opened up as soon as possible. That cannot happen first of all because it is in Houthi hands, and secondly because the cranes have been damaged,

1. [Official Report, 22 February 2016, Vol. 606, c. 1-2MC.]

[Mr Ellwood]

which is perhaps a smaller issue. It is a priority for the UN envoy, Ismail Ahmed, who will be discussing opening that port as soon as possible to allow aid to get in swiftly to the rest of the country.

**Paul Flynn** (Newport West) (Lab): Are we not being trapped into involvement in a conflict that is ancient, deep, complex and none of our business, which is exactly the trap that ISIL and al-Qaeda are laying in order to provoke the west by terrorism and other actions to foment a world war between Christians and Muslims? Will the Minister explain why the Saudis are our allies in the Yemen and our deadly enemies in Syria and Iraq?

**Mr Ellwood:** I could not disagree with the hon. Gentleman more on the idea that this is none of our business. I just gave a list of terrorist groups that are operating and growing in that country. Strategically, this subject is important not just for Yemen but for the wider region, and there are knock-on effects not least to do with the relationship between Iran and Saudi Arabia. We chair the friends of Yemen in the United Nations and work closely with Yemen. It is part of our heritage and history. There is an expectation that we show some leadership, which has manifested itself not just in the humanitarian support, but in the work we are doing politically to support the UN envoy.

**Sir Gerald Howarth** (Aldershot) (Con): I commend my hon. Friend for a measured and well-informed response on these matters. Does he agree that the Kingdom of Saudi Arabia is a very important ally to the United Kingdom, upon which we depend for vital intelligence for the security of our people; that thousands of highly skilled jobs in the United Kingdom are directly dependent upon our defence exports to the Kingdom of Saudi Arabia; that we do not withhold defence equipment exports to the United States, and it makes mistakes in its targeting; and that we can help Saudi Arabia to avoid future mistakes?

**Mr Ellwood:** Saudi Arabia is an important ally in the region, not least for the reasons I articulated in my previous response, and also from a regional and historical perspective. Because of that strong relationship, this Government and previous ones are able to have frank conversations that are able to effect change. We want change to happen at a pace, but it has to happen at a pace that will work. The frank conversations I was able to have when I was there covered a range of issues, not least human rights, and not least Ali al-Nimr, the juveniles and even women's right to drive. Those are the issues that we are able to discuss and try to move forward on.

**Mr Kevan Jones** (North Durham) (Lab): Tens of thousands of workers' livelihoods in this country rely on exports of defence equipment around the world. I am proud that a Labour Government introduced the arms Export Control Act 2002, which regulates our defence exports. Will the Minister use his good offices to take up the suggestion made by my right hon. Friend the Member for Cynon Valley (Ann Clwyd) that the quadripartite Committee should take up those investigations? Will he resist any attempt to boycott arms sales to Saudi Arabia before the evidence is looked at? All that would happen is that the gap would be filled by other countries exporting those arms when they do not have our robust regulation.

**Mr Ellwood:** I pay tribute to the hon. Gentleman's interest and expertise in Defence matters, which he has studied for many, many years. Indeed, Labour is to be congratulated on the introduction of that very important Act. As I said to the right hon. Member for Cynon Valley (Ann Clwyd), who also has expertise in this region, the Committees are critical. They are missing from the Chamber. All sides need to work together to get the Committees on Arms Export Controls up and running as soon as possible.

**Nusrat Ghani** (Wealden) (Con): Will my hon. Friend detail the contribution the United Kingdom is making to alleviate suffering in Yemen?

**Mr Ellwood:** The short answer is to take a look at the report of yesterday's International Development Committee hearing, where the Minister of State, Department for International Development, my right hon. Friend the Member for New Forest West (Mr Swayne) and I spelled out in detail our commitment. We have provided almost £100 million and I hope that figure will increase. The difficulty is in getting the aid into the country itself. We are providing funds to support the UN envoy, so he can push forward the political process, too.

**Mark Durkan** (Foyle) (SDLP): The Minister has told us he has the report but has not received it. He has told us that he is going to take it seriously, and will read it and judge on the evidence. He has also told us, however, that he will sit down with the Saudis and go through it with a fine-tooth comb. Does he not understand that he sounds as though he is readier to offer observations on international public relations than he is to ensure there is full observation of international humanitarian law?

**Mr Ellwood:** As I said, I will sit down and invite the Saudi Arabians. We have two opportunities in the immediate future to go through this with a fine-toothed comb. Concerns have certainly been raised here, but we need to look at the evidence, compare it with what is going on and make sure proper processes are then followed.

**Wendy Morton** (Aldridge-Brownhills) (Con): The conflict in Yemen has been described as the forgotten war. Will my hon. Friend confirm whether the unrest in north Yemen is confined only to Yemen, or whether it is spilling over into Saudi territory?

**Mr Ellwood:** My hon. Friend raises a very important point. On the first point that this is seen as the forgotten war, this came up in the International Development Committee hearing yesterday. That almost does seem to be the case. It is perhaps a very sad reflection of the challenges we face, not just in the middle east but in Ukraine too. It is important that the international community does not turn its back on what is going on there. The scale of the humanitarian catastrophe that could be unveiled would be much bigger than what we see in Syria, Iraq or anywhere else. We need to focus on that.

On the second part of my hon. Friend's question, she is absolutely right that the war is not contained in the country itself. Every single day, there are missile attacks from the Houthi-operated northern area of Yemen into southern Saudi Arabia. Over 300 Saudi Arabians have been killed because of what is going on there. That should not be ignored.

**Tom Brake** (Carshalton and Wallington) (LD): The Minister will recall that I wrote to him on 18 November on this matter. In his reply, he said:

“We regularly raise our concerns with the Coalition through Ministerial, diplomatic and military channels”.

He went on:

“The Saudi Arabian authorities have given us assurances that they are complying with IHL”.

On the subject of cluster munitions, the Government apparently

“encouraged Saudi Arabia as a non-party to the Convention”—the convention against cluster munitions—to accede to it. Does the Minister understand why some Members are concerned that the Government are not adopting a particularly challenging attitude towards the Saudis, when combined with the Minister’s statement about being “disappointed” at the execution of 47 people in Saudi Arabia? Will the Minister do something concrete and ask the Ministry of Defence, which is responsible for investigating IHL breaches, to look at this and, if necessary, go over the ground of previous claims about IHL breaches?

**Mr Ellwood:** The right hon. Gentleman is absolutely right to say that Saudi Arabia is not a signatory to the convention. We are encouraging that to happen. As I said in my opening remarks, on the exempt licences we have provided and the allegations we put forward, we matched them up with the information we have. We requested more information and where we are unsatisfied we have further discussions. Those are ongoing. We are calling for Saudi Arabia to make sure that, just as it launched an investigation into the attack on Médecins sans Frontières in Taiz, further investigations are opened as soon as possible.

**Chris Green** (Bolton West) (Con): Does my hon. Friend agree that the problems caused by international terrorist organisations simply build upon the incredibly complicated tribal structures within Yemen, and that this is not just about the conflict between President Hadi and the Houthis?

**Mr Ellwood:** My hon. Friend is absolutely right. Yemen is a relatively new country by any stretch of the imagination. In Ottoman times, we controlled one part of it as a protectorate. The glue that holds it together is not strong. It is very tribal based—there are about four or five major tribes—and underneath these super tribes there are sub-communities of loyalties. Each is not necessarily committed to one side or another, but is waiting to see which way the wind blows.

**George Kerevan** (East Lothian) (SNP): If the evidence in the UN report is upheld in due course—evidence that the Saudis have been using cluster weapons dropped by British aircraft on civilian populations, which can only exacerbate the political crisis in Yemen—will the Minister undertake to ban weapons sales to Saudi Arabia, or will he just give it a limp slap on the wrist?

**Mr Ellwood:** As I am sure the hon. Gentleman can imagine, I will not go into hypotheticals. I have committed to taking the report and speaking with the Saudi Arabians to see what we can do to move forward and to confirm what the recommendations in the report actually say.

**Bob Blackman** (Harrow East) (Con): Will my hon. Friend outline the extent of humanitarian aid Saudi Arabia gives to Yemen? I believe it is extensive. If so, is that the action of an irresponsible country?

**Mr Ellwood:** The full coalition is doing a wide variety of things, in addition to the military campaign, which we read so much about in the papers. It is not just Saudi Arabia; it is Jordan, the United Arab Emirates, and so forth. As areas are liberated, so the coalition follows on with stabilisation capability to provide security and support and to allow a transition from war to peace. All the Arab countries are very much involved in that.

**Andy Slaughter** (Hammersmith) (Lab): Is this not a bit “Yes Minister”? The Minister has the report, but he has not received it, so he cannot do anything about it. Is that not a recipe for inaction? During the last invasion of Gaza, he said he would consider suspending arms sales to Israel, but by the time he had considered it, the damage had been done and several thousand civilians had been killed. Is that not what will happen here? Will he suspend arms sales? There is evidence of a breach of international humanitarian law. Will he do that now, look at the evidence and then make a decision?

**Mr Ellwood:** I am being asked to comment on a leaked report. It is important that I have time to digest the full report, but I have said, even at this stage, before having had an opportunity to do that, that from what I understand of the report it is serious enough to deserve detailed scrutiny, not just here by us, but with the Saudi Arabians. I have already made that commitment to the House.

**Kevin Foster** (Torbay) (Con): As the Minister will know, since the opening of the Suez canal in the 19th century, the waters around Yemen have been among the most key international trade routes, and therefore their security is of direct concern to us. Given that maintaining stability in Yemen is important to keeping those routes safe, what assessment has he made of the strength and ability of the Yemeni armed forces to do that?

**Mr Ellwood:** I can give a twofold answer. First, the Yemeni armed forces are receiving training, and the Yemeni army is improving and able to hold ground, as well, not least around the port of Aden, which, as my hon. Friend says, is critical for safe passage in the area. Secondly, there is also the UN maritime capability. UN convoys need to be able to enter, but at the moment they are being denied by the Houthis.

**Margaret Ferrier** (Rutherglen and Hamilton West) (SNP): The Under-Secretary of State responsible for the middle east is reportedly lobbying Saudi Arabia to promote its so-called human rights successes. Will the Minister please clarify whether that is the case and respond to criticism that it is little more than a PR exercise from a Government determined to maintain a multibillion pound arms trade with the Saudi regime?

**Mr Ellwood:** I am sorry about the last comments. The hon. Lady and I have discussed these issues in the House, in Westminster Hall and, indeed, privately. I hope she will recognise that the words that have been written—I think by *The Independent*, which used a Google translator

[Mr Ellwood]

system to take some Arabic words and turn them into English—were not what I said at all. Let me make it very clear: we have now issued a press release confirming exactly what I said—an overview of what I raised at some of the meetings. I can assure her that at every single meeting I had, at every level, I raised human rights issues across a spectrum of matters that this House debates on a regular basis.

**Jim Shannon** (Strangford) (DUP): The unrelenting blanket bombing of Yemen, the murder of innocents and the destruction of property cause great concern. What also causes great concern is the abuse of human rights, as the Minister knows—I know he is responsive to that—but also the orchestrated persecution of Christians, who are arrested in their homes, put in prison and deported. Christians are second-class citizens in Saudi Arabia. I believe that underlines the need to make all arms sales to Saudi Arabia conditional on improving human rights and stopping the persecution of Christians. What discussions has the Minister had with Saudi Arabia about that?

**Mr Ellwood:** May I first pay tribute to the work that the hon. Gentleman does in this area? He raises these important issues of human rights—not least for Christians, but for others as well—on a regular basis. He is absolutely right to say that Christians are not receiving the same level of support or, indeed, rights in parts of the middle east. These are things we raise on a regular basis. If I may, I will speak to the hon. Gentleman offline to talk in more detail about this, because that would be more appropriate.

**Dr Philippa Whitford** (Central Ayrshire) (SNP): Both in Prime Minister's questions and when we had the statement on the executions, I raised the issue of the Médecins sans Frontières hospital in Saada in Yemen that was hit by missiles. We are providing those very weapons, so can the Minister confirm that that specific incident has been investigated?

**Mr Ellwood:** May I pay tribute to the work the hon. Lady does? I know she comes to this House with a huge amount of experience from the medical side, and I think the House is all the wiser for it. She raises an important issue. I think I gave confirmation earlier that that investigation is already going ahead.

**Kirsten Oswald** (East Renfrewshire) (SNP): The UK Government have licensed billions of pounds of weapons to Saudi Arabia. It is now recorded that UK forces have been present at Saudi weapons control centres during operations in Yemen. The UN report says that Saudi air strikes have been systematically targeting civilians, and the Minister today has acknowledged concerns and a need for improvement, so what exactly will it take for him to acknowledge, knowing all this, that we have a clear responsibility to stop selling arms to Saudi Arabia?

**Mr Ellwood:** I do ask, with huge respect, that this narrative that somehow British soldiers are involved in the targeting cell is stopped. The Prime Minister made that absolutely clear yesterday—indeed, I think in response to the Scottish nationalists—saying that we are not part of the coalition. We are not in the targeting cell, and therefore we are not privy to that information. What we are calling for is absolutely the robust process that must be followed if an incident is reported.

**Stewart Malcolm McDonald** (Glasgow South) (SNP): The United Kingdom has practically built the modern Saudi state. It was UK workers who extracted the oil and built the roads and UK doctors and nurses who provided modern medicine—plenty evidence of the British carrot. However, I think the Minister is in a stronger position than he perhaps appreciates, so when will we see a bit of the British stick, beyond the usual platitudes that we hear from the Dispatch Box?

**Mr Ellwood:** Again, I have spoken to the hon. Gentleman offline. He is aware of what we try to do overtly, but also quietly, to advance change in Saudi Arabia. It is difficult: it is a very new state. We should also reflect on the fact that the royal family—the leadership there—is on the liberal wing of a very conservative country. There is a pace of change that works, and if the hon. Gentleman wants to see it move any faster, he should bear in mind that a possible consequence could be to see Daesh spreading—it has made it clear that it wants to take over custodianship of the two holy cities, and that is exactly what we could get. Therefore, I absolutely stand with him on wanting to effect change, but it needs to happen at a pace that is workable.

**Alan Brown** (Kilmarnock and Loudoun) (SNP): A transparent Government would welcome the setting up of the Committees on Arms Export controls. Instead of saying that it is not within the gift of the Government, will the Minister advise us what the Government are doing to facilitate the setting up of the Committee and, if there are any problems, what those problems are?

**Mr Ellwood:** I am calling for it; I want it; I think it is very important. It is not, however, in my gift. I understand that it is the responsibility of the three Committee Chairmen, one of whom is smiling, whose brief is internationally facing. It is for them. [Interruption.] I stand corrected; the Leader of the House is in his place. It is vital that the Committee is up and running as soon as possible. If there is one positive outcome from today, it is, I hope, that this Committee will emerge as soon as possible.

## ROYAL ASSENT

**Mr Speaker:** I have to notify the House, in accordance with the Royal Assent Act 1967, that Her Majesty has signified her Royal Assent to the following Acts:

Cities and Local Government Devolution Act 2016  
Psychoactive Substances Act 2016.

## Business of the House

11.45 am

**Chris Bryant** (Rhondda) (Lab): Will the Leader of the House give us the future business?

**The Leader of the House of Commons (Chris Grayling):** The business for next week is as follows:

**MONDAY 1 FEBRUARY**—Second Reading of the Bank of England and Financial Services Bill [*Lords*], followed by debate on a motion on the future of the Financial Conduct Authority. The subject for this debate was determined by the Backbench Business Committee.

**TUESDAY 2 FEBRUARY**—Second Reading of the Enterprise Bill [*Lords*], followed by motion relating to the House of Commons Commission.

**WEDNESDAY 3 FEBRUARY**—Opposition day (18th allotted day). There will be a debate on tax avoidance and multinational companies, followed by a debate on public finances in Scotland. Both debates will arise on an Opposition motion.

**THURSDAY 4 FEBRUARY**—Statement on the publication of the fourth report from the Public Administration and Constitutional Affairs Committee, The collapse of Kids Company: lessons for charity trustees, professional firms, the Charity Commission, and Whitehall, HC 433, followed by debate on a motion on parliamentary sovereignty and EU renegotiations, followed by general debate on the conflict in Yemen. The statement and subjects for debate were determined by the Backbench Business Committee.

**FRIDAY 5 FEBRUARY**—Private Members' Bills.

The provisional business for the week commencing 8 February will include:

**MONDAY 8 FEBRUARY**—Motions relating to the Social Security Benefits Up-rating Order 2016 and the State Pension (Amendment) Regulations 2016, followed by business to be nominated by the Backbench Business Committee.

I should also like to inform the House that the business in Westminster Hall for Thursday 4 February and Thursday 11 February will be:

**THURSDAY 4 FEBRUARY**—Debate on the role of men in preventing violence against women.

**THURSDAY 11 FEBRUARY**—Debate on a motion on Equitable Life.

**Chris Bryant:** I know you have already referred to this, Mr Speaker, but I would like to pay enormous thanks to Robin Fell, the Principal Doorkeeper, who is leaving tomorrow. He first arrived here in October 1969 and I believe he has been the Principal Doorkeeper since 2011. He and his mutton chops were the stars of the television programme last year. Far more importantly, Robin not only provides the snuff for hon. Members, but does so out of his own pocket—he does not keep it in his pocket, but pays for it himself. I gather he has a large supply, which might be handed over to his successor. We wish him and his wife Deidre well in his retirement.

Let me start by apologising. A couple of colleagues have said that I have been a little too cruel to the Leader of the House over the last few weeks so I thought I would try something completely different this week, and merely ask him some very straightforward questions. I warn him, however, that I want answers to them and

not some little lecture about something completely and utterly irrelevant that he dreamt up last week or was written by his special adviser. I want straightforward answers to straightforward questions. To help him, we have produced a little aide-memoire in case he forgets any of the questions.

Here is question No. 1. There are claims that the IRA operative who planned the 1993 Shankill Road bombing was an informant who passed on details that could have allowed the security forces to prevent the atrocity in which 10 people were killed and more than 50 wounded. Will the Leader of the House ensure that the Secretary of State for Northern Ireland gives a statement on Monday on the investigation by the Police Ombudsman for Northern Ireland?

Number two concerns the Government saying they want to stop councils making ethical pensions and procurement decisions. They want to amend the Local Government Pension Scheme (Management and Investment of Funds Regulations) 2009 and publish a revised Cabinet Office procurement policy note. I believe that this constitutes a major curtailment of local authorities' power to act. Can the Leader of the House guarantee that the changes will be subjected to proper scrutiny? That means a debate and vote on the Floor of the House on any changes in the pensions regulations, and a separate debate and vote on the procurement policy note.

Number three: more floods are predicted for the weekend, and the time limit for applying to the European Union solidarity fund for vital additional resources for communities that were hit by the recent floods is running out. Will the Leader of the House ensure that the Secretary of State for Environment, Food and Rural Affairs makes a statement before the deadline is reached—that is, before next Wednesday?

Number four: for two years the European Scrutiny Committee has been calling for debates on the Floor of the House about European Union Document No. 16930/13 on free movement, and about the port authorities regulations, which the Government pulled from the Committee a couple of weeks ago. How can the Leader of the House possibly complain about legislation being foisted on us by Europe when he will not allow debates on EU regulation? Will he give us a date for debates on both those subjects?

Number five: why did the Chancellor announce the sweetheart deal with Google on Twitter rather than in the House? If he was so proud of it, why did he not come to the House to defend it on Monday? Even Rupert Murdoch—of whom I am no fan—has said that “posh boys in Downing Street”

have been too easily awed. Will the Public Accounts Committee, which is to publish a report on the matter, be sent the full details of how Google's tax bill was arrived at, or has the Chancellor already thrown away the fag packet?

Number six: the Government have said that they want to change the Human Rights Act by the summer. We oppose that, but when will the Government publish the draft Bill of Rights? Will it be subject to pre-legislative scrutiny, and will it be published before, during or after the EU referendum campaign? Will the Leader of the House guarantee that it will not be published when the Welsh and Northern Ireland Assemblies and the Scottish Parliament are dissolved for elections?

[Chris Bryant]

My final question relates to yesterday's session of Prime Minister's Question Time. The first building on this site was built by King Cnut, a Danish migrant. Westminster Hall was built by William Rufus, son of William the Conqueror: the clue is in the name. The Royal Family has blood from Aragon, Holland, Hanover and Greece. The Rhondda was built with the sweat of Irish and Italian migrants. Our Speaker is descended from Romanian Jews, and the Lord Speaker's family hails from Portugal. The families of the Business Secretary and my right hon. Friend the Member for Tooting (Sadiq Khan) are from Pakistan. The father of the hon. Member for Richmond Park (Zac Goldsmith) represented France in the European Parliament. The Corbys were Norman French, the Graylings were probably French Huguenots, and God knows where the Bryants came from. So will the Leader of the House confirm that we are all a bunch of migrants?

**Chris Grayling:** Let me begin by echoing your words, Mr Speaker, and those of the shadow Leader of the House about Robin Fell, who has served the House with great distinction for many years. For those of us who have been here for a few years, it will be very strange not having him around any more, but it is a tribute to the way in which he has served the House that his retirement is being greeted with such dismay and such warmth simultaneously. I am sure that we all send him our best wishes for the years ahead, and we hope that he will come back and visit us sometimes.

Let me also touch briefly on the issue of Members' security. Most Members will by now have received the details of the security package from the Independent Parliamentary Standards Authority. Obviously we cannot discuss it in detail, but I think it is a good package, and I hope that Members feel reassured by it. May I ask any Members who still have concerns to talk to me, to the shadow Leader or to you, Mr Speaker, so that we can address them?

There have been a number of items in the news this week about the restoration and renewal Committee. Members may have seen the press coverage. It is inevitable that there will be some chat about it at a time when we are discussing with Members of both Houses the point that we have reached and the options that may be available to us, but I emphasise that no decisions have been made, and that the Joint Committee will not report until the spring.

The shadow Leader asked me a number of questions. It is noticeable whenever he asks me questions that he never uses the Opposition days that I provide to debate the subjects that he has raised. I therefore hope that he will forgive me if I do not take his approach entirely seriously. I have announced another Opposition day for next week, but, again, the Opposition have not chosen to debate the matters that the hon. Gentleman has raised today. However, the Northern Ireland Secretary will respond when she is ready to do so; on the local government changes, the Secretary of State will be here on Monday week; the Secretary of State for Environment, Food and Rural Affairs will be here next week; the announcement by HMRC, which is an independent body when it comes to these matters, was certainly made free of Government involvement; and the Human Rights Act details will be published when the Government are ready.

The truth is that what we have not heard this week, yet again, is the things that the Labour party is doing: no request for a debate on the fact that this week the party called for shared sovereignty over the Falkland Islands, and no request for a debate on Labour's plans to turn our border controls into a floodgate. What we have now is the reasonable people in the hon. Gentleman's party being threatened with deselection, and Neil Kinnock says his leader—the man he works for—is not up to the job and is unelectable. The man in front of us, the shadow Leader of the House, is the man who knifed Tony Blair. He will not even now risk his Front-Bench position to stand up for what he believes in. He asked me about the word “bunch”. I am very happy to use that word today: he and his colleagues are a bunch of spineless individuals who have not even got the courage to stand up for what they believe in.

**Mr Andrew Turner (Isle of Wight) (Con):** One and a half million Armenians were murdered in 1915. Will the Leader of the House ensure that the holocaust memorial covers the Armenians?

**Chris Grayling:** As my hon. Friend knows, there has been a long debate about the terminology attaching to the tragedy that took place a century ago. What I think we should say today is that, while we are commemorating with great sadness and a determination always to remember what happened in the terrible years of the Nazi regime in Germany, we should also remember on Holocaust Memorial Day that many other tragedies on an epic scale have taken place in other parts of the world, and we should not forget the people who suffered in those and lost their lives in them.

**Pete Wishart (Perth and North Perthshire) (SNP):** I thank the Leader of the House for announcing the business for next week, and may I also add tributes from the Scottish National party to Robin Fell, who has been such a distinguished senior Doorkeeper? I think this is what we should do in commemoration of Robin Fell, even though he is still very much with us: the new chief Doorkeeper should inherit the whiskers, which are the finest whiskers in—[*Interruption.*] On seeing them standing beside each other, I think we might review that: perhaps you should not consider that request, Mr Speaker. But all the best to Robin Fell.

May I start by cautioning the Leader of the House in his role as the putative leader of the Out campaign, because he is going to be up against some powerful and remarkable forces? In this referendum it is not going to be just “project fear” he will be up again; it is also going to be “project fud”. To reassure my hon. Friends, may I say that “fud” means “fear, uncertainty and doubt”, and thankfully not the common vernacular Scottish meaning that probably more of them are familiar with? I say to the Leader of the House that we will not be taking part in this fear campaign. We have gone through and experienced that in the Scottish referendum campaign. We will have a positive campaign. The SNP campaign to stay in Europe will be fud-free.

I am surprised there was no statement on the Government's intention on refugee children given that there has been some sort of announcement this morning. We need to secure a real debate about this so that we can ascertain from the Government a figure for how many children they intend to accept and ask why, once again, it seems that the Government are turning their

back on children who are in Europe. This is not the “bunch of migrants” or the swarms, or whatever the Prime Minister’s term will be next week; this is children in need of help, so let us have a full debate to see what we can do to assist them.

The row about Google’s tax arrangements just is not going away and maybe a debate about that might help to clear some matters up. I am sure the Leader of the House will welcome the European Commission’s words this morning, following an approach from the SNP, that it is now prepared to investigate Google’s tax settlement to see whether it meets European standards. Hopefully we might get some transparency on this issue.

We will soon be coming to the time in the parliamentary calendar when we debate the estimates process. I want a reassurance from the Leader of the House that it will not be done in the usual haphazard and casual way, as in previous years. You will know, Mr Speaker, that you are invited to ignore the minor consequential issues when certifying Bills as English only, and the Leader of the House repeatedly told us during the votes on English votes for English laws that all issues to do with Barnett consequentials are to be considered in the consolidated departmental spending in the estimates process. The Procedure Committee has already announced that it will be conducting an inquiry into the estimates process following the introduction of EVEL. Can the Leader of the House assure us that there will be no debates on the estimates until that inquiry has been concluded and we have had an opportunity to examine all the departmental spending of the spending Departments?

Lastly, I am not going to ask for a debate, and I do not want a further statement—I just want this Government to do the right thing on the appeal on the bedroom tax. I want them to accept the High Court’s decision and to do the right thing by vulnerable families, disabled children and women who are in need of shelter. I want them to accept the ruling from the High Court this week.

**Chris Grayling:** First, the hon. Gentleman raised the issue of Europe, and I suspect that there will be many lively debates in which the SNP will be involved over the coming months. I think the biggest difference between us is that the SNP appears to believe that our relationship with the European Union can remain unchanged. I have been clear in my view that I think it would be absolutely wrong for this country to have an unchanged relationship with the European Union. That is why the renegotiation process is so important and why the referendum is so important. I think it betrays the people of this United Kingdom when people argue for no change to that relationship. That is the position of Scottish National party Members, and I profoundly disagree with them.

On the issue of refugee children, we have said that we will work with United Nations agencies to identify the nature of the problem and look to take children who find themselves in a position of being unaccompanied in refugee camps. We have also made it very clear that our support is going to those in the refugee camps. We believe that that is the right thing to do, and it is actually bringing more people to this country than are being relocated through the European scheme. We think it is better to help the very large numbers of people who are stranded in those camps, because they are the most vulnerable, and not the ones who have had the money and the ability to get to continental Europe.

The hon. Gentleman raised the issue of Google taxes. I can understand his frustration, but he is pointing in the wrong direction. The reason that we have an issue is that the Labour party was in power for 13 years and it did nothing to collect taxes from multinational companies. We are seeking to pick up the pieces of its failure. On that, I have no doubt that the hon. Gentleman and I would agree.

The hon. Gentleman also asked about the estimates process. This is being looked at by the Procedure Committee. To date, under this Government, the coalition Government and previous Governments, we have followed all the processes that are customary. If he believes that the process should change, the Procedure Committee is producing a report and he will undoubtedly have an input into that and will be able to bring his ideas to the House. Of course, time is also made available for his party if it chooses to table debates on this matter.

On the question of the court case, the Department for Work and Pensions will certainly talk to the House more about its intentions in due course.

**Pauline Latham** (Mid Derbyshire) (Con): May we have a statement from the Department for Transport on the possibility of establishing a register of taxi drivers? Currently, when they go before the committee of a council and are asked whether they have had previous convictions or been refused a licence, they can say yes or no but there is no method for the council to check up on their answers. May we have a statement on this, please?

**Chris Grayling:** I am grateful to my hon. Friend for giving me a bit of warning about this question. She has identified a very real problem. When somebody wishes to deceive, it is perhaps wishful thinking to ask them to give a truthful answer. However, I will ensure that my right hon. Friend the Secretary of State for Transport is properly briefed about the concerns she has raised before he appears before the House again on Monday week. I also ask her to raise this serious matter with him again at that time.

**Ian Mearns** (Gateshead) (Lab): I thank the Leader of the House for the business statement and for giving me advance notice of the Back-Bench business debates. However, it is not beyond the realms of possibility that the conclusion of business on a Monday might be later than anticipated by the Government. May I ask him once again that, when we schedule a debate that we anticipate will last for three hours, it will be given protected time just in case the Government business takes longer than anticipated? Will he also confirm that we will be allocated some time on 11 February, the last day before the February recess?

**Chris Grayling:** I have listened carefully to the hon. Gentleman’s request on Back-Bench business, and I am looking into the matter. The situation can vary according to Government business and also according to what decisions you take, Mr Speaker, about urgent questions. I do not want to take an instant decision on this, but I will look at what happens over a period of time. I will look at the question of overrunning debates being curtailed, and we will see whether any change needs to be considered. The hon. Gentleman will forgive me if I do not give him an instant response on that one, but I am listening carefully to what he has said. However, I do have to answer quickly his question about the last day before

[Chris Grayling]

the February recess. It will obviously depend on the availability of Government business, but I hope that he does not feel short-changed for time. I am also aware of the pressure from Members around the House for a traditional Adjournment-style debate just before recesses. I hope to inform him shortly on that.

**Mr David Nuttall** (Bury North) (Con): May we have a statement on what the Government plan to do to change the system that allows a convicted double murderer to walk free with a new identity? Families of the victims must be left wondering what on earth is happening to our system of justice. It cannot be right that my constituents may face the prospect of a double killer moving in next door without their knowledge.

**Chris Grayling:** My hon. Friend makes a serious point, and I will make sure that my right hon. Friend the Justice Secretary is aware of his concerns. My view has always been that victims and their families must come first.

On a different note, I congratulate my hon. Friend on taking an unexpected lead in the battle of the black puddings, rather, I suspect, to the distress of the hon. Member for Na h-Eileanan an Iar (Mr MacNeil). Bury black puddings were featured last night on “Bake-Off” in a scallop and black pudding manapé. I suspect that in the race for the best black pudding, Bury has a slight nose ahead.

**Mr Angus Brendan MacNeil** (Na h-Eileanan an Iar) (SNP): The new and excellent gifted SNP Members often talk about the great help and kindness that the staff of the House have shown since their election, Mr Speaker. Tonight, you are holding a reception for the retirement of Robin Fell, who has served the House for 46 years and knew a predecessor of mine, Donald Stewart of Stornoway. I am sure that we all wish Mr Fell a happy retirement, but we also want it to be a healthy retirement. With that in mind, and given that Mr Fell has holidayed in Stornoway with his wife, where I shared a glass of lemonade with him, I wonder whether the Leader of the House agrees that an appropriate gift for his retirement would be a Stornoway black pudding, the health details of which are listed in early-day motion 936, in my name.

[That this House welcomes the recognition of black pudding, *Marag Dhubh in Gaelic, as a superfood; notes that its calcium, iron, magnesium, potassium and protein-rich nature make the black pudding an excellent addition to a healthy, balanced diet; expresses pleasure at the economic benefits to Stornoway butchers of its EU Protected Geographical Indication, one of the many great benefits of EU membership; and encourages everyone to discover the great taste of Scottish food.*]

**Chris Grayling:** I can see this battle running and running, Mr Speaker, but on this occasion when we are marking the retirement of a distinguished servant of the House, putting him in the invidious position of having to judge between Bury and Stornoway black puddings would be an unfair way of sending him on his way to what we believe will be a happy retirement.

**Byron Davies** (Gower) (Con): This week the Welsh Assembly Public Accounts Committee issued a damning report on the extreme loss of revenue as a result of a land sale by the Welsh Labour Government on a property

once owned by the Welsh Development Agency. This follows an equally damning report by the Wales Audit Office last year of the Welsh Labour Government. Will the Leader of the House agree to a debate on the sale of public assets by public authorities in the UK?

**Chris Grayling:** This has been a shocking chain of events. I know just how strongly my hon. Friend and others feel about the criticism that has rightly been levelled at the Welsh Government. The First Minister has had to apologise for what has happened. This situation should never have arisen, and lessons need to be learned. My hon. Friend makes his point well and he might well consider bringing it to the Floor of the House through the different channels available so that he can make his well-made points to Ministers.

**Kelvin Hopkins** (Luton North) (Lab): Bedfordshire police have just 169 police officers per 100,000 population, well below West Midlands, which has 256 officers per 100,000 and a similar level of burglary, and even further below Manchester, which has 274 officers and a similar level of knife crime. The police funding formula is broken and needs urgent revision, but the Home Office appears to be getting cold feet about introducing a new formula. May we have an urgent debate on this serious matter so that the people of Bedfordshire can look forward to relief from the desperate underfunding of their police force?

**Chris Grayling:** As an MP representing an area with a smaller force, I understand the hon. Gentleman’s point. The big city forces face some enormous challenges so it is not surprising that they have more resources than the smaller forces to deal with issues such as terrorist threats. I take his point, and I will make sure that the Home Secretary is aware of his concerns. It may be an issue that he will find is shared by other hon. Members, and he may want to use the slots that we have made available to Back Benchers to bring these matters to Ministers.

**Chris Davies** (Brecon and Radnorshire) (Con): My constituency faces many bank closures, with the HSBC branches in Builth Wells and Rhayader, the Barclays in Llanwrtyd Wells and the NatWest in Crickhowell all vanishing from our high streets. We now have market towns with no banking facilities whatsoever. May we have a debate on what more we can do to save our high street banks so that businesses and local people have provision for their banking needs long into the future?

**Chris Grayling:** Several colleagues have raised their concerns about this problem as the banks’ commitment to retain at least one branch in individual areas seems to be running a little ragged. MPs should promote and talk up the work of post offices to provide an alternative to banking services in rural areas, but my hon. Friend makes an important point that we should continue to raise in the House. As several hon. Members have raised the matter, the Backbench Business Committee might want to add it to its list for debate.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): I made a point of order about business questions earlier in the week, as you will remember, Mr Speaker. I was not suggesting that there is anything wrong with the tone and humour of proceedings; I was really talking about the amount of time taken by Front Benchers.



I put that on the record, as well as the fact that anyone who is interested in public health believes that black pudding and any processed meat is really bad for people's health.

May we have a debate about the hidden treasure that is locked in Icelandic bank accounts? Hundreds of millions of pounds of British taxpayers' money is still held there, being leached into the coffers of Grant Thornton, the liquidator. May we have a debate on the scandal of what has happened to taxpayers' money?

**Chris Grayling:** I congratulate the hon. Gentleman on making his point so succinctly. That sounds like an ideal topic for an Adjournment debate.

**Bob Blackman** (Harrow East) (Con): Tuesday marked Indian Republic Day, and not a week goes by without a Government Minister visiting India, or an Indian Minister visiting the UK. May we have a debate in Government time about Britain's relationship with India and the tremendous contribution that the Indian diaspora makes to this country?

**Chris Grayling:** We were proud to host the Indian Prime Minister in the House a few months ago as part of the successful visit to the United Kingdom by him and other members of the Indian Government. My hon. Friend makes an important point about the need to preserve the relationship, and the Government are committed to deepening our historical ties and friendship with India.

**Wes Streeting** (Ilford North) (Lab): Last autumn, in a consensus resolution, the United Nations Human Rights Council set out the importance of involving judges, defence lawyers, and authorised prosecutors and investigators from Commonwealth and other foreign countries in the necessary process of prosecuting human rights abuses in Sri Lanka. President Sirisena has since ruled out international involvement, yet such involvement would be an important confidence-building measure for all Sri Lankans, including the Tamil community. Given that, as well as the recent Foreign Office delegation to Sri Lanka, will the Leader of the House ask a Foreign Office Minister to make a statement in the Chamber so that we can hear what action our Government propose to take to ensure that the Sri Lankan Government fulfil their obligations under the UNHRC resolution?

**Chris Grayling:** We all want a long-term solution to the dreadful events that have taken place in Sri Lanka. It is enormously important that there is a settlement that provides a stable and lasting solution for both communities. I will ensure that Foreign Office Ministers are aware of the points that the hon. Gentleman raises and ask them to update the House at an appropriate early opportunity.

**Steve Double** (St Austell and Newquay) (Con): From tomorrow, for 10 days, Network Rail will close the A390 in the village of St Blazey, which I am proud to say is the place where I was born, so that it can carry out scheduled maintenance on a level crossing. Local businesses will face significant disruption and a loss of revenue, and local traffic will have to take a 23-mile detour. The community received notice of the closure only on 18 December, so businesses have had insufficient time to make arrangements to mitigate its impact. Network

Rail's behaviour has been unacceptable. Will a Transport Minister make a statement to confirm Network Rail's responsibilities to consult local communities before closing roads, during which we could consider whether compensation should be paid for the loss of business?

**Chris Grayling:** My hon. Friend has been pushing hard on this issue and I understand his concern. It is clearly not acceptable for Network Rail to provide inadequate notice of, and not to make adequate arrangements for, such a closure. However, I know from my constituency experience that if level crossings become antiquated and fail, the disruption can be equally bad. My hon. Friend makes his point succinctly, and while the work clearly needs to be done, it should be managed properly, and Network Rail should give due notice when it does the right thing by local people.

**Barbara Keeley** (Worsley and Eccles South) (Lab): Will the Leader of the House arrange to help the Prime Minister and Ministers with responsibility for pensions with a briefing on EU directives and the equalisation of the state pension age? The Prime Minister and the Under-Secretary of State for Justice, the hon. Member for North West Cambridgeshire (Mr Vara), who covers pensions, have insisted that their policy of equalising the state pension age was necessary to meet the UK's obligations under EU law, but that is not true. A 1997 directive laid down only the principle of equal treatment; the determination of state pension age is the sovereign right of member states. Some EU states maintain a difference, while others are not equalising until 2044, and long transitional arrangements are allowed. Will the Leader of the House convey that information to his colleagues, who do not seem to understand the situation?

**Chris Grayling:** My colleagues have simply pointed out the obligation to pursue a strategy of equality. It is absolutely logical to have the same retirement age for men and women in a nation that believes in equality.

**Richard Graham** (Gloucester) (Con): When he held his previous role, the Leader of the House was supportive of my project to regenerate unused Ministry of Justice land beside Gloucester railway station. The project was approved in principle 10 months ago, with all the details subsequently agreed, except for the acceptance by the main board of the Courts and Tribunals Service of an independent valuation of the site. Will my right hon. Friend urge Justice Ministers to remind the board that the site has been empty and unused for more than eight years and that the Government's policy is to use such assets for regeneration projects as soon as possible?

**Chris Grayling:** My hon. Friend and I have discussed his concern about this matter extensively. I will ensure that I give the Ministry of Justice a nudge on the project, which I know he feels is crucial to the development of Gloucester.

**Christian Matheson** (City of Chester) (Lab): May I add my voice to that of other hon. Members who have called for a debate on the UK's membership of the European Union? Of course, such a debate would give the Leader of the House an opportunity to explain why he clearly has no confidence whatsoever in the ability of his boss, the Prime Minister, to negotiate a better deal for the UK.

**Chris Grayling:** I have no doubt that we will be debating our relationship with the European Union extensively. I look forward to holding that debate with a group of people who believe that there should be no change in that relationship, which, to my mind, would let this country down in the worst possible way.

**Paul Flynn** (Newport West) (Lab): May we debate early-day motion 1019 about the new delay involving Hinkley Point C?

*[That this House believes that the new delay on the plan for Hinkley Point C proves that the unaffordable, technologically-failed project is doomed; recognises that immediate cancellation would avoid the massive waste of multi-billions in cost over-runs and years of delays suffered by all other EPR projects; and urges new investments in the proven green technologies of renewable power sources.]*

Such a debate would allow us to discuss why the Chancellor of the Exchequer cancelled at short notice a meeting that had been arranged in London last week with the head of Tata Steel to discuss redundancies and the future of the industry. Why is it that the Chancellor can go off to Beijing to gift the Chinese our nuclear power station jobs in perpetuity, yet show indifference to the fate of British steel jobs?

**Chris Grayling:** None of us is indifferent to the fate of British steel jobs. Ministers have spent a huge amount of time in recent months trying to find ways to ease the pressures on that industry, which faces a global crisis. This is an enormous challenge for all of us, but we will do everything that we can, within the powers that we have available, to ease those pressures.

**Mrs Emma Lewell-Buck** (South Shields) (Lab): Answers to written questions show that in almost every Government Department, disabled members of staff are twice as likely as others to report bullying and harassment, and are consistently likely to believe that they are not fairly treated. Will the Leader of the House ask the Minister for the Cabinet Office to make a statement explaining why the Government have allowed disability discrimination to take hold in the civil service, and what they are going to do about it?

**Chris Grayling:** Let us be clear that disability discrimination, in whatever form, is not acceptable—I agree with the hon. Lady on that point. I will ensure that the Minister for the Cabinet Office reads her comments and the parliamentary questions. I would not condone in any way, shape or form discrimination against, or the bullying of, disabled people.

**Liz McInnes** (Heywood and Middleton) (Lab): I reiterate the request from the shadow Leader of the House for an urgent statement on the UK's application to the EU solidarity fund following the catastrophic flooding in the north of England and in Scotland in December 2015. Given that we are rapidly approaching the deadline from the date of the first damage caused by the disaster, are we in danger of running out of time?

**Chris Grayling:** We took the view early on that the best thing to do was to provide financial support as quickly as possible to those areas affected, and we have done that. The hon. Lady will be able to question the

Secretary of State for Environment, Food and Rural Affairs next week, but the priority for us has been to get money and support into the areas affected and we have been doing that for weeks.

**Justin Madders** (Ellesmere Port and Neston) (Lab): I was hugely impressed to hear about the work of the Ambitious College in London, which caters for young people with autism between the ages of 16 and 25. In my constituency, Hinderton School has had four outstanding reports from Ofsted on its educational provision up to the age of 11, but it is a sad fact that three out of four young people with autism do not access any kind of education after school age. May we have a debate, please, on widening opportunities in education for young people with autism?

**Chris Grayling:** That is a good point and some very good work is being done. I am not aware of the college that the hon. Gentleman refers to, but it clearly plays an important role. We want to see people, when they leave school, have the opportunity to move into work or move into apprenticeships—that should be a priority for us as well. The Minister for Skills will be here on Tuesday and I will make sure that he is aware of the concerns that have been raised.

**Chris Law** (Dundee West) (SNP): Last week, in reply to my question regarding post-study work visas, the Leader of the House stated:

“This is an area that was not in the Smith commission report.”—*[Official Report, 21 January 2016; Vol. 604, c. 1566.]*

The right hon. Gentleman is entirely wrong. Page 20 of the report, which I have here, states that,

“the Scottish and UK governments should work together to explore the possibility of introducing formal schemes to allow international higher education students graduating from Scottish further and higher education institutions to remain in Scotland and contribute to economic activity for a . . . period of time.”

Will the Leader of the House apologise for his misleading reply and offer to correct the record by offering a commitment that the UK Government will now seriously consider the issue of post-study work visas, as recommended by the cross-party Smith commission?

**Chris Grayling:** The only person who should resign is someone who works for the current leader of the Labour party and does not agree with him. Let us be clear. The hon. Gentleman has clearly misunderstood the point that I was making last week. There is not a recommendation in the Smith commission report that this should happen. We have implemented the recommendations of the Smith commission report about what should happen. The two Administrations should carry on talking about this area and a whole variety of areas, and we do and we will, but the Smith commission did not recommend that we implement a change on this and we have not done so.

**Andrew Gwynne** (Denton and Reddish) (Lab): Public health and the air we breathe was greatly improved as a result of the Clean Air Act 1956, but much of the progress since then has gone backwards. In large parts of England, including in my own constituency, air quality falls dramatically below European safe standards, so may we have a statement from the Environment Secretary about the need for a new clean air Act fit for the 21st century?

**Chris Grayling:** That matter is attracting increased concern both in the House and in Government. The Secretary of State will be here next Thursday. I know she takes the issue very seriously and I encourage the hon. Gentleman to ask her at that point what she is doing about it.

**Roger Mullin** (Kirkcaldy and Cowdenbeath) (SNP): May we have an urgent statement from the Home Office regarding tier 4 student visa holders who have applied for leave to remain? As an example, one such student, Paul Hamilton, was arrested on 17 January without notice to him or his lawyer and held until yesterday. This sends shivers down the spine of all those seeking to attract foreign students to study in the UK.

**Chris Grayling:** Such students are only ever going to be arrested if they are in the United Kingdom without a visa. We have rules. We may agree or disagree about them, but there is no excuse for anybody to break them.

**Paula Sherriff** (Dewsbury) (Lab): The Government have announced planned cuts to pharmacy funding, which could result in up to a quarter of community pharmacies in England closing. Pharmacy teams currently provide minor ailments advice to patients—who would otherwise visit over-burdened GPs or A&E departments—alongside many other essential services, including methadone dispensing. May we have a debate in Government time to establish how that would affect our vulnerable patients?

**Chris Grayling:** By curious coincidence, the hon. Lady has been able to make her point directly not just to the Leader of the House, but to the Minister responsible, my right hon. Friend the Minister for Community and Social Care, who is sitting next to me on the Bench. The Government's negotiations on that have just started. There is plenty of time for representations. We need to get the process right and the Minister has heard the point she made.

**Andy Slaughter** (Hammersmith) (Lab): At business questions last week and at Justice questions on Tuesday I asked, without success, for confirmation of the much flagged U-turn on criminal legal aid contracts. That is vital not only to hundreds of individuals and small solicitors' firms, which risk losing their livelihoods, but to arrested persons getting competent and timely legal advice. I now see that a written ministerial statement on criminal justice is to be published later this afternoon, presumably to spare the Government embarrassment. This is very important. Can the Leader of the House make the Justice Secretary come and give an oral statement on this subject tomorrow or Monday?

**Chris Grayling:** If the Justice Secretary wants to make an oral statement or has a written statement to make, he will do so in good time. I am afraid the hon. Gentleman will just have to wait and see what the Justice Department has to say.

**Margaret Ferrier** (Rutherglen and Hamilton West) (SNP): Yesterday at Prime Minister's questions I raised the matter of the Chancellor failing to close the monumental financial black hole in his books. It is clear that Government austerity policy is not delivering the results it is supposed to deliver. Will the Leader of the House arrange a debate, mindful that the Conservatives do not have a

mandate from the people of Scotland, for the Government to consider reasoned and sensible alternatives to the current austerity agenda from the SNP Benches?

**Chris Grayling:** I do admire the chutzpah of the SNP. If it had won its referendum, if Scotland were going to become independent in six weeks' time, it would be going through the most monumental financial crisis, the most monumental financial black hole, as oil revenues collapse—the revenues on which the SNP was going to depend for its plans for Scotland. So I will not take any lessons about black holes or lack of financial planning, because the SNP stood for and argued for something that would have been disastrous for Scotland.

**Diana Johnson** (Kingston upon Hull North) (Lab): May we please have a debate on the Government's support for British business? For example, whereas the Chancellor clobbered Hull's home-grown caravan industry by introducing the caravan tax in the omnishambles Budget in 2012 without speaking to the industry, he manages to have multiple meetings with Google, a multinational company, and allows it to set its own tax rate.

**Chris Grayling:** All of us in government have meetings with business, charities, external representative groups, trade unions and other groups across our society, so that we can try to do the best for this country in government. That is what all Governments do and it is certainly what this one does.

**Jim Shannon** (Strangford) (DUP): May I associate myself and my party with the very kind comments on the long service of Robin Fell and wish him all the best for the future, good health and long life? In the aftermath of the Paris atrocities, what can only be described as hostile proposals are coming from Europe on the EU weapons directive that could impact on legal and legitimate firearms certificate holders across the whole United Kingdom of Great Britain and Northern Ireland. The Leader of the House—I know the matter is close to his heart—will know that the most law-abiding section of the community are those who hold firearms, so will he agree to a statement or a debate in this House?

**Chris Grayling:** Although this country has experienced the dreadful consequences of terrorism, and the hon. Gentleman knows and understands the dreadful consequences of terrorism, we have in this country firearms laws that maintain the right balance and are appropriate for the needs of a modern society. The best way that the rest of Europe could deal with the matter would be to adopt the same approach as the United Kingdom has taken.

**Louise Haigh** (Sheffield, Heeley) (Lab): You will have noted, Mr Speaker, if you can remember back to the beginning of this session, that the Leader of the House spectacularly failed to answer even one of the questions asked by my hon. Friend the Member for Rhondda (Chris Bryant), but particularly on council procurement policy. The question was not when the Department for Communities and Local Government would be coming back to the House to answer questions, but whether he will give time for us to debate and vote on whether this Government will strip local authorities of the ability to procure ethically.

**Chris Grayling:** I indicated that the Secretary of State will be back here in a few days for the Opposition to put that question. They have an Opposition day on Tuesday. If they feel strongly about the issue, they can make that time available to debate it.

**Greg Mulholland** (Leeds North West) (LD): May we have a debate on the ongoing injustice in the system of pensions for widows and widowers of serving personnel? In 1971 Private James Lee was killed in service in Northern Ireland by a terrorist bomb. That was before his first daughter was born, yet when Mrs Susan Rimmer, as she now is, married another soldier in 1979 she lost her pension. She has been told now that the only way to get it back is to get divorced. That is absurd and needs to be changed.

**Chris Grayling:** We have made changes in that area, but I take on board the hon. Gentleman's comments and will speak with the Secretary of State for Defence about the matter.

**Mike Kane** (Wythenshawe and Sale East) (Lab): Last Thursday I visited the camp at Calais as part of a cross-party delegation of UK parliamentarians and deputies from the Assemblée Nationale. It was the first such joint delegation to discuss the problems. Will the Leader of the House set out concrete proposals on how we can best improve the channels of communication between our Parliaments on this issue?

**Chris Grayling:** The French and UK Governments are in regular contact on this issue. I am absolutely in favour of continued dialogue, which we ought to encourage, because we will have to work very closely with the French on this problem. It is a very distressing and difficult problem, but I remain of the view that our focus should be on providing support to the very vulnerable who cannot find their way to mainland Europe, and who certainly do not have the ability to travel across mainland Europe in search of a place in the United Kingdom. We cannot accept everybody who wants to come here, so we need to focus our efforts on the most vulnerable in the camps in and around Syria.

**Kirsten Oswald** (East Renfrewshire) (SNP): Twenty-five years after the beginning of the first Gulf war, as many as 33,000 Gulf war veterans could be living with illnesses connected to their service. Does the Leader of the House agree that those veterans deserve our support, in terms of research, rehabilitation and quality of life, and does he agree that we should have a debate in Government time on our obligations to those veterans under the armed forces covenant?

**Chris Grayling:** I do not think that anybody in this House would disagree that we need to look after our veterans. The Government have a good record in doing so, but we should also look at areas such as this one when problems become apparent. The Secretary of State is already considering these matters, but I will ensure that the hon. Lady's concerns are passed on to him today.

**Alan Brown** (Kilmarnock and Loudoun) (SNP): Yesterday I used an online search engine to look up "sweetheart tax deals". I was reminded that Vodafone once paid £1.25 billion in tax, rather than the £6 billion that it should have paid, and it still does not pay corporation tax. Goldman Sachs was let off with £20 million on interest payments, which is against Her Majesty's Revenue and Customs rules. Following the deal with Google, a French MEP has said that the UK is preparing to become a tax haven. Therefore, may we have a debate about tax collection and transparency on this Government's watch?

**Chris Grayling:** I simply say to the hon. Gentleman that we are making more changes than any previous Government. We are increasing the taxes paid by multinational companies and we are involved in international discussions and negotiations to change international rules to make that easier. I understand his frustration, but he should bear in mind that we inherited a situation in which many things had been allowed to accumulate over 13 years and we are still picking up the pieces.

## Backbench Business

### NHS and Social Care Commission

12.32 pm

**Norman Lamb** (North Norfolk) (LD): I beg to move,

That this House calls for the establishment of an independent, non-partisan Commission on the future of the NHS and social care which would engage with the public, the NHS and care workforces, experts and civic society, sitting for a defined period with the aim of establishing a long-term settlement for the NHS and social care.

May I take this opportunity to thank the Backbench Business Committee for granting this debate and Members on both sides of the House for expressing interest in, and support for, the motion? I tabled the motion alongside the hon. Member for Central Suffolk and North Ipswich (Dr Poulter), who sadly cannot be here because of a family illness, and the hon. Member for Leicester West (Liz Kendall). I want to be clear that I am making this case on a cross-party basis, because I believe that it absolutely transcends narrow party politics. I sought the support of, and have been working alongside, Steven Dorrell, the respected former Conservative Health Secretary, and Alan Milburn, the former Labour Health Secretary.

I have felt for a long time now that the NHS and the care system face a very real existential threat, and we have been drifting in that direction for many years. We have to get to grips with this before seriously unattractive things start happening to some of the most vulnerable people in our country. The motion obviously addresses the situation in England, but the position in Scotland, Wales and Northern Ireland is essentially the same; we are all facing the same demographic challenges and the same need to ensure that our health and care systems meet the needs of our communities today, rather than those of 1948.

There is an enormous belief in the NHS in this country, and it is a belief that I share very strongly. It engenders a sense of solidarity and the sense of the decency of this country that we all commit together to ensuring that people can access care when they need it, regardless of their ability to pay. That is a founding principle that has stood the test of time and should be sustained. That is what this debate is all about.

It was a great Liberal, William Beveridge, who put forward the proposition that there should be a national health service, and it was a great socialist, Nye Bevan, who then implemented it as Minister of State for Health. It is also fair to say that Conservative Governments since have sustained the NHS. We have always had our battles about funding levels, reorganisations, structural reforms and so forth, but the NHS has been sustained, with cross-party support, and it is very important that that continues.

As I have said, that principle has stood the test of time. The Commonwealth Fund concluded back in 2014 that, among the major economies it looked at, the NHS was essentially the best system globally, although it is worth noting that it did not score so well on outcomes or on premature mortality—those are, after all, quite important measures that we should not be complacent about. I have made the case that there is an existential challenge to the system, and I believe that it is time for what I call a new Beveridge report for the 21st century.

**Mr Andrew Mitchell** (Sutton Coldfield) (Con): Is not the key point that the right hon. Gentleman has made, and that the House should consider today, that all parties support the NHS and that, therefore, it simply will not work to have one party chart the future? It would be much better, therefore—this is why I support his motion—to have a cross-party commission, although not a royal commission that would kick it into touch for three years, to try to bring everyone together to face what he rightly describes as an existential challenge to health in this country for the future?

**Norman Lamb:** I am grateful to the right hon. Gentleman for that intervention; he absolutely makes the case. Incidentally, I think that it is massively in the Government's interests to respond positively, because any solution has to carry public support and support across the political spectrum.

Consider these points. Does it still make sense to maintain the divide that was originally put in place in 1948 between the NHS and the social care system? Is that serving patients effectively, particularly given that the big challenge of this century will be people living with long-term, chronic conditions, often multiple conditions, and often a mix of mental and physical health conditions? For those people, a divide between different organisations with different pools of money and different commissioning arrangements does not seem to make much sense. I think that that needs to be looked at.

Too often, the system gives the impression of being rather dysfunctional. For example, last October there were 160,000 bed days resulting from people whose discharges were delayed. These are predominantly older people, often with dementia, who remain stuck in hospital long after they are ready to go home or somewhere closer to home. This is not good care. We are letting people down by keeping them in hospital for longer than they need to be, which also makes it harder for them to become independent again. The figure went down a little in November, but it is still the second highest since the data on delayed discharges started to be recorded.

**Helen Whately** (Faversham and Mid Kent) (Con): The right hon. Gentleman mentions the relationship between the NHS and social care and the problem with their being separate. Does he acknowledge that the “Five Year Forward View” contains several approaches to bringing them together, and that parts of the country are already working on further integrating them? Is it not important to press on with those approaches so that we can see how they work and move as quickly as possible on this?

**Norman Lamb:** I totally agree with the hon. Lady. I have always been a strong supporter of the forward view. Simon Stevens is a good leader of the NHS. He has a vision, and he recognises that the solutions to this challenge often lie beyond the NHS. Some of the models that are being trialled across the country are very interesting. I do not want what I am saying to be seen in any way as undermining the very good work that is under way in the so-called vanguards around the country.

**Geraint Davies** (Swansea West) (Lab/Co-op): On bed blocking, when I was leader of Croydon Council it cost £300 a night to keep someone in Mayday hospital and £100 a night for us to provide a bed as a local authority.

[Geraint Davies]

We had no money, so I asked the health authority to pay for our beds and save £200, and it did. However, that was an ad hoc strategy, and surely we want a holistic, integrated approach, as the right hon. Gentleman is so eloquently explaining.

**Norman Lamb:** I totally agree with the hon. Gentleman's last point, but also his substantive point. The problem is that these are all ad hoc arrangements that are about good leaders doing something despite the system, not because of it. We have to mainstream this and align the incentives throughout the healthcare system so that everyone is focused on preventing ill health, preventing deterioration of health, and getting people better as quickly as possible.

Let me give an example of the pressure that the system is facing. It is fair to say, as a gentle challenge to the Government, that this year we are not seeing the data on accident and emergency pressures over the winter period, so the situation is slightly hidden from view. However, I heard that on Tuesday this week all the hospitals in Hertfordshire, north London, Bedfordshire, Northamptonshire and Leicestershire were on black alert, which occurs, in essence, when hospitals are completely full and under enormous pressure. One of the key system leaders in that area said that he had not seen anything like it for 20 years. This is happening at a time when there is no flu epidemic, and certainly no severe weather. This is one of the mildest winters on record, and yet we are seeing hospitals placed under impossible pressure.

**Chris Davies (Brecon and Radnorshire) (Con):** I commend you for trying to bring the parties together to have a commission to look into the matter of the NHS, but we are now living in a devolved Great Britain. It is great to get the parties together in England, but how do you propose to get Wales, Scotland and Northern Ireland together? I will give an example. My wife works for the NHS. She worked for the NHS for 18 years in Wales. She gets treated by the NHS in Wales because we live in Wales, but she works for NHS England. Given that there are so many cross-border issues, especially in Brecon and Radnorshire, how do you propose to get the whole of Great Britain to work with this plan?

**Norman Lamb:** I said at the start that I am primarily focused on England because health is a devolved responsibility, but I also said that the same pressures apply everywhere, and so the case for a process of this sort in Wales, in Scotland and in Northern Ireland is just as strong as it is England. I would encourage this debate to take place in Wales as well. We must overcome the clashes between the parties to recognise that something bigger is going on and we need to work together.

**Dr Philippa Whitford (Central Ayrshire) (SNP):** I want to return to the right hon. Gentleman's point about the data. Last June, we had a debate about moving from weekly to monthly data, and we were told that the NHS would still know what was going on. We now have a six-week delay in the publication of those monthly data, which results in a total of 10 weeks. Having asked about this at the most recent Health questions, I understand that people within the NHS can access the data, so why are they not being shared with this place? The last data we had was in November.

**Norman Lamb:** I thank the hon. Lady—that is a very good point. I fundamentally believe in openness. It is much better if everyone understands what is going on, and then there can be a much more informed debate.

One of my big concerns is that despite some of the very good policy positions that have been taken nationally, too often, across the country, crisis management prevails. Because areas are so focused on propping up acute hospitals that are under the intense pressure I described, more and more money ends up being pumped into those hospitals while the preventive parts of the system are losing out and being cut further. It becomes a vicious circle, because the more we cut back on preventive care within NHS community services, general practice and social care, the more pressure we end up putting on hospitals. We cannot escape from this, and that is why we need the long-term solution that I have talked about.

In health and social care, demand keeps rising. This is unusual in public service terms when compared with, say, police and schools. Demand has risen at 4% a year throughout the post-war period. We all know the causes: we are living longer, new medicines and new technologies come on stream, we face challenges like obesity, and so forth. The cost pressures just keep going up. It is a well-established position that by 2020 there will be a £30 billion gap in NHS funding. The Health Foundation has said that in social care the gap will be £6 billion. Those are enormous figures, and they take no account of the £1 billion additional cost from increasing the minimum wage. In responding, the Government have identified an extra £10 billion for the NHS, but that leaves a £20 billion shortfall. This is based on scenarios set out in the forward view. However, the scenario of a £20 billion shortfall involves efficiency savings that are completely unheard of in the whole history of the NHS. Virtually everyone one speaks to—not just people who refuse to accept the need for efficiencies—says that achieving efficiency savings of 2%, rising to 3%, is unachievable between now and 2020.

**Mr Mitchell:** Is it not the case—I think this is a cross-party point—that although the NHS is under very great financial pressure, and we are trying, in effect, to get a quart out of a pint pot and have been doing so for many years, the people who work in the service are also under very great pressure? Whatever one thinks about the junior doctors' situation, the information that has come out from across the service, and from across the junior doctors, is testament to the fact that they work under enormous pressure. This is not just a financial issue; it is also about the fact that the staff in the NHS are under unprecedented pressure that is not set to get any easier.

**Norman Lamb:** The right hon. Gentleman makes a very powerful point. Indeed, the staff are working under impossible pressure.

Incidentally, the assumptions about the funding gap by 2020 do not take into account the work that the right hon. Gentleman and I have done together to make the case for equality of access for people who suffer from mental ill health. This is about a historical injustice that has to be dealt with. Paul Farmer, who has led a taskforce for NHS England, has concluded that mental health will require an extra £1.2 billion a year by 2020 in

order to ensure equal rights of access with everyone else. It is very hard to deny the justice of that cause and the right of people to get access to social care in the same way as everyone else.

**Geraint Davies** *rose*—

**Norman Lamb:** I am conscious that you may start to get slightly irritated with me, Madam Deputy Speaker

**Madam Deputy Speaker (Mrs Eleanor Laing):** On a point of clarification, the right hon. Gentleman is doing just fine on timing. I appreciate that he has taken a lot of interventions, and people who intervene know that, later in the debate, their speeches will be shorter as a result of their interventions. He is doing nothing wrong, and he may proceed.

**Norman Lamb:** I am relieved. I sensed that I might be getting into trouble. I will give way to the hon. Gentleman.

**Geraint Davies:** Very briefly, in terms of aggregating the expenditure of health and social care, which, incidentally, is higher in Wales where there is an attempt to have a more integrated approach, the cutting of social care will increase the total amount, as undue pressure will be put on the NHS, which then cannot release beds, and it costs more per night to keep someone in a hospital.

**Norman Lamb:** The hon. Gentleman is absolutely right. Simon Stevens has made the point that if we cut social care, the £30 billion gap widens. There is no escaping from that. The brutal truth is that the whole system is under very substantial pressure. Analysis by the Office for Budget Responsibility, which is independent of Government, shows that between now and 2020, we are planning to spend a reducing percentage of our GDP on health. At a time when demand is increasing so dramatically, does that decision make any sense at all? Back in 2013, the OECD did an analysis of all OECD countries in the European Union. Only five were spending a lower proportion of their GDP on health than we do. The NHS is very good value for money, but it is under extraordinary pressure.

**Anne Marie Morris (Newton Abbot) (Con):** The right hon. Gentleman is being very generous with his time. The picture that he is painting is one of a very reactive approach to the growing problems. I entirely support his call for this review. As a responsible society, we need to have a holistic, forward-looking, proactive approach, particularly with regard to social care. The Barker commission made a number of good proposals, some of which I agreed with and some I did not. To what extent does he agree with me on that point?

**Norman Lamb:** I totally agree with the hon. Lady. In fact, I think that I have agreed with every intervention so far. We will probably all just agree with each other. She is absolutely right and it goes to my point about crisis management. We are at risk of lurching from crisis to crisis, as we prop up a system that is under unsustainable pressure. Of course we always end up spending money at the repair end of the spectrum, rather than on preventing ill health.

There are some great initiatives in the west country, where volunteers, working with GPs, try to address the problems of loneliness, and that is helping to keep people out of hospital. That sort of thinking needs to be much more widespread.

**Tom Brake (Carshalton and Wallington) (LD):** My right hon. Friend may be coming on to this point, but what I want to understand is how the commission, and the output of that commission, can help with some of the very difficult hospital reorganisations that we all face in our constituencies—mine being St Helier hospital—and how we can ensure that we strike the right balance between acute services and care in the community. How will the commission help with that?

**Norman Lamb:** My right hon. Friend comes to the central point. As someone once said, the NHS has the status of a national religion. In this partisan atmosphere in which we all work, there is a danger that anyone who proposes a change to the NHS will get condemned from on high, because of the political points that can be scored in so doing. If we are to think about what we need from a modern health and care system that focuses on prevention, and to make changes in a rational way, we must give Government the space to think afresh about how we can sustain the system and guarantee care for those who need it. We have a choice now: we continue to drift until, ultimately, the system crashes, or we grasp the nettle and come up with a long-term solution.

All parties should commit to the proposal. If we want a good example, we should look at the commission of Adair Turner, which was established by the Labour Government to look at the long-term sustainability of pensions in this country. He managed to secure cross-party buy-in. He came up with proposals that led to change and reform. It was a process that gave people the space to look at a very difficult challenge and to come up with solutions. That is one model we could follow. It should be strictly time-limited. Somebody made the point that we are talking about not a royal commission, which goes into the long grass for three or four years, but a time-limited commission of up to one year with the aim of coming up with solutions that are then implemented. It should engage with the public, with patient groups and, critically, with staff, who, as the right hon. Member for Sutton Coldfield (Mr Mitchell) said, often feel that they are under intense pressure and that they are not listened to by Governments of all political persuasions. They, together with unions and civic society, should be centrally engaged with this commission. At the end of the process, we should seek to come up with recommendations that can then be implemented and can give everyone in this country the assurance that there is a long-term settlement for the NHS and for care.

Finally, let me raise one or two things that the commission needs to consider. It needs to look at the divide between the NHS and social care and at the adequacy of funding. How much as a society are we prepared to pay to ensure that we have a good, well-functioning health and care system? At the moment, funding for our health and care system comes through three different channels: the NHS, local authorities and the benefit system. Does that make sense? Should we look again at that system?

We also need to look at how we, as a country, are spending money on our older people. Are we spending it effectively enough? Are we targeting it at those older people who most need Government help? We need to look at intergenerational fairness and at where the money comes from—a point very well made in a recent book by the respected former Cabinet Minister, David Willetts. We also need to consider how we can give power to

[Norman Lamb]

people to help them to self-care. David Wanless, when he reported for the Labour Government, made the point that his projections about how much extra money the system would need was based on people being engaged in their health—I am talking about self-caring more effectively. That has not happened in the way that he proposed.

We also need to consider the case for a dedicated health and care tax, which can be varied locally. Even protecting NHS spending results in disproportionate cuts in other areas of Government spending, distorting sensible, rational decisions. As this is an area on which spending inexorably rises, there is a case for carving out such a tax.

**Helen Whately** *rose*—

**Norman Lamb:** I am sorry, but I want to conclude my remarks now to give other Members a chance to speak.

This proposal has had very significant support. NHS Survival, which now encompasses 8,000 members—junior doctors, patient groups and so on—has strongly argued for such a tax. Forty chief executives of care organisations wrote to the Prime Minister to support the case. The chief executive of the King's Fund, Chris Ham, has written a very helpful blog, making the case. Royal colleges of surgeons, pathologists and anaesthetists have all supported the call. I urge the Government to respond positively. They should stop and think for a moment before rejecting our proposal, because it might be an enormous help to the Government in resolving an intractable problem. This is the time for a 21st-century Beveridge report to come up with a long-term settlement for the NHS and for social care.

12.59 pm

**Dr Sarah Wollaston** (Totnes) (Con): I thank the right hon. Member for North Norfolk (Norman Lamb) and pay tribute to him, particularly for his work as a Minister in the coalition Government and for his personal commitment to mental health services. I welcome his call for real focus and cross-party agreement on this long-standing problem. We need that if we are to solve the problem and create a health and social care service that is fit for purpose for the next century.

I would sound one note of caution. I am very relieved that the right hon. Gentleman is not calling for a royal commission, as there is no shortage of commissions in this place. We are just a year from the Barker commission, the highly respected independent commission set up by the King's Fund, which very clearly laid out the problems we face and suggested a number of options. Hard choices will have to be made if we are to raise the share of our GDP that we spend on health and social care to 11%, which I know many Members would support.

We know the options. The difficulty is a political one. I question whether we need a commission, and would ask whether we do not in fact need a commitment from the leaders of all political parties in England to come together to look at the proposals seriously, and get away from the endless bickering in this place about the choices before us and the pretence that this is somehow not going to happen. Unless we make such changes, we will have to start thinking rapidly about plan B as an alternative.

What will be the consequences for all our constituents if we fail to reach a political agreement about the challenges we face?

**John Pugh** (Southport) (LD): If I understand the hon. Lady correctly, she supports a commitment, but not a commission, but would a commission not be a sign of such a commitment?

**Dr Wollaston:** In this place, we sometimes push issues into commissions, which debate them endlessly and come to no agreement. I would say the urgency of this issue demands that the leaders of all political parties sit down together and agree.

**Norman Lamb:** I am very grateful to the hon. Lady for giving way, and I promise not to keep intervening. I feel that there needs to be a process to which everybody is committed. If there is just a desire for the party leaders to co-operate, the temptation to score political points when a crisis comes along will be too great and it just will not happen. We need to bind people into such a process, and they must be prepared to commit to it.

**Dr Wollaston:** I thank the right hon. Gentleman for his clarification. I agree that we are looking for a process to which everyone can commit. We are not looking for a commission that will go away and examine the problems. We know the issues, which have been set out in very stark terms. The King's Fund's excellent independent Barker commission set out the whole range of options. What we have always lacked is the political buy-in and determination to move forward. I would join in making a request for any process that will make that happen, but not for something that pushes it away for three years, because, as we all know, the closer we get to a general election, the more challenging it will be to have a genuine political agreement. It therefore needs to happen as rapidly as possible.

**Mr Mitchell:** I am not sure that there is that big a difference between my hon. Friend and the right hon. Member for North Norfolk (Norman Lamb). My point is that as well as getting all the political parties to focus on this issue now, we need an extremely long-term approach. The House of Commons used to accept that we had to have a long-term, all-party approach to pensions, because of the length of time involved in such important decisions. We also need that in relation to this issue: as well as getting everyone to focus on it, we need to get them to focus on the importance of reaching agreement because this is such a long-term issue.

**Dr Wollaston:** I agree with my right hon. Friend. However, in parallel with the process of looking at long-term funding arrangements and settlements, we must get on—here and now—with changes that are needed in the short term. I want to touch on a few such areas.

The first area is prevention. I absolutely agree with the right hon. Member for North Norfolk that it is bad practice to cut money from public health, simply because of the challenges we face. If we look at the NHS budget, we can see that 70% of it goes on helping those living with long-term conditions. We know that many future problems are brewing here and now.



Let us just take childhood obesity, which we discussed at length last week. A quarter of the most disadvantaged children now leave primary school not just overweight, but actually obese. Given the problems that that is saving up, in the personal cost to those children and the wider costs to the NHS—nearly 10% of the entire NHS budget already goes towards treating type 2 diabetes—how can we not be grasping that nettle as a matter of urgent prevention to save money for the whole system?

**Geraint Davies:** Does the hon. Lady agree that there is an inter-relationship between child poverty and obesity, and indeed between child poverty and other health problems that generate costs, and is not part of the solution to the dilemma of how to meet the costs of health and social care to look again at such demographic drivers?

**Dr Wollaston:** Indeed. The data from Public Health England are absolutely stark: from looking at the index of multiple deprivation and the incidence of childhood obesity, we can see that not only is there a large gap, but that that gap is widening. As part of the strategy, the Government must aim not only to lower overall levels of childhood obesity, but to narrow that gap, particularly by looking at measures that will help to do so. I thank the hon. Gentleman for making that point.

The right hon. Member for North Norfolk referred to the need for self-care, and we know that we need a much greater focus on how we can support people to improve their own health. If we are going to raise money for the whole health and care system, there are mechanisms to do so that will also help to prevent ill health in the future. One example is a sugary drinks tax, which could lever money into a very straitened public health budget to put in place measures that we know will help. We need the NHS to get on with prevention, and in my view we need more of the funding that is available to go into saving money for the future.

**Chris Davies:** May I say what respect around the House we have for you as Chair of the Health Committee? I would therefore be very interested to hear your view of the “Five Year Forward View”—

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. I let the hon. Gentleman get away with it earlier, because I appreciate that he has not been in the House for very long, but when he uses the word “you”, he is addressing not the hon. Lady, but the Chair. I know he means his compliments not for the Chair, but for the hon. Lady, so he must refer to her as such.

**Chris Davies:** I apologise profusely, Madam Deputy Speaker. We of course have great respect for you, too.

The “Five Year Forward View” plan is already under way, led by the former Labour adviser Simon Stevens. It is looking at reforming health and care services, and is backed by the funding that the NHS has already said it requires. Does my hon. Friend feel that setting up yet another body would benefit the NHS, or would it be a hindrance?

**Dr Wollaston:** I thank my hon. Friend for mentioning the “Five Year Forward View”, but I would respond by saying that Simon Stevens has referred to prevention

and social care as “unfinished business” from the spending review. If we are to deliver the plan, we need to listen to his views and be mindful of the fact that spending on social care actually saves the NHS money. We cannot separate social care from the NHS, and we should not ignore his wise words on the importance of prevention in delivering the “Five Year Forward View”.

**Dr Philippa Whitford:** Is it not the case that when Simon Stevens was before the Health Committee, he said that a quarter of the £22 billion of savings that were hoped for would have to come from prevention and public health, yet that is being cut?

**Dr Wollaston:** Indeed; I remember that too. I agree that unless we up our game and redouble our efforts on prevention, we will not achieve the savings that are required to close the gap in the “Five Year Forward View”. That is why I wanted to touch on prevention first.

There is another area that we need to do much more on here and now. We need to have a relentless focus on variation across the NHS. We hear examples of local systems that are making things work, but the NHS has a long history of failing to roll out best practice. The “Growing old together” report, which was published today by a commission set up by the NHS Confederation, gives examples of good practice across the NHS and social care in which integrated practice is not only delivering better care for individuals, but saving money. The only depressing aspect of that is that one has to ask why it is not happening everywhere. Rather than endlessly focusing on the negatives in the NHS, let us focus more on the positives and on facilitating their roll-out.

**Helen Whately:** My hon. Friend is talking about work that is being done on the problems in the health service and about approaches that can improve it. Does she share my concern that although there are big challenges, there is a risk that a commission such as the one proposed could prove a distraction from getting on with the many things that we know need to happen and the very good proposals in the “Five Year Forward View”? It could therefore be unhelpful, rather than helpful, despite its objective.

**Dr Wollaston:** If that were the case, it would be a problem. I think that the two things could happen in parallel. We could work towards a consensus about future funding at the same time as focusing relentlessly on what needs to be done in the here and now. However, I agree that if it were a distraction, it would be a problem.

As well as continuing to have a relentless focus on tackling variation, we need to follow the evidence in healthcare. When money is stretched, we must be sure not only that we spend it in a way that follows the evidence, but that we do not waste money in the system. I caution the Minister on the issue of seven-day services, which we have discussed at the Health Committee. If there is evidence that GP surgeries are empty on a Sunday afternoon because there is no demand, and in parallel with that we are being told that out-of-hours services are in danger of collapse because, in a financially stretched system, there are not the resources or manpower to offer both, we must be led by the evidence and be prepared to change what we are doing.

[Dr Wollaston]

When money is tight, we owe it to our patients to focus on the things that really will improve their care. There must be no delay in making changes when we know that something that has been put in place with the best possible intentions may be having unintended consequences. We must be clear that we will follow the evidence on best practice and value for money, so that patients get the best outcomes in a financially stretched system.

**Geraint Davies:** The Government have decided to make Saturday a working day in a regime where a couple who are both doctors can be sent, without a choice, to different parts of the country to practise in hospitals and only have family time together at weekends. Now that Saturday will be a working day, their situation will be virtually impossible. Does the hon. Lady agree that that needs to be considered in case it causes a further leakage of doctors and, therefore, less efficiency in the system?

**Dr Wollaston:** I have to declare a personal interest here, because one reason why my daughter, who is a junior doctor, has spent a year in Australia is that there are sometimes difficulties with married couples—or, indeed, people in any relationship—being able to work in the same part of the country. There is far more that could be done to help junior doctors, in addition to the contract negotiation about money. However, as I have a personal interest, it is probably best if I do not comment further on that.

I want to draw attention to the role of the voluntary sector, which the right hon. Member for North Norfolk referred to. I pay tribute to the voluntary sector partners in my constituency—bodies such as Dartmouth Caring and Brixham Does Care. Across the constituency, a number of organisations are making a real difference to people's lives, yet very many voluntary sector organisations are coming under extreme pressure. I could give examples of voluntary sector partners that have had to close, sometimes for the want of very small amounts of money, even though they have delivered enormous value. These are locally-facing organisations.

It was welcome that Simon Stevens gave a commitment to look at making the arrangements for commissioning voluntary sector partners easier. Even though those commissioning arrangements may have been made easier, often the resources are not there to fund such organisations. We need to look again at how we can deliver best value for patients by supporting voluntary sector partners across all our constituencies.

Those are the areas that I want the Minister to focus on in the here and now, but I agree that in the long term, we must look at funding. One challenge in this country—and I think it is a wonderful thing—is that almost all the funding for the health service comes directly from taxation or national insurance. We are almost unique in that. Only two other countries exceed us in that regard. Government funding for the NHS accounts for 7.3% of GDP and only an additional 1.5% is levered in from the private sector.

The choice before us is whether to expand the amount that we raise through charging and top-ups. Personally, I do not support that. The Barker commission did not support it either. Top-ups and charging do not raise as

much as people imagine by the time the bureaucracy involved in collecting the money and the unintended consequences that are often found, such as widening health inequalities, are accounted for. I hope that we do not choose to go down that route. The most equitable funding mechanism is taxation.

There is an issue of intergenerational fairness here, as the right hon. Member for North Norfolk said, and we need to consider it. These are hard political choices, which can no longer be ducked. Given the demographic challenge and the challenge of complexity that we face, the alternatives are appalling. The alternatives are to abandon our older people. The pressures that our hospitals face from those who cannot be discharged into the community and those in the community who cannot get into hospital are mounting. We can ignore them no longer.

I call on the Government to consider very carefully working with our Opposition partners at scale and at pace to bring forward an agreement on how we will bring more money into the system as a whole, and in the meantime, to make sure that the money we do spend is spent in the best interests of patients.

1.19 pm

**Liz Kendall** (Leicester West) (Lab): It is a privilege to follow the hon. Member for Totnes (Dr Wollaston), who is always open to discussion and debate, and who speaks with great experience. I am sure I speak for many hon. Members in saying that we are all the better for it.

I support today's motion not because I think we can somehow take the politics out of the NHS and social care. Services that are used by millions of people, employ more than 3 million staff and cost more than £130 billion of taxpayers' money every single year will always be the subject of political debate and, in my view, rightly so. I support the motion because the NHS and social care face huge challenges—they are bigger now than they were at any point in our history. We must no longer ignore or downplay those challenges and expect services, staff and the families who need care to try to struggle through.

I agree with the right hon. Member for North Norfolk (Norman Lamb) that we need a new settlement for health and social care in England, and an independent commission involving the public, staff and experts could play an important role in helping us to achieve that goal. Cross-party support for such a commission is vital. As the former shadow Minister for care and older people, I know that it is extremely difficult for Front-Bench politicians, whether in opposition or in government, to be open about what it will take to ensure that our care services are fit for the future, how much that will cost, where the money will come from and, as importantly, what changes are needed to ensure that our care services are truly fit for the future. Front Benchers' comments are likely to be leapt upon, twisted and exaggerated and end up as screaming headlines, but in the end it is not the politicians who suffer, but the patients, users, families and staff.

Many important reviews and commissions, and Green and White Papers, from both the Opposition and the Government, have addressed the issue in recent years. In particular, I give credit to the commission on the future of health and social care in England, set up by the King's Fund and chaired by Dame Kate Barker, from which many of my comments today are drawn.

However, all those initiatives have failed to achieve genuine cross-party involvement and agreement. The commission proposed in today's motion could help to create the political space and buy-in that we desperately need to agree a long-term settlement for the NHS and social care, whichever party or parties are in power.

The need for such a commission is urgent. As the Barker commission said, given the budget settlement that the NHS has had since 2010, staff have performed remarkably, but the NHS is now struggling to meet many of its waiting time targets: the target for diagnostic services has not been met for 18 months; the 62-day cancer waiting time target has not been met for more than a year; and A&E waits are back to the levels of the early 2000s. NHS finances are also under acute pressure, with a projected year-end deficit already of more than £2 billion.

The situation in social care is even worse. Some 400,000 fewer people are receiving publicly funded social care than received it in 2010, even though our population is ageing. Many of those who still get care are getting less support than they were. More than 1 million people who have difficulties in the very basics of daily living, such as getting up, washed and dressed and going to the toilet, now receive no formal or informal help at all. Last year, the Care Quality Commission found that one in five nursing homes do not have enough staff on duty to ensure good-quality care. The latest survey from LaingBuisson shows that, for the first time since it started collecting figures, more older people's care beds closed than opened. Five of the largest care home providers predict significant provider failure within the next 12 to 24 months. Three of the larger home care providers have already withdrawn, or signalled their intention to withdraw, from providing publicly funded care.

Those problems are not going away. The NHS "Five Year Forward View" sets out how the NHS hopes to close a gap in health spending that is estimated to reach £30 billion a year by 2020. That will require efficiency savings of £22 billion, and at least an additional £8 billion a year of real additional funding, which the Government have committed to provide, but no health service in the world has achieved efficiency savings of 5% in one year, let alone for five years in a row. As Simon Stevens, the chief executive of the NHS, has repeatedly stressed, the very broad calculations in the forward view depend on social care receiving a decent level of funding, given that cuts to social care inevitably increase pressure on the NHS.

I do not believe that there is a decent funding settlement for social care. The Dilnot reforms, which have been postponed to the end of the Parliament, were not intended to address current underfunding, but to cap the costs of care to individuals. The better care fund, which is welcome, and the new 2% precept on council tax for social care, will not fill the gap either. Indeed, even with the precept, it will be harder for areas with the greatest need for publicly funded social care to cover their costs, because they raise the lowest amount from council tax.

Our population is ageing and demand for care will increase, so the question we face is not whether the money will be spent, but where the costs will fall. Will they fall on collective provision through public expenditure, or on those individuals and families who are unlucky enough to need care and support?

There is no shortage of proposed solutions to that problem. The Barker commission has called for changes to the national insurance system to help increase funding, including removing the complete exemption from employee national insurance contributions for those past state pension age, and raising to 3% the additional rate for those above the upper earnings limit. The commission also proposes restricting winter fuel payments to the least affluent pensioners, so that at least some of the extra costs of care are met by those above state pension age who have the means to contribute. In his recent interview in *The Guardian*, Simon Stevens called on the Government to consider the housing assets, benefits and other support received by older people to achieve

"more flexibility between current disconnected funding streams for older people, so that at times of need everyone is guaranteed high quality social care".

I believe we must face up to the vital question of intergenerational fairness. The vast majority of older people have worked hard all their lives in paid employment and bringing up their families. They need and deserve support, and they do not want to end up having to sell the family home to pay for care if they need it, but I know from my own family as well as from my constituency that older people also worry about their children and grandchildren, and how on earth they will be able to afford to pay the bills or go to college or university, let alone have the chance to own their own homes. In my view, we simply cannot ask the working age population to shoulder all the extra costs required to properly fund the NHS and social care in future. I believe many older people would agree.

An independent commission with proper cross-party support that genuinely involves and engages with the public—after all, they are the ones who ultimately fund the NHS and social care—could finally help us to make progress on finding lasting solutions to these inevitably difficult and controversial questions. As the Barker commission says, the challenges we face are clear: more people in need are receiving no support at all; fewer people are receiving publicly funded social care; care home providers are closing in the face of rising demand; companies that provide care in people's own homes are leaving the publicly funded market; individuals and families who are unlucky enough to need high levels of care continue to face enormous bills; and staff shortages are leading to a rise in neglect as good people are unable to deliver good care, piling further pressure on the NHS, which in turn is likely to lead to declining standards of patient care. That is not a future that anyone would wish for their parents, themselves or their children, but it is the future that is upon us. It is time for politicians on both sides of the House to act.

1.29 pm

**Dr Phillip Lee** (Bracknell) (Con): It is a pleasure to follow the hon. Member for Leicester West (Liz Kendall) and other colleagues who have spoken. I congratulate the right hon. Member for North Norfolk (Norman Lamb) on securing the debate.

I broadly support the call for some cross-party engagement to try to secure the future for the national health service, although I will come on to clarify that in my speech. The right hon. Gentleman may encounter some difficulties in seeking cross-party support for financing the NHS, not least because of some of the contributions

[Dr Phillip Lee]

so far. There are some profound challenges to financing health and social care, primarily because of the challenges that we, and all western societies, face with an ageing population. I remember the Intergenerational Foundation launch here in Parliament a few years ago. Only the former Member for Dulwich and I turned up. At the time, the subject was not much discussed, but I note that it is now increasingly being discussed. We are beginning to do the maths and realise that we cannot afford the current settlement for financing health and social care and that we will have to discuss it at some length. The problem is that one ends up talking about broadly different political philosophies and approaches. Some people, I suspect more on the Conservative Benches, will want to emphasise the need for personal responsibility; others, I suspect more on the Opposition Benches, will want to emphasise collectivisation and the like. That is why I suggest that discussing the financial settlement is possibly a road to nowhere.

I think there is scope, however, for discussion on the structural organisation of the health service: where our hospitals are located and what each individual hospital does. In a week when we have had yet another dreadful failure of the system with the 111 line and out-of-hours services, it is beholden on us to start to discuss what is offered in the out-of-hours arena: how the services are structured and where patients should go to seek the appropriate care for themselves or their children.

The context has been set out by other colleagues. We know that we have a problem of increasing demand, which is driven mainly by ageing, obesity and the welcome advances in surgical practice, technology and drugs. There is also a problem with the health-seeking behaviour of different generations. In my own clinical practice, I am seeing the passing of the stoic wartime generation. Their attitude towards health, and to symptoms of pain and suffering, is noticeably different from that of their children and that will bring increasing demand on healthcare services. If we consider that together with the large cohort who were born between 1945 and 1955, we have an equation that results in a significant deficit.

On the subject of deficits, since I have been here I have seen many faceless NHS bureaucrats come up with numbers relating to likely demand and shortfall. They are always wrong; the figures are usually underestimated. I said at the time that the £20 billion challenge in the previous Parliament was an underestimate of likely demand and here we are talking about £30 billion. What is next: £40 billion? I am glad that a shadow Minister for mental health has been appointed and that people are waking up to the importance of mental health because demands for mental health services in particular will increase the £30 billion figure.

On hospital structure, essentially we have 19th and 20th century buildings trying to deliver 21st century care. Medical and management staff are trying to do their best within this infrastructure, but to be blunt it is not possible to deliver the very best care in all hospitals and in all locations.

**Dr Philippa Whitford:** Is it not also, to some extent, a failure to engage with the public so that they understand how much 21st century medicine has changed? People who have a heart attack are not going to their local

casualty department. They are being taken to a heart unit where they will have an angio and an angioplasty. People do not understand that the big boxy paramedic ambulance has everything that an old A&E used to have.

**Dr Lee:** The hon. Lady is right. Tomorrow I will be working as a doctor. I am very proud to be working as a doctor. I have been very public and open about it throughout my time here and I will continue to practise medicine for the foreseeable future. I encourage her to face down her internal critics, as well as those rather ill-informed external critics in the Scottish *Daily Mail*. I actually stood for election calling for the closure of my local hospital. I did not want my constituents going to an ill-equipped hospital, or thinking that it provided care that it did not. I have sought to educate my local electorate about the need for a 24-hour angio suite and for a 24-hour stroke unit.

We have made some progress on reconfiguration, particularly on stroke care. In London and in Greater Manchester, stroke services have been consolidated. That is why people are now surviving and survival rates for strokes are improving. Patients are taken to appropriate units and appropriately cared for. The appropriate intervention can be applied within the appropriate time. Sadly, that is not possible across the country. It is available only in areas where difficult decisions about reconfiguration have been taken. On oncology, there is a widespread belief that cancer outcomes are all to do with late diagnosis in primary care. Forgive me, but that is not necessarily the whole story. It is the quality of cancer care when patients reach the hospital—any delay in receiving radiotherapy and so on—that is having a profound impact on cancer outcomes. If we consolidated oncology services into fewer sites, we would get better clinical outcomes.

On out-of-hours care, when I turned up here I said that I would scrap out-of-hours care as it is currently constituted. Most people looked at me and thought, “Are you slightly nuts?” The answer is no. Having done many, many, many sessions in the primary care out-of-hours arena, I realised that there was the potential to delay the care of the acutely unwell in a way that could have an adverse impact and, in extremis, lead to someone’s death. I suspect, without knowing the details, that the case we heard about in the urgent question on Tuesday was such an example. I do not believe it is clinically possible to properly assess a sick child via a telephone. We can go some way towards doing it with an adult, because—guess what?—an adult can express themselves more accurately. With a child, we have to see them and touch them, and, in particular, we have to see the mother’s response towards the child, to assess how acutely unwell they are.

The problem, with all best intentions, is that with a telephone service these types of incidents are always going to happen. It was no different with NHS Direct; the medical profession used to get very frustrated with that, and 111 is the same. The symptoms of sepsis can be the symptoms of many things, so if we tighten the protocols we end up flooding the service with more and more people worried that their child has sepsis when, actually, it is not that common.

I would revisit the whole out-of-hours settlement. We could get away with having fewer doctors during antisocial hours primarily looking after the housebound and those

who are terminally ill. The list of patients who could be visited by said doctor would be compiled by GP practices in that region. Patients would not get a visit unless the GP practice has said they are entitled to a visit because of a diagnosis of being either terminally ill or housebound. In future, I would put the resources into urgent care centres. For now, I would put one in each casualty to sift through. I would make sure it was a doctor. Forgive me, but doctors are taught to triage and to diagnose. No other healthcare professionals are taught in the same way. The best thing to do is to put one's most experienced and qualified person at the front end, because then proper triage can take place.

**Dr Tania Mathias** (Twickenham) (Con): In my constituency, the borough has a brilliant GP-led out-of-hours system that I would invite the Secretary of State to consider rolling out. I appreciate the idea of a commission, but we already have the vanguards and out-of-hours services, such as the one being led from Teddington memorial hospital, which I believe set the right standards. What can a commission do that we cannot do without one?

**Dr Lee:** I thank my hon. Friend for her intervention because it allows me to elaborate. A couple of years ago, I had a meeting with the right hon. Member for Leigh (Andy Burnham)—all the polls were saying that the Opposition would win the election, so I thought I would have a meeting with him in advance. I said, “Look, Andy, you're going to have a problem. We've got all these hospitals. We know some of them are not fit for purpose. We know we've probably got too many because of how healthcare has changed. Some 80% of care delivered in the NHS is for chronic conditions. Why don't you have a cross-party commission so that all the parties can share the political pain of deciding which hospitals should be retained as acute hospitals, delivering the 24-hour stroke and angiography suites, the surgical interventions and the like, and then have more community hospitals, with urgent care centres attached”—the hub-and-spoke model. At the time, he looked at me and said, “Well, maybe”, and made no commitment.

My point was that it was extremely difficult for colleagues in marginal seats to come out and say what I said in my constituency, which was that the current local hospital settlement was not in the best interests of my constituents. It is very hard to do that in a marginal seat, be it Labour, Conservative or whatever, so, with a cross-party commission, we could all share the pain.

All the royal colleges, particularly the paediatricians and obstetricians, know that staffing in some district general hospitals is not ideal. It is extremely difficult to provide the level of care we know we can deliver. How do we get to that point? A couple of years ago, I thought that having all the parties and independent experts in a room would be one way of going from approximately 200 to 100 such hospitals in England and Wales. That is the sort of scale change I am talking about. I hope that that answers the question from my hon. Friend the Member for Twickenham (Dr Mathias).

**Dr Philippa Whitford:** In my constituency, we have hospitals that have grown organically and are not far apart, but we have also seen an increase in the number of modern community hospitals—what people would

have called cottage hospitals. The hon. Gentleman says that many of our patients require the management of chronic diseases. We need to take that closer to the public. It is the highly specialised things that should be centralised. The public would accept that, provided they do not get the sense of their hospital disappearing and provided they are aware that other services are coming closer to them.

**Dr Lee:** Again, I agree with the hon. Lady—we are making a habit of this. I held a series of public meetings at which people were initially against my position, but when they understood that I was trying to provide more services closer to home, but that this might mean their having to travel a bit further for acute care, they accepted it and became broadly supportive.

I am under no illusions about the difficulty of all this, but if there is one goal we should all seek in the NHS, it is better clinical outcomes. At the moment, clinical outcomes are not as good as they should be. The much-trumpeted Commonwealth Fund report made that clear. Part of the problem—perhaps a significant part—is where the care is currently being delivered. The junior doctors strikes, which have just been paused; the consultant contracts; the nursing contracts to come—all these would be made easier with a structure in place that is more easily staffed. It would be easier to avoid husband-and-wife doctor teams being split if we had bigger hospitals with bigger staff pools to provide the cover.

We need to concentrate first on the structure of healthcare, and social care—I am conscious I have not spoken about social care, but of course it should be integrated; it is so obvious. But let us concentrate on the structure of healthcare first, as part of a cross-party approach, and then perhaps we can have a debate about finance. I suggest to the right hon. Member for North Norfolk, however, that finance might be a harder nut to crack than the hospitals, on which I think there is a broad consensus that we are all in it for the same outcomes: people recovering from their illnesses; people being treated appropriately when they have operations; and ultimately everybody, irrespective of means, leading long, health lives.

1.45 pm

**Jim Shannon** (Strangford) (DUP): It is a pleasure to participate in this debate, which I thank the right hon. Member for North Norfolk (Norman Lamb) for securing. We know he has a passion for this subject—in our many debates, we always take great account of what he says—so it was good to have him leading the debate. I think that other Members who have spoken—the hon. Members for Totnes (Dr Wollaston), for Leicester West (Liz Kendall) and for Bracknell (Dr Lee)—sat on a social care Bill Committee I sat on in the last Parliament, so we have some knowledge of the subject. I also thank the right hon. Member for Sheffield, Hallam (Mr Clegg) for kindly letting me go before him. I have a plane to catch, and sometimes these debates can go on.

Those who have spoken have brought a wealth of knowledge and experience to this debate, as will those who have not yet spoken, and I want to add a wee bit of that in relation to Northern Ireland, while commenting on the mainland as well. This year marks the 10th anniversary of the Wanless review of social care

[Jim Shannon]

for older people. Since the review, there have been attempts, first by the coalition Government and now by the Conservative majority Government, to shift the policy direction and introduce new legislation to optimise healthcare provision and make the system versatile enough to cope with the increasing demand associated with an increasingly elderly population—my constituency has one of the fastest-growing elderly populations. I am going that way myself, but that is by the by.

Despite the welcome efforts by the Government, problems remain. The challenges, not least the financial challenges, are making it more difficult to provide services for the elderly, and these challenges will be around for a while. We will need to learn how to address them as the demographics of the country make service provision for the elderly more challenging. We can foresee these challenges, however, and it is encouraging that the Government recognise that. It is good to see the Minister in his place, and I look forward to reading his contribution. I apologise to him and the shadow spokesperson for being unable to stay for their speeches, as I have already said, but we are always encouraged to see the Minister on his feet, given his interest in this subject.

The importance of an integrated health and social care system is widely accepted. We have seen exciting innovative developments in Northern Ireland, where the former Health Minister, my party colleague Edwin Poots MLA, launched the “Transforming Your Care” programme, which was continued by the next Health Minister, Jim Wells, and now by the present Health Minister, Simon Hamilton. The initiative seeks to move care for elderly people from hospital into their homes wherever possible. That is the focus and goal of the strategy. Not only does this provide care closer to home and a nicer experience all round for the patient, but it has the potential to save the NHS and the social care system a lot of money in the long run. The Minister might like to note that programme as an example of what is possible. If it was replicated nationwide, it could save a lot of money in the long run and make for a more personal social care experience that would benefit the elderly.

With the financial challenges of austerity in our public services, we need to come up with innovative ideas to modernise our health and social care system and offer a first-class service in a financially difficult environment. Whether we like it or not, finance is part of the system we have to work within. The importance of integrated health and social care is widely recognised by health professionals and charities. We now need to turn this into a reality. Adult social care needs to be on a sustainable financial path if we are to maintain a world-class health and social care system, during a time of changing demographics, and we need to make sure that the pressures on the system are properly understood.

The integration of health and social care is crucial to provide a patient-centred service that makes the best use of resources. With care and caution, and with movement in the right direction, it is possible to do more with less. Innovative approaches such as the “Transforming Your Care” initiative are examples of how we can modernise the public sector to deliver real results with a tighter budget. Health and social care need to be seen as equal partners and provided with the necessary resources to

deliver high quality services that actually serve the people. “Resources” does not necessarily mean increased funding. We know that we are living in tough times financially, and while funding is always desirable, success should be judged on results rather than the bill for the investment.

Social care is important in its own right. The Local Government Association claims there is a continuing lack of proportionality between additional funding for the NHS and adult social care. While much of the funding for the NHS is front-loaded, additional resources from the better care fund will not be available until 2017. Can the Minister say whether it is possible to consider implementing the better care fund on a shorter timescale? We will not be facing problems down the road in 2017; we are facing them right now, as Members have said and will continue to say. The Government need to make a greater effort to address the issue and ensure that the social care sector is adequately funded and resourced as we seek to make the appropriate reforms to make it a versatile and modern service that delivers for the people that it needs to.

1.51 pm

**Dr Andrew Murrison** (South West Wiltshire) (Con): I rise to support the motion, and I hope in my contribution I will be able to explain why. I should first declare my interest as a licensed medical practitioner, albeit one who is in awe of my colleagues in the Chamber who regularly see patients, which is something I thoroughly commend. I think most of the people out there—apart from those who write for some of the more scurrilous parts of our national press—appreciate the fact that there are people in this place who are still engaged in medical practice of all sorts. It makes us relevant, it makes us current and it gives us some authority, as we have heard already today, when we talk about areas of expertise.

There are some omissions in the motion, however. I suspect that its magisterial generality is probably by design; nevertheless, it fails to mention public health directly, which is an important part of the piece. If we are to consider the entirety of health and social care in this country, we need to talk about public health, which I think, if I am honest, has been neglected by consecutive Governments, largely because nobody fully understands what public health is. There is not really an accepted definition of “public health”. It means many things to many people. Some of us still believe, I suppose, that it is a rather old-fashioned thing, to do with the pre-1974 vision of medical officers of health, who dealt exclusively with infectious diseases. It is much bigger than that. Public health pervades all elements of the public service and needs to be addressed head on if we are to deal with some of the pressures we face in the acute sector, as well as ensuring that we meet some of the imperatives that apply to health in this country, which, as my hon. Friend the Member for Bracknell (Dr Lee) has pointed out, should mean being focused pretty much exclusively on healthcare outcomes.

The right hon. Member for North Norfolk (Norman Lamb) mentioned outcomes almost in passing. Let me gently suggest that outcomes, mortality and healthcare experience throughout life are absolutely what we must be remorselessly focused on, and there the story is not a particularly good one, as the Commonwealth Fund made clear. Of course, the Commonwealth Fund report

is quoted selectively by those who want to say that our system is the best there is, and that is fine: I trained in the NHS, I have worked in the NHS and I would be reliant on the NHS, so I defer to nobody in my admiration of the national health service and all that it stands for and does. However, it is naive to suppose that it is perfect in all respects, which is what I suspect really lies at the heart of this motion, as we look to the distant future.

The Commonwealth Fund says that outcomes in this country are not good, and I think our people deserve much better. I want outcomes in this country to be among the very best in Europe, not, frankly, in the lower quartile, as is too often the case with common forms of disease. We are betraying those who put us here if we demand anything less than that. The motion is relatively modest, because it tries to work out how we will square the gap towards the end of this decade. I think that, in the minds of those who wrote it, they are worried about the £30 billion—that will apply in five years' time—but we are perhaps not looking forward to improve on where we are at the moment. There is too much talk, really, of marking time. The concern we have about the gap in funding makes us think that what we have now is good enough, but frankly it is not. We need to be much more ambitious, as we look ahead, about how we improve our health service right across the piece, including public health, to ensure that our health outcomes approximate the very best in Europe and not, in too many cases, the very worst.

The hon. Member for Leicester West (Liz Kendall) mentioned the Barker report, and she was right to do so. The Barker report was useful. The hon. Lady will not be surprised to hear that I did not necessarily agree with all its conclusions; nevertheless, Kate Barker produced some figures that were useful. She pointed out that spending on health in this country is less than in some of the countries with which we can reasonably be compared. She talks of Canada, France and the Netherlands, and suggests that by 2025 we will need to spend a great deal more of our national wealth on health and, by implication, social care, and I agree with that. She suggested 11% to 12%, which, given the demographics, is probably reasonably modest.

The dispute is about how we would deal with that, because £30 billion does not really come close, given what is happening. It does not come close even if we stand still, let alone seek to improve outcomes in the way I have suggested we must. The question then is how on earth we close the gap—whether we do it through general taxation, national insurance, some sort of hypothecated system or a mutual, as applies in France, for example, or whether we go for co-payment. I suspect there is pretty much a consensus in the House that we can discount some of the options fairly easily, but it is important that the commission that the right hon. Member for North Norfolk seeks to set up should examine all options, even if there is a general understanding that some of them will not be palatable, for a variety of reasons, be it fairness, efficiency or not being geared sufficiently well to the lodestar of outcomes. Nevertheless, we need to examine all options if we are to do this for the very long term, as I believe is the intention.

My hon. Friend the Member for Bracknell was right to focus on structure—something on which I believe there is a need for cross-party discussion and, I would

hope, consensus. It is all very well talking about the NHS estate in general, but although what he described from his personal experience was terribly brave, I know from my personal experience that when that is translated into the specifics of our constituencies, for many Members it becomes extraordinarily difficult. It is the local that inspires many people in their love of the NHS. They would love to have their local hospital and local services that they identify with. When it comes to talking about the NHS estate, what we are really talking about is change.

Sometimes change is great locally, because it means a spanking new hospital, but too often it means at least a perception of loss, and people feel that acutely. One of the first things I did when I was elected here 15 years ago was to introduce a ten-minute rule Bill called the bed-block Bill. I find to my horror that, 15 years on, the issues remain. In essence, my Bill was designed to promote community hospitals—cottage hospitals. I had four in my constituency at that time and I felt that each was, for different reasons, under threat. I was a strong advocate for them, and the bed-block Bill, which was designed to promote them and unblock acute hospitals, was duly presented and, like all these things, duly drifted into the sand.

The issue remains relevant, but at the higher level we also need to talk about whether we are right-sized for acute or district general hospitals, and whether we should have these relatively small institutions across the country—far more than there would be in France, for example—offering, or attempting to offer, pretty much the same stuff. An example would be gastroenterology. The British Society of Gastroenterology has produced reports on this issue, pointing out that in many district general hospitals people are not guaranteed to have out-of-hours upper gastrointestinal endoscopy services available to them. I put it to the House that in the 21st century, not being sure that someone is going to be scoped if they have an acute upper GI bleed is simply not acceptable. That is bound to translate into poorer outcomes for a relatively common set of conditions.

It seems to me that the only way we can achieve better outcomes in that kind of situation is to think about whether we need to move towards regional and sub-regional specialist centres rather than continue with the pretence that we can mirror those services in each one of our district general hospitals. More commonly, people talk about stroke and heart attack—and the same applies. It is simply not the case that people will get the same treatment regardless of the hospital they go to.

This is professionally driven. It is the specialists themselves who are saying that we need increasingly to specialise. The day of the generalist is pretty well coming to a conclusion. In order to get that level of specialisation, we must have critical mass, and the only way of achieving that is by having a smaller number of what might be seen as “clinical cathedrals”—large centres offering highly specialist services, geared towards improving outcomes.

The downside is obviously where the cuts then come. Right-sizing the NHS estate inevitably means some will gain and some will lose in the process—in terms of the immediacy of services. Nobody wants to have to travel miles and miles to access services. We get complaints from our constituents about this all the time. There is a process of education for the public to go through. They need to make a choice. They have either immediacy of

[Dr Andrew Murrison]

service just down the road to an institution that will give them sub-optimal care, or better outcomes of a sort that might reasonably be achieved in a regional or sub-regional centre. That is the choice.

Part of the work of the commission suggested by the right hon. Member for North Norfolk will encompass that work of education. That is one reason why, however, I think his 12-month timeframe is very ambitious. I would certainly not want to have a commission reporting in five or 10 years' time, but the right hon. Gentleman will have to be more realistic about how long this will take if it is going to be an iterative process.

At a lower level, we need better step-up and step-down care. That is at the heart of our ability to unblock some of our acute centres. It is important to look at this issue again. The reason why community hospitals went ever so slightly out of favour relates to the costs of the services they provided, which occurred because the case mix was all wrong. Too often, this became a convenient way of relieving social pressures, admitting people ostensibly for medical reasons to a medical bed when those people primarily needed social care. It always comes back to social care, and if we put people requiring social care into what remains a medical bed, it will of course become impossibly expensive. That is why it did not add up. I am afraid that the onus is on the practitioners and the controllers of those places—general practitioners—to ensure that the case mix is correct. If we do that, community hospitals will become both effective and efficient.

**Mr Jim Cunningham** (Coventry South) (Lab): One issue that has certainly come to light in Coventry when we are talking about bed-blocking—it is another factor associated with it—is that people cannot be released from hospital until they have a social worker arranged to look after them outside. Social workers are normally employed by the local authority, so if there is a shortage of social workers, the beds will be blocked again—at an additional cost. I think the commission should look at that.

**Dr Murrison:** The hon. Gentleman is absolutely right. It comes back to the issue of integrating health and social care. We have to say that some progress has been made in that respect.

At this point in my contribution, let me make it clear—despite the fact that this is intended as a non-partisan initiative—that I feel very strongly that without a strong economy, we will not make any progress at all. Improvement requires the sort of economy to which we aspire—not one such as has been sustained in Greece, Spain and Portugal. If we look at those three countries, whose healthcare systems were not comparable to ours before their respective crises, we should note what has happened subsequently, as their Governments have struggled to control their economic situation by making huge cuts. We need to be very aware that we have avoided that in this country. Without a strong economy, talking about improving public services across the board—and particularly in the huge area of healthcare—is, frankly, pretty pointless. There will not be the resources to sustain what we have at the moment, let alone the 12% increase suggested by Kate Barker in her report. That is fundamental.

I want to give credit to Ministers for sustaining the Stevens plan. We have heard some contributions today suggesting why that the plan might not turn out to be sufficient, but finding that sort of money at a time of austerity is a huge achievement, which should be acknowledged. I was proud to stand only a few months ago on a manifesto that supported the £8 billion spend. That allows us to have a service that is at least sustainable, notwithstanding my fears for the future and the inadequacy of our plans at this point in time, and should take us through to the end of the decade and beyond at a time when local government funding is being cut. That means that the pressure on social services, which was not anticipated by Simon Stevens, applies, while we face further pressures on the public health budget, too. Together, those pressures will mean having a deficit by the end of the decade that will need to be addressed. Beyond that, looking to 2025 and even further as Kate Barker has done, we need to determine how to find the extra funds that she feels are necessary, notwithstanding the dispute about where the funds might come from. I imagine that these issues will be examined by the commission proposed by the right hon. Member for North Norfolk when it is set up.

Let me finish with a few more small points about public health. Among my distinguished medical colleagues in this place, I believe I am the only one with a postgraduate qualification in public health and the only one who has done a job with a significant public health input. I have a bit of a soft spot for this discipline, and I hope I understand some of what it is about.

“Healthy Lives, Healthy People” has, in my view, been a success. It has set public health on the right track, handing back to local government a function that it arguably should never have lost, and setting up Public Health England, which I think has done a good job on the whole. I suspect that the Minister, who will answer the debate shortly, will have fallen off his stool when he read the King's Fund report a little under a year ago, which essentially said the same thing—that public health appears to be on the right track in this country at the moment and that the changes introduced in the White Paper five years ago have largely been successful.

However, there is absolutely no room for complacency, as I am sure the Minister will agree, particularly when we have healthcare indices on areas such as our rate of teenage pregnancy. Although it has improved, it remains among the very worst in Europe. We do just slightly better than Bulgaria, Romania and Slovakia. Nobody here would be satisfied with that, I hope, and while we have public health indices as disastrous as that, there is no room for complacency.

One of my worries about what has happened over the past several months is that we appear to have changed from a model in which healthcare is pretty much exclusively funded through general taxation—that is to say, national insurance and income tax—to one that is partly funded by local taxation, with all that means when it comes to cuts in hard times. In my view, the sort of public health interventions that are having bits shaved off them at the moment are not discretionary, but essential parts of healthcare.

We can all come up with wonderful figures to show why we need to invest in healthcare. By and large, public health investment saves money in the long term, but the



potential for public health intervention prevention services to have a real impact on people's lives is truly enormous. Very little of it is going to happen overnight, so it will not show up on people's metrics—certainly not within an electorally obliging timeframe—but they nevertheless remain.

If we are setting up a commission to look at how we do healthcare in the very long term, we most certainly need to focus on public health. We need to ensure that resources for public health are maintained and sustained. Those resources are not discretionary, but an essential part of what we should be doing for healthcare in this country—although I accept that when it comes to making economies, it will always be tempting to shave bits off public health services rather than cutting an acute service, which would be much more obvious to the public.

I support the motion, and I congratulate the right hon. Member for North Norfolk on tabling it. He is right to say that party politicians meddle with this national religion of ours, the national health service, at their peril. If we accept that we face huge challenges in the long term, beyond 2020, it is important that we not only engage in a national debate so that we can address some of the difficult issues that we have discussed this afternoon—the estates, for example, and how we pay for healthcare—but try to gain that usually impossible goal of securing some level of cross-party consensus.

2.10 pm

**Mr Nick Clegg** (Sheffield, Hallam) (LD): I join all those who have spoken so far in congratulating my right hon. Friend the Member for North Norfolk (Norman Lamb) on securing the debate. It concerns what is undoubtedly one of the biggest questions that we face as a country, as a Parliament, and as a political class: the question of how we can square the circle of an ageing population, and how we can put the NHS on to a sustainable financial footing.

My grandfather was editor of the *British Medical Journal* from the time when the NHS was founded until the mid-1960s, and I suspect that if he were around today, he would say that the challenges currently faced by the NHS would be entirely unrecognisable to his generation of medics.

It is right that my right hon. Friend is pushing us all to try to sketch out solutions on a cross-party basis. It could be said that he and I tested the virtues and pitfalls of cross-party working to destruction—some would say, unfairly perhaps, to self-destruction—in the last Government. Notwithstanding that experience, however, I think that issues such as pensions, long-term infrastructure investment, Europe, decarbonisation of our economy and, in this context, the sustainability of the NHS are not susceptible to single-Parliament, single-Government, single-party solutions. I therefore say, “All power to my right hon. Friend's elbow”, and I hope that the Government will look kindly on his proposal.

I intend to dwell on an issue which I hope the commission will subject to real examination, namely the role of mental health in the NHS. We have come a very long way. I remember standing, eight years ago, a little way in front of where I am standing now, shortly after becoming leader of my party, and asking Gordon Brown a question about mental health during Prime Minister's Question Time. I recall that I was heard in what was almost a slightly shocked silence, because at

that time raising the subject of mental health was considered to be rather “novel” and brave. The extent to which the debate has advanced since then is fantastic.

There have been truly moving debates in the Chamber, when a number of our colleagues have spoken for the first time, very openly and movingly, about their own struggles with mental health conditions. Society and the media now talk more comfortably about mental health, and a barrage of celebrities have lent their considerable weight to that. The debate, the rhetoric, and the awareness of mental health as a major challenge that affects one in four of our fellow citizens have been transformed in recent years, which is a wonderful development. We have lifted the lid, lifted the taboo, and lifted the slight foot-shuffling embarrassment that used to overshadow the subject of mental health, which is a great step forward.

I am immensely proud of some of the things that our coalition Government managed to do in pushing the agenda forward and putting mental and physical health on the same legal footing. My right hon. Friend and I worked together closely on the introduction of NHS waiting time standards relating to mental health, which had existed in relation to physical health issues for a long time, and took many other important steps.

What worries me is the growing gap between the rhetoric about mental health and the reality of what is happening on the ground. There will always be a gap, because rhetoric is easier to deliver than change on the ground; there will always be a time lag between the moment when the debate and the policy prescriptions alter, and the moment when that change percolates down to the ground. However, I think that this gap is becoming dangerously wide. That is, of course, very bad for the many patients with mental health conditions who are not being properly treated, but I also think that if we do not address it soon and follow up the rhetoric with action, there will be real cynicism about what the political classes have meant during the journey that we have made over the past few years towards talking more comfortably and openly about mental health issues.

I know that many Members are already familiar with the scale of the problem, but I think it worth illustrating that scale with a couple of facts. Mental health makes up 23% of what is somewhat inelegantly described as the UK disease burden, but it accounts for only 11% of NHS spending, and the majority of people with mental health conditions still go untreated. On average, just 30%—less than a third—eventually gain access to treatment. If that applied to any physical health condition, it would be seen as a Dickensian state of affairs requiring urgent action. I hope that the cross-party commission will think carefully about the step change that is required in the organisation, because support and funding for mental health will be critical to its considerations.

Let me now invite the Minister to focus on three issues, in the short term and in the slightly longer term, because I think that there is currently a blockage that is preventing the rhetoric from being translated into the kind of action that most Members on both sides of the House want to see.

The first issue is that, last year, just before the last Budget of the coalition Government and the general election, I announced, on behalf of the Government, £1.25 billion in funds to transform what could be described as the Cinderella service within the Cinderella service,

[Mr Nick Clegg]

namely child and adolescent mental health services. It was the most ambitious blueprint ever set out by any Government to transform the service and, indeed, to fund it properly. As the Minister will know, that £1.25 billion equates to roughly a quarter of a billion pounds, or £250 million, to be invested in child and adolescent mental health services per year. Over the last financial year, however, the amount invested has been not £250 million but, I think, £143 million.

**The Minister for Community and Social Care (Alistair Burt):** It was about £170 million.

**Mr Clegg:** I stand corrected. Anyway, it was not £250 million.

There may be perfectly explicable teething problems. The announcement was made in the spring of last year, and it will have been necessary for all the mental health trusts to shift gear. However, I hope that the Minister—or, if not him, the commission—will ensure that not only future mental health reforms but previous commitments are delivered and funded in full. The £250 million that has not been delivered over the last year needs to be made up for between now and the end of this Parliament.

My second point concerns the importance of prevention—in all areas of health, obviously, but perhaps especially in mental health. The need for better prevention measures was one of the key findings of the mental health taskforce's public engagement exercise, yet there has been little if any mention of it in recent Government announcements. Mind, the mental health campaign and policy group, has established that local authorities spend just 1% of their public health budgets on the prevention of mental ill health. That is £40 million out of a total budget of £3.3 billion. Yet we all know—even if we are not clinical experts, we know as parents, and as human beings—that intervening early to improve child and adolescent mental health avoids so much illness, so much heartache, and, to be candid, so much cost to society thereafter. Half of those with lifetime mental health problems first experience symptoms by the age of 14, and 75% of children and young people who have a mental health problem do not get access to the treatment they need.

Waiting times are still far too long. Average waiting times for CAMHS is two months—and as yet there are no waiting time standards in children, adolescent and mental health services. I think we all know, and I certainly accept it, that as we try to revolutionise the approach to mental health, the waiting time standards that have already been announced need to be spread and extrapolated to other parts of the service. Members have talked about the need to reconcile and bring together social care and healthcare, and if we want to put the NHS on a financially sustainable footing, which is the purpose of the cross-party commission, we also need to understand that the lack of prevention and of early intervention on mental health problems is one of the biggest drivers for subsequent inflated costs on the NHS budget. It is therefore essential that the commission looks at this as well.

Thirdly—and arguably most importantly, and also perhaps most technocratically complex—is the issue about the formula or mechanism by which mental health is funded. The problem is that for as long as anyone can

remember mental health trusts have been funded according to block grants, through a lump sum of money given to them by some varying formula, while other NHS trusts—acute trusts—are paid on a per patient, per outcome, per recovery basis. That of course is deeply unfair, because it means that any time any Secretary of State for Health, Chancellor or NHS boss needs to make savings, the easiest thing to do is quietly shave a little money off that block grant, as no one really notices it—it does not stick out like a sore thumb like other financial cuts do—and that is precisely what has been happening. That is one reason why—even in recent years, however much new and welcome emphasis there has been on the priority mental health should have in the NHS—the basic funding formula or mechanism constantly discriminates against mental health trusts.

**Dr Philippa Whitford:** If I understand the right hon. Gentleman correctly, he is suggesting a tariff system for mental health, rather than a block grant, but it has been obvious from evidence in the Health Committee that the tariff can also work against having more community care. I met a paediatrician who did outreach work and, having reduced admissions by 40%, the hospital pulled it because it was getting less money. So be careful what you wish for.

**Mr Clegg:** The issue here is about moving from a block or lump of money to an outcome-based formula. One can then decide from an infinite number of ways how to administer the outcome-based funding formula, but the principle that mental health trusts are rewarded and financed for the outcomes they produce, rather than having some random, and often arbitrary and unjust, lump of money, is the fundamental point.

What is happening at the moment is that mental health budgets are, whether we like it or not, at risk of being raided to pay for the unsustainable deficits in acute health. In 2014-15 London's health commissioners spent 12% of health expenditure on mental health, and in 2015-16 that fell to 11%. In other words, there was a transfer of money from mental health to acute trusts. That is completely the wrong direction of travel.

In 2012, to address this problem, the then coalition Government announced that we would pilot a new approach to mental health funding via what were called care clusters. They work in the following way: adults receiving care are assigned to one of 21 mental health clusters based on their needs, and services are then tailored on the basis of the needs of the people in each cluster and the effectiveness of the interventions on offer. Each cluster is then given a local price, and commissioners work out payments to the mental health trust based on how many patients fall into each cluster.

It is fearfully complex yet there is evidence that transferring the funding of mental health trusts from a block grant system to this care-cluster, outcome-based system has already yielded results. Recent research by the Independent Mental Health Services Alliance has found that mental health trusts operating under block contracts had more delayed discharges and more emergency readmissions than trusts operating without a block contract. Geraldine Strathdee, national clinical director for mental health, has agreed. She says that block grants

“do not facilitate access to timely evidence based care such as those set out in the new mental health access standards”,

and Monitor itself has been very critical indeed of block contracts:

“Despite the introduction of the care clusters, most local agreements still rely on simple block contracts. We believe that block payments...do not work in the interests of commissioners, providers and, most importantly, patients.”

Frustratingly, notwithstanding the decision in principle to shift the whole system to an outcome-based, care-cluster system and away from the punitive effect of the block contracts, 35 out of 62 NHS trusts are still providing mental health services using those block contracts.

Forgive the technocratic detour, but the devil really is in the detail, particularly if we want to close the gap between the much more aggressive aspirational rhetoric that finally has occupied the public and the political debate around mental health and the pressing need to get on and push the system in a radically different direction, not only because it is the right thing to do to end the outrageous discrimination—and it is discrimination, although it might not have been felt or expressed like that—that has existed against patients with mental health issues who have suffered in silence, alone and untreated for generations, but also because if we do not do that and do not make some of these fundamental changes the spiralling costs then placed on to the shoulders of the NHS will merely continue. This is a vital element in meeting the cross-party commission’s mandate to arrive at a new Beveridge-style, cross-party consensus on how to place the NHS on a long-term and sustainable footing.

2.27 pm

**Maria Caulfield** (Lewes) (Con): I speak in this important debate as a nurse who is still working in the NHS, although not as much as I would like. I welcome the sentiments from both sides of the House about working towards a much more cross-party way of discussing the NHS and health and social care, but I am nervous about setting up a commission, because much of this work has been done already and what we need to do is roll the solutions out, not discuss the issues again and rehearse old stories. I speak as a nurse now, not a politician. My feeling—and the feeling of a number of my colleagues in the NHS—is that the interventions by a series of Governments over decades have got the NHS to where it is now, and if healthcare professionals and social care managers had been allowed to get on with their job we would not be in that situation.

No healthcare professional would agree that health and social care should be as divided as it currently is. If we had been allowed to get on with our job many years ago, that gap would be a lot smaller. That gap was created when the NHS was invented. There was a natural gap between what was deemed healthcare and what was deemed social care. That was compounded by the Nurses Act 1949 which clearly set out the view of what a nurse did, as opposed to what social care did. Over time, with the invention of various bodies and structures, both national and local, those rigid boundaries between health and social care have become stronger.

Funding streams have emerged, with NHS funding being protected and ring-fenced and increased over time. Social care has not had that luxury. Its funding is mainly given to local authorities, which have had to merge it with other budgets and also make cuts. They have not ring-fenced it. Many hon. Members today, including my hon. Friend the Member for Totnes

(Dr Wollaston) and the hon. Member for Central Ayrshire (Dr Whitford), have eloquently described how that has been a penny-wise and pound-foolish approach, in that much of the preventive and public health work has been cut, with the NHS ultimately picking up the bill.

During my training as a nurse, we were taught an holistic model of care. We were taught that the patient’s physical care could not be separated from the emotional care, the spiritual care or the psychological care. However, when we practise in the real world, we are forced into separating physical care from mental health care and social care. When I was working on a ward, I would never question whether something was a nurse’s role or whether someone else should be doing it. If I was bathing a patient, getting them up in the morning or walking them in the hospital grounds so that they could get some fresh air, there was never a notion of “Is this the nurse’s role? Is this really healthcare?” It was all about looking after the patient as a whole.

As a result, when I was feeding someone, I was not only feeding them but looking at whether they had taken their medication that day, at whether they were eating, at whether they were perhaps a little bit more confused than they were yesterday or last week, and at whether there was an infection brewing. This is not just about ticking a box to say that that patient has been fed and had their medication. It is about holistic care, but the systems that are in place today do not allow us to practise that. In a hospital, we have the freedom to take on what is deemed a social role, but in the community we have no choice at all.

I know that things are changing, but we still see elderly patients who are struggling to stay at home, and they could have up to five visits a day from five separate people, and from five different people the following day. A nurse will go in to administer medication or to look after a catheter or a stoma, then someone else will come in to make a cup of tea or heat up a meal. There is no continuity of care, and there is no holistic care. That is simply because health budgets are run by the NHS and social care budgets are run by local authorities. It is no one’s fault; it is just the way that this has emerged.

I really welcome the work that has been done on NHS England’s “Five Year Forward View”. I also welcome the work of the Barker commission, which has not only identified the problem but come up with solutions and said that funding must be ring-fenced and combined. We cannot continue with separate funding for healthcare and social care. If we do, it will be a false economy and the constant divide will do nothing for patients and carers.

I welcome the notion of a commission and of cross-party working, but I am really nervous that we could undo much of the work that has been done. My local clinical commissioning group is doing fantastic work to ensure that the local authority and the local health services are starting to work together in a combined way. We hear a great deal about how hard it is to get social care packages together, and that is often why elderly patients get stuck in hospital. That is not always because of funding; it is often because we cannot get people to do the jobs. That is because there is no real reward in going in and having 15 minutes to make someone a cup of tea. It would be so much more rewarding if that person could have half an hour with the patient, in which they could help them to take their medication and not only

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make them a cup of tea but ensure that they drank it. However, the current system does not allow that to happen.

My nervousness about the commission is that we might undo many of the recommendations that we know need to be carried out, and that we could still be left with this divide between healthcare and social care a year down the line. The other cause of my nervousness is that a national one-size-fits-all model will not work. What works in my rural community of Lewes will be very different from what is needed in a London borough, for example. I therefore welcome the idea of local CCGs identifying what action is needed to merge health and social care and co-ordinating what will work best in that place.

Speaking as a politician, I urge other politicians to take a step back and allow health and social care professionals to take a lead on this. We have identified what the problems are and we have identified many of the solutions. We are committed to joint funding, so let's get on and do it. Our role as politicians is to lobby if that funding does not come through, to enable healthcare professionals to get the resources they need. Our role is also to identify examples of good practice that could be rolled out in other areas where things might not be working so well. It is not our job constantly to debate what the issue is. We know what the issue is and we know what the solutions are. We just need to get on with it.

I welcome the comments made by my hon. Friend the Member for Bracknell (Dr Lee). I do not dismiss the need for a commission. A commission on health and social care is a great idea, but I think the timing is wrong. I think we have missed the moment. We need to have a cross-party debate about the structure of the NHS and about perhaps having fewer specialist units. Cottage hospitals were mentioned earlier. There are problems getting people out of hospitals and preventing them from going into them in the first place, but holistic care would enable them to stay in their own home. There also needs to be a step in between being at home and being admitted. We have moved away from that, at a cost not only to patients but to those who work in the healthcare sector.

I shall not repeat much of what has been said this afternoon. I am very supportive of cross-party working; I believe that we need to take the NHS out of the game of political football. I welcome all the comments that have been made today; I do not think that anyone has said that health and social care should not be combined either in practice or in relation to funding. However, my fear is that another commission would simply delay the good work that is starting and that needs to be carried on. I thank the right hon. Member for North Norfolk (Norman Lamb) for bringing forward today's debate. I hope that we will not be standing here again in five years' time, debating the matter further.

2.37 pm

**Caroline Flint** (Don Valley) (Lab): It is a pleasure to follow the hon. Member for Lewes (*Maria Caulfield*). We have heard from a few doctors this afternoon, so it has been good to hear the perspective of someone who worked as a nurse in the NHS. Judging by her comments this afternoon, I am sure that she keeps closely in touch with it.

I agree with the hon. Lady that much good work is being done in different parts of the UK on providing health and social care. However, we also know from the data and outcomes that that is not uniform. Some doctors, nurses and other health professionals are willing to rise to the challenge of putting public health on the same standing as treatment and of providing innovation in mental health services. Like all professions, however, it contains some who are not so willing to embrace change. They might, for different reasons, be stuck in a way of working that is not providing the outcomes that their patients want.

The hon. Lady rightly cited the example of people in our communities who need social care services and who are getting three, four or five visits a day from different people, all of whom feel that they have a role in providing for those individuals. When I listened to her telling that to the House, it took me back about eight years to when I went out shadowing some community matrons in my constituency. I spent time going out on the rounds with them and finding out what they did. The post of community matron was created to provide better links between hospitals and the support in the community. Each of them had a caseload of patients, all of whom had to have five or more conditions that were preventing them from getting the most out of their daily lives. Some of them were pensioners; some were not. Those women—the people I shadowed in my constituency were all women—formed the link between what was happening in the GP surgery and what was happening in hospital. If one of their patients had a fall, for example, and ended up in A&E, the people in A&E would look to see who their community matron was and get on the phone to them. Before the patient had even had their treatment in hospital, the hospital would be working with the community matron to arrange how they would be looked after outside. Sadly, all these years later, those community matrons no longer exist. We have to address the fact that some good ideas start off in the NHS but are gone in some years, for whatever reason, perhaps because they are used as political footballs.

Today's motion is not about stopping the good things that are happening. A commission would not paralyse us and stop us continuing the good work in the NHS and the good parts of the forward view. When it comes to health and social services, five years is the blink of an eye. We need to be thinking about not just 10 but 20, 30 or 40 years down the road. What can we do today to determine what NHS and social care should look like in 50 years? That is the big challenge before us and it is why a commission would enable us to take some of the politics out of the debate and allow us to move forward together.

**Maria Caulfield:** I was out visiting a GP's surgery last Friday in the constituency of my hon. Friend the Member for Brighton, Kemptown (*Simon Kirby*), which borders mine. There are still community matrons there. The matron on duty when I was there prevented a 90-year-old chap from being admitted to hospital for the weekend because she was able to fast-track a social care referral and get some help out to him on a Friday afternoon. A national roll-out does not always fit with what is happening locally. Some really good work is still happening at local level.

**Caroline Flint:** I hope that I have not given the impression that good work is not happening and good services do not exist. In my constituency not long ago,

our district nurses were supporting treatment and care in the home for people who had problems with their legs and needed them bandaging. For a couple of months, those patients were incredibly nervous because they had heard that the nurses would no longer come to their home and they would have to go to the GP's surgery for bandaging. Fortunately, it did not work out like that, but the stress about the future of their treatment caused those people a problem.

We can all talk about things that are working or not working in our constituencies. We can all point to good practice. It is a frustration of mine, not just in health, that best practice is not the driver for good practice everywhere. I do not know why we keep reinventing the wheel. We have to look at the bigger issues, and that is why I commend the right hon. Member for North Norfolk (Norman Lamb), my hon. Friend the Member for Leicester West (Liz Kendall) and the hon. Member for Central Suffolk and North Ipswich (Dr Poulter) for securing the debate today.

We have an important role in this House. It is not only about holding this or any Government to account; it is about shining a light on the social problems that our country faces and offering solutions that are not just for one term of a Parliament. The motion helps to highlight an ongoing generational problem and proposes a path to find some sort of solution.

The UK is an ageing society. We are a society growing older. Looking around the Chamber today, I am tempted to say, "Put your hand in the air if you are under 50." Five.

**Mr Clegg:** A majority.

**Caroline Flint:** I think we are talking about a minority. We are here as politicians, but also as citizens with families and living in our communities as we discuss the policies and politics that will touch people's lives. We are living longer, and that brings a lot of joy. We often talk about the things that are bad, but there is a lot of joy about living longer, too. It is not uncommon today to meet older people who are great-grandparents yet still active enough to look after their great-grandchildren.

The current generation of older citizens share some of the problems of previous generations. There is still poverty, and loneliness is ever more common, as those living longest outlive their lifetime companions, and as families no longer live in close-knit communities. But this generation are different from previous generations. They are less deferential—and rightly so. They expect more from life. They are not waiting for the grim reaper—they have lives to lead. Many will live 30 or more years in retirement. Not so long ago, that was half a lifetime. This generation rightly demand more. They are less likely to accept just what the state offers and lump it. If the options for their retirement, for their living arrangements, for their social care or other assistance are not to their liking, they will voice their protest. And they do so, as a generation who overwhelmingly own their own homes and want to remain independent, within four walls to call their own, for as long as possible.

Madam Deputy Speaker, this debate is timely because, less than a year on from the general election, none of the big, long-term problems facing the NHS, in particular the integration of social care and the fair funding of social care, is any closer to being resolved. We know

that the NHS has always been an election issue, and we should not apologise for that. Nor should we expect that to change in the short term. We know that in the last election and the one before, the problem of funding social care, so that families do not always lose their homes to pay for long-term social care, has been an election issue. I recall in 2010 a Conservative billboard with a tombstone and the message, "Now Gordon wants £20,000 when you die. Don't vote for Labour's new death tax."

I am not going to sound purer than the driven snow on this. Our party has also upped the ante on some of these issues. Yet today, one in 10 of the public can face bills of over £100,000 for social care. It makes a bill of £20,000 deferred seem a pretty attractive deal. But so nervous are Governments of this issue that this Administration have deferred the introduction of a cap on total costs from 2016 to 2020. And the cap is only on costs over £72,000. I do not want to spend time on the merits of the Government's proposals. Suffice it to say that they are complex. They rely on local authority assessments. They create different thresholds and ceilings for contributions. Coming forward with proposals that are fair to all yet meet need, without unduly penalising those who saved for a lifetime, is not easy; it really is not, and the problems will not be solved by a five-year plan.

The challenge remains to put in place a social care funding system that is fair to people of different income levels, a system that can be embraced by all parties and, crucially, by successive Governments of different colours. For these reasons, I believe that the motion is so right today. We need an independent commission for those big long-term decisions. The same problem applies to some of the other challenges facing the NHS that colleagues have raised today. They include securing long-term funding for the NHS, particularly when successive Governments are rebalancing the Government's income and expenditure to reduce and then eliminate the deficit and meeting the long-term challenge of demographic change, of the rising sophistication and costs of new medical technologies and of new pioneering treatments. At one and the same time, the potential for new and radical treatments is almost unlimited, but the budgets to meet them are not.

Added to that, as we look at how we devolve services in England, to which I am not opposed, we need to think about where the accountability lies, and whether there are the checks and balances to ensure that there is not only quality, but value for money. As a relatively new member of the Public Accounts Committee, I can already see that we do not have the accountability structures in place to ensure that those providing services regionally and locally are operating transparently.

When I was first elected in 1997, half the buildings used by the NHS predated its existence. Financial pressures had led to a huge backlog of investment in NHS buildings. Between 1997 and 2010, the Labour Government invested record amounts in new NHS buildings—from major hospitals to modern, multi-purpose health centres, walk-in centres and GP practices. One of the ministerial jobs that I was most proud to hold was public health Minister, because one aspect of providing better buildings in the community was moving services out of hospitals and closer to people. That was especially important in areas where health inequalities were evident, because it was a

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way of ensuring that the people there, who are often the most vulnerable and least assertive, could see in their community the services available to them.

If we are to plan for future investment, we need consensus, because while those buildings were welcomed, not least by NHS staff and patients, their private finance initiative funding has always remained contentious. Planning for sustained investment requires a consensus that gives future Governments—and, dare I say it, this Government—the courage to take big decisions. Only a truly independent commission with real expertise and weight will begin to unpick the real costs, options and pinch points facing the NHS, and deal with the hard choices about how we meet the future of health and social care.

Such a commission can also play a role in involving staff and the public. We need a grown-up discussion outside this place—we need one inside, too—about the challenges ahead. The public and NHS staff need to be involved, so that they can be helped not only to make decisions, but to understand the responsibilities that they might have in supporting a new NHS and social care service. Such a process would represent a worthwhile investment of public money if it could achieve a social contract between the parties and the British people to provide a new secure base for the future of health and social care.

This is about change. Today's NHS bears no comparison with that created some 60 years ago. We need to face up to change and importantly, as part of that, to help people to cope with change, because that can be frightening. We want a better and stronger NHS, but let us also have a smarter NHS. I hope that Government and Opposition Front Benchers will respond positively to the proposal.

2.51 pm

**Jeremy Lefroy** (Stafford) (Con): It is an honour to follow the right hon. Member for Don Valley (Caroline Flint), my hon. Friend the Member for Lewes (Maria Caulfield), the right hon. Member for Sheffield, Hallam (Mr Clegg) and other Members who have spoken. Excellent points have been made in every single contribution to the debate. One reason why I support the motion is that in my first contribution during this Parliament I said:

“Let us use the five years of this Parliament to set up a cross-party commission to look at health and social care for the next 20 to 30 years.”—[*Official Report*, 2 June 2015; Vol. 596, c. 524.]

I believed that then and I believe it now.

A substantial reason why I believe that comes from my experience representing Stafford since 2010 and my involvement in the community in the years before that. In the previous Parliament, there was a tremendous coming together of people from all parties in Stafford so that we could protect our health services and respond to the serious problems that we faced. We made proposals to the Government, as well as arguing with them and opposing some of their ideas, but we wanted to support our area's health services. It was a privilege to be part of a process in which people from all the main political parties and none were putting aside their differences and working together. I know that a similar thing happened in other constituencies, but I was especially grateful that that happened in Stafford, given what we had been through.

Another reason why I strongly support a commission—or a commitment, or a way of bringing us together—is that there are incredibly important issues to decide. My hon. Friends the Members for South West Wiltshire (Dr Murrison) and for Bracknell (Dr Lee) made important points about the issue of specialism and generalism. There is a danger of going too far down the specialist route and thinking that everything must be in a specialty. According to the Royal College of Physicians, this country has something like 62 specialties, yet some of the royal colleges want to go even further. Indeed, I understand that there is a desire further to split up cardiology into interventional and non-interventional cardiology, although I hope that that is not the case.

By contrast, the RCP pointed out that in Norway there were just over 20 specialties—it is a more generalised system. Whereas I agree that specialties need to be concentrated in the way that my hon. Friends have suggested, we must not cast out general medicine. We must not cast out those who would like to work in a more general way in a more localised setting. For many people that can be a more satisfying route, seeing the broad range of health, rather than one increasingly narrow part of healthcare.

**Dr Murrison:** Does my hon. Friend agree that one solution might be to develop further the GPs with specialist interest model, which was started some years ago but, if we are honest, has never really found its place in our NHS?

**Jeremy Lefroy:** That is an excellent point. I declare an interest, being married to a GP. Many GPs are already doing that—many have specialist interests. Perhaps there could be a specialism of generalism, if that is not a contradiction in terms—the idea that it is possible for someone to say, “I want to practise my medical career in a smaller place where I do a wider variety of tasks, but I have the knowledge to recognise the limits of my competence and when to refer onwards.”

I welcome the motion and the commission, although I will suggest some boundaries to it. The points that have been made about not going over old ground and not making the commission's remit so broad that it is of no earthly use are valid. The Barker report has done some tremendous work in that respect and I will come on to that. There are other reviews going on, which I am sure have not escaped Members' notice. The maternity review under Baroness Cumberlege, to which I have made a submission, is extremely important.

Here again, we see the contrast. On the one hand, we want the best possible care for mothers, pregnant women and their children when they are born; on the other hand, women want to be as close to home as possible. In some cases, and with midwife-led units, which we have just got in Stafford to replace our consultant-led unit, that can work for a limited number of women, but probably only about 30% of women will be able to go into such units; 70% will have to go further afield. We need to think about whether that is the right model. In the UK the largest unit, I believe, is in Liverpool, with more than 8,000 births a year. In Germany the largest is the Humboldt in Berlin, with about 4,500 births a year. Is there something to learn from that model, from the French model, from the Dutch model? I am hoping that Baroness Cumberlege's report will show us that and give us a clear path for maternity and newborn care in the NHS.

I welcome the Government's commitment to fund the five-year plan. That was not an easy step to take, but it was extremely important. As far as I can see, funding has been increased even since the election, but as others have said, it is a very challenging plan. Nobody has ever managed to achieve £20 billion or £22 billion of savings and we are already seeing some potential problems with that. I was lobbied yesterday by community pharmacists, who are seeing potential cuts in the sums allocated, which may result in the closure of pharmacies in the future. Of course, reform is needed, but the Government need to look carefully at that area.

I welcome, too, the additional money for child and adolescent mental health services. I chaired a roundtable of mental health providers in my constituency a couple of weeks ago. The additional money, the first part of which is just coming through, was welcomed and should plug some of the gaps in that service, although there remains an awful lot to do, as the right hon. Member for Sheffield, Hallam so eloquently pointed out.

I shall focus on two areas—integration and financing. At present the two main acute hospitals serving my constituents, the Royal Stoke and the County hospital in Stafford, are full. As other Members have pointed out, this is at a time when we have not had a major flu epidemic or abnormal winter pressures. We have something like 170 beds at the Royal Stoke with patients who should really be out of hospital but cannot leave, and in the County hospital we have around 30 beds. Of course, that means it becomes more difficult for their A&E departments to meet their targets.

I must say that the people in those departments are doing a great job. I urge Members to watch the little online video recorded in the Royal Stoke by *The Guardian* and see just how hard they are working in a hospital that this time last year was going through a very difficult time. It shows exactly what we are talking about, with people working long shifts and putting patients first, as they are in the County hospital and, indeed, in hospitals up and down the country.

We clearly have a problem in getting people out of hospital. As Members have said, that was raised 10 years ago, but we have still not fixed it. That is a real reason for integration. It is something the commission needs to look at, not to reinvent the wheel, but to look at where things are working and say, "Let's get this right across the country."

I think that the supported housing review, which was discussed in yesterday's Opposition day debate, is critical. If a lot of the funding for supported housing goes as a result of changes to housing benefit, we will see a greater problem, with more pressure on A&E departments and in-patient services.

I very much endorse what Members have said about community matrons and district nurses, who perform a vital role. Only this week my wife was talking about the work of the district nurses in Stoke-on-Trent and how valuable and appreciated it is. However, not many of them are available at any one time, particularly over the weekend, which means a lot of juggling to see when they can go out to see her patients. Members have talked a lot about integration, and they have far greater knowledge than I have. I will just make the point that the commission needs to look at best practice.

I want to spend some time focusing on financing. It is absolutely right that the commission should examine all the options, but I have to say that, having looked at this quite carefully over a number of years, I do not think that we have too many options. I tend to agree with the Barker commission on that. Its report states that there should be a ring-fenced budget for NHS and social care, and it rejects new NHS charges, at least on a broad scale, and private insurance options in favour of public funding.

I have come to that view because I do not think that there is any other way in which the volume of extra resources needed will be raised. At the moment—I stand to be corrected on this—we probably spend between 2% and 3% less of our GDP on health than France or Germany does, which could amount to an additional £35 billion to £45 billion a year that we need to raise and spend.

I have to say that the NHS is a very efficient system. Given that efficiency, just think what would be possible if we came up with that extra 2% to 3% of national income, as our neighbours in France and Germany do. I am not talking about the 18% that the US spends, which in my view is far too much. A huge amount is wasted in the US system, and it does not necessarily achieve the right outcomes, particularly for people who are uninsured—thankfully that is changing as a result of recent reforms—or in lower income groups.

That is where we will run into political problems, which is why it is so important to put it into a cross-party, non-party political commission. In our fiscal system we lump together many different things and call them public expenditure, but what is called public expenditure is, in fact, made up of very different categories of spending. There is spending on state functions, such as defence, policing and education, and then there is spending on individuals, of which the biggest categories are pensions, welfare and, of course, the national health service, yet we are coming to a situation in which we talk about it all as if it is tax. So often in politics tax is bad, yet a lot of this spending is good; the two things do not make sense. In countries such as Germany, the latter forms of expenditure—the more personal ones—are often provided more through income-based social insurance. In the UK we started with that system more than 100 years ago, with national insurance, but over the past 50 years we have allowed national insurance to become less relevant, except in relation to eligibility for the state pension and certain benefits.

**Maria Caulfield:** On finance, I know from talking to my local council leaders that because for the past few years there has been a cap on how much they can raise their council tax by, they have not been able to raise it in order to pay for social care. I speak to residents who say that they would be more than willing to pay more if it was ring-fenced for social care and meant that there were more home helps and more services available. I welcome the announcement in the spending review of the 2% ringfence for social care because the NHS has had to pick up the bill due to the inability to properly fund social care.

**Jeremy Lefroy:** My hon. Friend is absolutely right. In fact, last year Staffordshire County Council raised its council tax by 1.9% but ring-fenced that part for social

[Jeremy Lefroy]

care, so it was ahead of the game. I believe that it is looking at doing the same this year, possibly taking advantage of the Government's welcome proposal.

**Dr Philippa Whitford:** My concern about the 2% precept is that wealthy areas will obviously get a lot more money than poor areas, and that will increase health inequalities. Would the hon. Gentleman consider, for example, combining tax and national insurance? National insurance has become an anomaly in that people pay it even when they earn very little and stop paying it when they retire, even if they are very wealthy, so should something more radical be looked at?

**Jeremy Lefroy:** I do propose something radical, but in completely the opposite direction, because I believe that national insurance is an incredibly good thing. I always listen to the hon. Lady with great respect, but let me argue the case for national insurance, and she may disagree with me by way of intervention or otherwise.

We have allowed national insurance to become less relevant, with the exception of the various eligibilities I mentioned. As a result, it has come to be viewed by Her Majesty's Treasury as just another form of raising funds. There was a proposal for a consultation on merging income tax and national insurance. I would vehemently oppose that, because my perception is that our constituents still, understandably, see national insurance as something different from income tax in being their contribution to the NHS, pensions, and welfare. Indeed, about £60 billion a year of the national insurance money that is raised, although this is a bit of a fiscal fiction, still goes towards the NHS. That is far less than we spend on the NHS, but it is still there.

The notion that, as I contend, our constituents see national insurance differently from income tax was particularly evident when Gordon Brown raised national insurance in order to put additional money into the NHS. He rightly viewed that as the best way of raising additional money for the NHS because it was more acceptable than putting a couple of pence on income tax. The best way—I think the only way, but a commission would need to be very broad-minded in its views—to ensure that we can finance the NHS and social care properly in the long term is through progressive, income-based national insurance with a wider base, as Kate Barker said, whereby by it does not stop when people retire and does not stop at the upper national insurance limit, as it does at the moment at only 1% over it. Broadening the base of national insurance should make it possible to keep the percentage rate reasonable for all while paying for the services needed.

I welcome this motion and the proposal for cross-party work, whether through a commission or whatever, but I would plead that it be fairly focused. It should not cover ground on the details of healthcare that has been well covered elsewhere—probably better than we could cover it—but it should look at integration and, most important of all, future finance for the next 20 or 30 years.

3.9 pm

**Valerie Vaz (Walsall South) (Lab):** It is always a pleasure to follow the hon. Member for Stafford (Jeremy Lefroy), who is a great defender of the NHS, both locally and nationally. I congratulate the right hon. Member for

North Norfolk (Norman Lamb), who was a very assiduous Minister; my hon. Friend the Member for Leicester West (Liz Kendall), who is not in her place but who was an assiduous shadow Minister; and the hon. Member for Central Suffolk and North Ipswich (Dr Poulter), who unfortunately cannot be here but who was also an assiduous Minister and a member of the Health Committee.

It is with great difficulty and a bit of sadness that I say that I do not support the motion. I know that it comes with great heavyweight backing from public figures—MPs and former Ministers—but I do not think that it will take the debate forward. When we set up a commission, it can feel like we are kicking something into the long grass, and that is what it feels like we are doing today. This issue has been going on for a long time, and it is, I feel, a lack of political will that is failing to drive the changes forward.

We have had the evidence. There has been a pilot scheme, which was set up by my right hon. Friend the Member for Leigh (Andy Burnham) in Torbay in 2009. The integrated care trust is operating. A former Secretary of State for Health, Stephen Dorrell, who was a very good Chair of the Select Committee on which I served, gave an interview on 22 January in *The House* magazine in which he recalls asking an adviser:

“What is the oldest quote from a health minister saying how important it is to join up health and care services?”

This answer came back:

“Dick Crossman, the Health Secretary in the late 1960s.”

That is how long this issue has been going on, and it has cross-party support.

I want to touch on what some hon. Members have been saying about cross-party support. Perhaps I have been on a different planet, or perhaps, a bit like Bobby in “Dallas”, I have woken up and it is all a dream, but I recall being on a cross-party Health Committee, ably chaired by Stephen Dorrell, that produced many reports, but never a minority report. We came up with a number of conclusions that Members are now saying that we should consider.

In our report on public expenditure, we said that very little of the money spent by the NHS on people with long-term conditions was spent in an integrated way, which meant that significant amounts of money were wasted. In our report on commissioning, we said the NHS Commissioning Board should work closely with local commissioning bodies

“to facilitate budget pooling and service integration to reflect patient priorities.”

In our 12th report of the 2010-12 Session on social care, we said that efficiency savings would not be possible without further integration between health and social care. That has been an aim of successive Governments, but has not been properly achieved.

In our 11th report of the 2012-13 Session, “Public Expenditure of Health and Social Care”, we said that

“health and wellbeing boards and clinical commissioning groups should be placed under a duty to demonstrate how they intend to deliver a commissioning process which provides integrated health, social care and social housing services in their area”

and that there was

“evidence, for example, that 30% of admissions to the acute sector are unnecessary or could have been avoided if the conditions had been detected and treated earlier through an integrated health and care system.”



In our seventh report of the 2013-14 Session, “Public Expenditure on Health and Social Care”, we said that “fragmented commissioning structures significantly inhibit the growth of truly integrated services.”

In our second report of the 2014-15 Session, “Managing the care of people with long-term conditions”, we said that

“in many cases commissioning of services for LTCs remains fragmented and that care centred on the person is remote from the experience of many”

and that an integrated approach was necessary to relieve pressure on acute care.

Members of the Health Committee, including the hon. Member for Totnes (Dr Wollaston) and my hon. Friend the Member for Worsley and Eccles South (Barbara Keeley), who unfortunately had to leave this debate to go to a young carers’ meeting in her constituency, have all sat through that evidence. I know it is real, because it will be on the website of the Health Committee. There are pages and pages of evidence on where we can get things right.

In particular, our report on “Social Care” said:

“Although the Government has ‘signed-up’ to the idea of integration, little action has taken place... The Committee does not believe that the proposals in the Health and Social Care Bill will simplify this process.”

We called for a single commissioner with a single pot of money who would bring together the different pots of money and decide how resources would be deployed.

One thing we did as part of our inquiry into health and social care was to visit Torbay, which has not been mentioned today, where we saw integrated care in action. Mrs Smith, who is fictitious but could be any one of our constituents, has one point of contact: she only has to make one phone call. Mrs Smith has seamless social care up to the health service and back again. The health service workers have been upskilled and can help her through the whole system. The local authority and the local hospital worked together so that when Mrs Smith is unwell and has to go to hospital, she can be tracked through the whole system. That is integrated care in action in Torbay. One concern was what would happen and whether such integrated systems would work under the Health and Social Care Act 2012, but I have seen it working.

There is another interesting area where integrated care is working. Another visit we made was to look at integrated care in Denmark and Sweden. In Denmark, we saw the most fabulous building in which elderly people could be cared for, and where they could be visited by GPs. It looked more like a hotel than a home. We were told, “We are looking at your system. We are looking at Mrs Smith.” At that point, we nearly fell off our chairs, because we had come to Denmark to find out how its system works.

**Norman Lamb:** I appreciate the hon. Lady’s kind words. She is talking about all the various initiatives and the need for political will, but the conclusion is that none of those things has happened. There has not been the political will because of the acutely partisan environment in which we all work. Does that not make the case for a process—which the Government could buy into and all the parties could commit to—that will deliver change in a defined period?

**Valerie Vaz:** I think that the Health Committee structure has such a purpose.

**Norman Lamb:** The Government have not bought into it.

**Valerie Vaz:** Well, they have. The Government have a responsibility to respond to the Health Committee. If the right hon. Gentleman waits until the end of the speech, he will see where I am heading. I agree with his idea that something needs to be put together. I do not like knocking good ideas on the head; I like to see such things taken forward. As the hon. Member for Stafford (Jeremy Lefroy) said, it is either “a commission or whatever”. It may be that the right hon. Member for North Norfolk has a good role to play in pulling all this together and taking forward the idea somehow, but at the end of the day, it is a political decision for the Government of the day to consider.

I want to move on to discuss my local hospital, Manor hospital, and the local authority. In Walsall, we are lucky to have a settled community, and we have one local authority dealing with the local hospital. Work is carried out by the local authority and the hospital together, and they can talk things through. When difficulties arose at the hospital in Stafford—the A&E closed, and we had to take on extra maternity services—it was much more difficult, taking on patients from different areas, to deal with local authorities in different areas. Such relationships had not been built up, but they can be built up and, with the best will in the world, I am sure they will be. We know that workers in the health service work very hard and extremely well together to ensure that such relationships exist. If that works for one local authority, I am sure it can work for other neighbouring authorities.

Interestingly, the right hon. Member for North Norfolk has involved two former Secretaries of State for Health, Alan Milburn and Stephen Dorrell, in his commission. If I was really cruel, I might say that they were Secretaries of State for Health, so why did they not do something about it then and why do they think they can do something about it now? As I have said, there is a way forward. Many Members have alluded to the myriad reports. The King’s Fund has produced a report, the Nuffield Trust has produced one and many universities have produced reports. There have been lots of words, but we need a little more action.

My only difficulty with the proposed commission is the accountability structure. I am not sure who it would report to and there would be no obligation on the Government to respond to it in the way that they have to respond to the Health Committee.

I want to touch on the issue of money. We had a reorganisation of the health service that cost £2 billion and counting. If the Government can sit down with a company to reduce its tax liability and, hence, what flows into the coffers of the Treasury, that has an enormous impact on the Mrs Smiths of this world and on all of us. That is why, as our second report of 2014-15 stated, the Government said in evidence to the Select Committee that

“the ambition of achieving integrated health and care services by 2017 had been given ‘quite a turbo charge’ by the introduction of the Better Care Fund”.

The then Minister of State, the right hon. Member for North Norfolk, said that

“by 2015 the whole country will be starting to see a significant change.”

[Valerie Vaz]

That may be something that the Health Committee could look at and produce a report on or even that the “commission”—in inverted commas—or whatever it is that the right hon. Gentleman and his colleagues extract from the Government could consider.

We have the evidence—we have the care trust and the pilot—and, in the Government’s own turbo-charged words, we have the will, hopefully. Finally, I am not persuaded that a commission will bring about the change that all of us so desperately need.

3.21 pm

**Helen Whately** (Faversham and Mid Kent) (Con): It is an honour to follow my hon. Friend the Member for Stafford (Jeremy Lefroy), who made some very good points and helpfully referred to the Barker report, which deserves to be debated. We must take a grip of some of its proposals. Although I am sure we do not all agree with everything in the report, it is a good thing to talk about.

It is also an honour to follow the hon. Member for Walsall South (Valerie Vaz). I am now a member of the Health Committee, so it is good to hear about her experiences on the Committee and to reflect on what I might do with my fellow Committee members to make sure that we are effective in driving forward the agenda of the integration of health and social care, about which she spoke so powerfully.

I thank the right hon. Member for North Norfolk (Norman Lamb), the hon. Member for Leicester West (Liz Kendall) and my hon. Friend the Member for Central Suffolk and North Ipswich (Dr Poulter) for calling for this debate. It has been a good, wide-ranging and productive conversation about the future of the health service and social care. There have been extremely interesting contributions from my hon. Friends the Members for Totnes (Dr Wollaston) and for South West Wiltshire (Dr Murrison), the right hon. Member for Sheffield, Hallam (Mr Clegg) and my hon. Friend the Member for Lewes (Maria Caulfield), among others.

I share the desire and aspiration of the right hon. Member for North Norfolk to take the politics out of the NHS and discussions about the health service and social care. There are certainly situations, particularly in the run-up to elections, when there is very unhelpful scaremongering from all sides about what is going on.

**Mark Tami** (Alyn and Deeside) (Lab): I agree with the hon. Lady. We need to look at this matter for the long term. Whoever makes such statements during election campaigns—whether it is us or the Government—the talk of death taxes and such things is not particularly helpful, because we need to form a cross-party view, given that we require long-term measures that will cost money. There is no way of getting out of that.

**Helen Whately:** The hon. Gentleman might want to hear what else I have to say before he agrees entirely with what I am saying, but we share the view that scaremongering is unhelpful.

In a health system that spends £135 billion of taxpayers’ money every year, that employs 1.3 million staff and that has over 60 million users in the British population, there is no way in which this issue cannot be political,

as the hon. Member for Leicester West said. It just is political. It is no bad thing that it is political, because it means that there is a debate about it and, out of debate, we get better answers. It also means that the public are given a choice.

One concern I have about the proposed commission is that there appears not to be a consensus on what it should be about among those who support it. I have heard this afternoon that it should be about the future funding settlement for health and social care, but also that it should be about public health, the structure and configuration of the NHS—the estate solutions—the future role of mental health in the health service, prevention, and the integration of health and social care. To me, that is a problem. If the commission is to be effective and short—a period of one year is proposed—and if it is to lead to something concrete, it cannot possibly be that wide-ranging. I worry that those involved in the commission will spend a huge amount of time working out, and disagreeing among themselves about, what the commission is looking into. That process would be an enormous waste of time, money and attention—there is a limited amount of attention, brain power and resources to put into such a discussion about the future of health and social care, which is an opportunity cost.

To the extent that the commission might focus on future funding for the long term of health and social care, that is important and should be given a huge amount of attention. We need to look further out, but if anything is political, it is that question. Questions such as how much as a society we should spend on health and social care, what proportion of GDP or what amount per person we should spend, and how it should be funded—should it be taxes, charges or co-payments—are important, but they are very political. They are questions of value. It would be incredibly difficult to take the politics out of them.

In fact, it would be wrong to come to a consensus. We need a debate and we need to disagree. We need to give the public a choice. Just as the current funding settlement through to 2020—the £8 billion or £10 billion in this Parliament—was put to the public last year at the general election as part of an overall package of Government spending, taxation, debt and deficit proposals, future funding for the health and social care system should be put to the public at a future election. It is not something that should be agreed by insiders in a commission between now and the next election—the suggestion is that it should move quickly. That is a worrying proposal if I have understood it right. The public should decide that and it should be debated in the run-up to an election.

**Mark Durkan** (Foyle) (SDLP): Does the hon. Lady really believe that the public would be happier with a confused and disagreed choice that has been argued over between parties rather than an agreed and long-term choice that puts real priorities and undertakings in front of them?

**Helen Whately:** The public would rather be given a choice. We will have a debate about Europe in the run-up to the forthcoming referendum, which voters voted for in the election. We should respect voters and put choices to them on which they can take a view.

**Caroline Flint:** I understand some of the hon. Lady’s points and have heard contributions about all aspects of health this afternoon. The central point of the motion

is funding. The truth is that no political party in the past 40 or 50 years has put before the electorate a clear framework of what the state will pay out of the pooled funding we get from national insurance and income tax, and what people will add on top based on their income or assets to fund the future of social care. We have never had that proposition because it is not within the mix of a general election. In the bustle and the back and forth, a debate on that has not been allowed to happen. We, as politicians, are to blame.

**Helen Whately:** I agree with the right hon. Lady that it is difficult in our election cycle to think further ahead, but it is not impossible. During the last Parliament, the NHS came up with the “Five Year Forward View”, which at the time was supported by all major political parties. With that experience behind us, it is possible to go ahead and come up with further long-term views. As I said, a debate, rather than aiming for a consensus, would be helpful. That is exactly the sort of thing that think-tanks, researchers and all sorts of organisations can, are and should look into.

I want to highlight the fact that this issue is political. The right hon. Member for North Norfolk mentioned an organisation called NHS Survival. I saw on its website that lots of clinicians are involved with it. It is fabulous that clinicians are involved in this discussion about the future of the NHS. That said, the founder of the organisation was also, according to its website, the person who initiated a petition calling on the Secretary of State for Health to resign. The right hon. Gentleman called on NHS Survival as an example of a body lobbying for a commission, but it is clearly very political. There is no way of taking the politics out of this.

**Norman Lamb:** I totally share the hon. Lady’s view that the politics should not be taken out of health. As others have said, we spend such a substantial amount of public money on the NHS and social care that it is absolutely right it should be subject to political debate. However, as others have said, in particular the hon. Member for Leicester West (Liz Kendall) and the right hon. Member for Don Valley (Caroline Flint), we do not ultimately, in the partisan environment we work in, confront the really difficult issues. They keep being put off. This is the whole problem. However much in theory she describes a perfect democratic situation in which these issues are debated and resolved, they are not resolved. We remain drifting into crisis because we are not confronting it.

**Helen Whately:** The right hon. Gentleman makes an important point about the need to look at and confront the long-term future funding settlement. I just do not think a commission is necessarily the right way to do it. The fact that we are having a conversation about it now, here in this House, is in its own right a good thing.

**Maria Caulfield:** Does my hon. Friend agree that NHS England is non-partisan and that the “Five Year Forward View” is non-partisan? It has considered all the aspects, and the role of a political party is to decide whether to support that or not. Too often, it is the politicians making the suggestions, not the NHS.

**Helen Whately:** I agree with my hon. Friend that the “Five Year Forward View” was a landmark document in that it set out the NHS’s own plan for its own future,

supported by political parties. The more it can be encouraged and enabled to have that autonomy—and for organisations within the NHS to have that autonomy—to determine its own future, the better.

Another proposal is that the commission should focus on the integration of health and social care. In many ways that is already in progress, with many different models being pursued—it is one of the important features of the “Five Year Forward View”. One thing I am wary of is that the commission might come up with a one-size-fits-all model for integrated health and social care. If we have seen anything in recent years, it is that one-size-fits-all is not a good idea. One of the good things going on at the moment is the development of different models, whether in Manchester or in a local vanguard area such as down the road in Whitstable, looking at different ways of doing things. That is healthy. Each area could and should work out for itself the way to bring health and social care together. What we, and Government, should do is enable, support and encourage areas to move forwards and be bolder, and not necessarily impose a single template of how it should be done.

I am very mindful of the problems and outcomes challenges the NHS has on a national level, but in my constituency I have two trusts in special measures. My 100-year-old grandmother is, right now, in an acute hospital. If the system was working better, she would not be there. The health service has many problems, as well as many strengths. We should focus on how the NHS can get on with things that are in the pipeline. There have been many allusions to recent reports and evidence of best practice that is not being replicated enough across the system. There is a lot going on: the development of the vanguards, devolution, integrated care organisations and so on. All that good stuff is happening and we just need to get on with it.

We need to shift care, especially primary care, out of hospitals and, as people who can hold the Government to account, we need to make sure that the funding follows that shift. That is something that concerns me, and let us keep an eye on it. We also need to shift towards, and provide the funding for, parity of esteem for mental health and to improve the quality of care through transparency, technology and developing a learning culture in the NHS, with a greater focus on outcomes. This is happening, but we need more of it.

I am particularly concerned about the terrible morale among the NHS workforce. About 80% of junior doctors have said that they do not feel valued by the organisations they work in, and the figure is similar for other members of the healthcare workforce. That is an enormous problem. If I was to call for a commission on anything, I would call for one to look into why the workforce is so downbeat and demoralised. That is a fundamental but specific issue about which something could be done.

Overall, the NHS needs to get on with achieving the productivity opportunity that it identified and committed itself to in the “Five Year Forward View”. Many people are sceptical about the NHS’s ability to make £20 billion of efficiency improvements in the coming years. To do that, it needs to be bold and make the most of technology to reduce the enormous wastage in the NHS. It needs to solve the problem of patients not being discharged or coming to hospital unnecessarily. It needs to join up with the social care system around the NHS and address the shortage of nursing beds, for instance, which is an

[Helen Whately]

acute problem in my constituency and one of the major reasons patients are in hospital unnecessarily. I want all these things happening more quickly, on a larger scale and with greater boldness. The NHS and the social care system need to direct their energies at doing that, instead of being distracted by a commission covering the wide range of subjects mentioned today.

To conclude, I welcome our having a conversation that feels a lot less party political than many conversations about the NHS and which looks to the long term, as well as the near future, but I do not support the commission proposed by the right hon. Member for North Norfolk.

3.37 pm

**Debbie Abrahams** (Oldham East and Saddleworth) (Lab): I congratulate the right hon. Member for North Norfolk (Norman Lamb), my hon. Friend the Member for Leicester West (Liz Kendall) and the other Members who secured this debate. We have heard some thoughtful speeches and different views from both sides of the House. I reflect on the comments of the hon. Member for Faversham and Mid Kent (Helen Whately), whom it is a pleasure to follow. I, too, believe that the commission, although in principle a good idea, would be a distraction.

My hon. Friend the Member for Walsall South (Valerie Vaz) talked about what was different in 2009. In 2011, just after the coalition Government formed, we had the opportunity to hold a cross-party roundtable. It was proposed by my right hon. Friend the Member for Leigh (Andy Burnham), but rejected by the coalition. It comes down to what many people have said about the difficulty of taking politics out of such a debate. It is down to political will.

There are a few points I want to talk about. The hon. Member for Bracknell (Dr Lee) made the point—and, although coming from a different viewpoint, I fundamentally agree with him—about having different ideological perspectives. I want to focus for a moment on the Health and Social Care Act 2012. I served on two Bill Committees with the hon. Member for Stafford (Jeremy Lefroy)—who really embodies the term “honourable Gentleman”, so I am sorry I disagree with him on this point. At the time, the Opposition made real efforts to explore and provide the evidence base for the implications of the Bill and what would happen, and I am afraid that much of that has come true.

All this is based on the fact that the Government, and at that time the coalition Government, have a different view of the NHS and, I suspect—although I cannot recall whether this is on the record—how it should be funded. We believe absolutely passionately—we fought the general election on this basis, as we did on a number of issues—in a publicly funded NHS, funded through general taxation, with the NHS as a preferred provider. We have committed to repeal the Health and Social Care Act, because we believe that its basis—section 75, which compels all providers to put their contracts out to tender—is wrong, and it has been proven wrong.

**Caroline Flint:** My hon. Friend is right: we do support a publicly funded NHS, but it has also been Labour party policy in social care that we think people should make a contribution. The problem with the politics is that we cannot come to a defined space where we can all

agree on what is a reasonable contribution. We have to be up front about these things, because we need a system, particularly in social care, where we have to look at other models of how we provide those services and what will be expected for people to finance them, do we not?

**Debbie Abrahams:** I would not disagree with my right hon. Friend, but to pretend—and that is what it would be—that we could reach that conclusion on a cross-party basis would be an illusion. That does need to happen, but we come from completely different perspectives, and that needs to be considered.

In the first year of the legislation, contracts worth £16.8 billion of public money went out to tender under the Health and Social Care Act, with 40% going to private healthcare companies. We could track that because it was on Supply2Health, a public website that was taken down, which meant we could no longer monitor it. Care UK won 41 contracts worth £110 million; and again, the association of donations to different political parties is on the record. Some £5 million has been wrapped up in funding for competition lawyers. In my constituency in Oldham, my community trust, which also provides our mental health services, has said that the amount of time and money wrapped up in competing for tenders has increased inexorably. That is a distraction, and having a commission, getting away from these central points, would also be a distraction. As I say, we come from different ideological perspectives.

**Mark Durkan:** Given what my hon. Friend has said about the impact of the legislation in the last Parliament, does she believe that a commission would have a more adverse impact on the long-term future of the health service than that legislation is having, which is based on the old way of doing business?

**Debbie Abrahams:** We come from completely different perspectives, as I have just mentioned to my right hon. Friend the Member for Don Valley (Caroline Flint). My hon. Friend the Member for Walsall South said this had been mooted back in the '60s, but if we think that now, just a few months after our debate on the Health and Social Care Act, something has suddenly changed, I would respectfully ask, what has changed?

Again, a commission would be a distraction from what we really need to have our eye on: what is happening in health and social care at the moment. We know that the decisions made about staffing and training, for example, have put our workforce plans in jeopardy. One reason why we have financial problems is that three out of four trusts are now in deficit—currently a deficit total of about £840 million, which will run up to £1 billion by the end of the year.

**Norman Lamb:** Is there not a danger with the approach that the hon. Lady advocates? We can continue to have a go at the Government and say how awful the pressure on staff and the deterioration of services are—I accept that a lot of that is happening—but is it not better to try to achieve a solution rather than wait in the hope that at some point in the future, a Government might take a decision to provide the necessary funding and other necessary changes?

**Debbie Abrahams:** As I teased the right hon. Gentleman last week at a Radio 5 Live interview, “so says the former Minister who was saying something quite different

just a few months ago"! I do not want anyone to be under any illusion about this. I am not saying that we should not be planning for 30 and 40 years hence. I am saying that, given the vastly different ideological perspectives—I have provided one example, showing how much we disagree about the Health and Social Care Act 2012—trying to pretend that we can agree is naive.

In the last Parliament, I was chair of the parliamentary Labour party's health committee, and we undertook an inquiry that looked into the effectiveness of international health systems—it is published on my website for everyone to have a look at. We were particularly concerned about quality and equity in access and outcomes, because we knew there was a vast difference in both those respects. The inquiry showed quite conclusively that where there was competition, privatisation or marketisation in the health system, health equities worsened. It revealed that there was no compelling evidence to show that competition, privatisation or marketisation improves healthcare quality. In fact, there is some evidence to show that it impedes quality and increases hospitalisation rates and mortality. This was peer-reviewed evidence—a review of a review of evidence—not one-off studies. It was the strongest type of evidence showing that marketisation and privatisation worsen health equity and worsen the quality of care.

We need to take a forward view, 30 or 40 years hence, about how to continue to fund the NHS and social care. This is a distraction, however, from the crisis that we have right now. We have seen A&E waits up 34% since 2015, failure to meet cancer 62-day treatment standards up 14%, and diagnostics up 36%. It goes on and on. Mental health cuts in 2014 meant the equivalent of £600 million-worth of cuts to mental health trusts. What has changed in the last few months? Delayed discharges reflect the care crisis, with £3.6 billion taken out of the budget for social care in the last Parliament. There is supposed to be £4.3 billion and a 2% precept, but it has been rightly said that it will not make up the difference. As my hon. Friend the Member for Leicester West said, since 2010, half a million fewer older and disabled people have received state-funded support.

In my constituency, I was doing my regular door knocks when I encountered an elderly lady in her 70s. She opened the door and presented me with a bubble pack of medicines and told me that she did not know what she had to do. She had never met me before. She was dishevelled and wearing a dressing-gown in the middle of the afternoon. This was a woman who clearly needed our help and needed support. She was all on her own and did not know what the medications were. I managed to get somebody there. I wonder, though, how much more this is likely to be happening up and down the country. The system is in a crisis, which is a real concern.

**Dr Wollaston:** In many instances around the country, the use of care co-ordinators and the existence of a single point of contact are not only providing better care for individuals, but saving money for the whole system by avoiding the need for admissions and allowing people to go home early. We should focus on the good examples, and on how services can be made available in a more co-ordinated way.

**Debbie Abrahams:** I entirely agree. That was another of our manifesto pledges. I also thought that what the hon. Lady said in her speech was spot on.

Let me return to what I was saying about distractions. We also need to look at the issue of funding and resources. The hon. Member for Totnes (Dr Wollaston) said something about that as well. Real-terms growth in spending in the last Parliament was the lowest in the history of the NHS, at less than 1%, whereas between 1997 and 2009 it was about 6%. The figure in the last Parliament was about 7.5% of GDP, slipping below the European Union average. We are now moving towards the bottom of the league, which is where we started in 1997.

So far, we have not even talked about devolution. I am a Greater Manchester Member of Parliament. The devolution offer to Greater Manchester was £6 billion, although the current collective health and social care economy is worth £10 billion. There has been no talk of contingency arrangements for, say, a flu pandemic. It is an absolute disgrace.

I also agree with the hon. Member for Totnes about the lack of an evidence base for decisions. I have provided an evidence base: our committee looked into resources and funding and how both quality and equity could be improved, and found vast disparities across the country, as well as disparities in outcomes for different groups of people. We should repeal the Health and Social Care Act and ensure that the NHS is the preferred provider.

**Maria Caulfield:** Will the hon. Lady give way?

**Debbie Abrahams:** I hope the hon. Lady will not mind if I do not. I have spoken for some time, and I am being pressed by you, Mr Deputy Speaker—[*Interruption.*]

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Not by me.

**Debbie Abrahams:** Go on, then.

**Maria Caulfield:** The hon. Lady spoke of repealing the Act. As a former NHS employee, I am frustrated by the fact that there has been too much reform, reorganisation and reinventing of the wheel. I issue this plea: please do not make any more structural changes.

**Debbie Abrahams:** I have chaired a trust, I am a former public health consultant, and I entirely agree with the hon. Lady. In the run-up to the election, we committed ourselves to repealing the Act without a reorganisation, because we thought that we could integrate and bring together health and social care in a better way that would not have required that reorganisation.

We need to feel confident that our NHS and care system is there for all of us, and for our parents and our children. It should be based on people, not on profit.

**Several hon. Members** *rose*—

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Order. The winding-up speeches will begin in 15 minutes. I call Dr Philippa Whitford.

3.53 pm

**Dr Philippa Whitford** (Central Ayrshire) (SNP): I, too, attended the debate on 2 June last year, and I remember expressing my shock at the violence that was taking place between the Dispatch Boxes. I considered leaving the Chamber, because it did not seem to be a very useful debate and I did not see the point of taking part in it, but then I thought "No, let us get in and tackle this", and I did make a comment. I said that, regardless of the differences in the way in which politicians

[Dr Philippa Whitford]

would “do” the NHS, the public absolutely believed in it. We have had a fantastic debate today, because people have expressed different views and different outlooks, but have done so calmly.

As was mentioned by the right hon. Member for North Norfolk (Norman Lamb), the challenges of increasing demand caused by age and multi-morbidity are found not just north and south of the border, but throughout the developed world. We also face the challenge of not having enough doctors, in both primary and secondary care. That, too, applies throughout the nations of the United Kingdom.

There are some challenges that we do not face in Scotland. We have not experienced the fragmentation that resulted from the Health and Social Care Act 2012. Indeed, we got rid of hospital trusts back in 2004. We have gone, therefore, to geographical boards—we just have health boards—so there is no barrier between primary and secondary care, which people used to pitch across. Since April of last year our joint integration boards have become active. They ran in a theoretical way for about a year, but the vast majority of them went live last year and the last one will go live in April this year. That is putting the pot of money into a joint space where health and social care work together, break down the barriers and realise there is no benefit in sticking a person in a bed and then looking to see who should pay for it. What purse the money is in has often been the biggest problem.

We cannot develop integration if what we are actually developing is fragmentation and competition. That is why we have not gone down the route of outsourcing to private providers. It wastes a lot of money and effort, and people are competing instead of co-operating.

We obviously have different systems in Scotland. We have free personal care, the level of which has been increased to allow us to keep at home people with more complicated conditions. That is important. Since June of last year we have been going through a national conversation. Whether we have a commission, a committee or whatever, it is important that the public and the staff are involved, as well as the people who have written all the reports—Marmot, Wanless, Barker, the King’s Fund, the Nuffield Trust. There must be a way of bringing these together and picking out the good bits to get a shape. Our piece of work is looking towards 2030; that is what we are working on at the moment.

We did a piece of work that started in 2011-12 called “2020 Vision”. It was very like “Five Year Forward View” and addressed where we wanted to be and what shape we wanted. That identified that the No. 1 thing was integrating health and social care.

Talking about the money for this and where it comes from is always going to be political. At the moment national insurance is bizarre; it starts when people earn £7,000 when we would not tax them, and it stops when people retire, although they might be incredibly wealthy. I do not think people see it as national health insurance, which is how it started. Where the money comes from and what it is put towards is a political decision.

To get some kind of shared view of where NHS England and indeed the NHS in all the nations want to be in 2030 could be a useful piece of work. I totally

agree with the hon. Members who have expressed anxiety about kicking this into the long grass. I certainly do not think it needs to stop any piece of work going forward. To me, this provides a place where that can come. One of the features in Scotland in developing quality measures is bringing groups of people together for an annual conference; I am a great believer in getting people into a room—maybe not always a room like this one; maybe a more co-operative room—so that people can say “This is what we found difficult. This is how we fixed it. This is where we are stuck. I see you solved that.”

One of the projects that Nicola Sturgeon has taken forward is called “once for Scotland”. It is not eternally going through local projects and experiments that never get shared with anybody, and everyone reinvents the wheel. That is a huge waste of energy.

Obviously the Government have committed to the £10 billion and that has been welcomed, but more than £2 billion of that is already gone in the deficits. That increase is focused purely on NHS England, whereas normally funding is described in all the Department of Health responsibilities. The other responsibilities are facing a cut that is described as approximately £3 billion. The King’s Fund, the Nuffield Trust and the Health Foundation identify the increase as in fact about £4.5 billion—so not exactly the headline figure.

The “Five Year Forward View” has been mentioned, and that asks for £8 billion but it also identified £22 billion that had to be found. That is fairly eye-watering. Let us think about two of the things that were identified within that. One was a change in how people worked.

**Norman Lamb:** The hon. Lady is talking a lot of sense, as she always does. The “Five Year Forward View” set out three scenarios, but it did not ask for £8 billion; that is just the narrative that has developed. The efficiency assumptions on which the £8 billion—or £10 billion, or whatever we want to call it—is based are unimaginable. They are at least 2% to 3% throughout the period between now and 2020, and everyone knows that that is not going to be delivered.

**Dr Whitford:** I thank the right hon. Gentleman for his intervention. Even without recognising that no one has ever achieved those levels of efficiency savings, we need to acknowledge that a big chunk of this is about prevention. More than £5 billion of the £22 billion has been identified as relating to people not going into hospital and not getting sick, yet public health expenditure has been cut by £200 million in-year, with another £600 million to go. That amounts to a 3.9% cut. Lots of people will think that that just means less smoking cessation and less preventive work around alcohol, but public health should be much bigger than that.

I understand that there used to be a Cabinet Committee on public health in this place. Public health should be feeding into all the decisions that are made here. We also need to ensure that our directors of public health are strategically involved in local government, because the shape of our town centres will determine whether we have car-based or active transport, how we design our schools and whether we flog off our playing fields. All those things will interact with health.

It has been said that secondary care always gets the bigger bite of the cherry. We talk about fixing the roof while the sun is shining, but in fact, when the window

has just come in or the door has just come off its hinges, that is what we fix first. That is very similar to secondary care, which is actually the national illness service. It responds to people who are already ill. We are developing more complex and expensive treatments that allow us to keep people alive, and we need to recognise that. People talk about the catastrophe of ageing, but I would like Members to focus on what the alternative is. People used to say, "Age does not come alone, and it is terrible." In the field I worked in, however, not everyone gets old. Age is something that we should value, because wisdom and a sense of community come with it.

However, we need to be ready to develop the services around older people, and that means not always just patching things up at the end. We need more intermediate care to allow step-up and step-down beds, and we are working on that in Scotland. In particular, we need to focus on primary care, as the hon. Member for Stafford (Jeremy Lefroy) said. That is the real generalism. The GP is the person who is able to make a diagnosis because they have known the patient linearly over many years. However, GPs are on their knees and that is a UK-wide problem. They are under huge pressure because of the demand and the complexity. Within that, of course, we must talk about the lack of mental health services. They have been ignored for a long time, but that is beginning to change. In Scotland, we have a waiting time target for child and adolescent mental health services. Unfortunately, it is proving very challenging to meet that target, but we have doubled the number of staff in those services and we hope eventually to see improvements.

We need to be looking at these issues more broadly. The hon. Member for Oldham East and Saddleworth (Debbie Abrahams) and I—I am not very good at learning constituencies that have two names; I find one name a challenge with 650 people here—are members of the all-party parliamentary group on health in all policies. We have been taking evidence on the health impacts of increasing child poverty, of which we are going to see even more. We need to recognise that every decision we make feeds into whether our citizens are healthier, physically and mentally, or less healthy. That is about welfare. It is particularly about housing, which has one of the biggest impacts on health. The hon. Member for Stafford mentioned those impacts in our debate yesterday on supported care. If we lose supported care in the community, we are never going to get people out of hospital. I want to make the plea, as I did in my maiden speech, that we in this place should put health and wellbeing—meaning mental health—across all our policies and measure our decisions against those factors. Far too many decisions are made in a broken up, narrow way without looking at the ramifications for everything else.

4.4 pm

**Heidi Alexander** (Lewisham East) (Lab): It is a pleasure to follow the hon. Member for Central Ayrshire (Dr Whitford), and I congratulate the right hon. Member for North Norfolk (Norman Lamb) on securing the debate today. I thank all the right hon. and hon. Members who have contributed to the debate. It has been an important and well-informed one.

Many hon. Members have spoken about the seriousness of the financial challenge facing our health and care system. They are right to do so. Many hon. Members have also been right to say that we need a big, honest

national debate about what excellent care services look like and how we might pay for them. I have been the shadow Secretary of State for Health now for just four months. In that time, it has become obvious to me that the NHS and care system is facing unprecedented challenges—huge hospital deficits, care home providers on the brink of failure, older people in hospital because they cannot get the support that they need at home, more critically ill people waiting longer than ever before for ambulances and large chunks of the workforce so demoralised that they want to up sticks and leave for the southern hemisphere.

For many people who use the NHS, this picture may sound unfamiliar. For the majority, the NHS still provides excellent care and it is important to recognise that and to thank the thousands of dedicated staff who ensure that that happens. But the system fails many others, and the risk is that it starts to fail more and more people as time goes on.

When I was asked to do this job, I knew that the NHS and care system was under pressure. I knew that demographic change and the march of technology, both in and of themselves good things, were placing demands on a system designed for a different century. As a constituency MP, I have visited isolated older people, many feeling like prisoners in their own home, surviving with the help of a meagre care package or the support of family and friends if they are lucky. As a local authority councillor, I saw the soaring demand for adult social care, and the woefully inadequate budget to deal with it. Demand is growing because our population is ageing but also because advances in medicine enable babies who previously might not have survived to live not only into childhood but into adulthood.

On a personal level, I knew that in my own family, my grandmother had spent the last few years of her life in and out of hospital on an almost weekly basis, driven as much by crises of loneliness as by a deterioration of her chronic obstructive pulmonary disease. I knew that my other nan was forced to sell her home to pay for her care when she developed vascular dementia, meaning that all but £23,000 of her £140,000 estate disappeared. All these things I knew before I became the shadow Secretary of State, but it was only when I visited hospital after hospital up and down the country in the past few months that my eyes were really been opened.

The image of frail, elderly people, perched alone on beds in emergency admissions units or in rehabilitation wards is the abiding picture that stays with me following my first four months in this job. It made me feel uncomfortable. As a childless 40-year-old woman, I asked myself whether that would be me in 50 years. Was it the best place to be? Was it the best we as a country could do? The image may have been uncomfortable, but the numbers say it all. One in four hospital beds are occupied by people with dementia. Half of all people admitted to hospital are aged over 65. More than 300,000 people aged over 90 arrive at A&E by ambulance every year.

When we get older—and it will come to all of us, hopefully—hospital will sometimes be necessary, but it should not become the norm. I know that we have to address this problem. The system needs to be redesigned so that it gets the right sort of support to people at the right time and in the right place to prevent problems from escalating.

[Heidi Alexander]

We have to be honest, however, about the fact that this involves a price tag. While savings can still be made and there will be ways to make the system more efficient and less wasteful, there are simple underlying pressures that cannot be wished away. With every day that goes by, more older people are living with increasingly complex and often multiple conditions. Some say that family members need to step up and care for elderly relatives, but others say that that is unrealistic. New drugs and treatments also become available every day, yet at not insignificant cost. It might be tempting to brush these uncomfortable truths under the carpet, but we cannot, and we would fail generations to come if we were to do so.

That brings me on to the proposal that we are debating: the establishment of an independent, non-partisan commission to determine what a long-term financial settlement for the NHS and social care system might look like. I understand the superficial attraction of the proposal. I have been stopped on the street and in the gym by people I have never met who say, “Why can’t the politics be put to one side when it comes to the NHS?” I understand that sentiment, as politicians are not always the most popular bunch and we are too often seen to be advancing our own parties’ interests rather than those of the public. However, the way in which we fund elderly care is the most deeply political question that our country faces in the next decade, and it is political because it is about who pays and who benefits.

While the NHS is a universal, taxpayer-funded system that is free at the point of use, social care provision is a mixed bag. Those with money pay for care themselves, while those without rely on councils to provide what support they can. There has been a “make do and mend” approach to social care in recent times, but our changing population means that that is no longer an option.

I spoke earlier about my nan, a woman of limited means who experienced catastrophic care costs because she developed dementia. My family is not a rich family, but we are not a poor family either—we are like many families up and down the country. When I was growing up, my dad decided to take us on a two-week holiday to Spain each year instead of paying into a pension. He has never bought a brand-new car in his life, but he never let his children go without either. The costs of care faced by my nan and my family fell randomly. Is it right that a woman of limited means who dies of dementia at the age of 85 passes nothing meaningful on to her family when a wealthy man who dies of a heart attack at the age of 60 does? What about those who plan their financial futures having invested in expensive tax advice to avoid the costs of care? These are deeply political questions.

If the NHS and care system are to be adequately funded in the future, the truth is that a political party needs to be elected to government having stood on a manifesto that sets out honestly and clearly how we pay for elderly care, and how we fairly and transparently manage the rising costs of new treatments, drugs and technology. No matter how well researched, intentioned or reasoned an independent commission’s recommendations may be, someone at some point will have to take a tough decision.

Given the cross-party work that has been done in this area in the past, I think that I can be forgiven for being cautious. Let us take the discussions that took place between

by my predecessor, my right hon. Friend the Member for Leigh (Andy Burnham), and the then Conservative and Liberal Democrat Opposition prior to the 2010 election. Just weeks before the election, the Conservatives pulled the plug on those talks, and accusations of “death taxes” were suddenly being hurled around. So much for a grown-up debate to answer the difficult questions. Take also the attempt at cross-party agreement in the previous Parliament which led to some of the Dilnot proposals on capping the costs of care. Those proposals were in the Conservative party’s manifesto, but were swiftly kicked into the long grass just weeks after the election.

I am not sure that attempts to take the politics out of inherently political decisions have worked. Even in the case of something straightforward—a new runway, for example—an independent commission has not exactly led to consensus on how to proceed. It has just led to more delay. As the well-respected Nuffield Trust has said, “Experience shows that independent commissions into difficult issues can have little impact if their recommendations do not line up with political, local or financial circumstances.”

How we pay for elderly care is one of the most difficult decisions facing our generation. It will require political leadership. A political party needs to own the solutions and be determined to make the case for them. I am not ashamed to say that I want the Labour party to lead that debate. I want us to build on some of the excellent work that has already been done in this area, in particular the work of Kate Barker and the King’s Fund. I want the Labour party to spend time talking to people up and down the country about the kind of health and care service they want to see, and to have a frank and honest discussion about what some of the different options to pay for that service might be.

I must be honest, though, and say that I think it was a profoundly political decision in the previous Parliament to cut the amount of money available to councils to pay for adult social care. I say gently to the right hon. Member for North Norfolk that he stood at the Government Dispatch Box and defended the cuts that his Government were making to social care. He dismissed many of warnings that my hon. Friend the Member for Leicester West (Liz Kendall) was making when she was the shadow Care Minister about delayed discharges, cuts to home care, and reductions in other vital services, such as meals on wheels and home adaptations. It is neither realistic nor right to pretend that we do not have fundamental differences on this issue. Any attempt at finding consensus must begin with an acknowledgement of the damage done to social care over the past five years.

**Dr Murrison:** I am grateful to the hon. Lady for giving way, particularly as I was not in at the very beginning of her remarks. It is most gracious of her. I have been listening carefully and she is making a powerful case. Then she came over all partisan. Does she not accept that fundamental to spending on healthcare, as with the rest of our public services, is a sound economy? Does she accept that this Government have had to make some extremely difficult choices in order to get that economy back on track?

**Heidi Alexander:** I accept that difficult choices have had to be made, but some of those choices have impacted enormously on some of the most vulnerable people in our society. The hon. Gentleman was not in the Chamber



for the beginning of my speech, when I recognised the seriousness of the problem and the need for urgent action to tackle it. I want to find a solution that works and delivers the change that is needed.

The public are crying out for honesty in this debate. They understand the pressures created by rising demand and new technologies, and they want to be treated like adults. To suggest that this can be all neatly sewn up by an independent commission with the politics taken out of it sounds attractive, but I worry that it will not deliver. For the millions of people who depend on our NHS and social care system, I agree with the right hon. Member for North Norfolk that we cannot afford to have another Parliament where we fail to grasp the nettle. I know his proposal is well intentioned, but I fear that it is not the answer.

4.19 pm

**The Minister for Community and Social Care (Alistair Burt):** This has been a really great afternoon. I have thoroughly enjoyed listening to all the speeches. It has been the sort of debate that I think people outside this place appreciate. I thank the right hon. Member for North Norfolk (Norman Lamb) and his colleagues for securing the debate. I also thank him, as always, for the contribution he made when he was in the role I am now in. I thank all right hon. and hon. Members for their contributions, not least those with a medical background. We encourage them to remain in active medicine, because it brings an extra dimension to these debates. If I have time, I will address the comments from each Member. I will first respond briefly to the nub of the debate before responding to colleagues' remarks and making some comments on the structure.

The sustainability of the NHS and social care system, whether financial or operational, is a key commitment of this Government. However, we do not believe that there is a need to launch an independent commission into its future. The NHS and wider health system has already examined what needs to be done to ensure the sustainability of the health and care system. Part of the purpose of making NHS England independent was to allow it to examine the circumstances of its finances and project into the future. It did so independently and came up with a figure. The Conservative party, uniquely, met that commitment at the last election and was able to carry it into government. It is important for the House to recognise that right at the beginning.

**Norman Lamb:** I just want to challenge the Minister on the suggestion that NHS England came up with the figure and the Government met it, because that is not actually what happened. NHS England and Simon Stevens painted three scenarios. The scenario that the Government have met, and on which both my party and his party stood at the election, is based on assumptions that are heroic in their scale and have never been met in the history of the NHS.

**Alistair Burt:** If I may say so, Simon Stevens said, "Look, it needs £8 billion." It also needs £22 billion in efficiencies. We have met the challenge and put in even more than £8 billion—by 2020 it will be £10 billion. I understand the pressures in the system and fully appreciate the right hon. Gentleman's remarks. The King's Fund stated in its 2015 report:

"Business as usual' is not sustainable. But that does not mean the NHS is fundamentally unsustainable."

Simon Stevens recently said:

"The NHS has a huge job of work to do ensuring an already lean health service is as efficient as it can be—which, in my assessment, people are entirely up for."

He recently told the Health Committee, "In headline terms, £22 billion is a big number, but when you think about the practical examples and do the economic analysis, we have some pretty big opportunities in front of us." We know that the challenge is there; nobody denies that. However, NHS England put its assessment of what it needs to the political parties at the last election. We met that challenge and were elected.

We have spoken about a process, and I will return to that in a moment. What NHS England produced was developed by it, along with Public Health England, Monitor, Health Education England, the Care Quality Commission and the NHS Trust Development Authority. The Government back the plan, but we need a strong economy to be able to do that, as a number of colleagues have said. Without trespassing too much into other areas, that is the meat of political debate in this country. The public are not just asked to make a judgment on the delivery of one particular service, however precious it is. It is about whether they think that those who are promoting their view of a particular service have the economic background to deliver it. That question was also comprehensively answered at the general election. We now have responsibility for carrying that forward. People believed that we could put the money into it, and we have done so.

**Liz Kendall:** The Minister says that he believes that the Government have met the challenge, so does he think, with regard to funding the NHS and social care, that it is job done?

**Alistair Burt:** I said that we have met the challenge that was put before us, which was to support what NHS England said it needed. We have done that through the financial commitment we have made. We looked very hard in the spending review to see what social care would need, and the Chancellor came up with the £2 billion social care precept, plus the £1.5 billion from other resources, so that is £3.5 billion extra by the end of 2020. We have put in place the financing that we believe will allow the delivery of health and social care over the next few years. But—and it is a big but, which I will refer to later—it is not just about the resources; it is also about how they are spent. Most colleagues have spoken about variability and how best practice is not always available elsewhere. We have to ensure that best practice comes in, and that is not just about resources; it is also about how things are done.

**Dr Philippa Whitford:** Is it not the case that the idea of seven-day-a-week, 8 am to 8 pm GP practice was not included in the NHS England estimates, and therefore the cost of that has been added on top? Will the Minister commit to taking the evidence from the pilot studies on whether that is a good use of money?

**Alistair Burt:** I will. We had this discussion in the Health Committee the other week. I will of course look very hard at the evidence, whether it comes from Greater Manchester and shows that somebody is working effectively and appointments are being filled, or from places where that is not currently the case. We have to wait and see in that regard.

[Alistair Burt]

The spending review showed our continued commitment to joining up health and care by confirming an ongoing commitment to the better care fund. Again, the integration process is extremely important. In terms of the general argument about what should be done, a clear commitment was made, based on an independent assessment of what was required. That required a Government who were prepared to make difficult decisions, and a strong economy, and we assumed that responsibility.

Let me deal with some of the remarks made by right hon. and hon. Members during this conversation—for it is, as the hon. Member for Central Ayrshire (Dr Whitford) said, a conversation, and a really good one. If more debates about health had the flavour of this afternoon's discussion, the public might be happier. She said that her preferred method for dealing with things, as with most of us, is bringing people into the same room and having a conversation—but perhaps not this room. However, there are other rooms in this place in which to do that. Indeed, my hon. Friend the Member for Totnes (Dr Wollaston), the Chair of the Health Committee, does so regularly. This place can provide opportunities for the sorts of discussions that would be at the heart of any cross-party consideration of what we want to do. We should not neglect the fact that we can do that, and we have had a good conversation today.

I agree with the hon. Member for Lewisham East (Heidi Alexander) in that I am fundamentally shy of the idea that we can just put this on to others and with one bound we are free. I understand the sentiment that we somehow need to get, if not the politics, then the heat of the politics, out of it in order to allow for the conversation that we need to have. However, at the end of the day, that still requires a process. Like her, I believe that the process is that we discuss it, come to conclusions within our own party about what we can do, and offer it in a sensible way to the electorate. I entirely agree with those who say that there are times when we have all been guilty of the most ridiculous adverts. At the end of the last general election campaign, I was in a marginal constituency and had a piece of paper in my hand that was our last-minute leaflet. I knocked on doors and said, "Look, we have a choice—I can either hand you this leaflet, which is complete nonsense, or you can give me 20 seconds to explain why you should vote for David Cameron tomorrow and keep a Conservative Government." They laughed and said, "Go on, then", and I had my 20 seconds. We all know that we are sometimes guilty of producing material that in the cold light of day we would not wish to, and in relation to health we need to be extra-careful about that.

As the debate went on, I was concerned about whether the commission that the right hon. Member for North Norfolk and his colleagues is proposing can bear the weight of the many different things that we would like it to cover. My hon. Friend the Member for Totnes wanted it to report rapidly, but my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell) intervened to say that it had to be for the longer term, so which is it to be? My hon. Friend also spoke about the problem of variation in the system, but that is not to do with resources. No commission could be so directive as to make sure that best practice is delivered everywhere. We have to do that in another way.

The hon. Member for Leicester West (Liz Kendall) in, as always, a very thoughtful and sensible speech, recognised the political problem in agreeing on this, and she was right to do so. It is very difficult for her, or any other Labour Member, to talk about the introduction of private medicine. If I did not stand here and say, with no deviation, that the Conservative party and the Government believe in a tax-funded health system free at the point of delivery, the roof would fall in. Therefore, there are constraints on what we can say politically, and we have to be thoughtful about how we deal with those responsibilities.

My hon. Friend the Member for Bracknell (Dr Lee) added more weight to the commission by talking about structure, and how we deal with these reviews of where hospital premises might be located. Again, there is this problem of politics. When approached by patients or doctors with a vested interest in keeping a physical bit of bricks and mortar and in saving "our" hospital, it would be a brave one of us who said, "Do you know what? That may not be the best thing." That difficult problem was alluded to by my hon. Friend the Member for South West Wiltshire (Dr Murrison). No commission can get us over that sort of problem.

The hon. Member for Strangford (Jim Shannon) invited me to Northern Ireland to see some integration at work, and I would be keen to visit. My hon. Friend the Member for South West Wiltshire and a number of colleagues made the point about public health. Prevention is about not just the public health budget—significant resources are still going into public health—but what we are trying to do with the shift from secondary to primary care to ensure that people are seen earlier.

The hon. Member for Central Ayrshire talked about ensuring that we keep people well longer. She said that instead of seeing the national health service as an organisation that looks after just the ill, we should consider what it can do before that, which is very important.

The right hon. Member for Sheffield, Hallam (Mr Clegg) spoke principally about mental health. As a Health Minister, I know full well what the coalition Government as a whole did in relation to mental health. They picked up a trajectory that had been disappointingly low, but we are now well on track. I wish gently to correct something that has been creeping into the narrative, which is that it was all going fine until six months ago, but it has slightly come off the rails now. It has not. It was not all sorted during the coalition, and I reject the charge that it is now all about rhetoric and not delivery. We are delivering, and making sure that CCGs spend the increased money that they get on mental health, and we are tracking it for the first time.

That £1.25 billion for children and young people's mental health, which was a very significant delivery by both the right hon. Gentleman and the coalition, has been increased to £1.4 billion, and it will all be spent in that area by 2020. We are dealing with the issue of mental health tariffs as well, and we want to have waiting and access times for children and young people's mental health services.

I encourage the right hon. Gentleman to see, at least in this part of my portfolio, that what I seek to do is to build on what the right hon. Member for North Norfolk did in my role. I would rather that the right hon. Member for Sheffield, Hallam did not talk in that manner and

think that it has all come to a halt, because it has not. We are having to repair one or two things, such as perinatal mental health, in which we have put significant resources. The conversation has been advanced enormously in exactly the right way by consensual discussion, and we will certainly carry that on.

**Mr Clegg:** The right hon. Gentleman is being a little over-sensitive. I bent over backwards to say that it is entirely understandable that there is always a lag of time between rhetoric and delivery. All I will say, in the most consensual, cross-party, non-finger-pointing way, is that there is a real delay now between the pilots that were started back in 2012 and the paucity of the number of mental health trusts that have placed their financial arrangements on the new non-block grant system. That is the urgency with which we must deal.

**Alistair Burt:** I accept that. I was not in this post in the period from 2012 to 2015. I am certainly ensuring that we are progressing. I am glad that we have sorted that out. The coalition's involvement with and commitment to this issue have been immense, and I am very proud to carry that on in the way I am doing.

My hon. Friend the Member for Lewes (Maria Caulfield) brought her experience to this debate. She spoke about the integration of budgets for social care and for local authority expenditure in the national health service, which is absolutely crucial. For me, integration is not about getting two groups of people to sit down in the same room every few months or so to have a discussion. It really cannot be done without a combined budget. So long as there are perverse incentives for one budget or another, it will not work.

We are making progress on that and have clear plans to get it done by 2020. We will follow our progress with a scorecard to find out where we are. We have spoken for too long about finding the holy grail, but we are further towards it than anyone has been before. That is not a bad place to be, but we must ensure that we make progress. A lot of this is about relationships; it is not just about organisations being in the same room. Unless people really talk to each other and have a real sense of what can be done collectively, we will not get anywhere.

My hon. Friend made the heartfelt plea, "Leave us be from time to time." That would certainly be echoed by virtually everybody I have ever been involved with in the public sector during the past 30 years. They just wish we would decide what is to be done and let them get on with it for a while before changing it again. I am quite sure that this Government have absolutely absorbed that lesson.

The hon. Member for Don Valley—*[Interruption.]* Will she forgive me? Once I have been in the House for a few years, I will get all such distinctions right. The right hon. Member for Don Valley (Caroline Flint) speaks from a position of great experience and great success. She spoke about the successes and the failures in the system, which we all know about, and about how the commission could look at them. Again, I am not quite sure that it could bear the weight of doing so.

The right hon. Lady addressed the political issues and how difficult some of them are. If she will forgive me for saying so, she made an intervention on the hon. Member for Oldham East and Saddleworth (Debbie Abrahams) that exemplified the point. There are difficult

political challenges within parties as well as between parties across the Floor of the House, and I noticed the little challenge that was made.

I must say to the hon. Member for Oldham East and Saddleworth, who spoke with great passion about her party's commitment to a publicly funded or taxpayer-funded NHS with no deviation from the line, that that is simply not true. It suits her to say it, but it is not true. Let me quote from an article from the *New Statesman* of 27 January 2015, under the headline "Labour can't escape its Blairite past on the NHS, so it should stop crying 'privatisation'." It said that Alan Milburn

"serves as one of many reminders that not so long ago, during the New Labour years, the Labour party was driving through dramatic reforms in the NHS and did not shy away from private money in doing so."

There are variations on a theme, even for the hon. Lady, and she perhaps protested about the public nature of the NHS a little too much.

**Debbie Abrahams:** I am grateful to the Minister for giving way as he did not challenge me when I made that point. Does he, however, accept that Labour stood on the platform of saying that the NHS should be the preferred provider? As other hon. Members have said, we have learned how important it is that policy driving the NHS should be based on evidence. We now have evidence that a health system with an internal market, or a marketised or privatised health system, which is what this Government are seeking, does not help to improve quality or to reduce inequity in healthcare. That was our platform.

**Alistair Burt:** Well, the platform was clearly stunningly successful. I am not embarrassed by being reminded of the Labour party's NHS platform at the last election, because it did not succeed. For one reason or another, the public did not believe the stories run about us and the NHS, and they did not believe in Labour's competence to handle the NHS. As we know, the amount of private sector involvement in the NHS is extremely small, and I am not sure that I accept the hon. Lady's description of how it has all turned out. This is an example of how careful we must all be in dealing with such issues. We must not pretend to our publics that we are something we are not and that our opponents are something that they are not.

My hon. Friend the Member for Stafford (Jeremy Lefroy)—he has great experience, given the work he has done with the NHS—spoke about best practice. He wanted the commission, but again added more pressure in the things it would be doing and considering. I would make the point that such a commission happens at a point in time. I know that it would be designed to look ahead, but it would inevitably consider the circumstances pertaining at the time. We need a process for discussing the NHS and its funding—where the money is coming from and how it is spent. We need to make the process work, rather than thinking that one push into the grass will do the job. Again, I am not sure that the weight will be borne in that way.

**Dr Murrison:** Earlier in his remarks my right hon. Friend talked about having a discussion within the confines of the Palace of Westminster. He appears to be moving in that direction again. Does he agree that there is a need for a more iterative process with the public at large?

[Dr Murrison]

A commission of the sort that the right hon. Member for North Norfolk has proposed might go some way towards that.

**Alistair Burt:** I think that engagement with all involved is essential. When I am away from Westminster, engaging with patients, the public and staff is fundamental to the visits that I make to the services for which I have responsibility.

There is nothing to stop any of the work that the right hon. Member for North Norfolk is suggesting from starting. It is essential that everybody is fully involved. I do not think that the Government or the Opposition will make any of their decisions on the NHS or its expenditure by excluding anyone.

The hon. Member for Walsall South (Valerie Vaz), in a turbo-charged contribution, also spoke of the importance of getting integration right. She reminded us that Dick Crossman started it all off. I am sure that we have all had election manifestos that have spoken of an integrated transport system and integrating health and social care. Now we just have to make sure it happens. She made the point that no amount of talk or number of recommendations relieves someone of the burden of doing it. At the end of the day, it is doing it that counts. That is the role of the Government, while being appropriately challenged by all others.

I am delighted that my hon. Friend the Member for Faversham and Mid Kent (Helen Whately) spoke of the importance of the workforce, particularly the workforce in social care, who have a very difficult time of it. They have great skills and need to be on a career pathway where they can acquire more. They also need to be valued. Again, my hon. Friend believed that the current mechanisms were better than others for dealing with these difficult problems.

To conclude, I will give my sense of the debate. I found it slightly hard to distinguish what the foundations of the debate were—whether it was about the quantum of funding or how the funding was gathered into the health budget in the first place. The commission is expected to cover a breadth of issues, but I am not certain that it can bear the weight. Decisions need to be made, no matter how the information comes forward.

We do not need a commission to deliver the process or to take the heat out of the debate. We have to be careful about how we speak about these subjects. By and large, what happens upstairs gives the public a good sense of how we deal with witnesses who come in from outside, members of the public and each other. We can do much more of that without the need for a commission. We must remember to handle things carefully.

I am not sure that structural change could be handled through a commission. That is very much a local decision. This is not all about funding; it is about how the funding is used. We have to ensure that we do not get into the trap of measuring everything by what we put in, rather than by output. One of the most telling points was when the right hon. Member for North Norfolk said that in the Commonwealth Fund analysis that gave the NHS such a good rating, the one thing it dropped down on was outcomes—treating people and whether people stayed alive. To most people, that is probably the most important outcome of all. We have to make sure

that, for all the other good things that we are doing, such as the work the Secretary of State is doing on transparency and all the efforts we are making to give people more information, we recognise the importance of that.

**Dr Philippa Whitford:** Just on the Commonwealth Fund analysis, the standard that the UK did badly on was actually healthy life expectancy. That is not the same as an outcome in hospital. We may have successful operations, but we have underlying deprivation and ill health.

**Mr Deputy Speaker (Mr Lindsay Hoyle):** I just say to the Minister that I did give him the nod. I have been very generous. When we say that he has “up to 15 minutes”, he is meant to take 15 minutes. As he can see from the clock, he has taken a lot longer.

**Alistair Burt:** I beg your pardon, Mr Deputy Speaker. I have tried to accommodate interventions but I entirely take your point. I am just about to finish and am grateful for your generosity.

I take the hon. Lady's point, but in conclusion, the Government take advice from a lot of sources on everything connected with health. If the right hon. Member for North Norfolk wants to do exactly what he suggested, he can do it, and we will listen very carefully to him, as we do to others. However, I am afraid that, at the moment, I cannot see a Government-sponsored commission. If we have more debates such as this one, the public will be better served and the House will have done its job.

4.45 pm

**Norman Lamb:** After your intervention on the Minister, Mr Deputy Speaker, I will ensure that I keep my remarks extremely brief. For those who have been here throughout the duration of the debate, it is probably time to have something to eat.

This has been an extraordinarily good debate and we have heard very well informed contributions. I absolutely agree with the hon. Member for South West Wiltshire (Dr Murrison) that we should be ambitious and that we should have the mindset that what happens at the moment is not good enough. We should aspire to have the best health and care system imaginable and in comparison with other European countries.

I suppose that what is behind my plea for a commission, which I will continue to make, is the brutal truth that our political process has let people down. The hon. Member for Leicester West (Liz Kendall) made the point that an elderly person who does not get the care they need suffers when the political process fails. In a way, partisan politics has ducked the big issues, despite what some hon. Members have said about big political issues being determined in a partisan way. That has failed and let the people of this country down.

The shadow Secretary of State, the hon. Member for Lewisham East (Heidi Alexander), in many ways gave a thoughtful speech, much of which I completely agreed with. She had a little go at me about social care funding, but the truth is that none of the political parties confronted the funding needs of social care at the general election. There was a bit of a race over health funding, but social care was neglected, as it has been again and again. Until we confront that, people in this country will continue to be let down.

Opposition Members can choose to say, “It is all the Government’s responsibility.” The Minister clearly wants to keep it that way, and we could just attack for the next five years. When things get really difficult, we can go for the failures of the system. Alternatively, we could adopt a different approach and recognise that these are profound issues that, in a way, have not been thought about comprehensively since the foundation of the system back in 1948. In ’48, there was a process that garnered cross-party support, despite what the shadow Secretary of State said about that being impossible.

Sometimes, this country needs to reach big decisions together, whether it is about pensions or climate change, as my right hon. Friend the Member for Sheffield, Hallam (Mr Clegg) was saying, or about how we cope with an ageing population. I believe that this is the moment when it is necessary for us to come together to confront those issues. It is in the Government’s interest to think again and embrace the proposal. It is foolhardy to reject it, because I suspect that, with the projections that we all know about, during this Parliament, things will get very messy.

I will continue to campaign and I am very grateful to Members on both sides of the House for supporting that proposition. I thank all hon. Members for their contributions to the debate this afternoon.

*Question put and agreed to.*

*Resolved,*

That this House calls for the establishment of an independent, non-partisan Commission on the future of the NHS and social care which would engage with the public, the NHS and care workforces, experts and civic society, sitting for a defined period with the aim of establishing a long-term settlement for the NHS and social care.

**Mary Creagh** (Wakefield) (Lab): On a point of order, Mr Deputy Speaker. In the past hour, we have had the news that the Lord Chancellor has scrapped the Government’s proposed legal aid reforms, which had drawn such huge protests from criminal solicitors across the country, including in my constituency. We had a debate on prison and justice issues for three hours yesterday, which would have given him ample opportunity to tell the House of the news. May I use your good offices, Mr Deputy Speaker, to ask whether it would be appropriate for the Lord Chancellor to come and make a statement to the House tomorrow, which is a sitting Friday?

**Mr Deputy Speaker (Mr Lindsay Hoyle)**: I have been given no notice today of any statement, and it is very late in the evening and we are about to finish. What I can say is that it is certainly on the record and the Government are certainly able, if they wish, to make a statement tomorrow. The hon. Lady is able to put in for an urgent question if she feels it is appropriate. I cannot promise anything, but those avenues are open to the Government and to the hon. Lady.

## Southeastern Rail Services

*Motion made, and Question proposed,* That this House do now adjourn.—(*George Hollingbery.*)

4.50 pm

**Robert Neill** (Bromley and Chislehurst) (Con): On one level it is a pleasure to raise this issue, but on another it is a great sadness. It is a pleasure to have the opportunity to put the issue forward and a pleasure to have you in the Chair, Mr Deputy Speaker. It is a great sadness, because frankly the debate should not be necessary.

Bromley and Chislehurst is quintessential London commuter-land. A very high percentage of its working population travels up to London to earn its daily crust. They are dependent entirely on Southeastern trains. We have no underground as an alternative. There is, in effect, a monopoly supply. People in Bromley and Chislehurst, as in other parts of south-east London, are being badly let down. It is significant that a number of Members of Parliament served by the Southeastern trains franchise are here in the Chamber today. I note in particular my right hon. Friend the Member for Bexleyheath and Crayford (Mr Evennett), whose constituents have suffered appallingly recently, following the landslide at Barnehurst. That demonstrated the complexity of the issues and the delay in putting them right—it was a long time before his constituents knew what was happening. It also demonstrated the fact that there is a shared responsibility between the train operator, Southeastern, and Network Rail, the owner and provider of the infrastructure. Both have failed woefully.

**Bob Stewart** (Beckenham) (Con): I agree with my hon. Friend’s opening statement. It is not entirely Southeastern’s fault: Network Rail is pretty abysmal too. Whoever takes over the franchise will still have the problem of Network Rail to sort out.

**Robert Neill**: That is perfectly true and that is an important point. In terms of responsibility, the split is about 70:30. A lot of the problems are down to Network Rail and signalling, but there are real failures with Southeastern relating to the passing on of information and other issues, including poor areas of customer service, which I will come on to. I know my hon. Friend’s constituents have the same issues.

Passenger ratings show how bad the situation is. Key figures from Transport Focus show satisfaction ratings for Southeastern on value for money at 35%. Satisfaction ratings for how the company deals with delays are at 31%. Southeastern is ranked the second-lowest for overall satisfaction in the country, at 75%. If we look at the London commuter part of the Southeastern trains franchise, the figures are even worse—at about the mid-60s. I suggest even those statistics do not break it down. If we took off rush hour commuters from that, where the delays and knock-ons are often more acute, the satisfaction rate would go down even further, demonstrating the real difficulty.

**Helen Whately** (Faversham and Mid Kent) (Con): My constituents also use the Southeastern network. Day after day their trains are being delayed, particularly at peak times. This morning all trains between Maidstone East and London between 6.30 am and 7.30 am were, according to a message I received from a constituent, cancelled. These are unacceptable levels of service. I have

[Helen Whately]

asked the Secretary of State to let us know whether Southeastern is compliant with its franchise. Will my hon. Friend join me in asking the Secretary of State to respond to that request, and, if it is not compliant, in calling for action?

**Robert Neill:** I am sure we would all echo that. My hon. Friend is quite right. According to my information, well over 20 rush-hour trains from Kent to London were cancelled because of overrunning engineering works. Sometimes, the delays were over two hours, which affects my constituents at Bromley South station, many of whom use those trains into London. So there is a real problem here.

I have quoted from the official statistics, but people sometimes think them dry and remote, so I want to read out some of the experiences put to me directly, either on Twitter or by email, which I think capture the problem. These are people talking about their problems on Southeastern trains. In my constituency, people pay £1,600 to £1,700 a year for a season ticket. One reads:

“People’s lives are literally being made a misery by Southeastern trains”.

Another reads:

“The service I have personally experienced this month has been shocking, almost daily delays”.

A third reads:

“I got to the train on time, but the train itself seldom runs on time because of track problems, congestion, lack of stock, no drivers—not on”.

I cannot disagree with that. I use the service myself on an almost daily basis to come to Westminster, and I now factor delays into my journey. It is absolutely ludicrous.

A fourth quote reads:

“Weekend engineering works mean no trains and earliest bus doesn’t get me to work on time so no overtime for 5 weeks”.

This is somebody on low pay whose job is being made a misery by this poor performance. “Not value for money” says another—well, you can say that again! Another reads:

“There is not enough time to write all that is wrong”.

Even this Adjournment debate is not long enough to expand on all that is wrong.

I have two final quotes. The first reads:

“The delays happen on a daily basis. My train is delayed again...use the Hayes line for a week, you’ll see.”

That is in the constituency of my hon. Friend the Member for Beckenham (Bob Stewart), and is wholly within Greater London. One final quote, for those further into Kent:

“7.40 Dunton Green to London delayed this morning to let 2 fast trains through. Are Metro customers 2nd class citizens?”

That is the feeling actually. There is an inherent conflict or tension in the Southeastern trains franchise, as currently constructed, between the high-volume and frequent demands of the inner-suburban services, such as in my area, and the demands of those coming from further into Kent.

**Tom Tugendhat** (Tonbridge and Malling) (Con): I assure my hon. Friend that the frustration of the inner-London customers is shared entirely by those a little

further out. I have the great privilege of representing people who use the Tonbridge line, the Maidstone East line and the Medway Valley line. All three have had a woeful service for as long as I can remember. A survey I put out recently found that nearly 90% thought the service had gone downhill since Christmas, which is really saying something, because it was hardly uphill before then. I urge the Minister to do exactly what she has been talking about, which is to hold these people to account, get the money back off them when they fail and make sure that privatisation works by making the companies pay.

**Robert Neill:** My hon. Friend is absolutely right, although it is worth stressing that the failures are not just with the privatised train operating company, but with the publicly owned Network Rail. I draw a contrast between this line, which I now use, and the line I used before I moved to south-east London, the c2c line, which is also privatised but which has hugely improved its performance and satisfaction levels since it was privatised. So this is not an ideological issue; it is about sheer competence, and that involves enforcing the terms of the contract.

**Bob Stewart:** Will my hon. Friend give way?

**Robert Neill:** Once more, but then I must press on.

**Bob Stewart:** My hon. Friend has made the case for what we have all been asking for—Transport for London to take over as fast as possible.

**Robert Neill:** That is entirely right, and I am sure that my right hon. Friend the Member for Old Bexley and Sidcup (James Brokenshire), who is also present, would share that view too. We welcome that decision by the Department, but it is not going to happen until 2018. What we are concerned about is what will be done in the interim. For a start, when Southeastern is posting doubled profits, it sticks in the craw of my residents and commuters that they are paying a premium price for what is not an acceptable and not even a remotely premium service. There is plenty of money to pay the genuine financial penalties that are necessary if a private contract arrangement is to work. I hope it could be used to offer some form of reimbursement or remission of the fare increases for our commuters, who are simply not getting what they have paid for. That is a basic failing, and I hope the Minister will—

5 pm

*Motion lapsed (Standing Order No. 9(3)).*

*Motion made, and Question proposed, That this House do now adjourn.—(George Hollingbery.)*

**Robert Neill:** A sense of déjà vu has arrived, and probably rather more swiftly than the 7.39 at Waterloo East did last night as I was going home. That minor delay did not even warrant an explanation, which is another issue.

Punctuality is a real issue, as is overcrowding, which has been made worse by the timetable changes caused by the engineering work at London Bridge. That is necessary work, but there are some basic things that Southeastern can get right. More people from my

constituency stations use the Cannon Street service in the rush hour than use the Charing Cross service, because it stops at London Bridge, which has the interchange for the Jubilee line, Canary Wharf and whatever. There are generally fewer carriages on the Cannon Street trains than on the Charing Cross trains, which is the complete reverse of where the demand is. That is a basic failure that could be put right now.

I know that Southeastern is talking to the Department about being able to transfer stock from other parts of the network. That needs to go ahead swiftly, because so far the new trains that have been produced on the franchise have tended to go on the high-speed link trains and have not benefited those of us on any of the commuter services. That needs to be taken on board straightaway. I would welcome the transfer of the franchise, because London Overground has a good track record of performance, but in the interim I hope the Minister will sit down and instruct Southeastern and Network Rail to work with the Mayor's office and Transport for London immediately to talk about transitional phases, to see whether it is not possible by agreement to speed up the transfer of the franchise and certainly, as has been said, to enforce rigorously the contractual terms to the benefit of passengers and customers in the balance of the franchise.

Finally, let me highlight some other failings. I have talked about timetabling issues, such as the nonsense of the mismatch of rolling stock between Charing Cross and Cannon Street services. Even with the changes in the timetable, it is pretty bizarre that the interchange at Grove Park for the Bromley North service—a small spur line—was almost deliberately timed to miss the most convenient connecting train, which means people have to hang around for perhaps another 15 minutes or more. That is basic. Why can Southeastern not get that right?

Charing Cross station is in the heart of London's theatre-land. Many London commuters, certainly from Chislehurst in my constituency, will go up to the theatre from time to time. The last direct train to stations such as Elmstead Woods and Chislehurst leaves at 10.36 in the evening. Otherwise, anyone who has gone to a show in town will have to wait until gone midnight. That puts huge pressure on them, because otherwise they will have to cart around on the District line to Cannon Street, when there is a station just down the way, or fork out for a taxi to come back from Orpington. The engineering work at London Bridge cannot be an excuse for that. That is just a clear lack of customer care.

On the most basic level, the staff at our local train stations are excellent. They cope with a pretty poor situation very well and sometimes they get it in the neck when it is not their fault. The people I regularly deal with at Chislehurst and Elmstead Woods are part of the community and they work really hard, but they are not given the information to deal with things and when they try to help, it is not taken up by the management.

Chislehurst—not the busiest station on the network, but a pretty busy commuter station, as most would imagine—has one automatic ticket machine. It is pretty busy in the rush hour. For the last four weeks, that automatic ticket machine has been unable to take credit cards. Despite daily reports by the station staff that that is a problem—one can imagine the queues it is causing, with people trying to fork out cash-only at that time in

the day—it has still not been put right, and it was still not right this morning when I went there. That is a basic failure, and those are the sorts of things that ought to be jumped on from a great height by the operator.

The level of repeated delay is the issue that really irritates my constituents, but the issue of compensation is also raised. People can claim compensation, but it is not a lot of help on a London suburban network, because the delay has to be 30 minutes. If a journey is supposed to take only 25 minutes, it will have to be doubled or more before anyone is entitled to compensation, which will not matter, because the start of their day's work will have been mucked around no end in any event. That does not work effectively for suburban commuters—another strong reason why it is better to split the franchise and put short-journey but high-frequency services under the Mayor's office. Perhaps we could have a better compensation scheme to reflect those commuters' needs more effectively.

Against that context, I hope that I have taken the chance to ventilate my constituents' concerns. It is not good enough if large public bodies or current privately owned bodies acting under contract are persistently unresponsive. I give credit to the Minister for taking steps and holding summits with local MPs and the top management of both Network Rail and Southeastern—an initiative that we had not seen before. I am grateful to my hon. Friend for that. She also warned that when the franchise was renewed, it was the last chance. I am sorry, but they have drunk the last-chance saloon dry by now, and it is about time to start calling time on their franchise.

I hope that the Minister will continue to press on these issues and provide us with a detailed timeframe for when she is next going to meet the management. Will she undertake to meet me to discuss the specific concerns I have raised on behalf of other Members in the area and ensure that all Members are kept briefed on what specifically is happening? We need to be able to see the whites of the eyes of the management, which does not always happen. More initiatives have to be followed up with real measures, which hurt any company where it normally hurts—in the pocket—and we need to look more rigorously at the publicly owned entity Network Rail, which is responsible for a very great deal of the problem, but basks in comparative protection in contractual terms. It should not be allowed to do so. That needs to be thoroughly investigated. Frankly, in the private sector, heads would be rolling if services were run in the way Network Rail and Southeastern run them. There would be proper accountability to customers and shareholders.

I am grateful for the opportunity to have trespassed on the House's time, and I believe that my constituents and those in neighbouring constituencies are still more grateful for that opportunity.

5.6 pm

**The Parliamentary Under-Secretary of State for Transport (Claire Perry):** I have had a dry January, so I have not been in the last-chance saloon once, but it has enabled me to have a clear head and to look carefully at the issues that my hon. Friend the Member for Bromley and Chislehurst (Robert Neill) has raised—and this is not the first time they have been raised. Indeed, silenced on the Front Bench next to me are my right hon. Friends

[*Claire Perry*]

the Members for Bexleyheath and Crayford (Mr Evennett) and for Old Bexley and Sidcup (James Brokenshire). They, and many others who are able to speak, have left me in no doubt of the concerns of their constituents. These are daily concerns, because many people use these trains on a daily basis.

I welcome the opportunity once again to express my concerns about some of the issues raised, to talk a bit about what the Government are doing and to try to offer some bright spots. We have talked a bit about *déjà vu*, and I am happy to keep talking about these matters for as long as it takes to get these services fixed. These are vital services that are delivering people to high-value jobs, and not necessarily just to high-earning jobs, but to lower-income jobs. These jobs are vital in the most dynamic part of the UK economy. It is absolutely right that those people have the transport investment that they need.

I do not defend the current system in any way, but my hon. Friend knows very well that these lines have been neglected for many a long year. It has been a failure of successive Governments to invest. In some cases, the tracks these trains are running over date from the 1930s and have not had proper investment subsequently. It was always going to be a challenge to deal with what is the busiest part of the railway, with 23% of this country's railway journeys made under the Govia Thameslink Railway and Southeastern franchises, and to keep this huge number of people moving. It was always going to be a challenge to do the required improvements for the Thameslink works and the London Bridge investments without creating disruption. I want to thank passengers who, I know from my many visits to the station, get that and are very forgiving about the need for that investment.

I know my hon. Friend will be pleased to be reassured that I have made sorting this out an absolute priority. The return of services to a high-performing railway on this franchise and indeed on GTR has been my No. 1 priority since May. He may well say, "What have you achieved over all this time?" What I will say is that we have had Network Rail, the operators, Transport Focus and anyone who needs to be there down in the weeds of the problem.

Although I am interested, I do not think customers are interested in whose fault it is. They do not need to know that engineering works overran this morning, or that a tamping machine broke down. All they care about is that 20 of their services from my hon. Friend's constituency were cancelled. We are not in the business of finger-pointing; we are in the business of working together to solve the problems as these necessary engineering works proceed.

Passenger numbers have more than doubled since privatisation, and, indeed, the number of passengers trying to travel on Southeastern's trains has increased by 30% since it took over the franchise. As we know, investment has not kept up with that level of demand.

My hon. Friend mentioned crowding and rolling stock, an issue on which we have specifically focused. I am determined to review the business case for running the additional, bigger 12-car trains on the metro service in particular. I give the House an undertaking that there will be a decision on that in the next couple of months.

If we decide to go ahead—if the business case is favourable—Southeastern will put additional trains on the tracks late in 2016.

**Robert Neill:** I am grateful for that assurance, but will my hon. Friend also undertake to provide my colleagues and me with a timeframe for that process in due course, along with the precise details of how it is to be achieved? All too often, Southeastern has made promises, but the deadline for delivery has been extended.

**Claire Perry:** I shall be happy to do that, but I want to ensure that Southeastern gets the best possible deal for those trains. They would be provided by a third-party rolling stock company, and I do not want to prejudice the negotiations. As I said, I want the trains with the additional carriages to run on the metro service, because there has been so much overcrowding.

**Teresa Pearce** (Erith and Thamesmead) (Lab): It would not be possible for 12-car trains to run on my line, the Greenwich line, because one of the stations is very short and there is no alternative door-opening facility. Will the Minister commit herself to having a conversation with Southeastern to ensure that it fits the software that will enable the right doors to open at the right station?

**Claire Perry:** I shall be happy to have that conversation. The hon. Lady probably finds it as frustrating as I do that selective door opening works perfectly well in some parts of the country and not in others. There may well be very good operational reasons for the need for a software change. I will certainly look into the matter.

**Tom Tugendhat:** The Minister said that Transport for London might take over some metro services. I understand that, but my constituents are rightly concerned about the fact that we do not have a vote on the mayoralty of London, and therefore have no democratic control over Transport for London. They fear that Transport for London would ignore our area in favour of those who would—how can I put it?—benefit more electorally from the change in service.

**Claire Perry:** If my hon. Friend will bear with me and can spare the time, I will say a couple of words about the genuine consultation that we are running. The change could indeed solve some problems, but I know that constituents outside the London boundary have real concerns.

The intention is to complete the review very quickly and secure a final decision on the business case in the next couple of months, so that, if it makes sense, the extra capacity can be put on the metro services by the end of the year, with an additional slug of capacity to come in 2018. Southeastern has already added 95,000 seats to the network, although it is a bit like the M25: as soon as the seats are provided, people travel, because they feel that they can now get on to the trains. In some instances, we are running to stand still.

Southeastern has also refreshed and improved its trains. I sometimes get on to a train and think, "This looks nice", and then remember that it is a 40-year-old train that has been repainted. What we want are trains that look good, provide capacity, and have state-of-the-art toilets, and some of that has been achieved on this line.



Let me now deal with the issue of performance. Basically, people can tolerate a great deal if their trains run on time, but I know that my hon. Friend shares my disappointment at the fact that this franchise holder has not met its public performance measure targets at any time over the last year—well, it may have done so on a daily basis, but not on a monthly basis. I can tell my hon. Friend that 60% of that failure is infrastructure-related, about 25% is the fault of Southeastern and involves issues related and unrelated to trains, and the rest is “train operator on train operator” stuff. I do not think customers care about that. My hon. Friend is right to say that we can demand improvements through the franchising programme, we can hold operators to account, we can demand plans and we can issue financial penalties, but what we actually want to do is run a reliable railway. I also make the following commitment to my hon. Friend and the House. Although the quadrant taskforce has been running and there has been an unprecedented level of co-operation between the operator and Network Rail, the industry needs to do more. I will be having that conversation with it in the next few days.

It is crucial, not least for the delivery of the Thameslink service which is so important in increasing the number of journeys through the core of London, that the outer bits of the track work effectively. Not only are the current levels of delays unacceptable, and in some cases inexcusable, but we have to get this working right to get the benefit out of the £6.5 billion the Government are investing in Thameslink. We have to keep demanding that Southeastern and Network Rail work together to keep the disruption to a minimum.

There have been some changes, although that is not always obvious. There have, for example, been small changes such as putting relief drivers at Cannon Street, so if there is a delay drivers are quickly on hand and do not have to move around; continuing to review the timetable to make sure there is resilience should there be a delay; and making sure trains leave the stations and the depot exactly on time—not 10 or 20 seconds late—because in a busy stopping service all that builds up.

I am very sorry to say one of the great causes of delay is trespass and suicide on the line. Someone takes their life every 30 hours on the national rail network. That causes an immense amount of delay and is, of course, often a dreadfully distressing experience for the staff and train drivers, as well as there being the tragedy of the loss. I know that Southeastern and the whole industry are working closely with the Samaritans to try and reduce that.

On compensation, in an ideal world we would not be paying it at all because the trains would be running perfectly on time. I am keen, however, to reform the delay repay scheme. It is already among the most generous in Europe; train users in other countries do not get a lot of money back. However, although in delay repay we have one of the most generous compensation schemes, we want to go further. As the Chancellor said in his autumn statement, we want to take the time at which the clock starts ticking from 30 minutes to 15 minutes, which will start to address some of my hon. Friend's constituency problems. I expect to make announcements on that shortly. We are gearing up to reform that and I will have further details on it.

I also want to point out to the House the London Bridge improvements. There is light at the end of the tunnel. Part of that station will be open in August of

this year, although there will be continued disruption to some Southeastern services. I urge the operators and all Members to make sure everyone is fully aware of those changes. By 2018, when this station opens, it will be a brand-new, state-of-the-art station with much more capacity, able to run many more services through the core of London.

**Robert Neill:** I welcome the Minister's comments on the compensation scheme. When she discusses, with her right hon. Friend the Secretary of State, funding issues with the Treasury, might she bear in mind that, while London Bridge improvements are critical in the long term, the price of that has been that my constituents and those in the surrounding areas have been deliberately given, in effect, a substandard service for the better part of four-plus years or so? That should be reflected in any future fare increases and in making sure that there is proper generosity in future compensation schemes.

**Claire Perry:** My hon. Friend raises a good point, and it was exactly that conversation which led to the decision to cap fare increases at RPI plus zero for the whole of this Parliament. We effectively now have rail fares going up at the lowest level, certainly relative to wages, in over a decade. We will continue that cap, which is costing the Government about £700 million a year, precisely because we do not think that fares should be going up at a time when we are doing engineering works and causing disruption, not just at London Bridge but right across the country. We have a £38 billion investment programme and we cannot deliver that without some disruption. That cap is worth about £425 to the typical commuter on a season ticket over the course of this Parliament.

My hon. Friend raised the question of customer service levels, and he was right to say that Southeastern was not at the top of the list for overall satisfaction. It is not quite at the bottom, but it is not at the top either. I know that there are many people out there who are genuinely in despair about their journeys. Nothing could be more dispiriting for them than showing up at the station only to find that their train is delayed, or being unable to get home to pick up their children from day care at the regular time. That is incredibly dispiriting, and that is why we need to make these investments. However, 75% of the users of Southeastern say they are satisfied with their journeys. There might be pockets of dissatisfaction, but overall, three out of four users are satisfied. We would clearly like that figure to be higher, of course.

I can tell the House that we included in the franchise agreement some specific improvements to customer services that we wanted the operator to make. My hon. Friend talked about information systems, and they are not always perfect. However, the company has made a considerable investment in better information systems, including through giving its staff real-time devices. Drilling through the numbers, I was interested to note that the score for how well Southeastern deals with delays has gone up by 9 percentage points in the past year. Similarly, the score for the attitude and helpfulness of staff has gone up by 4 percentage points, so it looks as though some of the improvements are starting to bear fruit. The company has also made a £5 million investment in stations, which has included deep cleans at Bromley South, Bromley North and Chislehurst, which I hope

[*Claire Perry*]

my hon. Friend has noticed. I do not have the numbers on station improvements, but I think that passengers are starting to recognise that they are taking place.

I understand the concerns and I know that the industry has to do more, particularly on the infrastructure side, to stop the delays. My hon. Friend is a long-standing campaigner on these matters, and I want to draw his attention to the proposals for London Overground to take control of some of these metro services. This is in response to tireless campaigning on the part of my hon. Friend the Member for Richmond Park (Zac Goldsmith)—for obvious reasons—and the prospectus sets out some thoughtful questions that need to be answered. Clearly, some hon. Members will think that some of the services involved should go into a TfL-type service, although others might wish to raise concerns about that, particularly in relation to democratic accountability. I believe that there is a solution out there. This kind of devolution of service has happened before.

The new partnership is designed to give passengers what they need. We are trying to design the industry around passengers and customers. This proposal could deliver more frequent services and more reliable trains. It would also move the decisions on stations and stopping patterns away from Horseferry Road—much as I have fantastic officials—and closer to the people who actually use the services. This will be similar to the devolution process that we have seen in relation to transport investment in the north, as well as the support for TfL. I urge all

Members who have an interest in these devolution proposals to stand up and ensure that their voices and those of their constituents and transport users are heard. The deadline is 18 March.

I would be the first to acknowledge that the system is not delivering for customers at the moment. When we talk to commuters, we find that they have been incredibly tolerant and understanding. They welcome the investment, and they want to see a joined-up industry that can respond to their needs, particularly when there are disruptions and delays. It is my Department's job to facilitate that, either through the contracting process or, as my hon. Friend rightly says, through conversations with Network Rail, which is indeed an arm's-length public body. I give the House my full commitment to ensure that this happens.

The aim is to return these vital parts of the railway, which move people around the busiest parts of the network, to high performance by 2018. If the results of these unprecedented levels of investment cannot be seen and felt by passengers, we will need to do better, and I offer the House my full commitment on this. I thank my hon. Friend once again for providing this opportunity to discuss these matters. He asked whether I would agree to meet him to discuss what is happening, and of course my door is always open.

*Question put and agreed to.*

5.24 pm

*House adjourned.*

# House of Commons

Friday 29 January 2016

The House met at half-past Nine o'clock

## PRAYERS

[MR SPEAKER *in the Chair*]

**Tom Pursglove** (Corby) (Con): I beg to move, That the House sit in private.

*Question put forthwith (Standing Order No. 163), and negatived.*

## Access To Medical Treatments (Innovation) Bill

*Consideration of Bill, not amended in the Public Bill Committee*

### New Clause 1

#### ACTION PLAN FOR AN OFF-PATENT DRUG PATHWAY

(1) The Secretary of State shall require the Department of Health to produce an action plan for developing a pathway for off-patent, repurposed drugs where strong evidence of their effectiveness in a new indication exists, with the aim of securing their routine use in such an indication.

(2) The action plan under subsection (1) must be published within 12 months of this Act coming into force.

(3) The Secretary of State shall have a duty to seek to work with the devolved administrations to develop consistent approaches.—(*Nick Thomas-Symonds.*)

*Brought up, and read the First time.*

9.34 am

**Nick Thomas-Symonds** (Torfaen) (Lab): I beg to move, That the clause be read a Second time.

**Mr Speaker:** With this it will be convenient to discuss the following:

*New clause 2—Identifying evidence on off-patent repurposed drugs and passing to relevant bodies—*

(1) The Secretary of State shall require the National Institute for Health Research to develop and introduce a mechanism for—

(a) gathering and recording existing evidence on off-patent, repurposed drugs, including clinical trial evidence, and

(b) passing this information to relevant bodies.

(2) The Secretary of State shall determine the relevant bodies under subsection (1) and may revise that determination from time to time.

*New clause 3—Appraisal in new indications—*

(1) Where there is an off-patent, repurposed drug with strong evidence of its effectiveness in a new indication, the Secretary of State shall direct the National Institute for Health and Care Excellence (NICE) to conduct an appraisal in relation to the drug in its new indication.

(2) An appraisal under subsection (2) should include a cost-effectiveness analysis.

*New clause 4—National commissioning policy for off-patent new drugs—*

Where there is an off-patent, repurposed drug with strong evidence of its effectiveness in a new indication, the Secretary of State shall require NHS England to produce and disseminate a national commissioning policy.

*New clause 5—Accessibility of the licensing process—*

(1) The Secretary of State shall require the Medicines and Healthcare products Regulatory Agency to consult key stakeholders about steps to be taken to make the licensing process more accessible to organisations or individuals other than pharmaceutical companies.

(2) For the purposes of subsection (1), key stakeholders shall include, but not be limited to—

(a) patient organisations,

(b) medical research charities,

(c) relevant academics, and

(d) the British Generic Manufacturers Association.

*New clause 6—British National Formulary: inclusion of off-patent drugs—*

The Secretary of State shall require NICE and the British National Formulary (BNF) to review their processes for registering off-label uses of repurposed drugs where there is strong evidence of their effectiveness.

Amendment 10, in clause 1, page 1, line 3, after “treatments” insert “(including treatments consisting in the off-label use of medicines or the use of unlicensed medicines)”

Amendment 13, in clause 5, page 3, line 44, at end insert—

“(1A) For the purposes of section 2(2), the kinds of medical treatment that may be innovative medical treatments include (amongst other things)—

(a) the off-label use of an authorised medicinal product, and

(b) the use of a medicinal product in respect of which no marketing authorisation is in force.

(1B) In subsection (1A)(a), the reference to the off-label use of an authorised medicinal product is a reference to the use of the product—

(a) for a purpose other than one for which its use is specified,

(b) in relation to a person who is not within a description of persons for whom its use is specified, or

(c) in any other way in which its use is not specified.

(1C) In this section—

(a) ‘authorised medicinal product’ means a medicinal product in respect of which a marketing authorisation is in force;

(b) ‘marketing authorisation’ and ‘medicinal product’ have the same meanings as in the Human Medicines Regulations 2012 (S.I. 2012/1916);

(c) ‘specified’, in relation to a medicinal product, means specified in its marketing authorisation.”

**Nick Thomas-Symonds:** These new clauses and amendments, which I support, relate to off-patent drugs. I think it would be useful for me briefly to set out the context in which they arise. The Off-patent Drugs Bill, a private Member’s Bill that I introduced—it was debated on Second Reading on 6 November—is a UK-wide Bill that would create a duty on the Government to make cheap drugs available when pharmaceutical companies had no incentive to do so. The problem, put simply, is that if a drug is shown to be useful for a new purpose after its original patent has expired, a pharmaceutical company has no financial incentive to sponsor that off-patent treatment through the processes normally used to license it and ensure its adoption on the NHS.

[Nick Thomas-Symonds]

Those off-patent or off-label treatments are certainly available at low cost. The issue is simply that although clinicians can of course prescribe them, they tend not to be prescribed consistently across the medical sector, or indeed geographically.

The Off-patent Drugs Bill ran out of time that day, but I think it is accurate to say that the Government supported its aims but not the mechanism it proposed. None the less, in recognising that there is a problem, and with a shared position on both sides of the House on the need to encourage greater consistency in off-label prescribing, a lot of work has since been done, and on a cross-party basis. I am proud that new clause 1 stands in the name of Members from no fewer than eight political parties. The concept of encouraging greater use of off-patent drugs, and indeed my Bill, have significant support across the House and outside. I pay tribute to Jonathan Evans, the former Member for Cardiff North, who first introduced such a Bill in 2014. His successor, the current Member for Cardiff North (Craig Williams), has also supported my Bill.

**Carolyn Harris** (Swansea East) (Lab): I congratulate my hon. Friend on the excellent work he has done on the Off-patent Drugs Bill. Given the consensus across the House, does he agree that now is the time for a firm commitment from the Government on that Bill?

**Nick Thomas-Symonds:** I am grateful to my hon. Friend for that intervention. I hope to hear such a commitment today, so I look forward to what the Minister for Life Sciences has to say in that regard.

That wide support for my Bill was shared by medical research charities, NHS clinical commissioners in England, the British Medical Association, thousands of members of the public who wrote in, and four medical royal colleges. Indeed, 40 eminent clinicians wrote to *The Daily Telegraph* in support of my Bill.

Since then, I am pleased to say that there have been good attempts on both sides of the House to build on that good will in relation to off-patent drugs. I want to thank the hon. Member for Daventry (Chris Heaton-Harris) for the highly constructive and pragmatic way in which he has been willing to take the off-patent agenda forward when speaking about his private Member's Bill. I thank the hon. Member for Bury St Edmunds (Jo Churchill), who brings a strong personal perspective to the debate. Her sense of what is good for patients has been highly constructive in the debates we have had over the winter months. The hon. Member for Central Ayrshire (Dr Whitford), who used to be a breast cancer surgeon—in fact, she still practises—has brought a great level of expertise and experience in recent months, for which we are extraordinarily grateful. I also pay tribute to the Minister, who has been extraordinarily generous with his time and that of his officials in order to try and take this agenda forward, and for that I am extremely grateful.

I want first to make a point about clauses 3 and 4. While there is something of a consensus around responsible innovation, I had strong concerns about those clauses, as did many across the medical profession who thought that they might encourage a more dangerous type of experimentation, if I may put it that way. Looking at the amendments tabled by the hon. Member for Daventry,

I can see that his intention is to remove clauses 3 and 4 altogether, which would be a very welcome step. That would mean that the principal remaining part of the Bill relates to the database of innovative medical treatments. The hon. Gentleman's amendments 10 and 13 would bring the off-patent concept firmly into the purpose of this Bill, and therefore into the database. A lack of data was one of the barriers identified to more consistent prescribing of off-label treatments. The amendments would be an extremely welcome step forward, because they would not only enshrine in law the off-label aspect, but bring the data into the database so that it became more widely and readily available, assisting clinicians on the frontline. I sincerely hope that the amendments will be positively received by the Minister.

New clause 1 sets out an action plan for developing a pathway for off-patent repurposed drugs where strong evidence of their effectiveness in a new indication exists, with the aim of securing routine use. Put simply, this is an action plan with clear timeframes for progress. Again, this would be a welcome step forward.

New clause 2 would require the National Institute for Health Research to develop a mechanism for gathering and recording evidence on off-patent repurposed drugs, including clinical trials evidence, and passing it to the relevant bodies. The NIHR already has a dedicated horizon-scanning centre, but this would set up a dedicated stream for off-patent repurposed drugs to speed up getting them to the frontline and into routine use.

New clause 3 proposes that where there is strong evidence of effectiveness in a new indication, the National Institute for Health and Care Excellence should be directed to conduct a technology appraisal, including a cost-effectiveness analysis. While these drugs are extraordinarily cheap, some level of cost-effectiveness analysis would none the less be desirable, since to achieve routine commissioning, in England for a start, a persuasive business case clearly needs to be put to local hospitals and clinical commissioning groups.

New clause 4 is about having a national commissioning policy for off-patent drugs. It also requests that the Minister work with the devolved nations to produce something that is genuinely UK-wide. This has already happened in the case of NHS England working with Prostate Cancer UK to produce a commissioning policy for an off-patent repurposed drug called Docetaxel.

New clause 5 would make the licensing process more accessible. What would that mean in a practical sense? For example, an initial meeting where there is a discussion of the case and the likelihood of successful treatment could be free, a representative of patient organisations could be designated within the Medicines and Healthcare Products Regulatory Agency for patient organisations, and there could be a guidance document for non-pharmaceutical applicants.

9.45 am

New clause 6, which I want to push very strongly with the Minister, would require NICE and the "British National Formulary" to review the process for registering off-label uses of repurposed drugs where there is strong evidence of their effectiveness. The "British National Formulary" is a reference book used by prescribing healthcare professionals. The point has been made frequently and very well by the hon. Member for Central Ayrshire that in the modern-day NHS there are a variety

of prescribers, not just top consultants, and this measure would make a significant difference right across the UK. At the moment, there is something of a chicken and egg situation: the BNF includes what is already routinely used, but for some repurposed drugs to be routinely used, they need to be in the BNF. We would like the BNF to be able to identify treatment indications where there is enough evidence for them to be considered for a licence but they remain unlicensed due to the lack of a pharmaceutical sponsor.

These amendments form a package of measures to encourage greater consistency in off-label prescribing across the UK. I am very pleased with the cross-party work that we have been able to do on this in recent months. The creator of the national health service, Aneurin Bevan, said on 8 June 1949:

“The language of priorities is the religion of socialism.”

I do not say for a moment that I have converted other hon. Members to socialism over the winter, but I certainly think that we have all spoken the language of priorities in saying what we really think is important in taking these issues forward. My mother always told me that compassion was everything. These measures certainly do represent compassion, but compassion combined with a common-sense approach to a problem the solving of which has multi-party support. I very much look forward to hearing what the Minister has to say in due course.

**Chris Heaton-Harris (Daventry) (Con):** Members may be aware that unlike the initial stages of my Bill, the journey of the Off-patent Drugs Bill promoted by the hon. Member for Torfaen (Nick Thomas-Symonds)—which is, coincidentally, further down on the Order Paper today—enjoyed widespread support from Members of this House, and outside this place among a whole host of charities and non-governmental organisations. My old colleague Jonathan Evans, a former Member of the European Parliament and the former Member for Cardiff North, introduced a similar Bill on these matters, which also gained widespread support. I have watched the progress of these Bills closely and read the briefings provided on them by several charities, and I could not help but notice the obvious links with my Bill and the importance of the subject it covers—increasing the use of effective off-label drugs.

The amendments that we are considering seek to work with the ideas of the Off-patent Drugs Bill and meet the same goal of spreading the use of off-label drugs. I am very grateful to the hon. Member for Torfaen for working with me, and others, so closely to include some of his very good ideas and thoughts in my Bill. He deserves a huge amount of credit for the work he has put into this, alongside the hon. Member for Central Ayrshire (Dr Whitford) and my hon. Friend the Member for Bury St Edmunds (Jo Churchill), who have been unbelievably strong champions of these issues.

The new clauses and amendments I am supporting do not reflect exactly the original Bill introduced by the hon. Member for Torfaen. That Bill sought to require the Secretary of State to seek licences for off-patent drugs in their new purposes. As the Government stated at the time, as the licensing authority in the UK, the Secretary of State cannot take up such a duty. However, that does not mean that a similar end result of increasing the use of such drugs cannot be achieved by other means. I very much hope that we can do so through this Bill.

Breakthroughs in research mean that several existing drugs have been found to be highly effective in treating conditions other than the ones for which they were originally produced. They potentially have huge life-saving effects and can alleviate the suffering of many people for many conditions. There are so many well-known examples. They were widely discussed on Second Reading of the Off-patent Drugs Bill, so I will not repeat all of them. The list includes the likes of tamoxifen and zoledronic acid, and of course the simple drug aspirin, which has so many other benefits in so many areas. The examples mentioned when we debated the hon. Gentleman's Bill speak for themselves in showing us why his new clauses and amendments are so important.

As the hon. Gentleman has said in support of his Bill, doctors are nervous of prescribing off-label drugs. Even if a GP strongly believed in prescribing an off-label drug to a patient, they could well be put off. There are several reasons for that, and they were detailed in briefings circulated at the time. One is the matter of personal liability, which I will talk about in relation to other amendments. General Medical Council guidance shows that clinicians can currently prescribe off-label drugs, but that there are significant disincentives to do so. It states that a licensed treatment should be considered before an off-label or unlicensed treatment. It also indicates a greater level of responsibility for the doctor prescribing off-label, and therefore a potentially greater risk of liability, which would be a disincentive for a doctor in prescribing an off-label drug. Before a clinician has even started down this track, they are wary of picking an off-label medicine.

There is little incentive for a pharmaceutical company to pay for a licence when a drug can be manufactured generically. There is no incentive for any company to market the drug for a new indication, and there is no proper guidance for the use of such a drug. Without any stamp of approval, any marketing or any mechanism to provide guidance, there is nothing to encourage clinicians to use an off-label drug, other than their own medical knowledge.

Drugs without a licence for their second use are not marketed, so there is a lack of awareness, and the prescribing of them therefore varies when a new indication arises. There is no trusted and simple way to spread information about off-label drugs that are working. That means that some doctors may use the drug if they know of the indication, but lots may not. Without a system for sharing such information and spreading knowledge about these drugs, medical professionals deciding whether or not to prescribe them have to spend a huge amount of time reading the literature and undertaking research. The explicit mention, through the new clauses and amendments, of the inclusion of such drugs in the database will ensure that information about them is shared and reviewed, and that appropriate evidence is provided. By spreading awareness, the new clauses and amendments will therefore help to make prescribing more consistent.

On Second Reading of the Off-patent Drugs Bill, the hon. Member for Central Ayrshire said that experts in certain fields will prescribe many off-patent drugs whenever they feel it is necessary. For example, off-label prescribing is quite common in the treatment of secondary cancers. Experts in that area will have experience and will be aware of the evidence for use, but many other medical

[Chris Heaton-Harris]

professionals will not be in such a position. If a drug is not in the “British National Formulary”, the dose cannot be checked.

When a clinician uses a drug every day or a specialist in a field sees conditions regularly, they know what works and what is best, and will therefore feel very comfortable in prescribing off-label. However, every medical professional is not an expert in every field. For the majority of the time, patients are not with such specialists. Their first point of call is not a clinical physician working in only one field, but a GP in their local practice or a nurse in their local surgery. I believe that the database has huge potential in helping to spread the knowledge and expertise required for better and further use of such drugs.

I hope that the amendments I have tabled will be agreed by the House—I believe they represent common sense—and that the Minister will listen to Members who have tabled the other amendments and new clauses. Although some of them are probing amendments, a huge amount of effort has gone into all of them. He is aware of the time and cross-party work that has gone into getting the Bill to this point. That has basically been driven by the hon. Members for Torfaen and for Central Ayrshire, my hon. Friend the Member for Bury St Edmunds and, to a certain extent, me. I would like to think that we will have got to a certain place by the end of today’s sitting, and that we can all leave the Chamber feeling that we have done some good.

**Jo Churchill** (Bury St Edmunds) (Con): I congratulate my hon. Friend the Member for Daventry (Chris Heaton-Harris) on his success in bringing the Bill so far. The fact that we have reached even this stage is no small testament to his hard work on the Bill, particularly the discussions about the removal of the areas of concern—clauses 3 and 4—and the fact that he has been gracious enough to allow me and the hon. Members for Torfaen (Nick Thomas-Symonds) and for Central Ayrshire (Dr Whitford) to badger or cajole him into allowing us to table new clauses 1 to 6, but specifically my new clauses 4 and 6.

The Minister was not in the Chamber on 6 November to hear the arguments of the Members who proposed and supported the Off-patent Drugs Bill. Since then, however, he has engaged with many of us, for which I thank him. We felt that his Department’s response simply was not correct. Doctors may have been able to prescribe medicines for uses outside their licence or off-label where that was in the best interest of their patients, as the guidance says, but they just did not do so, or at least not consistently throughout the medical profession or the field and irrespective of the patient’s postcode. The prescribing of such drugs is more common in oncology, paediatrics, pain management and palliative care, which adds to the lottery effect for the patient.

The need for an action plan for an off-patent drug pathway is undeniable. When there is a strong indication of effectiveness, their routine use for an alternative indication should be secured. For example, the use of bisphosphonates, which were originally developed to treat osteoporosis, are now commonly used by 36,000 women living with secondary breast cancer in this country. Those drugs have already been through phased trials. No one in this place is suggesting that the highest levels

of safety should not be applied to drug research and licensing at all times, but efficacy should drive clinicians’ decision making.

Patients, too, have a voice on this issue. I found my patient’s voice after my second primary cancer, and I wanted to use it for the benefit of others. Here I am now asking the Minister—not for the first time—to use his position to find a way to unleash the potential of research in this country and to unblock the system for everyone. My oncologist told me that a second primary cancer was luck—bad luck, but just luck—and I hope that we can all improve the odds just a little bit today.

I believe in the power of patients, clinicians, charities and pharmaceuticals to do the right thing—to increase their knowledge for those whose daily lives are dominated by serious disease and debilitating illnesses, and to ensure that treatments exist to help them. Particularly in the area of off-patent repurposed drugs, they need to be supported by key players, such as NICE, the MHRA, NHS England and medical research charities.

I assure the Minister that it is not mere chance the new clauses and amendments are supported by Members from all four corners of our nation. It is to show solidarity with our constituents—north to south, east to west—who want a co-ordinated approach. One of the most frustrating things for patients is the clogged nature of our drugs pathway. It seems to be beyond us to get drugs licensed, whether repurposed or not, and to the patient in a timely way. I ask the Minister to provide a timeline to support any action that can be taken.

New clauses 2 and 3 would require the National Institute for Health Research to develop and introduce a mechanism for gathering and recording evidence. Last week, I was surprised to learn from Professor Bruce, a clinician at the NIHR working in the musculoskeletal biomedical research unit, that in 50 years only one drug has been licensed for the treatment of lupus. Sadly, that licensed drug has spent four years being considered by NICE and is not available for wider use. To avoid the heavy use of steroids for the condition, rituximab is often used—a drug that was originally developed for lymphoma and rheumatoid arthritis.

10 am

The biomedical research unit is conducting studies in this area and has been successful in drafting an interim policy to provide a framework for governance. The register has been successful in recruiting 400 patients to date. I am hopeful that such an exemplar of best practice may be used to encourage the NIHR to establish a dedicated stream for researching off-patent, repurposed drugs in a more broad-based way.

We need patients and the public to take part in research. The NIHR has a research system that is more inclusive and representative of the population than anywhere else in the world. We need to use it to harness information to benefit patients. Interestingly, it is well documented that those who take part in clinical trials experience better outcomes, so it is a win-win. The opportunities that the NIHR affords us need to be fully explored and, if it is not the most appropriate body, I would like the Minister to commit to finding out what is.

In tandem with any assessment, there will need to be cost-effectiveness to get the drugs into routine commissioning, thereby allowing them to benefit patients.

A lighter-touch approach that makes better use of NICE's resources should be explored, as it could have the benefits of acting as a business case for adoption, reducing duplication and speeding up access to treatments. A commitment from the Minister to introduce such guidance today would be nothing short of great.

New clause 4, which stands in my name and those of my colleagues, states:

“Where there is an off-patent, repurposed drug with strong evidence of its effectiveness in a new indication, the Secretary of State shall require NHS England to produce and disseminate a national commissioning policy.”

Let us get treatments that are effective and safe to the patients who can benefit from them. A precedent for this is NHS England's recent work with Prostate Cancer UK to draw up a policy for—you guessed it—an off-patent, repurposed drug. It strikes me that where there's a will, there should be a way. If there is a way for us in England, I am sure that it is possible to ensure that there is a co-ordinated approach for our friends in Wales, Scotland and Northern Ireland.

In this place last November, I referenced the use of tamoxifen and other drugs as a preventive pathway. The purpose of new clause 5 is to look at introducing more accessibility into the system to make organisations such as academia and charities more connected with the licensing process. We are hoping for a commitment that the Department of Health will work with the MHRA to achieve that.

Finally, I will speak to new clause 6. Back in November, when the hon. Member for Torfaen told us why we needed the Off-patent Drugs Bill, I stated that drugs such as tamoxifen, simvastatin and zoledronic acid, among others, were not getting to patients. Tamoxifen and zoledronic acid, in particular, could benefit the women I have spent many years campaigning for, whose fight against breast cancer is often not only one of the most difficult things they endure, but one of the most difficult any member of their family goes through. We still lose 12,000 women a year to this disease. If there is something that we can do to ensure that fewer women die, we should do it.

In November, the hon. Member for Central Ayrshire, with the expert knowledge of a senior clinician, explained that although there was the ability to prescribe, it did not happen. We therefore propose that the “British National Formulary” includes off-patent, repurposed drugs to end the situation whereby experts are prescribing, but other professionals do not feel confident to do so. Like a bilingual dictionary, whichever way someone approaches the BNF—by disease type or drug—it tells them what they need to know as a prescriber, whether they are a pharmacist, a doctor or a nurse practitioner. The BNF generally includes all the licensed indications of a drug. If it supported the adoption of well-evidenced, off-label treatments, it would serve to provide validity. We hope for a commitment that the Minister will fully explore that proposal with NICE and the BNF.

I commend the Minister for his complete openness in engaging with our group of interested, committed MPs from across the House and across the parties to move the situation forward and find solutions. I urge him to look at the accelerated access review, the interim report of which says that we should put the patient “centre stage” and

“accelerate and manage...emerging products”.

The AAR did not mention repurposed drugs, so I will call them emerging products. It also speaks of, “Supporting all innovators”. We are being innovative. It challenges the NHS to galvanise itself to “adopt new products and systems”.

What we are discussing could be a new system. Finally, it speaks about, “Delivering change”. I look to the Minister to make those five commitments work with off-patent, repurposed drugs for everyone in the UK.

**Dr Philippa Whitford** (Central Ayrshire) (SNP): I rise to support new clauses 1 to 3, 5 and 6 and amendments 10 and 13. The only reason new clause 4 does not stand in my name is that it relates to NHS England, which is outwith my purview.

People are well aware of my objections to clauses 3 and 4. Many Members in this House and medical voices outside the House have real concerns about the danger to patients of doctors having to convince only one colleague before trying a completely unproven approach. As well as the danger to patients, I feel that there is a danger to our clinical trials system. Why would someone go through applications, a year of paperwork and phases 1, 2 and 3, when they could just cut to the chase?

I pay tribute to the hon. Member for Daventry (Chris Heaton-Harris) for being willing to sit around a table with the Members who were named by the hon. Member for Torfaen (Nick Thomas-Symonds) and the Minister, and to start with a blank sheet of paper and work out how we could do something useful. It has been a great procedure. I welcome the fact that later in the day the hon. Member for Daventry will propose the removal of the clauses on innovative practice and litigation.

Turning to the off-patent drugs proposals, 6 November was a very frustrating day in this House. Every single Member who spoke from the Back Benches spoke in favour of the Off-patent Drugs Bill, but the time ran away during the Minister's response—not the Minister who is here today. That debate showed the appetite across the House to get something done on off-patent drugs.

The hon. Member for Bury St Edmunds (Jo Churchill) has explained most of what I was going to explain. There is still the issue that while specialists are steeped in the evidence and used to using drugs off label, those who are not are less sure. There is no automatic place where they can check a dose or an indication. Sometimes, it is the general practitioner who does not carry it through. We have had lots of discussions in this House about the changes in the NHS and the evolution to multidisciplinary teams out in the community. That means that there are far more non-medical prescribers. The further someone is from the expert prescriber, the less comfortable they are. They do not have easy access to somewhere they can check when they think, “Is that just my bad handwriting or is that really what I mean?” That is what new clause 6 on the BNF could achieve.

The BNF is used by everyone and is on every desk in the NHS. As the hon. Member for Bury St Edmunds said, people can either check a drug that they have had a letter about from the hospital or look something up when they think, “I don't have anything for this. What exists?” We will also discuss that when we come to the database proposals. I welcome the fact that the database has been changed from being a registry of people doing their own thing to a place where information is shared.

[Dr Philippa Whitford]

On new clause 5, which I tabled, although the inclusion of off-patent drugs in the BNF will achieve the sharing of information and will, in a sense, give them a slightly informal kite mark, I feel that it is important to look eventually at providing a licence. The reason for my concern relates to the drug simvastatin, which is used all over the place to control people's cholesterol and has been found to be useful in multiple sclerosis—a disease that plagues many people and causes a lot of suffering, and for which, frankly, we do not have a lot to offer. That drug is incredibly cheap, but if a company decides to tweak a little molecule of it, call it something else and put it out as a new wonder-drug for multiple sclerosis, we will be having debates in Westminster Hall about a drug that costs fifty grand and that the NHS cannot afford. Under General Medical Council rules, the cascade is still that a doctor must prescribe a licensed drug over an unlicensed or off-label one, regardless of cost. If a doctor was faced with fifty grand for simvastatin-new versus sixpence for the simvastatin we all know, they would have no choice, and we would be right back in the same position—relentlessly discussing the NHS's access to drugs.

The drugs we are talking about are already safe. They have had a patent and been used for so long that they are now off patent, which means that they have been around for a decade. We know their side effects, the common dosages and what to look out for. They should not have to start at point zero of the licensing process. We need a short licensing system, so that patient groups, academics, charities and the British Generic Manufacturers Association can say, "We think there is something useful here." We have put provisions in new clauses 2 and 3 for the NIHR and NICE to have capacity in their systems to provide a funnel for evidence on such drugs.

These drugs are not developed by big pharma, so there are not huge costs that have to be recouped. The purposes of them are usually found by academics and clinicians, so pharmaceutical companies should not make a massive profit out of them. The benefit should be that the NHS can afford them and patients can access them. We have many debates about access to medical treatments in the House, usually in Westminster Hall and usually about drugs that are eye-wateringly expensive. In this case we are talking about drugs that are proven and cheap. We need to come up with a system that makes them accessible to patients.

I commend the Minister for the time, that, as others have said, he has given the four of us around a few tables, hammering these provisions together. I hope that we will be supported in working them through and actually doing some good for the NHS and our patients.

**Anne Marie Morris** (Newton Abbot) (Con): It is with great pleasure that I rise to speak in support of this important Bill, introduced by my hon. Friend the Member for Daventry (Chris Heaton-Harris), and the amendments he has tabled. Specifically, I rise to support amendment 13. I am sure that the hon. Member for Torfaen (Nick Thomas-Symonds) will be disappointed that his private Member's Bill did not make it to Committee stage, but I hope that he is happy to see some of it included in this Bill.

I had my reservations about the Bill as it stood originally, and I have reservations about some of the amendments, but I believe that amendment 13 will increase the use of off-label drugs in a safe and secure way. Those drugs can often be a cheaper and quicker way to tackle a disease, as they do not have to go through the rigmarole of being developed and licensed, which can take many years and many billions of pounds. NICE states that an unlicensed medicine is one that "does not have a UK marketing authorisation and is not expected to do so in the next 2 years",

whereas an off-label medicine is one

"with an existing UK marketing authorisation that is...used outside the terms of its marketing authorisation",

and for which

"it is not expected that the existing UK marketing authorisation will be extended to cover this use in the next 2 years."

The inclusion of off-label use classes in the database as innovative medical treatments will allow the medical profession to see where off-label use has been effective, even if it is at the other end of the country. However, we must be careful not to place off-label uses on a pedestal and allow people to cling on to false hope. They are the most vulnerable people in our society, often looking for any treatment that may help them, but we must ensure that any drug that is prescribed off label is used responsibly and ethically. I believe that the database will help by allowing doctors to see what is effectively a large sample trial that gives them more information on a particular treatment. I therefore support amendments 13 and 10.

**Mrs Flick Drummond** (Portsmouth South) (Con): I thank my hon. Friend the Member for Daventry (Chris Heaton-Harris) for bringing this important private Member's Bill before the House and for his work in ensuring that all parties agree with it. It seems that a lot of work has gone into it by Members throughout the House, and as someone who was not part of those discussions, I am grateful to them for doing that work for everybody else.

The NHS benefits from one of the most rigorous health technology assessment organisations in the world, which provides clear and robust evidence of the clinical benefits of new interventions. However, the introduction of innovative treatments is complex, not straightforward, and the difficulty for the life sciences industry in getting new treatments to the market means that UK patients are often the last to see the benefits of new innovations in their disease area.

10.15 am

I am not a doctor or a lawyer but a lay person, and I was at first disappointed that clauses 3 and 4 in the Bill as it originally stood were to be removed rather than amended to make them suitable for purpose. A compensation culture has developed, and I fear that it has stopped doctors innovating. In 2014-15, clinical negligence expenditure, including interim payments, cost the NHS more than £1.1 billion, and the NHS Litigation Authority does not expect that bill to fall any time soon.

I am fortunate to have reached the age of 53—[HON. MEMBERS: "Really?"] Thank you, but I have reached the age of 53. However, 14 of my very close friends and family members did not. Some of them would have benefited from innovative treatments, including those



with cancer, and one of them took part in a trial. I hoped that the Bill would help doctors have the confidence to try different treatments. However, it seems that there are ways to innovate, and I hope that new clauses 1 to 6 will ensure that off-label drugs that are found to work in different ways, and new drugs that are found to be effective, are quickly passed through NICE and disseminated throughout the NHS.

I am pleased that the NHS in Portsmouth and Southampton has trialled new hepatitis C treatments. Throughout 2013, a new range of drugs was tested on patients at Queen Alexandra hospital. The trials cured patients with hep C, with success rates of between 90% and 100%—a vast improvement on historical treatments. What is more, the patient experience was improved, as doses were lower and taken over a shorter period. Those transformative hepatitis C trials are now being replicated in other parts of the country, and the evidence gathered has enabled many other people to benefit from new treatments that were previously unavailable to them. I would like to see more such collecting and sharing of evidence, and I expect that is why the database is being established under new clause 2. I hope that the passage of the Bill will lead to more examples such as the groundbreaking work at QA hospital whereby evidence is shared for the good of all.

The interim accelerated access review said that the NHS has one of the most rigorous assessment processes in the world. Decisions are based on a wealth of robust evidence of the clinical and economic benefits of new interventions. The proposed database will strengthen that assessment process and potentially increase the availability of life-saving treatments.

However, if we are to encourage the NHS to embrace more innovation, it is important that it retains the public's trust. Medical trials that go wrong have the potential to undo the enormous trust in and admiration for our NHS, and I know that both professional and voluntary organisations and Members of the House had significant concerns about that in relation to the Bill. I welcome the pragmatic move that my hon. Friend the Member for Daventry has made in removing the clauses that caused those concerns, which will enable the NHS to expand the range of treatments it can offer while retaining the support and backing of all interested parties.

I am sure that a majority of Members support the idea of innovation in our NHS, which will be critical to meeting the increased demand on our health service. As the conditions that our NHS treats become more complex, enabling our doctors to innovate will be key to ensuring that the public receive the very best treatment available. I therefore welcome the Bill and trust that the amendments will ensure that the Government accept it completely.

**Heidi Alexander** (Lewisham East) (Lab): I congratulate the hon. Member for Daventry (Chris Heaton-Harris) on navigating the Bill to this stage. His pursuit of legislation in this area has sparked an important debate on the Floor of the House about how we can improve access to innovative treatments.

I welcome the opportunity to speak on this group of amendments, and I support the broad thrust of all of them. I commend the hon. Member for Bury St Edmunds (Jo Churchill) for her speech and the contribution that she has made—she spoke with great knowledge and passion.

I am particularly pleased that my hon. Friend the Member for Torfaen (Nick Thomas-Symonds) has tabled new clauses on the important issue of off-patent drugs and off-label uses, which he has championed. I was sorry to see his Bill fall on Second Reading in November and hope we can make more progress with the Government today.

Improving access to off-patent drugs so that people, no matter where they live or by whom they are being treated, are offered well-evidenced treatments that might not be routinely commissioned, is an ambition shared by many in the House, regardless of political persuasion. The Minister shares those objectives. Over the past few weeks and months, he has worked with key stakeholders and discussed the issue with them.

I express my support for new clause 1, which requires the Department of Health to produce an action plan for developing a pathway for off-patent, repurposed drugs, where strong evidence of their effectiveness in a new indication exists, with the aim of securing their routine use in such an indication. I hope the Minister can commit to such an action plan and put forward a clear timetable for progress, which is long overdue. I also hope he can offer the House reassurance on the proposals in new clauses 2 to 6, all of which have merit and deserve proper consideration by the Government.

**Rebecca Harris** (Castle Point) (Con) *rose*—

**Mr Speaker:** Order. The hon. Lady had wished to contribute but toddled out of the Chamber at the appropriate moment. I would have called her but did not because she was not here. Does she still wish to speak?

**Rebecca Harris:** Very briefly, Mr Speaker.

I support the Bill and commend all those who have worked towards it in the many iterations it has been through in this House and the other place—I can see that Members of the other place are taking an interest in our proceedings today.

I am chairman of the all-party parliamentary group on brain tumours. Brain tumour research has desperately lagged behind other areas of cancer research, and we desperately need to find new sources of treatment. Sadly, brain tumour is still the biggest cancer killer of the under-40s—children and young adults. The Bill could be a great step forward in the sharing of information.

I commend the Minister, as all hon. Members have. Without wishing to sound too toadying, we have a Minister who is committed to taking forward progress on research in a way that we have not seen previously.

It should be pointed out that the NHS is a superb innovative organisation that does huge amounts of research. We do not hear that said often enough of the NHS. From my point of view, the most important bit of the Bill is the database, which will mean we can take forward the research we do in the NHS so that people can have access to information—not just patients, but clinicians, who might not know as much as we or they would hope. I very much hope the Bill makes progress.

**The Parliamentary Under-Secretary of State for Life Sciences (George Freeman):** It is a great pleasure to take part in the debate and to support a package of amendments that have been agreed by Members on a cross-party

[George Freeman]

basis over the past few weeks and months. Very often in private Members' business, the Government take the view that the intentions are fine but the mechanism is flawed, and that the Government legislate while MPs raise issues. However, with this Bill, we have struck a blow for joined-up thinking and cross-party working in pursuit of patients' interests—I will say more about that on Third Reading.

With my hon. Friends the Members for Daventry (Chris Heaton-Harris) and for Bury St Edmunds (Jo Churchill), and the hon. Members for Torfaen (Nick Thomas-Symonds) and for Central Ayrshire (Dr Whitford), and with the help of Opposition Front Benchers, we have managed to deal with three Bills with which the House has been preoccupied in recent months—the Bill initiated by Lord Saatchi, which looked to change the culture of innovation; the Bill introduced by the hon. Member for Torfaen, which promoted the use of off-patent repurposed drugs; and this Bill, introduced by my hon. Friend the Member for Daventry, which seeks to promote access to innovative medicines. With the package of amendments we have agreed, we will end up with a Bill that moves forward on those three areas of concern for Members in all parties of the House. Today is a rare and rather wonderful moment because the amendments are supported by every party in the House—I cannot speak for the United Kingdom Independence party because I have not heard anything from it, but all other parties support the Bill.

We have three groups of amendments to get through so I will try to be brief in dealing with the specific points, many of which have previously been raised and discussed. I should take this opportunity to pay tribute to and thank my officials who, over the past three to six months, have tirelessly worked with Members on both sides of the House in an unusual way to help to draft amendments that we can all support. I thank them for their diligence in doing so.

Broadly, the intention of the package of amendments is to introduce off-label repurposed medicines in the Bill, and to put it four square at the heart of the agenda. As the hon. Member for Torfaen said, I wholeheartedly supported the intention of his Bill and its predecessor, but not the mechanism. We now have a mechanism that will work.

I appreciate that the new clauses are probing and that hon. Members are seeking my reassurance on how the Government will take things forward. New clause 1 is a request for an action plan. Nobody seriously thinks that we should put an action plan in the Bill, but let me set out my commitment and that of the Government to pursuing this agenda with time and rigour. As I have said in other places, the truth is that the world of drug discovery is changing profoundly. The transformational power of genomics and informatics create a wholly new opportunity both to discover new medicines and target them at individual patients much more quickly, and to discover repurposed uses of existing drugs in a way that we have not been able to do previously. The 100,000 Genome Project, which the Government have initiated and funded, has already begun to identify existing drugs that have uses in indications that were not hitherto known. The pace at which new drugs are being developed and discovered is increasing, which is a credit to the creativity of the sector.

That sets the backdrop for the creation of my post and the accelerated access review that I have launched. As all hon. Members know, I am committed to putting in place a landscape that accelerates the use of NHS resources to support research. When we launched the strategy, the Prime Minister said that every patient should be a research patient and that every hospital should be a research hospital. We are determined to ensure that the daily footprint of diagnosis and treatment is used more intelligently to support research.

The accelerated access review is looking at that in a lot of detail and is an extensive piece of work. Colleagues have referred to the interim report—the final recommendations are due to arrive on my desk at Easter. I am very happy to give a commitment that, in our response to that report, we will pick up the points made in the debate and in the Bill on ensuring that we look at repurposing and off-label uses of existing drugs as much as we look at innovative medicines.

In new clauses 2 and 3, hon. Members are probing me to give details on how the National Institute for Health Research and the National Institute for Health and Care Excellence can put into practice the mechanism that we have discussed. On new clause 2, there are very open mechanisms currently for applications to the NIHR to research existing medicines. The NIHR—I am delighted that we have reconfirmed our £1 billion a year funding for it—conducts research every year into existing medicines, and there is a clear process for that. It would not be appropriate to legislate in a Bill to tell organisations that are subject to the Haldane principle, which is sacrosanct for the Government, what to do. We want research to be led by that principle, but I am happy—I will say more about this in a moment—to ensure that, through the process, we explore mechanisms for ensuring the NICE can look at evidence and develop evidence-based guidance on off-label medicines, so that doctors are aware of which drugs are being used in an off-label indication.

On new clause 3, I am delighted to confirm that, after discussions, NICE is now looking at ways to collect evidence on repurposed medicines. It is looking at taking evidence and how it could use, through its existing evidence review process, evidence on repurposed medicines specifically. I have asked whether we might be able to put a mechanism in place to find a way to somehow put that into the “British National Formulary”. I would not want to put that mechanism into the Bill, because we need the freedom to evolve the mechanism and to get it right. I hope that is a helpful reassurance.

10.30 am

Clinical staff using the BNF daily—the hon. Member for Central Ayrshire highlighted that it is a really powerful mechanism for getting information to doctors—will ensure that prescribers have information on off-label drugs. I would like to get to a point where we can give busy doctors on the frontline, at the click of a mouse, information on drugs their patients might be eligible for, and which are coming through in clinical trials. That information—on drugs already in use with an evidence-based off-label indication that NICE has looked at, and on unlicensed drugs in early-access-to-medicine schemes, which, with patient and doctor consent, patients might be eligible for—already exists, but I would like to get it to doctors in a way that is very easy. I have asked NICE, the MHRA and my officials to work on the details of that mechanism.

New clause 4 sets out a proposal for the Department of Health and NHS England to implement a new system of national commissioning of repurposed medicines. I think hon. Members understand that I cannot agree in statute, for a whole host of reasons that I will not detain the House with right now, to bind NHS England to that commitment. I will, however, just say this: NHS England is very seized of the need to look at how it can improve the efficiency of the system and deliver the £22 billion efficiency savings it has committed to. Efficiencies in medicine procurement and prescribing sit four square in that. The NHS is hungry to look at all options for promoting off-label and repurposed drug use. I do not think hon. Members need worry that NHS England needs instructions from me to that effect, but we need to ensure we are giving clinicians access to information on both innovative drugs and innovative uses of existing drugs, so that they are able, with confidence, to recommend and prescribe for their patients medicines that may be appropriate for them.

The hon. Member for Central Ayrshire will understand why I am very wary of legislating to interfere in any way with clinical sovereignty. Much as we in this House might want certain things to happen, we need to be careful not to undermine the sovereignty of clinician and patient, which must be absolutely key.

New clause 5 sets out a proposal for the Government to set out a list of statutory stakeholders. This is a familiar issue dealt with in many Bills. I think hon. Members know that it would not be appropriate for us to set out that list in statute, but I am very happy to give the undertaking that the bodies listed in the new clause should, and will be, consulted on and involved in our work plan as we take the proposals forward.

New clause 6, which deals with the question of the “British National Formulary”, is very helpful in terms of giving me a chance to talk about the mechanism that I propose and have just touched on. I am reluctant to name the BNF explicitly in the Bill, not least because it is a commercial product that is not in my gift to control. There are no plans to change its format, but I would hate for us to have legislated for one particular mechanism of information and then find in a few years that it has changed in some way and is no longer appropriate. I am, however, very happy to give an undertaking at the Dispatch Box that we are actively exploring this option and have no reason to think it cannot work. NICE tells me it thinks there is a very good mechanism for it to use its existing powers for gathering evidence to pull together, as part of an evidence review, an evidence-based reassurance to clinicians that a drug has a legitimate off-label, off-patent use, and to include that in the appropriate registry. Today I think that would be the BNF, but that may change in due course.

**Nick Thomas-Symonds:** I would just like to make two points. First, the “British National Formulary” is UK-wide. Secondly, and just to probe the Minister further, is he able to give an approximate timeframe for when he thinks the process might be complete?

**George Freeman:** The hon. Gentleman makes two good points. This is, of course, UK-wide. One of the challenges, as a UK Minister, is to put in place a framework that will support this across the UK while respecting the different mechanisms in the devolved Administrations.

I hope the Bill will provide a basis for a similar mechanism in areas where there are different formats. I believe that in Scotland, Northern Ireland and Wales, but particularly in Scotland and Northern Ireland, there is a hunger to do that. I believe the Bill will support those existing mechanisms.

**Dr Philippa Whitford:** We have moved on from talking about the BNF. I accept the comments about listing groups that would be considered in new clause 5. Does the Minister accept, however, that we still need to deal with the cascade of prescribing to ensure doctors are not forced to prescribe a licensed medicine, which is actually just a minimal moderation of an off-patent drug at a vastly expensive cost? That means we still need some kind of change to the licensing or short licensing process in the future.

**George Freeman:** The hon. Lady makes an important point about the classification of different drugs available to clinicians. Without detaining the House with too long a peroration on that classification, it is worth setting out that there is a clear cascade.

Clinicians can use unlicensed medicines in situations where, in their clinical judgment, and with patient consent, they believe it is the right thing to do. They are subject to all their usual professional undertakings. There are then off-label uses of drugs: drugs that do not have a licence for a particular indication but which the clinician, on the basis of evidence, is able to prescribe when they feel that evidence is compelling. The Bill now goes to the heart of that and will help to provide reassurance. For many clinicians, being able to click on a mouse with their patient and say, “For your condition there are one, two, three or no off-label medicines available for which NICE has looked at the evidence,” would be a powerful catalyst in helping to promote off-label use. There are generic drugs, which have been patented and brought to market, that are available at a heavily discounted open price.

There are then on-patent drugs, which have been brought to market and are still subject to a patent. The manufacturer has an exclusivity, which is the period in which their sunk costs in bringing the medicine to the system, can be reimbursed. That is an important protection to make sure we continue to have a thriving life science sector that can take the risks of investing in new drugs. Typically, new drugs take 15 years and £2 billion to develop. If there were no patenting mechanism, there would simply be no enthusiasm to do that research, which has a very high failure rate. In law, there is a key point of principle, which is that a licensed drug should be used first and that an unlicensed drug cannot be used purely on the basis of cost. That is a really important principle. An unlicensed drug can, however, be used on the basis of evidence. That is why the mechanism will allow NICE to look at the evidence and to signal to clinicians that they have the evidence basis on which to use the drug in an off-label indication.

One of the issues we have dealt with in discussions is the whole question of the European licensing of medicines. If we were to go down that route—I know the hon. Member for Central Ayrshire understands this—I can assure the House we would be here not just for weeks and months, but years. I am leading for the Government on reforming the European landscape of 21st medical

[George Freeman]

research. The central role of protecting innovators' sunk costs is really important to our life sciences sector, and the new clauses and amendments create a mechanism by which we can accelerate off-label use without running a coach and horses through that.

**Dr Whitford:** I accept the Minister's points, but my concern remains that if in 10 years we have simvastatin in its current form versus a new name that is just a tweaked simvastatin at a thousand times the price, doctors will, under GMC rules, have to go for the one with the licence, as opposed to the off-patent one, even if it is in the BNF. I accept that the BNF mechanism will absolutely increase usage, but we still need to consider the longer term, given that in the future we might have huge numbers of off-patent drugs with new purposes.

**George Freeman:** The hon. Lady makes an interesting, important and useful point that I undertake to pick up in our consultation in response to the accelerated access review. The landscape will continue to change fast over the next few years. The Bill, as amended, will promote the greater use of off-label medicines. Crucially, the database mechanism, which, I reassure everybody, is very different from the original registry proposed in a precursor Bill—it is to make clinicians aware of what drugs are available—will generate data that will be incredibly powerful in helping the system to adapt and use the freedoms I hope to give it through the accelerated access review. That will ensure we are better and faster at getting these repurposed medicines into use.

I am delighted to say that the Government are happy to support amendments 10 and 13. Amendment 10 would set out in the Bill that its purpose specifically includes promoting access to the innovative use of licensed medicines outside their licence indications. It puts four square at the heart of the Bill the aims of the Off-patent Drugs Bill, which was promoted by the hon. Member for Torfaen (Nick Thomas-Symonds), and which, as hon. Members across the House have commented, had a lot of in-principle support. I am pleased, therefore, that we have found a form of words that moves it forward. At the heart of it, there is a clever protection for clinical sovereignty. We are not telling clinicians what they have to prescribe or putting in law a requirement that they prescribe in a particular way. We are giving them information on evidence-based off-label drugs. The feedback from clinicians so far is that it genuinely will help them to understand, promote and prescribe off-label uses.

Amendment 13 seeks to clarify the definition in the Bill of innovative medical treatments to make it clear that it includes off-label and unlicensed medicines. I mentioned earlier the pace at which genomics and informatics were uncovering new uses for drugs—some have referred to it as finding diamonds in the dustbin. There are extraordinary applications among the existing pharmacopoeia of tens of thousands of drugs. We now realise that many of them have particular impacts and effects. That is all to the good. It is thanks to the power of our life sciences sector that we are beginning to uncover those, and the Bill will support that.

With those comments in support of amendments 10 and 13, I hope I have given hon. Members enough reassurance and that they feel able to withdraw or not

press the probing new clauses. I will be happy, following Third Reading, to put in place, through the accelerated access programme, a clear plan for keeping on top of the system's implementation and tracking the use of repurposed medicines. We will continue with the work we did with charities through the winter and with the very helpful discussions we had with the charitable sector, and the Department will look annually at the data and whether the landscape is changing, and if it is, we will keep that under review.

10.45 am

**Nick Thomas-Symonds:** I am grateful to Members across the House for their contributions and to the Life Sciences Minister for his clear response to the six probing new clauses. I am pleased to hear that the Government will accept amendments 10 and 13. As I said in my opening speech, having off-label treatments in the Bill and the database will make a significant difference and help move things forward. I was also pleased with his reassurance to the hon. Member for Central Ayrshire (Dr Whitford) that we will continue to review the system, as, I hope, the number of off-label treatments and prescriptions increases.

In view of the Minister's commitments and acceptance of amendments 10 and 13, I do not propose to press new clauses 1, 2 and 3. New clauses 4, 5 and 6 are in the names of the hon. Members for Bury St Edmunds (Jo Churchill) and for Central Ayrshire (Dr Whitford). I beg to ask leave to withdraw the motion.

*Clause, by leave, withdrawn.*

### Clause 1

#### ACCESS TO INNOVATIVE MEDICAL TREATMENTS

*Amendment made:* 10, page 1, line 3, after “treatments” insert

“(including treatments consisting in the off-label use of medicines or the use of unlicensed medicines)”—(Chris Heaton-Harris.).

**Mr Deputy Speaker (Mr Lindsay Hoyle):** We now come to amendment 1—

**Chris Heaton-Harris:** On a point of order, Mr Deputy Speaker. I am unsure of the process. What happened to amendment 13?

**Mr Deputy Speaker:** It comes later. It is about three pages further on in the dossier. It has not been lost, and we will be coming to it, so the hon. Gentleman can rest assured. It is there.

**Chris Heaton-Harris:** I beg to move amendment 1, page 1, leave out lines 7 to 9.

**Mr Deputy Speaker:** With this it will be convenient to discuss the following:

Amendment 11, page 1, line 18, in clause 2, leave out from beginning to “involves” in line 19 and insert

“In this section, “innovative medical treatment” means medical treatment for a condition that”.

Amendment 2, page 2, line 26, leave out clause 3

Amendment 3, page 3, line 19, leave out clause 4

Amendment 4, page 3, line 40, in clause 5, leave out “this Act” and insert “section 2”

Amendment 12, page 3, line 42, in clause 5, leave out paragraph (b)

Amendment 5, page 4, line 1, in clause 5, leave out “this Act” and insert “section 2”

Amendment 6, page 4, line 3, in clause 5, leave out “this Act” and insert “section 2”

Amendment 14, page 4, line 8, in clause 6, leave out “Sections 1 to 5” and insert “Sections 1, 2 and 5”

**Chris Heaton-Harris:** I just thought I would check about amendment 13, Mr Deputy Speaker. This whole experience has been a steep learning curve when it comes to procedure in the House. Perhaps we have invented a few things on the side as well, given how we have gone about our business here. I do not want to speak too soon, but if we could conduct all our health debates in the positive and constructive tone that has characterised these debates and the process behind the Bill, we might improve our health service in leaps and bounds, rather than getting caught up in unnecessary politics. But that is where we are.

My amendments 1, 2 and 3 would remove, among other provisions, two clauses on clinical negligence. I want to talk about the reasons for their removal and the original idea behind the clauses. As right. hon. and hon. Members who have been following the progress of my Bill will know, many of the ideas in it came from Lord Saatchi’s Medical Innovation Bill in another place. Those ideas have not had the smoothest of journeys in this place. I have been regularly reminded by hon. Members—I thank those here today—and others outside this place that these clauses have not enjoyed the support of stakeholders.

Such concerns have been around since before the Bill was even drafted. Unfortunately, the echoes of those concerns haunted the first mention of the word “innovation” in the clause, and I decided from conversations I have had that those concerns could not be quelled in time. Throughout the process, I was clear that I wanted to listen to everybody with something to say on this matter. I have met and read the briefings of everyone who has contacted me wishing to share their views, and I hope it has been evident that I have been up front, honest and very clear about my intentions. I tried to solve the concerns of Members and the medical community who believed the clause would have negative and unintended consequences. That is why I tabled these amendments.

I hope that this process reflects favourably on Parliament and shows how a piece of possible legislation can evolve with a huge amount of stakeholder engagement and with parliamentary opinion taken on board. Since the beginning, I have focused on the sharing of good practice and transparency—and, indeed, on the failures of treatments through a database. Those ideas are reflected in clause 2 and have received much support.

I wanted to maintain the camaraderie built up around the Bill and have been unable to find the support I needed for the more controversial clauses, 3 and 4. Clause 3 sets out the steps that a doctor would need to take to show that he or she had acted responsibly using the Bill. They were intended to reflect the steps that a responsible doctor could be expected to take under common law when innovating. In relation to a proposed treatment, clause 3 would require the innovating doctor to

“obtain the views of...appropriately qualified doctors”

with

“appropriate expertise and experience in dealing with patients with the condition in question.”

Clause 4 expressly preserves the common-law Bolam test, the key precedent for judging whether a doctor has acted negligently.

The two clauses received strong opposition, which I will not go into too much. However, I worked closely with many officials from the Department of Health, and I want to thank them, because I had read the briefings that were so adamant in saying how dangerous parts of the Bill would be, so it was nice to have some of the best and brightest legal and parliamentary counsel remind me again and again that they viewed them as perfectly safe and did not see them as a danger to patients.

**Dr Philippa Whitford:** Does the hon. Gentleman understand the danger of undermining our clinical trials systems, in that, using the Bill, a doctor would have to convince only one colleague before they could go ahead and try something completely new? The recent tragedy of the patient who died while taking part in a phase 1 trial shows the need for steps and procedures to reduce the risk.

**Chris Heaton-Harris:** The hon. Lady knows that I would obviously have preferred to retain clauses 3 and 4, but I have to agree with her: the body of opinion stands on her side of the argument, not mine, so the simple answer is yes.

I remind the House, though, that there was a decent and honourable purpose behind clauses 3 and 4. Dr John Hickey, the former head of a primary care trust, contacted me to say that,

“as a registered medical practitioner, a former NHS Trust Chairman and with 30 years’ experience in the field of legal medicine with the Medical Protection Society (last five years as Chief Executive), I believe I am adequately qualified to comment on your Bill.”

He went on to say:

“Over the last 30 years I have seen how doctors have increasingly practised defensive medicine...because of the fear of litigation and disciplinary action by their regulators; this defensiveness is not in patients’ best interests.”

In fact, it may interest Members to hear that, in reading the debates on the Bill introduced by the hon. Member for Torfaen (Nick Thomas-Symonds) and the recent debate on the Mesothelioma (Amendment) Bill, I have seen much stated that supports the action I wanted to take in clauses 3 and 4 to reassure doctors who fear litigation. For example, the British Medical Association’s parliamentary brief for the Second Reading of the Off-patent Drugs Bill stated that there were

“two barriers to the use of off-patent drugs in a new indication: 1) Clinicians’ confidence in prescribing: clinicians take on a personal and professional liability if they prescribe an off-patent drug in a new indication”,

and therefore they require reassurance. The brief goes on:

“GMC guidance also indicated a greater level of responsibility for the doctor prescribing off-label and therefore potential greater risk of liability which would be a disincentive for a doctor prescribing off-label drugs”.

That is a simple statement of the purpose of clauses 3 and 4: to give doctors a supplementary way to assure themselves that they are doing the right thing where

[Chris Heaton-Harris]

they might want to do something they believe to be in their patients' best interests, in a fully evidenced, responsible and honest way.

Similarly, the Multiple Sclerosis Society's brief on the same subject states:

"Guidance from the General Medical Council is clear that a doctor takes on an extra level of personal liability when prescribing off-label, which would be a significant disincentive to prescribing".

Breast Cancer Now says that, because of personal liability,

"doctors can be unwilling to prescribe drugs for new purposes, even where...clinical evidence is strong".

As Lord Freyberg stated in the mesothelioma debate in the other place,

"The fastest way to save lives is to see if the drugs for common cancers work on the rarer ones as well, given the shared mechanism of disease across cancer. This is off-label research and until we fix the issue of liability, as advocated by the noble Lord, Lord Saatchi, we will continue to send thousands, like my sister, to an early grave."—[*Official Report, House of Lords*, 20 November 2015; Vol. 767, c. 407.]

There was therefore plenty of reason and evidence to support clauses 3 and 4, but I guess politics is all about being pragmatic, and I believe that the provisions that we have already discussed are worthy in themselves of inclusion in a sensible Bill, because they will do some positive things. It is therefore with some reluctance, as I am sure the House will understand, that I have decided to table these amendments, which strike the elements relating to clinical negligence from my Bill.

**Anne Marie Morris:** I support my hon. Friend's amendment 2, which would remove clause 3—the responsible innovation clause—from the Bill. I know that his heart was absolutely in the right place when he first put the Bill before the House; however, I am glad he has tabled the amendment, as I am sure the majority of us, if not all of us, are present in the Chamber to ensure that the rest of his Bill, particularly the provisions dealing with the database, gets through.

I have received briefings from all manner of medical bodies, as I am sure all colleagues have, stating that the Bill would do more harm than good for patients. A letter signed by nine different medical bodies, including the Academy of Medical Royal Colleges, the British Medical Association and the Patients Association, says that

"this Bill will actually harm good innovation by weakening patient protection, adding unnecessary bureaucracy and undermining good scientific practice."

By removing clause 3, amendment 2, along with amendment 3, will allay those fears. There will no longer be any fears about doctors using quackery, as some people outside the Chamber have put it. Instead, there will merely be a database, set up by the Secretary of State, who may by regulation confer functions on the Health and Social Care Information Centre, although I note that the hon. Member for Lewisham East (Heidi Alexander) has tabled amendments seeking to change who the Secretary of State has to consult before making any regulations.

At a constituency level, a number of concerns have been raised with me by those in the healthcare sector who believe this Bill, or at least this clause, would do more damage than good. There was a misconception among some people that it remained a carbon copy of Lord Saatchi's Medical Innovation Bill, which was introduced in the last Parliament. Although my hon. Friend's Bill is indeed similar to Lord Saatchi's, the amendments he has tabled will completely dispose of any similarity at all. Innovation sounds like such a good idea. To most people in the street, it sounds like a marvellous thing and therefore taking "innovation" out of the Bill must be a bad move. However, innovation must be achieved through the correct means and must not pose any danger to patients.

The argument goes that innovation has decreased in recent years owing to the legal complexities and doctors' fears of negligence claims against them if something goes wrong. There is no evidence of that, according to the Medical Protection Society, the Medical Defence Union, the General Medical Council and various other medical—

*Debate interrupted.*

## Criminal Legal Aid

11 am

**Andy Slaughter** (Hammersmith) (Lab) (*Urgent Question*): To ask the Under-Secretary of State for Justice if he will make a statement on the provision of legal aid services.

**The Parliamentary Under-Secretary of State for Justice (Mr Shailesh Vara)**: As the Lord Chancellor and Secretary of State for Justice announced yesterday, the Ministry of Justice has had to play its part in reducing the budget deficit, and economies have had to be made in every area of expenditure. In the last Parliament, spending on legal aid was reduced from £2.4 billion to £1.6 billion. Further changes in the legal aid system were due to be implemented in the current Parliament, with a second reduction in litigation fees in July 2015.

At the time when the fee reduction was proposed, the market was made up of about 1,600 legal aid firms. After careful negotiation, the then Justice Secretary decided to adopt a system of “dual contracting” to drive greater efficiency and consolidation in the market. Over time, however, opposition to that model has increased. Solicitors’ firms feared that it would lead to a less competitive market, and barristers feared that choice and quality would diminish. Besides, a process of natural consolidation was already taking place in the market.

Although we understood those arguments, we also needed to deliver reductions in expenditure, but since July 2015 there have been two significant developments. Her Majesty’s Treasury has given us a settlement that allows greater flexibility in the allocation of funds for legal aid, and it has become clear that there are real problems with pressing ahead. We currently face 99 legal challenges and a judicial review of the entire process. Litigation will be time consuming and costly for all. We have therefore decided not to go ahead with the introduction of the dual contracting. We have also decided to suspend for 12 months the second fee cut. The Legal Aid Agency will extend current contracts to ensure that the service continues until replacement contracts come into force later this year.

We will review progress on joint work with the profession to improve efficiency and quality before returning to any decisions on the second fee reduction and market consolidation.

**Andy Slaughter**: This is a happy day. A serious threat to the integrity of the justice system and the livelihoods of thousands of hard-working professional people—the mainly small and local solicitors’ firms that are the bedrock of local justice—has been lifted, and we welcome that.

Nothing is more important to securing access to justice than the ability of citizens to obtain competent and timely legal advice when accused of criminal conduct, but that basic human and civil right was put at risk by the Government’s ill-conceived plans. What on earth was the Department playing at in the first place? This is the latest in a series of U-turns, and once again a written statement was issued at 3 pm on a Thursday. We are only here today thanks to you, Mr Speaker, because you granted the urgent question.

Everyone who cares about the criminal justice system in our country has been saying that the Government’s proposals for new criminal contracts were a disaster from the day on which they were proposed, in June 2013. That was not only my view or that of the Law Society, the Criminal Law Solicitors’ Association, the London Criminal Courts Solicitors’ Association and the Justice Alliance; it was the view of everyone in the justice system, and I pay tribute to them all for the magnificent campaign they have fought. It was also the view of the Government’s own experts, but the former Lord Chancellor still failed to register the chaos over which he was presiding. I credit the current Lord Chancellor with having the common sense to bring this farce to an end, but I wish the Government had listened to my right hon. Friend the Member for Tooting (Sadiq Khan) when he proposed the scrapping of the scheme exactly a year ago.

What we cannot do is draw a line and forget what has happened. Questions remain to be answered, and I ask the Minister to answer the most urgent of them today. How much public money and civil service time have been spent on the abortive tendering processes, the court cases and the consultations in the past three years? Will the Minister refer his own Department to the National Audit Office, so that it can be independently investigated? Will he apologise to the firms that have closed, laid off staff or cut salaries when faced with losing contracts, and also to those who have spent thousands of pounds on bidding and winning contracts and, in many instances, taking on extra staff whom they will not now need? Will he go further, and establish what assistance can be given to those firms? Will he remove the remaining uncertainty over the second fee cut? Given that he imposed it and has now decided to remove it for at least a year, what timescale and criteria will he apply to future fee levels?

Finally for today, given the NAO’s and the Public Accounts Committee’s scathing criticisms of the civil legal aid cuts—incidentally, I learned just before entering the Chamber that the NAO has also reported a £1.1 million loss by the aborted Just Solutions International, the commercial arm of the Ministry of Justice—will the Minister bring forward the review of the Legal Aid, Sentencing and Punishment of Offenders Act 2012?

This has been an appalling use of taxpayers’ money. It has posed an existential threat to a fundamental part of our legal system, and it has caused uncertainty, failure and distress to thousands of hard-working small businesses throughout the country.

**Mr Vara**: I welcomed the comments made by the hon. Member for Hammersmith (Andy Slaughter), although they were very brief. I must add, however, that his attempt to criticise what has been described as the Lord Chancellor’s sensible decision was opportunism, pure and simple. He obviously has a selective memory. I remind him that in 2009, when Jack Straw was Justice Secretary, he abandoned the criminal legal aid best value tendering scheme at a very late stage, just before the 2010 general election. I do not recall the hon. Gentleman’s grumbling to his boss at the time, and Jack Straw certainly does not recall hearing his voice. This needs to be put into proportion.

Let me now deal with the hon. Gentleman’s questions. When we embarked on the dual contract process, we had the support of the Law Society; the hon. Gentleman

[Mr Vara]

may wish to reflect on that. We have said that we will suspend the second fee cut for a year. We will then work with the professions, and will form a definite view in due course. As for the Legal Aid, Sentencing and Punishment of Offenders Act, the hon. Gentleman knows only too well—because I have said it many times at the Dispatch Box—that a review will take place within three to five years. [Interruption.] The hon. Gentleman is chuntering away, as he is wont to do on a regular basis. He says, “How much money?” He knows full well that all shades of Government, both Conservative and Labour, if they listen to people and feel that a decision needs to be changed, will make that change. Just as the Labour Government made decisions to change policies, we have made such a decision. I do not recall previous Governments wasting time and effort in trying to make calculations when they have made a change of direction.

Our decision has been welcomed by the profession, and we are pleased about that. We now want to look forward and move ahead.

**Robert Neill** (Bromley and Chislehurst) (Con): The intelligent lawyer and the intelligent decision maker are alert to the dictum attributed to Keynes: “When my information changes, I change my conclusions.” Surely the Lord Chancellor should be commended rather than criticised for doing that on this occasion.

Will my hon. Friend give us some more details of the particularly welcome initiative to involve the professions themselves through the proposed advisory council?

**Mr Vara:** My hon. Friend is right to say that the Lord Chancellor should be commended. Mark Fenhalls, QC, the chairman of the Criminal Bar Association, said yesterday:

“It takes courage to make such decisions.”

Perhaps the hon. Member for Hammersmith will reflect on that sentiment.

The Lord Chancellor has his advisory board, and he will be working with the profession to ensure that as we progress further, the public will benefit, and the taxpayer who funds the legal aid budget will gain the maximum possible value.

**Sarah Champion** (Rotherham) (Lab): Steve Hynes, director of the Legal Action group, has said:

“In its planning and execution the MoJ has demonstrated shocking incompetence with this tender exercise.”

Will the Minister now launch a review of his own Department’s competence?

**Mr Vara:** I appreciate that the announcement was made a relatively short time ago, and that the hon. Lady has probably not had an opportunity to hear what the profession has said. The profession has wholeheartedly welcomed the proposals, and I think she should note those comments, rather than individual comments.

**Oliver Colville** (Plymouth, Sutton and Devonport) (Con): Will my hon. Friend write to me, explaining what impact the proposal will have on lawyers in the

west country, especially those in my constituency, which contains, at Charles Cross, the busiest police custody suite in England?

**Mr Vara:** I urge my hon. Friend to look at the details of the statement made by my right hon. Friend the Justice Secretary yesterday, wherein the way forward is stated, but I will happily write to my hon. Friend with further details.

**Nick Thomas-Symonds** (Torfaen) (Lab): I should first say that I used to be a barrister before entering Parliament, and remain a non-practising door tenant of Civitas Law in Cardiff.

A year ago, the previous Lord Chancellor said these very reforms were both sustainable and essential. I thought that was completely wrong and I am delighted that the current Lord Chancellor agrees with me, but can the Minister tell us why the previous Lord Chancellor got so many things so badly wrong?

**Mr Vara:** It lowers the tone of this debate when, not for the first time, the hon. Gentleman takes his lead from the hon. Member for Hammersmith by resorting to personal abuse. There have been two significant developments, which have allowed us to make the announcement. First, thanks to the economies we have made elsewhere in the MOJ, Her Majesty’s Treasury has given us a settlement that allows us greater flexibility in the allocation of funds for legal aid; and it has also become clear, as I have said, that there are real problems in pressing ahead as initially proposed. We recognise those issues and we want to do the best for the profession, and that is why we have taken this decision.

**Mr Steve Reed** (Croydon North) (Lab): The Minister’s Department has wasted close to £15 million now on ill-judged projects. What does this latest U-turn bring the running total to?

**Mr Vara:** The hon. Gentleman talks about millions of pounds; may I just remind him of the billions that were squandered and wasted when his party was in government, and that if it was not for its squandering and mismanagement, this Government would not have had to take the tough decisions we are having to take?

**Conor McGinn** (St Helens North) (Lab): The Saudi prison contracts, the secure college, the book ban, the outsourcing of the collection of fines by courts, the criminal courts charge, and now two-tier, the latest in the long line of U-turns by the Justice Secretary on measures taken by his predecessor. If he is looking for his next U-turn, may I suggest he looks at the repeal of the Human Rights Act—and, of course, the closure of the court in St Helens?

**Mr Vara:** I am sure the hon. Gentleman’s constituents will be grateful that he managed to slip in that last bit concerning his court. As I have told him previously, no firm decisions have been taken on that issue. On other matters, I am pleased that the hon. Gentleman pays such detailed attention to what is happening in the MOJ.

**Carolyn Harris** (Swansea East) (Lab): I welcome the Justice Secretary’s move to scrap the two-tier system. He said HM Treasury has given him a settlement that



allows him greater flexibility in the allocation of funds for legal aid. Will he give us more detail about the settlement and whether it will extend further than what he has already said?

**Mr Vara:** I refer the hon. Lady to the Chancellor's autumn statement. He said he would be allowing £700 million-plus for the courts reform programme and there would be £1.3 billion for reforming the Prison Service. We in the MOJ are also consolidating our estates programme generally in terms of the offices and space we use. If the hon. Lady reads the statement, she will also be aware that my Department will be making 50% administration cuts by 2019-20.

**Mike Kane** (Wythenshawe and Sale East) (Lab): The Justice team must be spinning like tops at the moment. Would the Minister care to estimate how many U-turns there have been since the new Secretary of State took his position?

**Mr Vara:** I will just mention that Labour's 13 years of squandering taxpayers' money, which has meant that we have to take these decisions, puts into total insignificance the very cheap jibe that the hon. Gentleman seeks to aim at this Government.

## Closure of St Paul's Place BIS Office (Sheffield)

11.14 am

**Louise Haigh** (Sheffield, Heeley) (Lab): (*Urgent Question*): To ask the Secretary of State if he will make a statement on the announcement by the Department for Business, Innovation and Skills online yesterday morning that it is to close its St Paul's Place site in Sheffield, which houses 250 jobs, and relocate them all to central London.

**The Minister for Small Business, Industry and Enterprise (Anna Soubry):** The Department for Business, Innovation and Skills is committed to delivering efficiency savings and contributing to the Government's deficit reduction targets. As such, we have developed the BIS 2020 strategic plans to modernise the way BIS works, reduce operating costs, and deliver a simpler, smaller Department that is more flexible and responsive to stakeholders and businesses. As part of these plans, the Department has announced its intention to close the BIS office in Sheffield at St Paul's Place by January 2018.

All staff and departmental trade unions were informed of this decision yesterday, 28 January, and the statutory 90-day consultation process will now begin. Those staff most affected by this decision have been fully briefed and comprehensive support to all those facing a potential change or loss of job will be provided. This will include professional, external careers advice; professional outplacement support; working with the Department for Work and Pensions to host a jobs fair; allowed time out of the office to find jobs; and financial advice workshops.

This decision has not been taken lightly. Our current locations are based on what we call legacy decisions—decisions taken some time ago—and what can at best be described as ad hoc organisational changes. In future, our structures need to be designed in a more streamlined, efficient way. To support this effort, we will bring the number of locations we operate down from around 80 now to approximately seven centres, supported by a regional footprint for work at a local level. Each centre will focus on a key business activity and will bring together expertise and help to build our capability.

We have, and will continue to have, many more people based outside London than inside London.

**Louise Haigh:** Thank you, Mr Speaker, for granting this urgent question on an issue of such importance to people in Sheffield and to the Government's hopes to build a northern powerhouse, because this decision came out of the clear blue sky for my constituents yesterday morning. The first any of them heard of it was when the permanent secretary arrived in their office at 9.30 yesterday morning. It speaks to this Government's London-centric focus and contempt for the north of England that they think a consolidated "combined central HQ and policy centre"

has to be, by rights, in London rather than in Sheffield where the operating costs are cheaper and the perspective on UK investment is much broader.

So why, despite Lord Maude of Horsham's commitment to end "Whitehall palaces", has the proportion of the civil service workforce in the capital gone up since 2010?

[Louise Haigh]

The House will be aware that this is just the thin end of the wedge, as part of the BIS 2020 strategy, so can the Minister tell the House exactly when she is going to bother to announce which offices are going to be closed—or will civil servants have to wait uneasily at their desks for an appearance from the permanent secretary?

Secondly, the board at BIS must have seen a business case for the BIS 2020 report, prepared by McKinsey & Company at great cost. Will the Minister publish the business case so that we can see how the Government can possibly hope to reduce operating costs by moving to central London?

Indeed, is it not economically irresponsible to create more jobs in central London, which is suffering an incredibly overheated housing crisis? Given that there is a 40% cut to partner organisations coming down the line, can the Minister rule out today, categorically, that the Insolvency Service and the Skills Funding Agency based in Sheffield will not be closed?

Sheffield has already lost 500 jobs at HMRC, 100 jobs at Forgemasters and 400 jobs at the local authority. People in my city will be right to ask: why have the Tories got it in for Sheffield?

**Anna Soubry:** As somebody who was born and bred only 17 miles from Sheffield, I do not need any lectures from the hon. Lady, and in particular not from the Labour party given that the last Labour Government closed offices in York and Liverpool and axed over 1,500 jobs in Preston and across the Fylde coast as part of a major rationalisation of DWP offices.

The hon. Lady may not be familiar with, and understand the nature of, the Sheffield city regional deal, which was supported by people from all political parties, and rightly so, and I find it very sad, and somewhat shameful, that the hon. Lady seems to in some way criticise the northern powerhouse—[*Interruption.*] She laughs, and I hope *Hansard* will record that. The northern powerhouse has been supported, as I said, notably by some of our outstanding Labour leaders of councils across the whole of the north, and rightly so.

As I have said, there will be six business centres around the United Kingdom, including the following: a business-facing centre, likely to be in south Wales; an institutional and research centre, likely to be in Swindon, but which may initially also include Bristol; a further education funding centre, whose location is yet to be decided, but we are seriously considering Coventry; one or two higher education student finance centres, initially in Glasgow and Darlington; and a regulation centre in Birmingham. Conservative Members understand the need to ensure that taxpayers' money is spent wisely, efficiently and effectively, and that is what we will do. All of this is our clearing up of the mess that was left by the previous Labour Administration.

**Mr Gordon Marsden (Blackpool South) (Lab):** I congratulate my hon. Friend the Member for Sheffield, Heeley (Louise Haigh) on her urgent question. Today's announcement that the Department for Business, Innovation and Skills is scrapping its office in Sheffield, which has 247 jobs, is a hammer blow to the people there. It is also a huge worry and a warning to the 12 other BIS regional offices, six of which are in the north, that

they are at risk from this so-called restructuring. What assurance can the Minister give us that there will be no compulsory redundancies in Sheffield, and will she tell the House what offers of relocation expenses or even relocation itself there will be?

The BIS press statement talked vaguely about six business centres, which the Minister also mentioned in her answer, but they are servicing a centralised headquarters in London. Will the Minister say precisely where those centres will be—we have been told that possibly five will be in the south, and one in the north—and how many people will work in them? Are they simply a hastily drafted afterthought? Will they be just fig leaves, ministerial post boxes or possibly even digital fig leaves?

The BIS statement also said that the closure would reduce operating costs, so will the Minister tell the House what savings there will be from this closure, which comes on the backs of the people of Sheffield? The union, Prospect, said yesterday, that it was given only 30 minutes' notice of this announcement. What discussions did Ministers have with workers and trade unions before the announcement was made?

The announcement comes on the back of the latest Centre for Cities report, which places Sheffield in the low wage, high welfare economy—half of the UK's biggest cities are in that report. The report underlines the stark north-south divide and undermines all the Chancellor's spin and rhetoric about a rebalanced economy. It is no wonder that civil servants told Radio Sheffield that they felt betrayed.

In the light of the 100 jobs lost at Sheffield Forgemasters and HMRC's November announcement, to which my hon. Friend the Member for Sheffield, Heeley has already referred, I have to ask whether this is what the Tory industrial strategy amounts to—cutting and running. This is not a strategic approach; it is a kick in the teeth. The *Financial Times* said that 20% of civil service jobs had been lost in the regions since 2010 as opposed to only 9% in London. With infrastructure spending in the north standing at £539 a head and London's at £3,386, BIS is shifting more jobs to the Chancellor's Whitehall comfort zone and exposing the empty rhetoric of his northern powerhouse.

Did the Minister's Department discuss the decision with the Secretary of State for Communities and Local Government who is busily promising devolution to local authorities while her officials are undermining it, and did the Minister's Secretary of State discuss the closure with the Chancellor and did he approve it? Did BIS speak to council leaders in Sheffield and across West Yorkshire to see whether an alternative package could be put together? This Government need to tackle our skills emergency. [*Interruption.*] Perhaps the Minister should listen. The Government have dithered and missed opportunities—[*Interruption.*] Will the Minister stop chuntering from a sedentary position? They have missed opportunities to save our steel industry—[*Interruption.*]

**Mr Speaker:** Order. This speech will be heard—[*Interruption.*] Order! Minister, you have had your say, and you will have further says. There is something here about a basic dignity. Just sit and listen. It is not about you; it is about the issue. It is not about the hon. Gentleman either. Be quiet and listen. That is the end of it. It is not a request; it is an instruction.

**Mr Marsden:** As I was saying, the Government need to tackle our skills emergency and poor productivity, but they have dithered and they have missed opportunities to save our steel industry. They are now abandoning a great historic steel town. They are comprehensively failing to deliver enough of the high-skilled, better paid jobs for England's regions that Labour wants to see. Let me see whether the hon. Lady will be as candid in expressing disappointment about BIS pulling the plug on Sheffield as she was about the Chancellor's poor tax fix for Google.

**Anna Soubry:** Thank you, Mr Speaker. It is not about me; it is not. It is about the workers. I am very proud of, and pay tribute to, all those civil servants who work in the Department for Business, Innovation and Skills, and indeed I am proud of all our civil servants, which is why Conservative Members understand how important it is to have a sustainable civil service and to spend public money wisely.

There were so many questions in what apparently was a speech that I have not got the time to answer them all. [*Interruption.*] If I have to shut up and listen in silence, so, too, does the hon. Member for Blackpool South (Mr Marsden). What is goose for the gander is also goose for that hon. Gentleman.

Of the 20,000 staff paid for by BIS, only some 2,000—about 10%—work at No. 1 Victoria Street. The vast majority are spread around the country. I pay particular tribute to the 60 who work in BIS local and provide an outstanding service not only locally, but to us working in the ministerial team at No. 1.

Let me repeat this: members of staff who have been affected have been fully briefed. Comprehensive support will be provided. Some of the staff will be able to transfer and apply for jobs in London; others will of course take voluntary redundancy. Mr Speaker, I do take great exception to Labour Members who stand up and talk down the great city of Sheffield, which has an outstanding city deal. That is recognised locally, which is why it has been supported by political parties of all colours in Sheffield. Labour Members might do well to listen to their own members locally before spouting nonsense and talking down the great city of Sheffield.

**Conor McGinn** (St Helens North) (Lab): I do not know why the Minister seems to be taking criticism of her decision so personally. The people who should be doing that are the hundreds of workers whose jobs are at risk and who have not heard a shred of sympathy or regret from the Minister. Local government leaders in Sheffield and places such as St Helens do not need to receive the praise of the Conservative party; they are already doing fantastic work in encouraging investment and jobs to come to our areas. Public sector jobs provide the economic ballast for our areas. The Government cannot keep cutting jobs and services and expect us to build a northern powerhouse. We are the people who are working on the ground in communities and we do not need to hear from the Minister on a day when people might be losing their jobs.

**Anna Soubry:** I am sorry, Mr Speaker, but there was no question there. The hon. Gentleman made a speech. It was not accurate and it was rubbish.

**Mr Speaker:** It was also perfectly orderly, of which I am the judge. The hon. Lady should stick to the discharge of her responsibilities to the best of her ability. I am the arbiter of good order. I handle those matters, and I certainly do not require any advice from a junior Minister.

**Robert Jenrick** (Newark) (Con): Representing the Nottinghamshire communities—we are 15 to 20 miles from Sheffield and many of my constituents commute into Sheffield for work or to use public services—which include the childhood home of my right hon. Friend the Minister and of her mother, who is a formidable lady, it gives me no pleasure to hear of the job losses today. None the less, it is surprising to hear Labour Members criticise the Sheffield city deal, because my constituents in Nottinghamshire explicitly want to be part of it, as do the constituents of my friend and neighbour, the hon. Member for Bassetlaw (John Mann), because it is such a good deal, creating as it does both jobs and opportunities.

**Anna Soubry:** Dare I say it, Mr Speaker, I do not think there was a question there. As it happens, I agree with everything that my hon. Friend said.

**Mr Speaker:** It was also orderly.

**Sarah Champion** (Rotherham) (Lab): I do not recognise any of the criticisms that are being laid on my party about Sheffield. We are very proud of it, which is why we are here today. I would like the Minister to explain simply why taking jobs from Sheffield to London is in any way supporting the region or the Government's ideal of a northern powerhouse.

**Anna Soubry:** I hoped that I had explained that to the hon. Lady. We are having to ensure that we spend public money wisely. Unfortunately, that means that we have to reduce the number of people who are working for us. We must make sure that we use the money to best effect, which is why we considered the decision so very carefully, as I hope that she understands we would. Nobody on the Government Benches takes any pleasure whatsoever when anybody loses their job. That is why we are so keen to make sure that we put the support in. We are confident that many of the workers will choose to take new jobs down in London. The simple truth is that we have to take tough decisions. We took tough decisions during the five years of the previous Government and we saw the fruits of that in the reduction in the deficit, a reduction in debt and our economy once again getting back on its feet so that there are now more than 2 million people in work who did not have a job before.

**Neil Coyle** (Bermondsey and Old Southwark) (Lab): In my short time in Parliament, this is perhaps the most undignified spectacle at the Dispatch Box that I have seen. Is it not also undignified for the Department for Business, Innovation and Skills to spend £200,000 of taxpayers' money developing a business case to shut down jobs? When will that full business case be published?

**Anna Soubry:** I shall make inquiries. If I can assist the hon. Gentleman, I will. As I say, in difficult times when we have to make sure that we continue with our long-term economic plan, difficult decisions have to be made, but we take the view that this is the best way to spend public money more efficiently and more effectively.

**Mike Kane** (Wythenshawe and Sale East) (Lab): I do a lot of training of young people who aspire to public life and I always tell them it is important to comport oneself well in public life. The Minister has fallen below that standard this morning, unfortunately. However, I agree with her that there are great Labour leaders across the north of England. One of those is Julie Dore, who is the leader of Sheffield city council and the driver behind the Sheffield regional deal. In relation to this matter, she said:

“Yet again the actions of this government speak far louder than their empty words about commitment to the north.”

Does the right hon. Lady agree with one of our great northern Labour leaders?

**Anna Soubry:** As I say, the Sheffield city regional deal is an outstanding deal for the people of that city and that area. As a result of it, I understand that the number of people in work in Sheffield has risen and unemployment continues to fall.

**Mr Steve Reed** (Croydon North) (Lab): May I invite the Minister to do what she has so spectacularly failed to do so far this morning—apologise to the people who are at risk of losing their jobs and just show a little human compassion for people who this morning are fearful for their livelihoods, for themselves and their families?

**Anna Soubry:** I am sure *Hansard* will record that as I said to the hon. Member for Sheffield, Heeley (Louise Haigh), nobody enjoys it when people lose their jobs and nobody takes any pleasure in it. We will do everything we can to support those people who will have to be made redundant if we reach that stage. It is rich coming from Labour, which brought this country almost to the level of bankruptcy, which resulted in millions of people losing their jobs. I am delighted that we have now got 2 million more people in work, thanks to our long-term economic plan.

## Access to Medical Treatments (Innovation) Bill

11.32 am

*Debate resumed—*

**Anne Marie Morris:** I shall resume my comments on amendment 2, which would remove clause 3. The argument goes that innovation has fallen in recent years owing to the legal complexities and doctors fearing a negligence claim against them if something goes wrong. There is no evidence of this, according to the Medical Protection Society, the Medical Defence Union, the General Medical Council or various other medical bodies that have spoken out on the issue. They claim that the Bill needs to be completely rethought and that no amount of amendment would make it acceptable. I would like to think that the work that my hon. Friend the Member for Daventry (Chris Heaton-Harris) has done will go some way to meet the concerns expressed before Committee stage.

Those most likely to benefit from innovative medicine are likely to be those most in desperation. Those who have nowhere else to turn will often be allured by the carrot on the end of the proverbial stick, but we must make sure that the treatment is right for that particular person. The UK has a proud history of research through universities, research institutes, the private sector and, of course, the NHS. According to the UK Clinical Trials Gateway, there are currently 3,754 trials recruiting, and that does not include the innovation that goes on day to day in the NHS.

According to the Association of the British Pharmaceutical Industry, it can take over 12 years to develop a new medicine to the standards of quality, efficacy and safety that are laid down in legislation. It will typically cost £1.15 billion to do all the research and development necessary before a new medicine can be licensed for use. For every successful medicine, 25,000 compounds are tested, 25 of these in clinical trials, with five receiving approval for marketing. The pharmaceutical industry invests more in research and development than any other industry—£11.2 million is spent every day—and employs around 23,000 people in R and D. My hon. Friend the Minister for Life Sciences stated in September last year:

“Research and innovation in the NHS are critical for addressing ...challenges.”

I agree and therefore wholeheartedly support amendment 2.

Amendment 3, which would remove clause 4, was tabled by my hon. Friend the Member for Daventry, with the support of the hon. Member for Central Ayrshire (Dr Whitford) and my hon. Friend and neighbour the Member for Totnes (Dr Wollaston). It is important to address the legal aspects of the Bill and medical negligence. The common law test, which is the main test for medical negligence, has been around since 1957 and derives from the case of *Bolam v Friern Hospital Management Committee*. The Bolam test states that if a doctor reaches the standard of a responsible body of medical opinion, he is not negligent. This rule has served us well over the past 55 years and I believe it will continue to serve us well. However, if it needs to be amended, our judges are in a suitable position to do that. The 1997 case of *Bolitho v City and Hackney Health Authority*, where the courts refined the Bolam test, is a great example of our common law in action.

Although I am sure some will point out that the Bill does not explicitly change the Bolam test and clause 4(3) appears to address the concerns that were expressed about the Saatchi Bill, I worry that lawyers would still find a way around this. Why tempt fate to change something that is not broken? Judges and lawyers know where they stand with the common law, so maintaining the status quo will give both doctors and patients the protection they need from negligent treatment. If the removal of clause 3 is agreed to, it is right that clause 4 should also be removed as it would no longer be necessary, and the common law of negligence and the Bolam test can continue to operate effectively, as they have done for 55 years. I therefore support amendment 3.

**Heidi Alexander:** This group of amendments, and in particular those which leave out clauses 3 and 4, are very welcome and have my full support. I appreciate that making such extensive changes to a Bill at this stage is not easy, but the hon. Member for Daventry (Chris Heaton-Harris) has been true to his word, and has rightly decided not to proceed with these clauses in the face of strong opposition.

Members who were present on Second Reading will have heard some of the grave concerns expressed by medical royal colleges, research charities and patient groups. I think it would be fair to the hon. Gentleman if I say that those concerns, which I shared, were more about the unintended consequences of clauses 3 and 4, than about the stated aim of his Bill. However, the effect of these amendments, if they are passed, is that the sole purpose of this Bill is now to give the Secretary of State the power to establish a database. The hon. Gentleman knows that on Second Reading, along with many other hon. Members, I said that I believed the Secretary of State already had this power.

The Association of Medical Research Charities has said that primary legislation is not required to set up a database of innovative medical treatments. According to the House of Commons Library, section 254 of the Health and Social Care Act 2012 gives the Secretary of State power to direct the Health and Social Care Information Centre to establish a system for the collection or analysis of information. Indeed, in Committee, the Minister signalled his intention to introduce such a database, regardless of whether this Bill becomes law. He said at that time:

“If the Bill does not, for whatever reason, reach the statute book, I would happily proceed towards establishing such a database”.—[*Official Report, Access to Medical Treatments (Innovation) Public Bill Committee*, 16 December 2015; c. 22.]

With that in mind, I have to question whether what is left of this Bill is needed at all.

There also seems to be some confusion, even in the Minister's own mind, about the purpose of the Bill. *The Daily Telegraph* claimed on 22 January that the Minister had told it that changes in the reworked Bill could help to cut the length of time it took to bring a new drug to market by a third, from 15 years to 10 years. Yet when my hon. Friend the Member for Ellesmere Port and Neston (Justin Madders) received a written answer to a question on this very subject on 28 January, the Minister's reply was:

“The Bill is not specifically designed to reduce the length of time it takes to bring a new drug to market”.

I would be grateful if the Minister clarified the apparent contradiction in those remarks. Having said all that, I support all the amendments in this group. Indeed, they represent a positive step forward in terms of the overall Bill.

**George Freeman:** The amendments seek to remove the part of the Bill that sought to take forward the original proposals put forward by Lord Saatchi to provide reassurance to clinicians that fear of negligence should not be a barrier to innovation. I want to say something about the Government's position on this point, which, as the hon. Member for Lewisham East (Heidi Alexander) has said, has been a point of some contention.

The Government share the ambition that fear of negligence should not be a barrier to innovation. Indeed, we have looked carefully at the provisions of the original Saatchi Bill and of this Bill, and taken legal advice in order to be sure that the proposed mechanism would in no way change medical negligence law, and that is indeed the case. Notwithstanding that, I have also repeatedly made it clear that if the Bill's provisions were to create confusion, undermine patient, public and clinician trust and confidence and trigger a lawyer-fest of discussion about whether the mechanism did or did not have that effect, it would have had the opposite effect to that which it was seeking. In those circumstances, the Bill could trigger more confusion about medical negligence.

My hon. Friend the Member for Daventry (Chris Heaton-Harris) has done a sterling job in the past few months to get round all the various parties and reassure them that, in law, the proposed mechanism does not change the legal framework for medical negligence. However, as he himself has candidly said, such has been the level of opposition—and indeed some misunderstanding, not least because there are three Bills on this subject in the House—that this proposal has started to have the opposite effect. As I said on Second Reading and elsewhere, we would never be able to support a Bill which, despite its intentions, undermined public and patient trust and confidence in our world-class medical and clinical research landscape. The fact that a coalition of lawyers, clinicians, patients and charities was concerned about the clause meant that it would inevitably have to be removed if the Bill was to receive any support from the Government. I congratulate my hon. Friend on doing his very best to develop the debate and, in the end, deciding that it would be better to remove the clause and focus on the areas on which there is agreement.

In accepting the amendments that remove the provisions on medical negligence from the Bill, it is worth pointing out that I do not want the hon. Member for Lewisham East to misrepresent my position on this. Both the chief medical officer and the NHS medical director had advised us that they believed the proposal was safe, and we had no fear that it would in any way endanger patient safety. The point is that if it triggers legal, political or patient concern, it is self-defeating.

As I have said repeatedly at the Dispatch Box, fear of negligence is just one concern in a whole field of barriers to the adoption of innovation. I do not believe that it is the biggest barrier; I never have. The biggest is the difficulty of getting information to clinicians on the busy frontline of our national health service on the pace, scale and volume of innovative medicines that are coming

[George Freeman]

through the system. That is why I believe that my hon. Friend's refocusing the Bill on that, and on the introduction of a new mechanism for getting information on off-label drugs and innovative medicines in development, is very helpful and powerful.

11.45 am

In the consultation on the previous Bill on this subject, we received some evidence from clinicians that there was an issue about fear of negligence. Indeed, some Members have talked about the scale of the negligence bill that now confronts the NHS every year. I want to put on record, notwithstanding my earlier comments, that it is absolutely right to remove this mechanism from the Bill because it is having the opposite effect. There is an issue in our system, and we need to ensure that doctors and clinicians are not operating under the sword of Damocles because of the fear of negligence. It is equally important that patients should know that the system is there to protect them, and we do not want them to fear that medical negligence provisions are being undermined in any way. I strongly welcome the removal of this clause, but in so doing I do not want the hon. Member for Lewisham East to misrepresent our position by saying that we accepted that the mechanisms were in any way dangerous. Patient safety has always been our No. 1 concern.

**Heidi Alexander:** Will the Minister tell us why it is taken him so long to reach this conclusion? Will he also be clear about the contact that his officials at the Department of Health might have had with the hon. Member for Daventry (Chris Heaton-Harris) or Lord Saatchi on previous incarnations of this Bill? It strikes me that the Department has supported this Bill for a number of months and years in its different incarnations.

**George Freeman:** I am absolutely delighted that the hon. Lady has asked me that question, because it gives me the chance to deal with this matter directly. I am surprised at her question, in an age in which people want the Government to work in a cross-party way and to support private Members' Bills and enable Back Benchers to get business through, and I have gone out on a limb to work in a cross-party vein. Sadly, however, the hon. Lady seems stuck. I thought this morning might have been a day on which to celebrate that joined-up work. Let me deal with the specific points that she has raised.

Right at the beginning, I said that I supported the aim of Lord Saatchi's Bill to tackle the issue, such as it is, of medical fear of negligence if it is getting in the way of innovation. Indeed, we made it clear that we supported the aims of the Off-patent Drugs Bill, but not the mechanism involved. We also made it clear that we supported the aim of the Bill introduced by my hon. Friend the Member for Daventry to promote access to information about innovative medicines. I am surprised that the hon. Lady cannot get away from wanting to criticise that attempt. I believe that it is a good thing that we have reached joined-up consensus today on a package of amendments.

The hon. Lady should not believe everything that she reads in the papers. The article in *The Daily Telegraph* to which she referred talked about the accelerated access

review, which I am leading and which I would like to think she welcomes and supports. My comments on speeding up the pace at which we can get innovative medicines to patients were in connection with that. I read the piece too, and it was misleading because it gave the impression that I thought this Bill would have the effect that I want the accelerated access review to have. I was merely making the point that the Bill in its current form could support the wider accelerated access review and the landscape that I am trying to put in place.

**Heidi Alexander:** I should like to state for the record that it has never been the Opposition's desire to play political games with this Bill. We have always been concerned about what is in the best interest of patients, and I would like to make that point clear to the Minister and place it on record.

**George Freeman:** I am grateful to the hon. Lady for that clarification; it is most welcome.

I want to deal with the point that the hon. Lady and one or two others have made about the necessity of the Bill, given the powers that Ministers already have in relation to data. The Health and Social Care Information Centre, created under section 254 of the 2012 Act, can collect data, but there are restrictions on who it can disclose those data to. The Bill will enable disclosure to doctors, which could be limited by using just section 254. The 2012 Act also contains specific provisions relating to the HSCIC having a role in establishing other databases, so this approach is more in keeping with the general approach in the legislation.

The Bill might not pass in its current form, as it still has to go to the House of Lords. However, the point I made in Committee was that although I support the intention of that database provision, the law regarding the use of data in the NHS is complex and difficult, as Members know well. If the House wants the database to be created, having a Bill that makes very clear what it wants the database to do and requires Ministers to come back with proposals for it would be extremely helpful. In conclusion, I support these amendments.

*Amendment 1 agreed to.*

## Clause 2

### DATABASE OF INNOVATIVE TREATMENTS

*Amendment made:* 11, page 1, line 18, leave out from beginning to "involves" in line 19 and insert

"In this section, "innovative medical treatment" means medical treatment for a condition that".—(Chris Heaton-Harris.)

**Heidi Alexander** (Lewisham East) (Lab): I beg to move amendment 8, page 2, line 20, at end insert—

- (b) the General Medical Council,
- (c) the British Medical Association,
- (d) the Association of Medical Research Charities,
- (e) the Royal Colleges,
- (f) the Academy of Medical Sciences,
- (g) the Medical Research Council,
- (h) the National Institute for Health and Care Excellence,
- (i) the Medicines and Health Products Regulatory Agency, and
- (j) any other body or individual that the Secretary of State considers it appropriate to consult."

**Mr Deputy Speaker (Mr Lindsay Hoyle):** With this it will be convenient to discuss the following: amendment 9, page 2, line 20, at end insert—

“(6A) Regulations under subsection (1) may not be made unless the Secretary of State is satisfied that the regulations have the approval in principle of—

- (a) the HSCIC,
- (b) the General Medical Council,
- (c) the British Medical Association,
- (d) the Association of Medical Research Charities,
- (e) the Royal Colleges,
- (f) the Academy of Medical Sciences,
- (g) the Medical Research Council,
- (h) the National Institute for Health and Care Excellence,
- (i) the Medicines and Health Products Regulatory Agency, and
- (j) any other body or individual that the Secretary of State considers it appropriate.”

Amendment 15, in clause 5, page 4, line 1, leave out subsection (2) and insert—

“( ) References in section 2 to medical treatment include references to treatment carried out for the purposes of medical research (but nothing in section 2 is to be read as affecting the regulation of medical research).”

*This amendment makes it clear that the database for which clause 2 provides may contain information about treatments carried out for the purposes of medical research (including, for example, in the context of a clinical trial).*

**Heidi Alexander:** Setting aside the fact that I question whether what is left of the Bill is necessary, if the database is to be created, it is important that we get its design right. The Association of Medical Research Charities has expressed concern that the database might adversely impact patients and medical research. For such a database to be effective, it will need to be appropriately regulated and quality controlled. I believe that it can command the confidence of the medical profession only if it is developed in consultation with it. With that in mind, amendments 8 and 9 deal with the bodies that the Secretary of State must consult and get approval from before introducing regulations establishing a database of innovative treatments.

As the Bill stands—this is set out in clause 2(1)—to make those regulations the Secretary of State need only consult the Health and Social Care Information Centre. Restricting the statutory consultees to only one organisation seems highly restrictive and is inconsistent with the Bill’s explanatory notes, which state:

“The detailed design of the database would be consulted upon with professional bodies and organisations.”

Amendments 8 and 9 would make the legislation clearer on which bodies should be consulted.

I note that the Minister was unable to support similar amendments tabled in Committee because he felt that the list was “not exhaustive”. Indeed, he went on to say:

“Although it represents a helpful list of consultees, such a provision would need to include many more organisations. While I understand the intention behind the amendment, restricting the process would not be helpful”.

The hon. Member for Daventry (Chris Heaton-Harris) then said:

“I know from my consultation on the Bill with stakeholders that we would need longer lists than those in the amendments.”—*[Official Report, Access to Medical Treatments (Innovation) Public Bill Committee, 16 December 2015; c. 22-23.]*

With those constructive comments in mind, I have included in the list a provision allowing the Secretary of State to consult

“any other body or individual that the Secretary of State considers it appropriate to consult.”

I know that there were concerns that the list of specified organisations could become out of date. However, given that these regulation-making powers would likely be used only once—to create the database—I do not believe that concern is wholly justified. Indeed, if the Minister, or any hon. Member, believes that an inappropriate organisation is on the list set out in my amendments, I would be keen to know which organisation they feel should not have a say in the creation of the database.

I hope that these important amendments will address the concerns raised in Committee and that hon. Members will now be able to support them, because they will ensure that we get the design of the database right.

**Anne Marie Morris:** I will speak first to amendments 8 and 9 and then turn my attention to amendment 15. As the hon. Member for Lewisham East (Heidi Alexander) explained, amendments 8 and 9 would add a whole host of bodies—I think that I counted eight—that the Secretary of State must consult before making regulations under subsection (1). This relates to the conferring of functions on the Health and Social Care Information Centre in connection with the establishment, maintenance and operation of a database. The hon. Lady has talked articulately about why the two amendments should be made, but I have some concerns.

My main concern, despite everything the hon. Lady said, is that adding all these organisations that the Secretary of State must consult will just add to the complication of the database. The amendments not only ask the Secretary of State to consult, but ask that all these organisations approve the regulations. Adding these extra organisations will just add to the confusion about who is policing the system. Is the consent of all those organisations needed before a treatment can be removed, or can it be removed just by the Health and Social Care Information Centre? If a complaint is made about what is on the database, does it go to the Secretary of State, the NHS or the Health and Social Care Information Centre, or does it have to be put in front of all those organisations again?

I understand that the hon. Lady might not have all the answers to my questions and that these issues go deeper than just her amendments, but I do not think that adding extra layers of consultation will help to simplify the Bill or make it any easier to implement the database, which, if put together correctly, could do much good and help many people across the country and, potentially, the world. I do not support amendments 8 and 9, because I believe that they will add unnecessary complications to the database and impede the good work that it could well achieve.

Amendment 15 has been tabled by the Minister, who has spoken eloquently throughout these debates. Including references to treatments carried out for the purposes of medical research will enhance the database, because it will allow the inclusion of clinical trials and other forms of medical research. Including medical research in the Bill will hopefully help to address the UK DUETS database. Mr Deputy Speaker, you will be glad to hear that that is not a database of UK singers who perform

[Anne Marie Morris]

together; it is the database of uncertainties about the effects of treatment. It publishes treatment uncertainties from a wide range of people, including patients, clinicians and research recommendations, among others. By including medical research on the database, hopefully we can remove a few more treatment uncertainties from the database or, on the flip side, identify treatment uncertainties with greater ease and therefore tackle them head-on.

Clinical trials are vital if we are to put our NHS resources into the right treatments. They can help find out how to prevent illnesses, detect and diagnose illnesses or treat illnesses. The earlier we can do that, the more lives we can save, so I support any move to increase clinical trials, which I believe this amendment will do. It is my belief—I am sure that my hon. Friend the Minister will correct me if I am wrong—that his amendment will also increase knowledge of clinical trials among clinicians by adding them to the database. Sir Francis Bacon said that “knowledge is power”, and I do not believe that is any less true when it comes to medicine and saving lives. I fully support the Minister’s amendment.

**Oliver Colville** (Plymouth, Sutton and Devonport) (Con): I congratulate my hon. Friend the Member for Daventry (Chris Heaton-Harris) on introducing this Bill. Let us hope that it has a successful outcome later. I should remind you, Mr Deputy Speaker, that I am the Government’s pharmacy champion and vice-chairman of the all-party pharmacy group. Consequently, the majority of my comments will be based very much on pharmacists as dispensers of medicines that will include off-label ones.

I enter into the debate with some trepidation having listened to the hon. Member for Central Ayrshire (Dr Whitford), who was incredibly well-informed and very persuasive. I hope that my comments will be practical and constructive. I want to concentrate on the data-sharing of summary care records, as well as information to do with these medicines, and the decriminalisation of pharmacists for dispensing errors. I hope that the Minister can clarify his position on some of this stuff when he winds up.

12 pm

To develop a clinically focused community pharmacy service and for pharmacists to succeed in new care settings such as GP practices, we need better information sharing between community pharmacies and GP practices. We also need to make sure that there is a level playing field between the GPs and pharmacists who will be responsible for dispensing these medicines. The Bill refers to doctors not being negligent in prescribing off-label medical treatment if the GP’s decision is taken responsibly. I quite agree that patients’ safety must be paramount, and I congratulate the Government on their unwavering commitment to improving patient safety and the patient experience. GPs must therefore inform patients of the benefits of taking non-patented medicines and make them aware of any side effects.

I speak from personal experience. When I was 14, in 1974, I contracted shingles, which came perilously close to my eye. If it had got too close, I would have lost the sight in my right eye. I was put into the John Radcliffe eye infirmary, where doctors used me as a guinea pig to try out a new drug before it was put on the open market.

After they had tried it with me, they decided not to take it any further. After some while, I contracted regular migraines. I remember this incredibly well, for the simple reason that when my housemaster came to see me to make sure that I was all right, he turned up in the middle of David Lloyd’s maiden innings at Lords, when he scored 214 not out against India. Needless to say, I was more interested in listening to John Arlott on “Test Match Special” than in having a conversation with my housemaster, and I was positively delighted when he left.

I welcome the fact that doctors must show that they have taken the necessary steps to ensure that any decisions have been taken responsibly, including with regard to requests expressed by patients. However, if this rule is going to apply to doctors, it must also apply to pharmacists. When deciding to take a medicine, patients must be informed of the benefits but also of any side effects. Certainly, when I ended up having my shingles treatment, I was not aware of what the impact was going to be; my parents just made the decision for me. They are no longer alive, so I can no longer hold them accountable. However, GPs can be struck off only if they make a prescription error, while pharmacists can be sent to prison for doing exactly the same kind of thing. There must be some equality: we need a level playing field. We also need to make sure that any grievances can be considered.

I am going to be slightly critical of the Government, I am afraid, because I have been campaigning on this issue for some while. The APPG had hoped that it might have been sorted through secondary legislation before the last general election, but I now understand that the Department of Health will delay introducing the necessary legislation until after the devolved Assembly elections and the new Executives and Governments have had a chance to bring in their own legislation. Legislation is unlikely to be introduced before the summer, so English pharmacists are dependent on legislation being passed for other pharmacists in Scotland, Northern Ireland and Wales—so much for a fair devolution deal. Will the Minister explain what practical steps are in place to safeguard patients’ safety and the exact timetable for when English pharmacists will not be reliant on the Welsh, Scottish and Northern Irish Assemblies? He may wish to write to me, rather than covering it today.

The Bill will allow the Secretary of State for Health to enable the Health and Social Care Information Centre to establish a database of innovative medical treatments and their outcomes. I would urge him to share that information with the pharmaceutical organisations as well. The Bill will allow other GPs to have access to the database, so where do pharmacists fit in? I argue that the database should not just be for GPs, but for other care professionals, such as pharmacists and perhaps even some local authorities, especially where they are dealing with social care issues.

Summary care records are an electronic summary of key clinical information about a patient—medicines, allergies, adverse reactions—sourced from GP records. It is hoped that all pharmacists will have access to it by autumn 2017. It is vital not to have the same kind of delay as has happened with the decriminalisation of prescription errors. The all-party group on pharmacy called for that in its document on the Government’s first 100 days. I argue that pharmacists should have access to the database of non-patented drugs and medicines.



I fully support the Government's commitment to making sure that GPs share summary care records with other health professionals, such as pharmacists, but in so doing, they must ensure that patients are happy for their medical records to be shared with other health professionals. We must also ensure that insurance companies do not have access to such medical records. I would be grateful if the Minister wrote to me to explain what progress has been made and stated when pharmacies will have access to summary care records.

My great-grandfather, a rural vicar, said that he did not mind his congregation looking at their watches, but got very concerned when they started shaking them. I notice that my hon. Friend the Member for Daventry is just about to start shaking his watch. He is champing at the bit to ensure that he gets the Bill on to the statute book, and I will therefore conclude my remarks.

**Mr Deputy Speaker (Mr Lindsay Hoyle):** The hon. Member for Daventry (Chris Heaton-Harris) may have to shake his watch a little longer. I call Jo Churchill.

**Jo Churchill:** I spoke earlier about the new clauses we tabled, but I did not emphasise my own need for us not to paralyse the database. It is vastly important, given the wider horizon of genomics and informatics, and we have not even touched on how it could accelerate the whole system and improve patient outcomes significantly. We need to put patients at the front and centre of the process, and allow enough flex for the system to be the best and the database to be the finest in the world. We have the finest scientists, the greatest charities and some of the best academic minds at our disposal.

The database may also revolutionise the life sciences industry, to which my hon. Friend the Member for Newton Abbot (Anne Marie Morris) has just referred. That industry generates 1% of our export market from one drug. The power for this billion-pound industry to grow and to improve health—not only in our own country, but across the world—has to be seen to be believed. It costs upwards of £1 million to take a drug to market. What on earth would incentivise a company to do that if it could not get some sort of payback? We must not tie the hands of the people who can find the answers. Many such companies start as micro-companies, spun off from the great universities of our country, but many of them fail in what they call “death valley”. Our health system needs to modernise, digitise and reform to collect, collate and use our health data in the right way.

I believe that clinical trials are vital. I would take part in one, as a dear friend of mine recently did, to give other people a better chance of beating their disease. That is why we must not constrain the database in a way that, like a straitjacket, would completely constrict the industry and academia. At the same time, we must maintain the rigour in dealing with science for which our country is so famed. I believe that the power behind that science is patient data, and every patient holds an answer. With the support of clinicians and charities, and with a strong sense of purpose from the Government, I want data to be used for the benefit of patients. I will stand here and make my point over and over again for these five years if we wreck the ability for a database to be a power for good in this Chamber today.

**Dr Philippa Whitford:** I wonder whether the hon. Lady will clarify what she is saying. The database that is referred to in the Bill will share information on drugs and trials that ought to be available to anyone, whether a pharmacist, a GP or a doctor. It is simply about information sharing. Is she referring more to a database of patient information from which we can learn in the future? Obviously, that is outwith the scope of the Bill, but it has been held back by the various data challenges that have been faced.

**Jo Churchill:** I apologise. Yes, I have confused the two, because I really believe that if we are not careful, what we do today will have an effect on our ability to bring that second broader database to fruition, which would give us the information we need to drive the trials, the life science industry and so on. Databases need to be fit for purpose. I could not have put it better than the hon. Lady did. We want the database that we are talking about today to be fit for purpose, but we do not want to put too many constraints or too much rope around it if that will stop us moving forward with clinical trials and with the whole area of genomics and patients.

I want every life to mean or have meant something. A patient should be able to choose to give knowledge as their legacy. Data hold the answers—the answer for my constituent whose two-year-old had a brain tumour; the answer for a family I know who have diabetes in several generations; the answer for a family member whose humour is tested by Parkinson's that attacks his body. Personalised medicine should be a reality. As was pointed out in a paper yesterday, we are doing great things with CRISPR—clustered regularly interspaced short palindromic repeats—and across the piece.

Like me, every patient is somebody's parent, partner, child or friend. That must not be forgotten. If the database we are discussing allows for information to be given that is appropriate to the individual, with care taken by the clinician right through the pipeline, it has to become a force for good. We should not wrap it up in too many constraints, but should allow it to develop. We must allow the Under-Secretary of State for Life Sciences to give us a lead in how to proceed in this field in the most effective manner.

The use of data offers the possibility to accelerate medical trialling from seven to two years and to link research together to find new insights. My glasses are not rose-tinted. I would want assurances about the use of my data, as any sensible person would. I want the recommendations of the accelerated access review to be implemented. The use of health data will be central to solving this country's health challenges, not least in terms of cost, and its economic challenges. Our medical future will be uncertain unless we unleash the potential of information about patients for patients. I therefore support the Minister's proposal.

**Chris Heaton-Harris:** It is always a pleasure to follow my hon. Friend the Member for Bury St Edmunds (Jo Churchill). Her knowledge and the way she goes about her business in the Chamber on this subject mean that it is always worthwhile to listen to her. What she says is powerful and she beats a trail that many will follow. She will get to the place she wants to get to eventually. I am very hopeful that this process today is one step along

[Chris Heaton-Harris]

the way. I hope she gets some comfort from the fact that she is beginning to open doors, open minds and, in this case, open up information to registered medical practitioners about a host of treatments that they might not have known existed.

First, I will deal with what I perceive to be a Government amendment, amendment 15, which was tabled by my hon. Friend the Minister. I will then deal with the amendments tabled by the hon. Member for Lewisham East (Heidi Alexander).

12.15 pm

We have talked about how the Bill might be able to help research, and there is a ton of innovation going on in the national health service at any given time. Sometimes spreading just a bit of extra knowledge and best practice can do the most amazing things. I guess the best example of innovative medical treatment that I have heard in all my stakeholder meetings was about a lady who, unfortunately, contracted mesothelioma, a sinister condition that can sit unnoticed for decades until it reveals itself. Its prevalence in our country is relatively high—in fact, we have the highest in the world—yet there has been very little research into finding a way to stop or even slow it. The story was given to me when I met the charity Mesothelioma UK, and it is about a lady I will call Emma—she has asked to be anonymised.

Emma was diagnosed five years ago with peritoneal mesothelioma, a cancer of the lining of the abdomen caused by exposure to asbestos. It is somewhat rarer than the version that attacks the lining of the lungs. She contracted it when she was married with two children and two grandchildren. Her first husband had been a building surveyor, and some of his work required him to be present at building demolitions. He remembers being present at one particular demolition when asbestos was found and removed. That was in the 1970s, when we were still being told that asbestos was safe and protective clothing was often not provided. Emma's husband often returned home with dust all over his clothes, and it is thought that she ingested asbestos fibres during the washing of those clothes.

We now fast-forward to 2010, when Emma had just married her second husband and cancer was far from her mind. She was looking forward to a long and happy future. Her stomach had begun swelling, though, and she was putting on a bit of weight. After trying to diet, she decided to go and see her general practitioner. She was referred to a local hospital, and a few weeks later a scan revealed that she had peritoneal mesothelioma. She received five rounds of chemotherapy, with two drugs. I struggle to pronounce them, but if the House will forgive me, I will give it a go—they were pemetrexed and carboplatin. The side effects were extremely unpleasant, and she was given steroids to help take the edge off the worst of them. Unfortunately, the combination of drugs led to her contracting type 2 diabetes, but the cancer was held at bay for two years before it returned. Emma then received more chemotherapy with further rounds of those drugs, and once again the cancer was held at bay.

The disease returned in 2013, and once again funding was sought for pemetrexed. This time it was declined, on the basis that there was no evidence to support its

use. Emma was offered palliative care, but was not offered the drug again. She was given none of the drugs that had helped her fight off the disease twice before. Her family therefore carried out their own research, as everybody in such circumstances does, and found a team of surgeons at a particular hospital who could do an operation called cytoreductive surgery. At their request, her oncologist referred her to a team of surgeons, who found her to be a suitable candidate and agreed to carry out the operation. The surgery took four surgeons eight and a half hours, during which they removed her ovaries, peritoneum and gall bladder—a whole host of organs. The surgery is carried out regularly in the United States of America.

Emma spent two weeks in hospital recovering and then returned home. That was two years ago, and she has told the charity:

“Yes I still get tired easily and I have to be careful what I eat, but hey, I am still here leading a meaningful life. I feel I have experienced the best and the worst of the NHS. The best because of the great care and amazing surgery I have experienced but the worst because of the withdrawal of certain chemotherapy funding on the basis of lack of evidence.”

Very few people are diagnosed with peritoneal mesothelioma—about 200 annually in the UK—so it is really hard to obtain evidence that certain drugs, such as those that Emma used and was in the end denied, could work. In July last year, NHS England withdrew its funding for the operation due to its apparent lack of success.

**Mrs Drummond:** That was a very moving story about Emma. Does my hon. Friend envisage that the database will include international research and data from around the world?

**Chris Heaton-Harris:** Strangely enough, the Bill confers only a general power on the Secretary of State to provide such a database, and stakeholders and practitioners want clarification on how the database will operate and what sort of thing it might contain. Ideally, in the future, perhaps we could include what my hon. Friend suggests—who knows?—but the Bill confers a very simple power on the Secretary of State at this point in time. The very simple answer is, as it stands, no.

**Mrs Drummond:** My hon. Friend mentions that Emma got her treatment from the United States, where there is a lot of innovation and research. Would it not be great if we could expand that database to include research from around the world?

**Chris Heaton-Harris:** Yes, but in responding to amendments 8 and 9, which were tabled by Her Majesty's loyal Opposition, I know that, when the Secretary of State and the Minister choose to use the power conferred on them in the Bill, they will confer far and wide on how the database is set up and used. Perhaps my hon. Friend will have an opportunity at that time to put her point in the consultation on how wide and extensive the database should be.

I mentioned Emma's story because it was about evidence sharing within our existing system, which every single Member would like. Of Emma's treatment, the NHS stated that it could not find evidence to approve the effectiveness of the operation that saved Emma's life, and then withdrew funding for it. However, in its

consultation on the matter, the NHS did not talk to the surgeons at the hospital where Emma was treated. There is a general point. I could tell hundreds if not thousands of stories in which a simple flow of information and data, or innovation or other things in our NHS, could improve the quality and type of care that is given to patients.

Amendment 15—the Minister’s amendment—states:

“References in section 2 to medical treatment include references to treatment carried out for the purposes of medical research (but nothing in section 2 is to be read as affecting the regulation of medical research)”.

That is an important amendment because it signals the Government’s intention to use the database wisely when it comes to dealing with research. Research has come on in leaps and bounds, meaning that a huge number of new treatments are coming into our NHS through clinical trials and innovative ideas everywhere in the system.

**Dr Philippa Whitford:** Although people who work in an academic unit will be very aware of trials—a lot of trials are UK-wide, but European Organisation for Research and Treatment of Cancer trials are Europe-wide and occasionally there are worldwide trials—people who work in district general hospitals, where there might be greater numbers of certain types of patients, are often less aware. Adding a listing of trials under any disease topic or area of clinical practice could be helpful in attracting clinicians to say, “I am aware that you can access a trial in Birmingham or Manchester.” The measure might promote trials to the busy clinician who is not directly involved in academic research.

**Chris Heaton-Harris:** I thank the hon. Lady, and I completely concur. I can foresee great benefits for those in the outer reaches of the NHS who do not necessarily come across information about many of the trials that are taking place. One of the biggest criticisms of the original formulation of my Bill was the fear in connection with getting people on to clinical trials. I would like to think that we have not just overcome that issue, with the amendments we are discussing and the latest version of the Bill, but have gone some way along the line to help improve the ability of registered medical practitioners to have knowledge of such trials. I completely concur with the hon. Lady’s point. We have innovation everywhere, so there is a real purpose behind having a database, regardless of whether the Minister has had the ability to set one up before now.

On research, Lord Winston made a very important point particularly well in the other place on Second Reading of the Mesothelioma Bill. He stated:

“There is no question that in the field of treatment there is a great deal of research.”

He had a list of a number of chemotherapeutic agents that were being looked at, saying:

“In recent years I can count at least 10 or 11”.

He then went on to name them. They are impossible for me to pronounce, so I will not do so here today. He said that,

“there are various combinations of those therapies with other well-known mitotoxic agents. These have included trials”.

He went on to say:

“Other treatments have been researched: of course there is surgery...and there are now attempts to try to reduce the tumour inside the lung membranes.”

He spoke about three trials that Cancer Research UK is conducting to emphasise the wide range of “stuff”, as he put it, that is going on.

“One is some work with HSV1716, which is a virus that acts against dividing cancer cells. It comes from the herpes virus...a very good example of where we might make a breakthrough in treatment. Then there is a different strand of research with ADI-PEG 20, which in combination with other drugs such as cisplatin affects a particular amino acid in the chain of cell division”—

which could prevent cancer cells from multiplying.

“That has been specifically targeted for the treatment of mesothelioma. A compound, GSK3052230, developed by GSK, is I think about to enter phase 3 trials very shortly. That attacks the FGFR1 gene, and therefore stops cancer cells growing.”

This is where he makes the point exactly:

“There is now an increasing emphasis on understanding that, if we are going to improve outcomes for patients with a variety of different cancers, and other chronic long-term conditions, we need to move away from a generalised approach to managing disease towards personalised, precision medicine”.—[*Official Report, House of Lords*, 20 November 2015; Vol. 767, c. 395-7.]

Medicine is going to change. Research is going to change. Spreading the information about that across our NHS, and how quickly we can do that and learn from success and failure in our NHS, is a very, very important matter.

**Anne Marie Morris:** Does my hon. Friend believe that personalised medicine should become a reality over the next little while and not a research project, and that unless we have freedoms within the database we will never have the knowledge to find out that we can truly have personalised medicine?

**Chris Heaton-Harris:** I truly believe that personalised medicine will become a reality. I would like to think that a database would aid the spread of knowledge about how individual medicines are being used and who they might affect in different ways, so yes, I nearly completely agree with my hon. Friend.

**Dr Whitford:** I have two small points. First, personalised medicine, particularly for breast cancer, has been evolving for years. Right from when we could tell whether a cancer fed on the female hormone oestrogen or not, we were targeting the treatments towards patients. We have been moving that way and it will accelerate.

I know it is not the subject of the Bill, but I hope that the accelerated access review will consider in general how we get drugs to patients—a subject that we debate relentlessly in Westminster Hall. I see a negative feedback loop coming from among colleagues who used to be trialists, such as myself. We registered patients and did all the work to take part in research, but when the drugs were finally made available, the NHS could not afford them. We need a totally different way of accessing those drugs. The companies want to sell them, and we and patients want them.

12.30 pm

**Chris Heaton-Harris:** The hon. Lady speaks with way more experience and knowledge than I do, but from everything I found out during my research for the Bill, I completely concur.

**Oliver Colvile** *rose*—

**Chris Heaton-Harris:** I give way to my hon. Friend the guinea pig.

**Oliver Colvile:** Does my hon. Friend also recognise that an enormous amount of research is taking place in many of our medical schools, especially Peninsula medical school in my constituency and the one in Exeter?

**Chris Heaton-Harris:** Clinical research and innovation is happening across our NHS every day. Would it not be wonderful if every registered medical practitioner could see what was going on, without too much effort or work, by tapping into a database and getting a better understanding of the picture around them?

This is the crux of the matter. Treatments are not what they used to be; there is not a one-size-fits-all policy. As medicine progresses and personalises even further, the mind boggles trying to imagine the sheer number of treatments that will be available in our NHS in the future. How can we expect every clinician to know about all the possible treatment routes? How can we not, therefore, provide them with somewhere to record them and their outcomes?

As Lord Giddens stated in the debate I mentioned earlier, we are experiencing a digital revolution. Given how far technology has come in our lifetimes and what is now possible, we can truly say we are living through a different age of digital capability. It is moving at such a pace that we struggle to keep up with it ourselves. It is not unfounded to say we might be living through a period of unparalleled innovation in medicine and other frontier areas of science more generally. Thanks to the strides in treatment and the speed of technological development, we have an opportunity to create and record life-saving data like never before. It is surprising that we do not have such a database already. The Bill sends an unambiguous political signal to the Government that we would like them to get on with it.

The Bill defines innovation as a situation where a doctor departs from the existing range of accepted medical treatments for a condition. This will be well understood by doctors, who are best placed to know whether treatments are acceptable and responsible. The definition of what can go on the database is deliberately wide because I want the Minister to have as wide an ambit as possible.

I want quickly to mention another stakeholder I met, Nutricia, a company dealing with advanced medical nutrition. It kindly welcomed the Bill:

“This Bill marks an opportunity for patients managing a range of diseases and conditions to get access to the most innovative medical care, and to actively support their inclusion in patient pathways in an on-going manner. This should not simply be confined to pharmaceuticals, as patients can benefit from innovation across a range of sectors, for example medical nutrition.”

Medical nutrition—otherwise known as medical foods—describes a special category of foods designed to meet the needs of patients whose disease or health concern requires medically determined nutritional support. Medical nutrition is a scientifically formulated food that is available in many different formats. Applications can range from those with rare conditions, such a child who inherits a metabolic condition meaning that the consumption of a specific amino acid commonly found in normal foods can lead to brain damage, right through to people with common cancers who may as a consequence lose weight

rapidly and be at risk of malnutrition for a period of time. Nutricia was therefore keen that we maintained the widest possible definition for how the database could be used.

Medical nutrition also provides benefits in the treatment pathways of other diseases, including various cancers, strokes, cerebral palsy and pressure ulcers. Nutricia has stated that,

“we must seek to streamline the adoption of innovative care of all kinds—not just pharmaceuticals—so that clinicians have a resource which will mean that there are no more missed opportunities, and patients have every available chance to manage their condition.”

**Bob Stewart (Beckenham) (Con):** I am very ignorant compared with a lot of people in this Chamber, so my question is probably a question from a fool. I do not mean it to be, but when I go to a doctor and they are sitting in front of a computer, I make the assumption that if they have a question, they go into the computer and get an answer. Am I wrong in saying that cannot or does not happen, and would this new list work much better?

**Chris Heaton-Harris:** I will give way to the hon. Member for Central Ayrshire, who will give a much more informed answer.

**Dr Philippa Whitford:** I think the hon. Member for Beckenham (Bob Stewart) has a much greater admiration for what a computer on a desk can access at that moment when a GP has a 10-minute appointment. What they are actually looking at is the patient’s records. They also have the ability to prescribe, but to track something down they would have to shut those systems down and go into something else, as with searching the internet. They cannot do that live, in front of a patient, and that brings up an important point. If the new system is meant to be used live, in front of patients, it will have to interact with the NHS computer systems, which someone can literally click on and use to look things up relatively easily, in the way we look things up in the BNF at the moment.

**Chris Heaton-Harris:** I thank the hon. Lady for her explanation to my hon. and gallant Friend the Member for Beckenham (Bob Stewart).

It is important that doctors are aware of the changing methods by which care is being delivered. Innovation in the delivery of care must be recognised in the tapestry that is our wonderful national health service. I fully welcome the Minister’s amendment to my Bill. It makes it more worth while. The improvements we are making to the Bill today are dramatic, but they have not come out of thin air; they have come from a great deal of work. A great deal of thought has gone into them, which I very much appreciate.

Finally, and briefly, let me turn to amendments 8 and 9, in the name of the right hon. Member for Lewisham East (Heidi Alexander).

**Heidi Alexander:** Honourable.

**Chris Heaton-Harris:** Soon to be right honourable—I shall try to get her promoted to that position. I am sure there are some Privy Council positions awaiting on the Labour Benches.

I completely understand where the hon. Lady is coming from in trying to ensure the widest range of consultation on, actually, pretty much anything. Forget this Bill; when the NHS does something, it should try to interact with stakeholders who have direct and indirect concerns. As it stands, the list in her amendments looks like a preferred list of consultees, although I have a range of concerns about the listing, the order and so on. Given the way we have gone about this Bill—there has been a great deal of understanding and working together—I would like to think that when my hon. Friend the Minister answers this point and indicates what the Secretary of State would do with the power, how he would consult and which groups he would consult with, the hon. Lady will perhaps consider not pressing her amendments, in the full knowledge that there will be the widest possible consultation, should this Bill become law.

**George Freeman:** I shall deal with amendments 8 and 9, tabled by the hon. Member for Lewisham East (Heidi Alexander), and amendment 15, which I tabled on behalf of the Government. I shall also deal with some of the important points that Members have raised.

I have to say that I am not here every Friday, but I think that today's debate is setting a high standard, both in terms of the issues that are being raised and the way in which it is being conducted. I hope that those who take a close interest in the Bill and are watching the debate are observing the cross-party nature of our discussion of some very important issues.

I thank the hon. Member for Lewisham East for her support for the spirit of cross-party working. The sector needs to be confident in the knowledge that the House is paying close attention to the issues that underlie the Bill—issues relating to data, informatics, genomics, drug trials and research—in a cross-party spirit. As the hon. Lady knows, in the course of my work I have paid tribute to the last Labour Government's pioneers, Lord Drayson and David Sainsbury, who did so much to create the Office for Life Sciences. I think the debate reflects that spirit, and I welcome the hon. Lady's restatement of her support for it.

I also welcome amendments 8 and 9, which specify and flag the importance of a wide group of consultees. I entirely agree with the principle of the amendments. Indeed, I would go further and include a range of patients' groups, charities and others. I give the hon. Lady—and the House—a commitment, which I am happy to put in writing, that I will seek to involve all the organisations on her list, and indeed others, in the consultation that will take place following the Bill's enactment.

As an experienced parliamentary operator, the hon. Lady knows that including lists of organisations in a Bill is always a mistake, because in the end it creates more problems than it seeks to resolve. However, I will happily write to all the bodies that she has mentioned, and to all Members as well, with a list of those who I think should be involved in the consultation.

**James Morris** (Halesowen and Rowley Regis) (Con): I know that the Bill is specifically about access to medical treatments, but, as chair of the all-party parliamentary group on mental health, I know that there is a growing need for the ability to share information

about both drug-based and non-drug-based interventions in mental health care. Has any consideration been given to the sharing of information about mental health care in particular, and how would that fit into the framework of the Bill?

**George Freeman:** My hon. Friend has made a typically interesting and important point. I pay tribute to his work on mental health.

In no area of pharmacology and pharmaceuticals is drug discovery, drug use and prescribing more complex than in mental health. One of the projects on which I worked before entering the House was at the Institute of Psychiatry at King's College London, where Professor Simon Lovestone has pioneered the use of informatics and data to integrate research into mental health conditions and the compiling of patient records information, MRI scans and, latterly, genomic information, to assist understanding of both the causes of disease and the way in which different patients respond to different drugs. As my hon. Friend will know, mental health care involves a wide range of very complex and, in some cases, very powerful drugs, and information about how those drugs work and how different patients respond is therefore crucial. I certainly want to ensure that we do not exclude mental health from the Bill's provisions.

I tabled amendment 15 in connection with clinical research, an issue that received much attention during the Bill's earlier stages. When—before these amendments were tabled—the Bill made provision for medical negligence, the Government were determined to ensure that none of its provisions would in any way undermine the United Kingdom's world-class and world-rated landscape for the regulation of clinical trials. So the previous Bill contained a provision stating that nothing in it applied to clinical research. Now that my hon. Friend the Member for Daventry (Chris Heaton-Harris) has tabled amendments to remove the clauses dealing with medical negligence so as to create instead a Bill focused purely on the provision of data on innovative medicines to clinicians, I suggest that we remove that exclusion of clinical research and make sure that the database—now that it has nothing to do with negligence—actually covers drugs in research. That would make sure that we do not preclude the inclusion of drugs in clinical trials that clinicians may want to recommend to their patients or investigate their patients' eligibility for.

12.45 pm

The aim of this database is to provide clinicians, at the click of a mouse, with information on innovative medicines in trials that their patients may be eligible for, innovative off-label uses of drugs that there is evidence for, and unlicensed medicines in early access to medicines schemes that, with patient and clinical consent, their patients may be eligible for. I hope that amendment 15 is uncontroversial; it is consequent on the changes my hon. Friend has put forward.

I want to pick up a number of the points raised by hon. Members. My hon. Friend the Member for Bury St Edmunds (Jo Churchill) spoke with real passion and authority on this. In case colleagues in the House or those watching are not aware, she is herself a very courageous double survivor of cancer—a survivor of cancer twice—and speaks with real authority on the power of

research and data, and on why we need urgently to develop this new landscape to support the speedier adoption of medicines. I pay tribute to her resourcefulness, and look forward to her challenging me and haranguing me to move faster on the mission we share of accelerating the adoption of innovative medicines.

My hon. Friend made an important point about the centrality of patient voice in this debate, and I want to make sure that, in our consultation, we put patient voice right at the heart of the landscape and this measure. This week I convened and chaired a summit with the Association of Medical Research Charities, who now spend £1.4 billion a year on research in this country—they are a giant in the landscape—which puts them up there with the very largest companies in the world. My offer to them is to come to the top table and help to shape this landscape for the faster adoption of innovative medicines. Indeed, by putting the patient voice and experience—in many cases best expressed by the great research charities—at the heart of this, we can strike a blow for both empowering patients and accelerating innovation.

My hon. Friend made an important point about building into this provision for consultation enough flexibility to work with an ever-wider group of people. She was passionate on the importance of data as the oil that flows through this 21st century research engine.

My hon. Friend the Member for Plymouth, Sutton and Devonport (Oliver Colville) was eloquent on the important role of pharmacists. I will take him up on his offer to write to him with a detailed answer on the issues to do with devolution that he raised, but I also want to pick up his point about not forgetting the importance of pharmacists as prescribers. One of our central objectives in this digitisation of electronic health records in order to allow 21st century individual care, patient safety and research is to make sure that we are getting information to all those who prescribe. The hon. Member for Central Ayrshire (Dr Whitford), who spoke earlier but has had to return to Scotland, has been passionate about the importance of this database allowing nurses, pharmacists and others who are not perhaps leaders in research to have access to information on innovative medicines. So my hon. Friend's point about the importance of pharmacies is well made. My hon. Friend also highlighted the importance of confidentiality and of having a patient's trust and confidence. It is for that reason that the Secretary of State and I commissioned, and will shortly be receiving, the National Data Guardian, an independent report from Dame Fiona Caldicott. The report advises us on the use of data in the NHS and how to ensure that our systems are the best in the world for protecting patient confidentiality. It also helps us to shift from a system that is currently reliant on paper and cardboard to one that allows electronic information between primary, community and hospital providers, through an integrated patient record, to support individual care, patient safety, system performance and, crucially, research.

That brings me on to my hon. Friend the Member for Newton Abbot (Anne Marie Morris) who was very eloquent about the importance of our research landscape in the UK. Our life sciences industry is a sector that is worth between £50 billion and £60 billion. The digital and genomic sectors are growing fast, not least because of the initiatives that we have tried to take through the

life science strategy. We are leading in genomics and informatics, and rapidly becoming a global hub for this new model of research.

I am delighted that, in the autumn statement, we confirmed a £1 billion a year funding commitment for the National Institute of Health Research, which is the jewel in the crown of this landscape. Embedded in the NHS, the institute allows us to lead in this new world of data and genomic-informed research.

In the creation of Genomics UK, we are the first nation on Earth to sequence the entire genome of 100,000 patients, all of whom have volunteered and consented. In that project, we are setting the very highest standards of data protection. Genomics England Ltd is up and running and sequencing genomes and combining with clinical data to form the world's first reference library for genomic information. We are also setting the standard in ensuring that no individual data can be sold or transferred—we are talking about a reference library, not a lending library. Genomics England will then support the NHS with information on traits that might determine disease, new insights into diagnostics and treatments.

As hon. Members have hinted, this space is moving very fast. Some of the extraordinary things that I get to see as Minister speak to the pace of that development. Recently, at Genomics England, I saw an analysis done at speed of a patient with a rare disease that had been undiagnosed. The diagnosis was achieved when large computer power was applied to the genomics database, identifying the very genomic trait that had predisposed the patient to the rare disease, which, in this case, allowed us to identify a treatment. Funnily, it was an off-label use of an existing drug that had already been in use in that indication.

The pace of the development of electronic health records in some parts of our NHS is extraordinary, and the advantages are very powerful. I recently visited the Norfolk and Norwich hospital where the nurse on the pharmaceutical drug round in the ward was using an electronic prescribing system. She was absolutely passionate about the power of it to ensure that she gets the right dose, to cut out mistakes, to allow her to monitor her patients' response, and to drive up the accuracy and precision of prescribing. It also drives up the use of data on patients' response to different drugs to allow the system to improve the way we prescribe.

I recently visited McLaren healthcare group, which is working with the NHS. It provides informatics to the entire Formula 1 fleet, taking 400 data points per second off every Formula 1 car. It leads the world in the handling of massive datasets for insights. It is working with the NHS at Birmingham children's hospital to provide wireless telemetry for constant data feed monitoring with individualised algorithms for children in post-operative cardiac recovery units. I saw toddlers liberated from cables, wires and huge machines that go ping beside their bed, and the look on their parents' faces as the children with huge scars on their chest toddle off happily to the playroom, knowing that all the nurses have in their pockets a device that will ping at the slightest statistical outlier that individually shows whether the child is experiencing any sort of side effect or incident. The system allows the nurses to be absolutely certain that they can provide the right care. This is a stunning application of informatics and the beginning of personalised

medicine. The ability to create much better information flows on the innovative drugs that are available is one part of that landscape.

Patient safety and confidentiality are the Government's absolute priority. We have to make sure that the revolution in informatic medicine and the digitisation of healthcare, which offers such extraordinary benefits for individual care, system safety and research, carries and deserves to carry patient trust and confidence. That is why we eagerly await Dame Fiona Caldicott's report, due imminently, on how best we should take forward consent and make sure that we allow this quiet revolution in medicine to progress and the NHS to lead it in a way that our patients can have trust and confidence in.

A number of colleagues have spoken about the new field of personalised or precision medicine. This country is leading in the field. I had the extraordinary privilege in January last year of being invited to talk to the White House health policy team, which wants to know what we are doing on our precision medicine catapult, on genomics and on informatics. In the past year we saw the US launch a very ambitious programme in precision medicine, many of whose initiatives were initiated here in the UK.

For that reason I have launched the accelerated access review to look at how we can better integrate and speed up our landscape for the adoption of innovative medicines using information on genomics and informatics, so that NICE and NHS England have more freedom to target particular treatments at the right patients.

The traditional silos in the R and D pathway are changing and breaking down. We have traditionally talked about medical research, which goes on in universities, academic research and clinical research at a later stage into particular treatments in development. There is something emerging called research medicine, which is the learning of insights daily from the treatment of patients and the diagnosis of patients. The NHS is a potential world superpower in the application of research medicine, because no other organisation in the world has that diagnostic and treatment footprint day in, day out.

This Bill is a small measure that sits in that emerging landscape for making sure that we build an intelligent healthcare system that can use data on innovative drugs and treatments and, increasingly, data on how different types of patients respond to different drugs, to better target not least off-label medicines—repurposed medicines—to particular patients. Those are smaller markets, niche markets, which are very challenging for the large-scale pharmaceutical industry, which is built up on the model of one-size-fits-all blockbuster drugs, but incredibly exciting for our patients and for the charities and some of the smaller companies developing targeted therapeutics.

It is for that reason that the vision at the heart of the life science strategy is, as the Prime Minister put it when we launched it,

“every hospital a research hospital. Every patient a research patient”,

so that the NHS is able to fulfil the dream of its founders, captured not least by Nye Bevan and in the original mandate—to be an organisation that uses the collectivisation of health assets for the prevention of suffering for the next generation.

I hope that, with the reassurances about consultation, the House will support the hon. Lady in not pressing amendments 8 and 9. I will happily follow up on the

commitments that I have made to make sure that all her suggested consultees are included and others too. I hope the House will support amendment 15, which seeks to remove the exemption for clinical research so that clinicians will have access under the Bill to drugs in clinical research that their patients may be eligible for.

**Heidi Alexander:** I have listened carefully to the debate on this group of amendments. Although I know that the hon. Members for Bury St Edmunds (Jo Churchill) and for Newton Abbot (Anne Marie Morris) have concerns about creating excessive bureaucracy, I think those concerns are somewhat overstated. The Bill already requires consultation before regulations are made. I am seeking to ensure that the appropriate organisations are able to have their input into the process. However, in the spirit of cross-party working for which the Minister has developed a fondness this morning, I beg to ask leave to withdraw my amendment 8 and not to press amendment 9.

*Amendment, by leave, withdrawn.*

### Clause 3

#### RESPONSIBLE INNOVATION

*Amendment made:* 2, page 2, line 26, leave out clause 3—*(Chris Heaton-Harris.)*

### Clause 4

#### EFFECT ON EXISTING LAW

*Amendment made:* 3, page 3, line 19, leave out clause 4—*(Chris Heaton-Harris.)*

### Clause 5

#### INTERPRETATION

*Amendments made:* 4, page 3, line 40, leave out “this Act” and insert “section 2”.

Amendment 12, page 3, line 42, leave out paragraph (b).

Amendment 13, page 3, line 44, at end insert—

“(1A) For the purposes of section 2(2), the kinds of medical treatment that may be innovative medical treatments include (amongst other things)—

- (a) the off-label use of an authorised medicinal product, and
- (b) the use of a medicinal product in respect of which no marketing authorisation is in force.

(1B) In subsection (1A)(a), the reference to the off-label use of an authorised medicinal product is a reference to the use of the product—

- (a) for a purpose other than one for which its use is specified,
- (b) in relation to a person who is not within a description of persons for whom its use is specified, or
- (c) in any other way in which its use is not specified.

(1C) In this section—

- (a) “authorised medicinal product” means a medicinal product in respect of which a marketing authorisation is in force;
- (b) “marketing authorisation” and “medicinal product” have the same meanings as in the Human Medicines Regulations 2012 (S.I. 2012/1916);
- (c) “specified”, in relation to a medicinal product, means specified in its marketing authorisation.”—*(Chris Heaton-Harris.)*

Amendment 15, page 4, line 1, leave out subsection (2) and insert—

“( ) References in section 2 to medical treatment include references to treatment carried out for the purposes of medical research (but nothing in section 2 is to be read as affecting the regulation of medical research).”—(*George Freeman.*)

*This amendment makes it clear that the database for which clause 2 provides may contain information about treatments carried out for the purposes of medical research (including, for example, in the context of a clinical trial).*

**Madam Deputy Speaker (Natascha Engel):** We now come to amendment 5. With the leave of the House I will put the questions on amendment 5, 6 and 14 together.

**Chris Heaton-Harris:** On a point of order, Madam Deputy Speaker. I was under the impression that amendment 5 would be called only if amendment 15 was not carried. Please could you give me some clarification on that point?

**Madam Deputy Speaker:** The hon. Gentleman is right; we will take amendments 6 and 14 together.

*Amendment made:* 6, page 4, line 3, leave out ‘this Act’ and insert ‘section 2’.—(*Chris Heaton-Harris*)

### Clause 6

#### EXTENT, COMMENCEMENT AND SHORT TITLE

*Amendment made:* 14, page 4, line 8, leave out ‘Sections 1 to 5’ and insert ‘Sections 1, 2 and 5’.—(*Chris Heaton-Harris.*)

#### Third Reading

1 pm

**Chris Heaton-Harris:** I beg to move, That the Bill be now read a Third time.

It is a tiny bit of a relief to get to this point in the proceedings. I guess I should start by thanking a number of people, the first of whom is the inspiration for this Bill. As I explained in my Second Reading speech, I followed in some detail what Lord Saatchi had been doing in another place, especially when his Bill reached its Report stage and Third Reading, and I thought some of his ideas were very much worthy of legislation in this place. Unfortunately, the inspiration for his Bill was the terrible loss that he suffered, but I would like to think that what we have done here today will be a true and lasting legacy for him to remember his wife by.

I should also like to thank the Under-Secretary of State for Life Sciences and all the officials in the Department who have given me advice—nearly always constructive and helpful—especially a gentleman called Peter Knight, who very kindly hosted a round-table for a whole host of organisations, and anyone else who was interested. It was only the people who were being really stropky about the Bill who refused to come. He kindly explained what the database could and should be doing, and what its potential was, which alleviated a huge amount of concern. He also enlightened a number of people on the direction of travel that we were taking. I thank my hon. Friend the Minister and all his officials for their help and understanding.

Most of all, however, I would like to thank the hon. Members who are in the House today. I was a Member of the European Parliament, and I guess we have Europeanised the system here. I am not a great European—I like to consider myself a decent Eurosceptic—but there are some practices in the place where I used to work that enable you to listen to people on all sides of an argument, and that allow you to evolve and learn from their better experience and knowledge and put that into your own work. I want to thank the hon. Members for Torfaen (Nick Thomas-Symonds) and for Central Ayrshire (Dr Whitford), and of course my hon. Friend the Member for Bury St Edmunds (Jo Churchill), who is an unbelievable force of nature. I am sure that she will make waves for the Minister if he does not stick to some of the promises he has made today. I also thank Her Majesty’s loyal Opposition, who all the way through this process have been willing to engage with me, to listen and to criticise, completely and correctly. I therefore thank the hon. Members for Lewisham East (Heidi Alexander) and for Ellesmere Port and Neston (Justin Madders).

Where we have got to now is not a bad place. I have received a briefing from Empower, which is one of the charities that is keen to ensure that patients get the best treatment. I will quote from its briefing, because this is not something I would ever say about myself. It states:

“We are particularly pleased by the ingenious step of absorbing Nick Thomas-Symonds’ Off-Patent Drugs Bill into the amendments. Mr Heaton-Harris’ database of innovation combined with off-patent access to medicines is a hugely positive step forward, and one Empower fully supports.”

The briefing included a note from Graham Silk, a gentleman who was doing some media on this yesterday, having joined Empower’s drive for spreading innovation. He said:

“I was diagnosed with leukaemia in 2001, and I’m still here today because of medical research facilitated by the patient data of the leukaemia community. I was one of the lucky ones by being in the right place at the right time. But we need to start taking luck out of the equation by spreading this information faster and wider. This database could have the power to do just that.

Indeed the drug that saved my life has already shown early promise in other conditions, the off-patent provisions in the Bill could also see patients granted access to a far broader set of treatments which would really open up our health system.

I am looking forward to continuing Les Hatpin’s legacy”—

Les was the power behind Empower—

“by working with Parliament, policy makers, and frankly anyone who will listen, to see our health service modernise and digitise to the benefit of patients.”

**Jo Churchill:** That clearly encapsulates what we need to be doing: putting the patient at the centre, backed up by a charity, such as that leukaemia charity, and supported by clinicians. We could not want a more virtuous situation.

**Chris Heaton-Harris:** I completely concur with my hon. Friend. I would like to think that Graham, when he looks at our proceedings today, will be pleased at where we have got to, and the process by which we have got here, and is looking forward to his wishes becoming fact.

There have been some questions about whether the database is required at all. I will talk about this gently, because I do not want the cross-party consensus to break down at such an important moment in proceedings. I know—I have learned a huge amount in this process—that



there are many mechanisms already available for sharing treatments, but they are far from being available to all medical practitioners, and in my view they are insufficient. Besides that, there is no comprehensive database of treatments that are not regulated under the Medicines and Healthcare Products Regulatory Agency; there are just many smaller ones, such as registries for specific diseases or databases for particular regions.

For example, the most recent figure I could find for the total number of registers used by medical professionals is from 2002. Back then the Department of Health commissioned a report into disease registers in support of the White Paper, "Saving Lives: Our Healthier Nation". The report found that there were well over 200 registers in existence in England. The number of disease registers already in existence in England was obviously large, although possibly larger than was generally appreciated. Even though the review was not exhaustive, it identified about 250 registers. The report stated:

"We would not be surprised if there were more than 400 specific registers in existence in England."

That rendered the situation on data collection at best confusing, and at worst it makes finding evidence and navigating through that data almost impossible. I hope that the database set out in the Bill will provide clarity through the vast web of registries, information and data that already exist and help clinicians find evidence for innovative treatments simply and quickly.

That is particularly important today, because research has come on in leaps and bounds, meaning that a huge number of new treatments are coming into the NHS and innovative ideas are everywhere. There is great potential for what this could do. South London and Maudsley NHS Foundation Trust has developed a computer system that allows it to carry out research using the information from the trust's clinical records. The system is known as the clinical record interactive search system, and it is anonymised. It is hoped that it will make a very real and positive difference to future treatments and care. The system allows clinicians and researchers at the hospital to look at real life situations in large quantities. This makes it easier to see patterns and trends such as what works for some and does not work for others. For example, case registers have been used extensively in mental health research, which was commented on earlier. Recent developments in electronic medical records and in computer software to search and analyse these in an anonymised format have the potential to revolutionise this research tool. The case register has been hailed as representing a new generation of this research design, building on a long-running system of fully electronic clinical records and allowing for in-depth analysis of data while preserving anonymity through technical and procedural safeguards.

Historically, medical records of some kind have always been kept. In keeping with the tradition of careful, methodical scientific observation, they have frequently been developed into disease registers through which the incidence, course and health service use of specified diseases can be monitored and investigated. In the context of changing social, political, professional and technological factors, a large number of psychiatric registers were constructed throughout the 20th century. However, owing to the expense of maintenance, often then carried out manually, the limited information available, which relied on data sheets completed by clinicians in addition to their routine workload, the practical difficulties

of monitoring data quality, and limited funding, many of these programmes closed, and a vast amount of the information collected, which could have been useful, was lost.

Now we live in a time in which rapid technological advances and other developments over the past decade have led to new possibilities for the development of data-sharing. With electronic clinical records increasingly complementing handwritten notes, large volumes of clinical information are contained in an electronic format. The possibility of what we can do with this is unbelievably exciting. So far, we have not really harnessed the data that we already have. There is so much potential to make great changes, and this Bill is a tiny pigeon step in the right direction.

There has obviously been a huge amount of interest in this Bill from a whole host of groups. Some have concluded that the database is not needed, some have concluded that it is a good idea, and some have raised a number of questions about it. I would like specifically to thank the Association of the British Pharmaceutical Industry for its briefing on my Bill, which was circulated to Members of Parliament this week. It states its concern that the Bill will promote the prescription of unlicensed medicines and says that that is worrisome because there is hierarchy of risk involved with prescribing off-label and unlicensed medicines that makes unlicensed treatments the more risky route. It is completely correct. Promoting the prescription and use of these treatments when that is best thing to do for patients, is, I would like to think, exactly the sort of information that the Bill will share around the place to enable people to do the best thing.

With the amendments tabled today, the Bill promotes treatments in clinical trials, which are by their very nature unlicensed, as well as off-label drugs, other licensed but perhaps underused or very new treatments, and other unlicensed treatments. Clearly, it will not change the fact that, under MHRA guidance, more risk is involved when using unlicensed drugs. This, rightly, will remain the case, as these drugs have not received regulatory approval and are not yet deemed safe for use. No guidance or law of liability is changed at all by this Bill, with the tabled amendments. However, the Bill will spread information behind how these drugs are being used and allow responsible registered medical practitioners to access more information, much more quickly, to make better decisions for themselves.

The ABPI also wrote that the database undermines the UK medicines regulatory system and gives doctors the ability to prescribe unlicensed or off-label medication. As I have said, that is perhaps not terribly bad, but I would like to think that we are not undermining any regulatory system. The Bill simply does not contain provisions that would do so. I want to give the ABPI some help with its questions, and I would like to think that this debate—the points made by the Minister about how he will use the power, and those made by hon. Members on both sides of the Chamber underlining the cross-party nature of the provisions—shows that the Bill is worthy to be sent by this House to the other place and that it will do patients, registered medical practitioners and our NHS the world of good.

1.15 pm

**Nick Thomas-Symonds:** I echo what the hon. Member for Daventry (Chris Heaton-Harris) has said about the cross-party work, thanks to which the Bill is now in its

[Nick Thomas-Symonds]

current state. I again put on the record my thanks to him for his flexibility, and to the hon. Member for Bury St Edmunds (Jo Churchill) for her impassioned contribution.

I am delighted that amendments 10 and 13 have been agreed to, because it is extremely important to include off-label drugs in the Bill. I am very pleased by the Minister's positive response to those amendments. I want, if I may, to make one request of the Minister. I did not press my new clause 5, on the accessibility of the licensing process. Will he write to me specifically about that? I would be extremely grateful for some clarification about precisely what the measure will be. Will he, in his closing remarks, confirm that he will do so?

I want to put on the record my thanks to the charity Breast Cancer Now, and particularly to Jenny Goodare of that charity, who has done a great deal of the facilitating work. I also thank my parliamentary assistant, Briony Robinson. Her father, who is in fact an oncologist, has also made a great contribution to all the work on the Bill.

Ultimately, the work that has been done, especially during the winter—I made the point earlier that no fewer than eight political parties were represented by those who signed new clause 1—demonstrates the very broad swathe of opinion both in the House and beyond. Whatever side of the House we sit on, we all come into politics to try to make a difference. I sincerely hope that what we have done today will make a significant difference.

I look forward to holding the Minister to the promises he has made. I have no doubt that the hon. Members for Bury St Edmunds and for Central Ayrshire (Dr Whitford) and I will continue to be rigorous in ensuring that that is the case. I just hope that the Minister will be ambitious in the measures he has said he will bring forward.

1.17 pm

**Anne Marie Morris:** I once again congratulate my hon. Friend the Member for Daventry (Chris Heaton-Harris) on bringing forward the Bill. I am sure I will not be the first to tell him what a feat it is to get a Bill through this House, with all its complexities, to Third Reading. Clauses 1 and 2 will give many people throughout the country hope that there is a cure for many well-known and not so well-known diseases. The database will make it much easier for clinicians up and down the country to find them and provide a better quality of life for many people.

I commend my hon. Friend for the time he has put into the Bill, and the effort he has made to obtain cross-party support on a number of issues. His work with the hon. Member for Torfaen (Nick Thomas-Symonds) to include some of the provisions of his Off-patent Drugs Bill is to be commended. Although I did not support all the hon. Gentleman's amendments, I do believe, as I stated on Report, that amendments 10 and 13 will help many people to live healthier and happier lives for years to come. I therefore congratulate him on his contribution to this Bill.

Some great medicines have been developed through the use of off-label treatment, and I believe that they will continue to be developed, even without the new clauses that the hon. Gentleman tabled. I do not profess

to be an expert in the field of off-label treatment, but I know that drugs such as infliximab, adalimumab and methotrexate are now regularly used in the treatment of Crohn's disease and ulcerative colitis, having previously been used to treat rheumatoid arthritis and cancer. The use of those treatments has come on leaps and bounds over the past 10 years, and that in an environment where, it is claimed, doctors are scared to innovate. As I have stated, I do not profess to be an expert in these matters, but I do know that many doctors communicate not just countrywide, but across the boundaries of diseases, and learn from each other. The database that the Bill establishes will allow that to be achieved with much greater ease.

A member of my office staff has been fortunate enough to benefit from the drugs that I have just mentioned. Indeed, he informs me that he was one of the first people, if not the first person, to be given the drug adalimumab to treat Crohn's disease. He was prescribed it in Southampton back in 2007, when it was not licensed for use in children. Had the doctors not taken innovative steps to prescribe a medicine that had not yet been licensed, he would not have had such a fulfilling life—something that many of us take for granted. That is just one example, and I am sure that Members across the House have many more examples of doctors using innovative medicines to help out constituents and loved ones with all manner of diseases. I am therefore delighted to support the Bill on Third Reading and the great work my hon. Friend the Member for Daventry has done to get us here.

1.21 pm

**Heidi Alexander:** It is a pleasure to follow the hon. Member for Newton Abbot (Anne Marie Morris) and my hon. Friend the Member for Torfaen (Nick Thomas-Symonds).

In opening this debate on Third Reading, the hon. Member for Daventry (Chris Heaton-Harris) said that it was something of a relief to get to this stage. I have to say that I agree with him. I congratulate him on getting his private Member's Bill through to its Third Reading. His commitment to the Bill has ensured that the crucial issue of improving access to innovative treatments and medicines has been debated in detail on the Floor of the House, which is a good thing.

I am conscious that we have already spent considerable time today debating a Bill that is now relatively straightforward, so I will keep my remarks brief. In short, the amendments that have been made today have made the Bill safer and have focused it on the area that the hon. Gentleman feels most passionately about—namely, the power to create a database.

Although I still question whether legislation is needed to give the Secretary of State this new power, the Bill is a vast improvement on what it was previously, and I will not oppose its Third Reading. I am sure that the other place will take a keen interest in scrutinising the Bill, as it has had extensive debates on this subject in the past and, indeed, on similar private Members' Bills.

I urge the Minister to think very carefully about the design of the database. Even if he does not wish to broaden the list of statutory consultees, I hope that he will engage with the medical profession and other stakeholders to ensure that he gets the database right.

I congratulate the hon. Member for Daventry once more on navigating the Bill to this stage and on taking account of the very real concerns that I and many others have expressed to him.

1.23 pm

**George Freeman:** May I share in the sense of relief? I, too, congratulate my hon. Friend the Member for Daventry (Chris Heaton-Harris). As others have said, it is no mean feat to steer a private Member's Bill through this House. For all sorts of very good reasons, there are many obstacles to doing so. The process is designed to ensure that only those Bills that command a majority, if not unanimous support, and that clearly address something that the House feels is a priority make it on to the statute book. He has achieved something remarkable in getting this far, although he is right to emphasise that he has only come this far and that the Bill now goes on to the upper House. I pay tribute to his work. Everybody here has acknowledged the quiet, careful, considerate decency and tenacity with which he has got around and listened to people.

I genuinely believe that the Bill will be a powerful mechanism in the new landscape of personalised and precision medicines that we are developing in this country. It will help busy clinicians on the frontline of our health and care sector by making easily available at the click of a mouse information on innovative medicines—both new medicines and innovative uses of existing medicines—that they can prescribe or recommend to their patients.

It is a pleasure to have reached this point, having embarked—somewhat bravely, some of my officials might have said—on a process of supporting the intentions behind three Bills that the House has considered over the past 18 months. I have been determined to work with Back Benchers to reach a solution that the House and the Government could support.

The Bill captures the spirit of two others: the Bill tabled in the other House by Lord Saatchi, which was intended to promote a culture of innovation and innovative medicines in our health system, and the Off-patent Drugs Bill tabled by the hon. Member for Torfaen (Nick Thomas-Symonds), which was intended to promote greater use of off-label and repurposed medicines. My hon. Friend the Member for Daventry intends to promote greater access to information. I pay tribute to all three people, because their work in initiating their Bills has led to the House reaching unanimity.

I thank and pay tribute to the hon. Member for Central Ayrshire (Dr Whitford). Ministers do not always agree strongly with Scottish National party Members, but it is nice to be able to do so on this occasion. She brings to the House a lot of expertise in her field as a medical specialist, and she has played an important role in bringing the Bill to this point. I also thank my hon. Friend the Member for Bury St Edmunds (Jo Churchill), who brings her own experience of surviving cancer and a passion for the subject. The Members I have mentioned and others who have spoken today and in earlier debates have brought us to a much better place, with a Bill that commands and deserves respect and support.

I want to say something about Lord Saatchi, who commenced the debate on this subject. Passing legislation through Parliament is always a messy business. The anti-slavery campaigners took years, and all sorts of legislation that we can look back on with great pride

had previously fallen at various hurdles. It takes tenacity to make things happen. This is not the same Bill as Lord Saatchi's and it does not tackle the issue that he wanted to tackle of some clinicians fearing negligence cases, but I believe that it tackles the central issue that he was trying to address by creating a culture that promotes greater use of innovative medicines. I believe that he has secured, in his way, a legacy for his late wife Josephine that he can be proud of.

Lord Saatchi and Members who have spoken today have become part of a growing movement of patients, charities and campaigners who want us to accelerate access to innovative medicines. I often hear demonstrations from my window in the Department of Health, with patients sometimes chaining themselves to railings. I have yet to hear a demonstration asking us to take longer to regulate and assess drugs and bring them to market. Indeed, the demonstrations that I have heard in the past year have been by patients asking for quicker access to medicines. Mothers whose children have rare diseases have been asking why we are not moving more quickly to bring genomically and infomatically targeted medicines to their children. I have taken part in more debates on this subject than on any other in the past year.

I want to mention a number of people who, appropriately, have been referred to today, including the late Les Halpin. He founded Empower: Access to Medicine with a passion that his death would not be in vain and that his experience of dying from a rare disease would inspire and motivate others to invest more in research and accelerate innovative medicines being brought to patients. The campaign, which was started for him, is continuing to grow and build support for the agenda that we have discussed today.

Graham Hampson Silk has also been mentioned. Ten years ago, he was given four years to live, but because of the extraordinary work of NHS clinicians and NIHR researchers at the Birmingham Institute of Translational Medicine, led by the inspired Professor Charlie Craddock and supported by Cure Leukaemia, Graham is alive. He is using his life to campaign for quicker access to innovative medicines. He is alive because Charlie Craddock got him access to a drug that was in research in America, raised money and flew Graham to the States, and then got the drug into the Institute of Translational Medicine. In fact, that institute has pulled into the greater midlands area more than £20 million of free drugs in trials.

I should mention Emily and a number of the other mothers who have been to my office on a number of occasions in the past six months to discuss muscular dystrophy and Duchenne. The extraordinary progress of our medical community in genomics and informatics unlocks new treatments, but the mothers and fathers of children with rare diseases look on with frustration that we are unable to get the insights to benefit their children and families more quickly. As the first Minister for Life Sciences, I am driven every bit as much by their advocacy, passion and commitment.

The truth is that a lot of people are not interested in this space until they get a diagnosis or until someone in their family gets a diagnosis, at which point people become very interested in research, data and genetics. I am very pleased that their names and a number of others have been mentioned. My hon. Friend the Member for Daventry has struck a small blow in the march of that army for accelerated access to innovative medicines.

[George Freeman]

I want to say something about the landscape in which the Bill will land, the leadership that the UK is showing to create that landscape and the changes that will benefit patients and our NHS. The truth is that the traditional model of drug discovery is breaking down in front of our very eyes—the very long, 15-year, \$2 billion process by which traditional pharmaceutical products are developed and brought to patients. That is too long for the industry and patients, and it is too expensive. Increasingly, the breakthroughs in genomics and informatics mean that drugs can be developed for specific patient groups around specific genetic biomarkers with much greater precision and be brought into the system much more quickly. They do not have to go through 15 years of randomised control trials when there is a genomic biomarker that guarantees they will work in certain patients and informatics to support that claim. That allows us to get medicines into targeted groups much more quickly.

That quiet revolution, which the UK is seeking to develop through our various initiatives, is principally driven by two transformational technologies: genomics and informatics. Genomics allows us to understand the cause of so many diseases—in many cases, the cause is inside the cells in our bodies—and to understand, at scale, why different patients respond to different drugs and why they respond to different diseases in different ways. It also allows us to centre our research on the experience of real patients with real diseases in real time.

Allied with informatics, that allows us to use the NHS to look at huge datasets of patients over the past 20 or 30 years, which is an incredibly powerful resource. Large-scale anonymised data allow us to identify patterns. When we re-analyse the data, we find that many of the drugs that have failed in traditional drug discovery, which could happen because of a side effect, a serious side effect or a death in the late stage of trials when the drug is trialled in the largest number of people, are dream drugs for a small sub-segment of the population. Part of that revolution is about allowing us to identify which patients would have responded much more quickly, which cuts down the time, cost and risk for companies in developing and thus reducing the price. It also cuts down the time that patients have to wait and to have more accurate dosing—we can get the right drug in the right dose to the right patients more quickly.

**Mr Peter Bone** (Wellingborough) (Con): I put on the record my thanks to my hon. Friend the Member for Daventry (Chris Heaton-Harris) for his success in driving the Bill through. I have heard only today that a constituent of mine is getting a treatment for prostate cancer earlier because of the Minister's intervention. I am sure that that is part of what the Government are driving. I wanted to thank him for that while I had the opportunity.

**George Freeman:** My hon. Friend is very kind. I thank him for his comment and am very pleased to hear that news.

We are putting in place various initiatives to support the new agenda, and seeing the beginnings of some successes. On the request made by the hon. Member for Torfaen, I will be happy to write to him about the proposals and how we envisage the measure working.

There is quite a lot of work to be done on how the process of using a NICE evidence review to assess the evidence for an off-label claim. I am not prevaricating for any reason other than that I do not want to pre-empt that work, which we are getting on with.

**Nick Thomas-Symonds:** I am grateful to the Minister for that. New clause 5 was also about easier access to the licensing process itself, on which I made a few suggestions on Report. If the Minister addresses that specifically when he writes to me, I will be very grateful.

**George Freeman:** I will happily come back to the hon. Gentleman on licensing. We have discussed this at some length, but I am happy to confirm the situation. There is a very strong legal set of constraints on how we handle licensing, but I will happily write to him to confirm the position.

I would like to respond to the request, by the hon. Member for Lewisham East (Heidi Alexander) from the Opposition Front Bench, to take very seriously the design of the database. I agree. We need to make sure it works well. Datasets are already available, but we need to connect them up better to give clinicians the right information they need. I am absolutely happy to give an undertaking to engage very closely with the medical profession, and all who have taken an interest in the Bill, to ensure this measure has the intended effect. I also give an undertaking to the House that I want to put the patients' voice right at the heart of this and to invite the Association of Medical Research Charities and others, as we put the proposals together.

I want to take up the point raised by my hon. Friend the Member for Wellingborough (Mr Bone) and update the House on the range of initiatives, which the database will sit in the middle of, that we are putting in place. As the landscape for drug discovery changes profoundly, the Government are intent on making sure the country leads in this new model of personalised, targeted, patient-led research, moving from a world in which a drug is traditionally developed around a notional theoretical target that is normally developed in an academic laboratory and then, if it is lucky, put through a process to raise money and be spun out or partnered. That original target is turned into a drugable target that a pharmaceutical company can make a drug against. The early synthetic chemical compounds are tested against vast libraries. With luck, they are taken through pre-clinical testing and extensive in vitro and in vivo testing. They then go "over the wall" as the industry refers to it, into development to phase 1, phase 2, phase 3 and phase 4 trials, through MHRA and European Medicines Agency safety approval, to NICE for health economic approval and then to the NHS to decide how to best use the drug.

That landscape still works for many drugs and is still the conventional system in which drugs are developed. In truth, however, the breakthroughs in genomics and informatics mean we can, and are, developing a different landscape. The Government are investing in the cell therapy catapult and the precision medicine catapult so that we lead in academic research, working with industry partners on the new model of personalised and precision medicine. It is why we set up the biomedical catalyst to support quick funding for small companies and academic groups developing key technologies in this space.

It is why I am delighted that we announced, in the autumn statement, ring-fenced funding for the Medical Research Council and the other research councils. That budget is now £700 million a year for leading research around the UK. It is why we confirmed the £1 billion-a-year commitment to the National Institute for Health Research, an embedded clinical research network at the heart of our NHS all around the country that is the jewel in the UK crown, and the establishment of the NIHR Office for Clinical Research Infrastructure, allowing innovators internationally to come in and work in our research hospitals. The progress of NIHR means we now have over 200 industrial studies on new medicines in the UK. We are increasing year-on-year the number of patients enrolling on clinical trials, including, importantly, first-in-man and first-in-patient studies. The UK is now going back up the international league for drugs having their first exposure to people, here in the NHS and the NIHR.

It is why, on informatics and genomics, we launched the Genomics England programme. In 2012, the Prime Minister announced that we would be the first nation on earth to sequence 100,000 entire genomes—those of NHS patients—and link them with their hospital records. The project has captured the world's imagination—I have called it the NASA of 21st biomedicine—and triggered phenomenal academic and industrial investment in the UK. It is already driving new diagnostic insights into rare diseases and insights into how we can use existing medicines better.

It is also why we have invested in the clinical practice research datalink and the aggregating of the NHS's long-term cohort studies. These are phenomenal resources for research. Before coming to the House, I was involved in one, funded by the MRC and Cancer Research UK, that involved 250,000 women at risk of ovarian cancer. As a part of that, we collected blood, tissue, genomic and medical record information. I am proud that, after the academic study was finished, a group of medics at University College London, along with MRC Technology, UCL Ventures and CRUK, used that database to form a company called Abcodia Ltd, an ageing biomarker company. The database contains biomarkers that allow us to diagnose not just cancers but a range of diseases in ageing women much earlier. The scale of that dataset allows us to lead.

My hon. Friend the Member for Daventry mentioned Professor Simon Lovestone, at King's College London, who led the world in the use of informatics and integrated medical records in mental health and who has now gone to Oxford University to pioneer that work. The Government are investing in genomics and informatics because it is a transformational technology that is changing the way drugs are developed.

I want to entice the House to think about where this might go and the direction the Bill points us in. This new world is coming fast. The first genome to be sequenced, 10 years ago, cost £10 billion. It now costs \$5,000 and can be done in 24 hours. Not least because of the leadership of Genomics England, it will soon be possible to do it in minutes for a few pounds and pence. That will allow the NHS, when patients arrive with cancer, rare diseases and, increasingly, any disease, to identify the right genomic diagnostic and profile the right treatment and drug much more quickly. When a patient arrives, whether at a GP practice, hospital or clinic, we will, in due course, be able to do a quick and easy genomic diagnosis.

Thanks to the Bill, front-line clinicians will be able much more quickly to identify innovative drugs from which their patients might benefit. That will not happen overnight; it will not happen by Easter; it will not happen by the end of this parliamentary Session, but it is a quiet revolution of 21st century medicine that we are leading, and data and information sit right at its heart. My hon. Friend has taken three Bills that were generating more heat than light, crystallised their essential purpose, which was noble and well-intended, and brought them together in one Bill. I hope that it will be treated in the Lords in the way that this debate and cross-party consensus invite and that it will not be significantly re-amended, not least because, if it is, it will probably run out of time to reach the statute book.

Many people comment that the House spends too much time doing yah-boo politics for its own sake. Today, we have struck a blow for joined-up government and parliamentary process. It is wonderful to see MPs from all mainstream parties—I have not heard anything from UKIP—in support of a measure that offers real benefits for patients and front-line clinicians, without undermining the latter's clinical sovereignty over patients. It is about giving them information, so that they can make the exquisite clinical judgment we all want them to make. I am happy to commend the Bill to the House and to congratulate all those involved, and I am delighted to have done my bit to help strike a blow for joined-up government.

**Chris Heaton-Harris:** On a point of order, Madam Deputy Speaker. Would it be in order for me to thank Abigail Bishop-Laggett, my member of staff who has worked so hard on getting the Bill to this point?

**Madam Deputy Speaker (Natascha Engel):** That is a very nice comment, but not a point of order.

*Question put and agreed to.*

*Bill accordingly read the Third time and passed, with amendments.*

## Child Victims of Human Trafficking (Central Government Responsibility) Bill

### *Second Reading*

1.45 pm

**Mr Peter Bone** (Wellingborough) (Con): I beg to move, That the Bill be now read a Second time.

I am delighted to follow my hon. Friend the Member for Daventry (Chris Heaton-Harris), who has piloted through such a successful Bill. I would like to pick up, in general terms, on what the Minister for Life Sciences said at the end of the previous debate, which is that it proves what Back-Bench MPs can do when they work together to achieve something. I want to talk about that a little more in relation to human trafficking and my Bill. It is only three clauses long, but it goes to the heart of the problem we have with human trafficking and modern-day slavery. However, I need to set it in the wider context of modern-day slavery and human trafficking.

Way back when I was first elected as a new Member of Parliament in 2005, the Labour party was in government, and at one of my constituency surgeries on a Friday I got a note through the door. It was anonymous, but the person who wrote it was a prostitute from Northampton who was very concerned at what was happening to young women who were being brought into this country—we now call it trafficking, but at that time people did not talk about it. I thus became aware of this issue and I then met someone called Anthony Steen, who at the time was Member of Parliament for Totnes—a most extraordinary person. He has changed the view of trafficking and modern-day slavery not only in this country, but across the whole of Europe. He formed the all-party group on human trafficking and modern slavery, and I was one of its officers.

At that time, the Home Office under the Labour Government did not really recognise that trafficking existed.

**Mr Alan Campbell** (Tynemouth) (Lab) *indicated dissent.*

**Mr Bone:** I am going back many years. [*Interruption.*] I am going to develop that point. I am not blaming anyone in particular other than the Home Office—of course, everyone will agree with that—and I am not really blaming the Home Office. It was just that people did not understand the issue. Indeed, if we went back to the days of what people might think of as traditional slavery, I am sure people would have denied it existed. It was only because of what William Wilberforce and others did that people got to know more and more about it. Indeed, I quite confess that when I came to Parliament, I had no idea about human trafficking or modern-day slavery, and I certainly did not think I was going to get wrapped up in trying to solve the problem.

Anthony Steen and a small number of us travelled all over Europe, to places such as Moldova—to places that, to be honest, I had not even heard of—and found out about this terrible, terrible crime being committed of people being trafficked across borders. In those days it was mainly for purposes of sexual exploitation, although it has now turned into labour exploitation.

The traditional way for these women—we call them women, but in many cases they were actually young girls, way under the age of 18—in very poor countries

such as Moldova to be trafficked would be for somebody of their own age, quite often a female, to befriend them. They would then tell them there was a job in Belfast, say, in a restaurant—this is from a true case, from one of the dependencies of the old USSR. These women would come over expecting to work in a restaurant—and there was, indeed, a genuine restaurant. Because of the free movement rules in the European Union and Schengen, they would not be checked, but could come straight across Europe and into this country, and although I really do not want to make a European Union point, I will. Years and years ago, a long time before all this stuff appeared in the press, we warned that while free movement might have many advantages, it was certainly of great advantage to the traffickers, because there was very little chance of their being caught.

This is what would happen. The girls would arrive, all happy, looking forward to—in this case—a job in a restaurant in Belfast, and looking forward to a better life, more money, and excitement. Those girls never actually made it to the restaurant. They were locked up in a terraced house in Belfast. I say “locked up”. One would expect the lock on a bedroom door to be on the inside, but in houses such as that one they were on the outside, so that the young women could be locked in.

**Andrew Griffiths** (Burton) (Con): I know that my hon. Friend could not resist making the Europe point. Will he explain something to me? I entirely understand his point about Schengen, but how did the girl manage to travel from the Schengen area to the United Kingdom without being stopped at the border?

**Mr Bone:** My hon. Friend has made a good point. Years ago, before I came to this place, I ran a travel business which had an operation in Florida, and I would quite often fly over there with new members of staff who were young girls. So there was a middle-aged man taking two or three young women across to America. Every time we arrived, we were stopped at immigration, and the women were taken away and interviewed to establish whether this was a genuine operation and I was not actually trafficking people. We used to get parents to write letters, and so on. But those immigration authorities did a proper, thorough job.

As for our borders, citizens of the European Union have a right to come here. It was not as though those girls were breaking any immigration rules. This is not about immigration at all. They had an absolute right to come into this country, because they were EU citizens. I have always argued that, in obvious cases like that, we should be much more willing to take people to one side and find out whether the operation is genuine or not. The trouble with this operation, however, was that it looked as though it was genuine because the girls were going to a Belfast restaurant to work.

I think that about 70 young women went through that process, and were locked into the terrace house. I do not want to use the word “rape” lightly but they were, in effect, being raped repeatedly. They were not in a position to escape, they were not giving permission, and there was no question of their earning any money. Eventually, those young women were rescued. In that instance we did something really well, but I am afraid that we are still doing something rather poorly.

When I was a member of Anthony Steen's group, I discovered that there was a Government-funded centre in London—it was, in fact, funded by the Ministry of Justice—which was run by a left-wing organisation. All the trafficked victims were supposed to be accommodated in 24 beds, which is laughable, because there were so many more victims than 24. There was quite a big row about it at the time, and it is to the Government's credit that they changed the policy. They took the money away from that organisation and gave it to the Salvation Army. They said, "Work with all sorts of different agencies around the country, religious and non-religious, and they will give you added value. If Newcastle, for instance, already has a hostel that is able to look after trafficked victims, why not give it some money, and then you will have that added value."

The system worked terrifically well. The money started with £1 million, and despite the huge economic downturn that we have experienced, that amount has increased to, I believe, about £3 million. Adult victims of human trafficking are really well looked after. We must remember that an 18-year-old girl who has gone through this trauma cannot be just put in a house; they have to be looked after. The trauma is enormous and they must overcome that. We do that really well, and the Government, and the Prime Minister in particular, should take great credit for it. The Prime Minister has shown great courage on the human trafficking issue, but the problem comes with how children are looked after; they do not go into that system, and that is what I am trying to solve with this Bill.

**The Parliamentary Under-Secretary of State for Refugees (Richard Harrington):** I feel I should say at this stage that Anthony Steen's operation is based in Watford in my constituency, and I am very familiar with it. I was going to say this as part of my concluding remarks but, time being as it is, I felt I should say now that not just he but all the different umbrella groups in the anti-trafficking field are housed in the building above Watford Junction station, so I see him quite a lot. I know my hon. Friend is part of that, and Sir John Randall introduced me to him in the first place, and I think it is a wonderful organisation.

**Mr Bone:** I am very grateful for the Minister's intervention, and I am very glad that we have this particular Minister at the Dispatch Box, because I know he has worked with Anthony Steen and John Randall on this issue, and I greatly appreciate that.

The Government have done exceptionally well. John Randall is, of course, one of our ex-colleagues in this House. I remember that in the Corridor upstairs we had what we called an exhibition, but it was a role play about human trafficking and his son played a trafficker—very convincingly, as well—and that brought home to Members just how under the radar this situation is.

**Mr Steve Reed (Croydon North) (Lab):** When the POPPY project, which I believe was the organisation the hon. Gentleman was talking about, lost its funding, some of the successor organisations were criticised for putting rescued women in mixed-sex hostels, which was deeply inappropriate.

**Mr Bone:** There was a big row about the POPPY project and I am broad-brush about this: I think the Salvation Army operation has been a huge success, and

I am absolutely convinced that no other country in Europe looks after rescued adult victims of human trafficking better than ours, and we can be very proud of that.

Let me rewind a bit to when I was traipsing around Europe with Anthony Steen. He is a man it is impossible to say no to; I have seen him blag his way into all sorts of establishments that we had no right to be in, and he did so fearlessly. In some places he talked to traffickers and took great personal risks. His influence is what drives me to continue this fight on this particular issue.

At that time, back in 2005, there was a Council of Europe convention on human trafficking. The COE is a very good body. It brings together 47 countries in Europe. The idea is that if we can get something through the COE that everyone agrees with, it is a really good standard. What happened to this convention happened when a Labour Government were in power, but I am absolutely not blaming the Labour Government because it equally would have happened if a Conservative Government had been in power at that time because of the way people looked upon human trafficking: we could not even get the convention signed. Then, after lots of pressure, the convention was signed, and then that turned out to be no use because until it is ratified, it does not come into force, so then we had a fight on that and it was eventually ratified.

Many of the things that were then discussed became part of the Modern Slavery Act 2015, such as tougher penalties for traffickers, quite rightly. There was originally a problem with the hurdle that had to be mounted to prosecute traffickers. The Crown Prosecution Service had decided that in order to get successful prosecutions, it would have to go for lesser charges. That was sorted out; traffickers can be jailed now for 14 years. Tougher border controls are hugely important, too, because I do not want to be punishing traffickers and rescuing victims, as I do not want them to be victims in the first place. There is a lot to do in Europe on that, but obviously, our border control is important. In a wonderful example of co-operation, the Metropolitan police and the Romanian police worked together and broke up a notorious gang and saved many people from being trafficked. Police operations all come down to intelligence and working together across Europe.

**Mr Christopher Chope (Christchurch) (Con):** Does my hon. Friend accept that there is not just an issue with border controls, but a lot of concern about forged documents and passports? There is a report in today's press that the United States is thinking of withdrawing its visa waiver scheme for some European countries—for example, for Belgium—because there are up to a million forged EU passports in circulation.

**Mr Bone:** My hon. Friend is quite right that this is not, as I have portrayed it, just a European Union issue. I wanted to use that example because I did not want to get into the arguments about immigration and migration control. People from the EU have the right to be here and can be trafficked, but of course human traffickers operate across the world. Traffickers bring people in from Nigeria, and use all sorts of terrible things to keep them in prostitution. If someone were in a town and forced into prostitution, one would think that there would be ways for them to escape, and there probably are, but they are under acute mental pressure. They may

[Mr Bone]

be told that their parents will be killed or that their children will be harmed. If they come from Nigeria—this may seem strange to us—voodoo spells may be used. All those things have to be dealt with, and we are beginning to deal with them. The problem of forged passports is important.

I do not accept what the Home Office used to say, which is that if we create a safe environment for people who have been trafficked, it will be a pull factor. That is complete and utter rubbish. People can come in and claim asylum anyway. They do not need to pretend to be trafficked; there is no advantage to that at all, and I really reject the idea. There are more slaves today across the world than there were in Wilberforce's time; it is just that we do not see them on the docks. Great credit should go to the Government for what they have done in this regard.

Going back to the Council of Europe situation, a good convention was eventually signed and ratified. One thing we wanted for the protection of people who have been trafficked was the appointment of a rapporteur—I would say a commissioner because the word rapporteur sounds far too “European Union” for my liking. We had a long battle on that with the Government. By this time, we were in the coalition Government. A cross-ministerial group was appointed, which was complete rubbish. We knew that by how many times the Ministers bothered to turn up. It was a complete farce. We had a battle on that. MPs from both sides of the House and from all parties—the hon. Member for Foyle (Mark Durkan) was a great support—called Westminster Hall debates to put pressure on Ministers and to ask lots of questions. That all followed on from what Anthony Steen did.

When I first came to the House, Anthony Steen was the only person doing anything, and then everybody started to realise that there was a problem. People may think that the Government make all their decisions in Downing Street and that we are just here to tick the boxes, but it was not like that, and we proved that with the previous Bill. On human trafficking, it was absolutely not like that. Private meetings went on, and so on. We finished up with a Modern Slavery Act 2015, which increased the penalties for trafficking, toughened border control and improved the rights of victims to prove that they were victims, which is a complicated thing, but we did not deal with the situation of child victims. We dealt with victims, but forgot that there was a huge loophole.

Members will recognise that probably every week in their constituency advice surgeries, they have someone in front of them who is clearly in need of help and social care. The problem is that the health service says the person needs social care and the local council says the person needs social care, but they blame each other for not funding it. I will develop the argument a little later.

Adult victims of human trafficking are a central Government responsibility, that of the Ministry of Justice. Unbelievably, children who are victims of human trafficking finish up in local authority homes and, bizarrely, are indirectly the responsibility of the Department for Education. How that works I have no idea. In fact, it does not work.

I do not know of any legislation in which we deliberately set out to treat adults better than children. I return to my example of the 18-year-old who was tricked into coming to Belfast and started off in the restaurant but finished up in a terraced house. It must be an horrendous experience to be repeatedly raped, and many of those people come from countries in central Europe that are deeply religious.

**Mr Steve Reed:** The hon. Gentleman is making a powerful case against what is going on, but is he aware that, according to the police, the most common route by which men who want to abuse women find them is through classified ads—small ads—in local newspapers? Does he agree that Government organisations and publicly funded bodies should seek to exert pressure on those newspapers to abandon carrying such adverts by withdrawing state funding if they refuse to do so?

**Mr Bone:** I am grateful to the hon. Gentleman for raising that important point. It is interesting that the front of the paper will damn human trafficking, and the back of the paper will advertise it. That used to be true, but now advertising tends to be on the internet.

There has always been an argument—I take no view on this—that if prostitution is banned, as has happened in Sweden, human trafficking will stop, and if prostitution is legalised, if I may use that term, as in Holland, there will be human trafficking galore. The truth is, as the record shows, that it does not matter—there is human trafficking in Sweden and there is human trafficking in the Netherlands. People feel very strongly about the issue of prostitution, which is quite right, but to say that if it is banned it will stop human trafficking does not meet the facts. We have to accept that whatever happens we will have to deal with human trafficking.

The slight worry about the Swedish model is that because it happens underground, there is even less likelihood of prostitution being detected and the girls may be subject to even worse treatment than where prostitution is open. I have no view on that, other than to say that the evidence is clear that trafficking carries on in both countries.

Returning to the Belfast situation, human trafficking is usually discovered by members of the public. Neighbours who live in the street suddenly realise that there are a lot of men going into the building at all hours and they never see the people who live there. So they report it to the police and the police raid the property and rescue the girls, at which point the support kicks in, which is what my Bill deals with. The problem is that although those girls might be rescued, the 70 who went before have been moved on.

The frustrating thing about this is that the gangs that do the human trafficking are the same people who do drugs and guns. They know that human trafficking is a better deal because once drugs have been used, they are used up, but a girl can be sold on, time and again. I will tell the House about something that used to happen at Gatwick airport. A girl would come through border control and be met by someone. They would sit in a coffee shop and other men would bid to buy her. That was happening a few years ago.

What frustrates me—I have had this argument with the Government—is that we put a huge amount of resources into fighting drugs and guns but only a tiny



amount into fighting human trafficking. That needs to be addressed. We need to put more money into police intelligence operations, because that is how they discover where the gangs are. When we break these gangs up, we are breaking up the drug and gun gangs at the same time. These are not nice people. They are extremely evil. Also, there are often family organisations involved.

Let us say that some girls come over from Hungary. They come across Europe without any border checks and into this country without any border checks. They arrive in Belfast and work in a restaurant for perhaps two days before being put into prostitution. The argument the traffickers use is to tell the girls that they have to do this to pay back the debt—a made-up amount—that they have incurred in being brought over to this country. This is patently evil.

It is difficult for me to imagine the trauma that these young women go through, but it is absolutely awful. Many of them have never had sex before. There is a case on record of young girls being brought together in a house by a Russian gang for the purpose of human trafficking and one of them refusing to do as she was told. You know what? They executed that person in front of the rest of the girls. Should we not be putting more money into dealing with these people? I think we should.

Let me talk about the problem as I see it. I really want to praise Members on both sides of the House, and particularly the Prime Minister, for what we have already done on human trafficking and modern slavery. The Modern Slavery Act 2015 would not have become an Act if the Prime Minister had not made it a priority. We did so much, but we missed this one thing and, my goodness, it is the old problem of central Government, local authorities and empires.

Let us take as an example a 19-year-old girl who, having been rescued, is looked after by the Salvation Army. In due course, she will become a responsible citizen of this country. But what happens to a 15-year-old child who has never had sex with anyone before but is now being repeatedly raped? What trauma is she going through? Thankfully, the police rescue her, but what is their duty at that point? They have to hand her over to the local authority. There is no requirement for the local authority to recognise her as having been trafficked. It just treats her like a missing or homeless child. There is no special care for her, and that is wrong. These children have been traumatised. They have not simply run away from home because they have had an argument; they have been through the most brutal experience and they need specialised care.

A few years ago I submitted a freedom of information request to all councils to see what they could tell me about children who have been trafficked. Most of them could tell me nothing, because they did not bother to record them, but some did make an effort and were much better. The frightening thing was that the majority of those children had been re-trafficked within about a week, probably to the same evil gang. What happened to those children when they were back in the hands of those horrible people? I presume that they were beaten up and tortured before being put back into that lifestyle and then sold on to somewhere else in the country.

The first problem is that we do not know what happens to those children. That should be the responsibility of Government, and certainly of local government, as I have argued. I just do not accept that children who have

had such a terrible time can be put into local government control. Even the best foster carers, unless they know about human trafficking, cannot possibly deal with them.

I rarely leave this place, because I think that MPs should be here when Parliament is sitting, but I did go to the Philippines with Anthony Steen. The Philippines has a great problem with trafficking, but it deals with child victims so much better than we do. They are put in a safe home, where they could never be discovered, and they are looked after by female staff and they go to school. I had the privilege of meeting a young woman—she was then 21—at her wedding. When she was younger she had been trafficked and repeatedly raped, so she had come through on the other side. I also met someone who had just gone into the system. The poor girl was blind and had had the most horrible existence. The great advantage of that system was that those girls would never be re-trafficked.

We can learn from that example. To the Government's credit, Barnardo's has run a similar pilot scheme, which I think has been a huge success. However, that is where we come up against a problem. Central Government do not want to take on another responsibility and extra cost—that is the attitude we come up against—and local government does not want to lose part of its empire. Come on, Government; that is patently absurd. There is no extra cost, because someone is supposed to be looking after those children. Why not make it the responsibility of the Ministry of Justice? We should treat those children the same way we treat adults by having safe homes for them around the country. There is a huge problem with inter-department squabbling and budgeting, but I argue that we must put all that to one side and do for those children what we do for adults. How can it be Government policy that child victims of human trafficking are treated worse than adult victims?

The Bill will probably not make progress today, but I hope that the principle behind it will be considered seriously. Before concluding my remarks, I will go through the Bill so that hon. Members understand it. It contains only three clauses. Clause 1 amends section 17 of the Children Act 1989 so that children who have been trafficked are no longer the responsibility of the local authority. Clause 2 sets out a duty to provide for child victims of human trafficking—it basically states that we should treat them the same way as we treat adults. Clause 3 deals with the formalities.

While I would like this Bill to move into Committee and to the Lords and become an Act of Parliament, I know that in reality it will not, but I hope that by airing the issue I have moved things forward. Given that we have a Minister who is known for his caring and compassionate attitude, a Government who really have done things about human trafficking, and an Opposition who wholeheartedly support improving things for victims of human trafficking, surely we could all work together. This has been a cross-party movement; the APPG was of course cross-party. It would be a crowning moment, and a recognition of what Anthony Steen did, if in due course the principle of child victims of human trafficking being a responsibility of central Government became a reality.

2.20 pm

**Sarah Champion** (Rotherham) (Lab): I give huge congratulations to the hon. Member for Wellingborough (Mr Bone), who for a very long time has been an

[Sarah Champion]

incredible campaigner on this issue. It is absolutely to his credit that we are debating this Bill, and I wish we had longer to go through it, because it deserves that.

Human trafficking remains a significant and growing problem. It is estimated that there are 20,000 modern-day slaves in this country alone—a terrifying statistic. Members on both sides of the House share a determination that we should do everything that we can to end trafficking, and particularly to support the victims—including children, who are so often overlooked. Recent figures from the National Crime Agency demonstrate all too clearly the scale of the task. In 2014, 3,309 potential victims of human trafficking were reported, of whom 732 were children. That is the highest number since we started recording the figures, and it represents a 22% increase on the number of child victims of human trafficking reported in the previous year.

The impact of exploitation on child victims of trafficking cannot be overstated. I am grateful to the hon. Gentleman for giving some examples. Of the identified child victims in 2014, 32% were trafficked for sexual exploitation. Among trafficked girls, the figure rose to 49%. The exploitation of trafficked children leaves them with highly complex needs that are not being met by current provision. However, despite my concerns, I cannot support the notion of central Government having responsibility for a particular group of children. Transferring this responsibility would leave trafficked children outside mainstream provision of care, which may be discriminatory. Furthermore, I am concerned that it could lead to an even more fragmentary response for victims.

I served on the Modern Slavery Bill Committee, where we heard moving testimony about the dangers faced by trafficked children—in particular, the risk of re-trafficking. Research has shown that 60% of trafficked children in local authority care go missing; most are never found again. Trafficked children who go missing are highly likely to be returned to exploitation. That children identified by the authorities should be allowed to disappear without trace is both shocking and indicative of a failing system.

Despite the passing of the Modern Slavery Act, there has been very little change in the delivery of support to child victims. Only one section of the Act was specifically designed to improve the response to child victims—the introduction of child trafficking advocates—and this is yet to be enacted. In Committee, the Minister clearly recognised the need to implement the provisions as soon as possible, and pointed out that the Government had begun the trial prior to the necessary legislation being passed. It is therefore concerning that despite the passage of the Act and the successful completion of the trial, the Government have delayed the introduction of child trafficking advocates, instead opting to conduct further testing of the model. The need for independent advocates has been accepted by the Government, and the proposals have been trialled and positively evaluated. It is vital, therefore, that the Government now proceed without further delay to implement the scheme nationally.

The Modern Slavery Act was a historic piece of legislation, and the Government should be commended for the commitment they have shown to ending human trafficking, but the task remains incomplete. I urge

them to do everything they can to ensure that child victims of trafficking receive the support they so desperately need.

2.24 pm

**The Parliamentary Under-Secretary of State for Refugees (Richard Harrington):** I, too, pay tribute to my hon. Friend the Member for Wellingborough (Mr Bone) not just for putting forward and speaking for the Bill, but for all the work he has done. As I said when he kindly took an intervention from me, the work that Anthony Steen has done and is still doing is particularly pertinent for me, since it is impossible for anyone to end up at Watford Junction station without seeing his operation there.

I am very short of time, so I will get straight to the point. My hon. Friend's proposal is that the Government should take over dealing with the trafficking of children by placing it under national control in a national organisation, rather than the current situation of dealing with it locally through local authorities. Our contention is that that is not the best way to deal with it. I am afraid I cannot accept his assertion that children are, to use his expression, treated worse than adults.

We have set a clear expectation on local government in caring for children who are trafficked or unaccompanied by making important revisions to the statutory guidance for local authorities. The guidance is clear that unaccompanied asylum-seeking children and child victims of human trafficking are some of the most vulnerable children in the country and that placement decisions

“should take particular account of protecting the child from any continued risk from traffickers, and from a heightened risk of going missing.”

We have also published strengthened statutory guidance on children who run away or go missing from home or care. The guidance clearly sets out the steps that local authorities and their partners should take to prevent children from going missing and to protect them when they do.

The Government have strengthened multi-agency arrangements for co-ordinating and sharing intelligence in relation to vulnerable victims. Such multi-agency safeguarding hubs—or MASHs, as they are called—are being set up across the country and are helping to share information about and to co-ordinate more effectively in safeguarding children and vulnerable adults from harm.

**Mr Bone:** Will the Minister give way?

**Richard Harrington:** I will give way, but I have very little time.

**Mr Bone:** I am sorry that the Minister does not have more time. What he says is really good news, but as the hon. Member for Rotherham (Sarah Champion) said, 60% of such children are re-trafficked. Despite what the Government are doing, local government is therefore failing.

**Richard Harrington:** I am afraid I do not accept what my hon. Friend says about children who go missing. I am happy to discuss that with him separately. [Interruption.] We do not know.

I briefly want to mention one point made by the hon. Member for Rotherham (Sarah Champion) in her very thoughtful speech. I agree with her about bringing in officials to be advocates for such children, but the Home Office is being very careful. It has very recently been decided that further trials are needed. That is not the result of prevarication, as though the Government do not want to act, but because of a fear of not getting it right. We have a one-off chance to do this. The Minister for Children and Families, who is very interested in this subject, is in the Chamber, for which I thank him.

A lot of work is under way. It is not as though the Government are oblivious to the issue. It is most important that children at risk of trafficking and those who have been trafficked do not fall outwith the system or are treated separately from adults. We must continue to deliver at this pace, because the Government will not tolerate the exploitation of any child, whether they are from the UK or foreign-born.

The question my hon. Friend the Member for Wellingborough has asked us is whether we can achieve that aim by transferring responsibility for victims of child trafficking from local to central Government. We believe that that is not the answer, because the work in progress to care for such victims better meets the standards required for vulnerable individuals. We are giving it a lot of resource and doing the work to beef it up—for example, our help for unaccompanied children in Kent—which demonstrates the Government's commitment. There is a ministerial implementation taskforce to consider child protection, so we are not oblivious to the issue.

I have made a careful note of the very good points made by my hon. Friend, but I am afraid that the Government cannot agree to his Bill becoming law for the reasons I have explained. That does not mean that this debate is a spurious use of time, or that he has not made very interesting and relevant points. I hope he does not find it disrespectful that I have to say, reluctantly, that the Government cannot accept his core proposal. He has been in this House for a long time and will understand that it is not possible for us to do so, but he was right to use this opportunity to air the issue. I am sure that some of the points that he raised will be discussed again in the House and be taken into consideration. For that reason—

2.30 pm

*The debate stood adjourned (Standing Order No. 11(2)).*

*Ordered,* That the debate be resumed on Friday 11 March.

## **Business without Debate**

### **FOOD WASTE (REDUCTION) BILL**

*Motion made,* That the Bill be now read a Second time.

**Hon. Members:** Object.

*Bill to be read a Second time on Friday 4 March.*

### **HOMES (FITNESS FOR HUMAN HABITATION) BILL**

*Resumption of adjourned debate on Question (16 October 2015),* That the Bill be now read a Second time.

**Hon. Members:** Object.

*Bill to be read a Second time on Friday 11 March.*

### **CIVIL PARTNERSHIPS ACT 2004 (AMENDMENT) BILL**

*Motion made,* That the Bill be now read a Second time.

**Hon. Members:** Object.

*Bill to be read a Second time on Friday 11 March.*

### **VICTIMS OF CRIME ETC (RIGHTS, ENTITLEMENTS AND RELATED MATTERS) BILL**

*Motion made,* That the Bill be now read a Second time.

**Hon. Members:** Object.

*Bill to be read a Second time on Friday 11 March.*

### **REPRESENTATION OF THE PEOPLE (YOUNG PERSONS' ENFRANCHISEMENT AND EDUCATION) BILL**

*Resumption of adjourned debate on Question (11 September 2015),* That the Bill be now read a Second time.

**Hon. Members:** Object.

*Bill to be read a Second time on Friday 4 March.*

### **MESOTHELIOMA (AMENDMENT) (NO. 2) BILL**

*Motion made,* That the Bill be now read a Second time.

**Hon. Members:** Object.

*Bill to be read a Second time on Friday 26 February.*

### **WORKING TIME DIRECTIVE (LIMITATION) BILL**

*Motion made,* That the Bill be now read a Second time.

**Hon. Members:** Object.

*Bill to be read a Second time on Friday 5 February.*

### **CROWN TENANCIES BILL**

*Motion made,* That the Bill be now read a Second time.

**Hon. Members:** Object.

*Bill to be read a Second time on Friday 5 February.*

### **HOUSE OF COMMONS (ADMINISTRATION) BILL**

*Bill read a Second time; to stand committed to a Public Bill Committee (Standing Order No. 63).*

## Gangs and Youth Violence: London

*Motion made, and Question proposed,* That this House do now adjourn.—(*Simon Kirby.*)

2.32 pm

**Mr Chuka Umunna** (Streatham) (Lab): I have asked just two questions at Prime Minister's questions on a Wednesday since I was elected in May 2010, although I have had various exchanges with the Prime Minister in this Chamber outside Prime Minister's questions. On 7 July 2010, I told the House during PMQs that my constituent, Zac Olumegbon, had been murdered a few days before in a planned attack close to his school. He was just 15. On 8 June 2011, I came straight to the House from meeting the family of my 18-year-old constituent, Nana Darko-Frempong, who had been fatally shot outside his block of flats on the Tulse Hill estate in my constituency just a few days before.

On both occasions, I told the Prime Minister that this loss of life was totally and completely senseless and unacceptable. I said that I did not feel that we were getting to grips with this problem, which has been blighting our inner-city streets. On both occasions, the Prime Minister said that he agreed with me and that the Government would do all they could to stop the tragic loss of life and violence that we see.

Last Friday, more than five years after I first raised this issue with the Prime Minister, another constituent and his family came to my surgery. Last year, my constituent's younger son was stabbed on the same estate as Nana. He has since been taken into foster care in another part of London for his own safety. In recent weeks, his brother was stabbed on another estate in Streatham, critically injured and taken to hospital. He cannot leave hospital because it is deemed too unsafe for him to return home.

Both those sons are victims, like Zac and Nana, of the serious youth and gang violence that continues to grip parts of my community. My constituent had come to the UK with his sons from Somalia, a country ravaged by lawlessness, extreme violence and civil war, because he wanted a better future for his children and for them to be safe. He is completely bewildered by what has happened. When I asked him whether he felt his sons would be safer in Mogadishu than in London, he told me that he felt it would be less dangerous for them to live there than here. He massively regrets moving them to our capital city. That is a damning indictment of the situation on London's streets.

**Ms Karen Buck** (Westminster North) (Lab): My hon. Friend is making an incredibly powerful speech. Two days before Christmas, a young man I had last seen when he was doing work experience in my office was surrounded by a group of 20 youths and stabbed through the heart. He was incredibly lucky to survive. That is just one example of what a Home Office report recently indicated—that gang membership is rising, not falling. Does my hon. Friend agree that this is the worst time for the Government to consider creating insecurity through either their policy on tackling gangs and serious youth crime or their resourcing for it?

**Mr Umunna:** I could not agree more with my hon. Friend. We have worked together on the issue since

I have been in the House, and I pay tribute to her for continuously shining a light on what is happening in her constituency and across London.

I do not want to say any more about the case of my Somali constituents, except to highlight that I have written to Ministers about the family in detail, and I ask—I beg—that Ministers exercise their discretion to grant my constituent's two sons in particular the appropriate papers, which they do not have at the moment, so that they may travel back to Somalia to be with their mother, as the family wishes.

The case illustrates that for all the promises that have been made and all the attempts that local government and national Governments of different political persuasions have made to deal with the problem—I am not making party political points today—we still have a major problem of youth violence and gang culture, which is having an impact on a small minority of our youngsters in inner-city areas such as mine. The *Evening Standard's* "Frontline London" campaign has done a lot to shine a light on that, and it is reporting today yet another murder of one of our teenagers on London's streets.

According to Citizens Report, a not-for-profit independent organisation that carries out data research in this area, 17 teenagers lost their lives to gang and youth violence in London last year. That is an increase on the 11 young people who lost their lives in 2014. It is true that it is not the same level that we saw in about 2008-09—in 2008, 29 teenagers lost their lives on the streets of London—but let us be clear that one life lost is one too many.

Much of the violence is perpetrated by young people who are deemed to be gang-affiliated. Last year's report on gangs and youth crime by the Home Affairs Committee, of which I am a member, noted that there is no comprehensive national figure for the number of gangs or the number of young people affiliated or associated with them. Some question whether we should even use the term "gang". What does it mean? I am grateful to the Centre for Crime and Justice Studies for what it has said about that. However, if we are using that term for the purposes of this debate—I accept that maybe we should not—the Metropolitan police's latest intelligence is that there are 225 recognised gangs in London, comprising about 3,600 gang members. Those people mainly span the ages of 16 to 24, but I know of children much younger than that—I use the word "children" deliberately—who are involved with groups perpetrating acts such as we are discussing.

**Mr David Lammy** (Tottenham) (Lab): I am grateful to my hon. Friend for championing the issue and securing the debate. Does he recognise that the gangs matrix profile shows that, although older young people are being picked up, that is driving down the profile of those who carry knives? Twelve and 13-year-olds are carrying knives for older individuals. That really needs to be examined.

**Mr Umunna:** I am grateful to my right hon. Friend for raising that issue. He is absolutely right. In addition to age is the fact that, increasingly, vulnerable girls and young women become wrapped up in this and are used and abused and exploited sexually. In the short time we have this afternoon, it is impossible to set out all the reasons why young people end up getting involved in

serious youth violence, but there are common themes. My right hon. Friend has spoken about that many times.

**Mr Steve Reed** (Croydon North) (Lab): I am delighted that my hon. Friend has brought this important issue before the House. Does he share my view, which is derived from consulting the communities that are deeply affected by gang violence, that, above all else, they want more of a say and more control over the interventions that are brought to their communities and more control over how resources are used to tackle the problem at source?

**Mr Umunna:** My hon. Friend is absolutely right, and he did very good work as the leader of Lambeth Council, where my constituency is situated. He is an expert in the matter. We have seen the great work the council is doing with its youth community trust, which seeks to do just what he says.

I am struck by the way in which the gang or group that the young people become involved in has become a surrogate family. There are sometimes parenting issues in their actual families, but sometimes there are not. I know of lots of young people who have been involved who come from very strong families. There is an idea that they are in workless households, but sometimes the problem is that two parents are holding down two jobs just to make ends meet and they do not have the time to be there.

The second issue, which is connected, is the lack of things for our young people to do out of school hours. I lose count of the number of community meetings I go to—all my colleagues who have spoken will have had exactly the same experience—when constituents say, “There are just not enough things for our young people to do.” We have to develop the professional occupation of youth work. Youth workers should be seen in the same way as our teachers; they should be put on a pedestal in the same way, because they spend almost as much time, if not more, with our young people.

Often, our young people will want to affiliate with a group because they fear not being affiliated to a group. There is a sense among them that they need to be part of a group for protection.

Another issue is the rampant consumerism that surrounds our young people—my right hon. Friend the Member for Tottenham (Mr Lammy) talked about that in his book following the 2011 riots—and the popular culture that sometimes glamorises the lifestyle that goes with it. I used to be a trustee of a charity, the 409 Project, which unfortunately went under because it did not get funding. We found that money, or specifically a lack of money, was often the cause of the violence and criminality. The young people we dealt with told me how money led to the cycle of robbery and revenge: those who do not have the latest consumer good robbed those who do, but they were equally hard-up. We are not making any excuses—there is no excuse for that kind of violence—but unless we understand why it is happening, how can we hope to prevent it?

Finally, there are not enough jobs for young people, particularly young people who have left education. A disproportionate number of young people who are impacted are people who look like me—black and minority ethnic children. The unemployment rate among our BME

youngsters is 25%. For young black males, it is a staggering 35%, in 2016, when we are the fifth largest economy. That is a disgrace.

What are we to do? First, the Government have to reverse their decision to disband the very important ending gang violence and exploitation peer review network, which I know they are planning to do this April. I praise them for setting it up. It is a good network doing important work. It is a retrograde step to disband it; doing so will seriously compromise efforts to reduce gang and youth violence. If it is being done to cost-cut, I say we cannot put a price on the lives of our young people.

Secondly, there needs to be a far more joined-up approach at both local and national levels. It is a constant challenge: there is the youth offending team, children’s services, education and health. There needs to be a much more joined-up approach at a national level. One of the good things the previous Labour Government instituted—my hon. Friend the Member for Gedling (Vernon Coaker) was the Minister who set it up—was a cross-departmental working group that brought together Ministers to make sure this issue was being looked at in a holistic, joined-up way at a national level. The Prime Minister should forget that the group was set up by the previous Labour Government and reinstitute it without delay. The chair of the group should submit an annual report to the Home Affairs Committee, which could then call on the chair to give oral evidence.

Thirdly, there has to be an increased focus on the very-hard-to-reach youngsters who are out of work. Clearly, there is still more work to be done—just look at the figures.

Fourthly, we have to do much more intensive work in our schools to educate young people and get into their minds. We need to win the argument about what the lifestyle can lead to. We have to offset the glamorised image of what it is to be in a gang with a proper programme of intensive education. There also has to be much more effective enforcement. Every single lever must be used to send a message to key individuals in gangs that their criminal activities will be dealt with and their violence sanctioned—that is the point: sanctioned. If they are never caught and people do not see them being caught, even for minor infringements, they will carry on doing what they are doing.

Finally, I am sure the Minister would be surprised if I did not mention that this work is costly. It costs money and it requires resource. I agree with my constituency neighbour, my hon. Friend the Member for Croydon North (Mr Reed). We have to do this at a local level, but I do not understand how our local authorities can be expected to do it when their central Government grant has been cut by 56%. Youth services are particularly hit—more than any other.

**Mr Steve Reed:** My hon. Friend is making excellent proposals, which I hope the Minister will welcome. He has not yet mentioned the effect of domestic violence. As I understand it, one of the single biggest predictors of a young person becoming involved in violence is that they themselves have experienced, or been subject to, domestic violence in the home, leaving them to grow up without a properly formed sense of right and wrong. Does he agree that more work should be done in the home, early doors, particularly where there are instances of domestic violence?

**Mr Umunna:** I completely agree with my hon. Friend. In addition to domestic violence, we should mention the fact that some issues, particularly in the home and in the family, can arise as a result of substance misuse and mental health issues. Mental health issues are always prevalent in cases like this.

I will finish by saying to the Minister that I do not believe we can put a cost on the life of any young person in London, but ultimately, if the Government invest in this area, they will not have to spend the moneys they would otherwise spend on putting the perpetrators of these acts through the criminal justice system. Once and for all, let us not have to have another debate in the House of Commons—let us deal with the issue.

2.48 pm

**The Parliamentary Under-Secretary of State for Refugees**

**(Richard Harrington):** I congratulate the hon. Member for Streatham (Mr Umunna) on securing this important debate. He has had a very long-standing interest in tackling gangs in London and in his constituency. He explained the background in an extremely eloquent manner and in a way we could all understand.

Tackling gangs and serious youth violence, in both London and in other areas around the country, is of course a priority for the Government. I am aware, and everyone in the House is aware, that gang and youth violence has a devastating impact not just on their victims and their families, but on the communities in which they live. We see young lives wasted, or worse.

On Wednesday 13 January the Government published their refreshed approach to tackling gangs, in a paper entitled, “Ending gang violence and exploitation”. The paper sets out how our approach is focused on both reducing violence, including knife crime, and preventing the exploitation of vulnerable individuals by gangs. The refreshed approach builds on the ending gang and youth violence programme, established by the Home Office in 2012. This was based on a small Home Office front-line team working with an extended network of external experts who would visit a local area and produce a report with recommendations for local action to build local resilience. Since 2012, 52 areas have been part of this programme, including 26 London boroughs.

The programme will end in March, after four years of operation, as the hon. Gentleman said, but it is being replaced by the “Ending gang violence and exploitation” approach, based on what the Government and experts believe is the changing nature of the gang problem. The EGYV programme supports a front-line team of three people and an extended peer review network of more than 80. The peers come from local authorities, the voluntary sector, the police and others with a background in gangs, and are paid to visit local areas and make recommendations. It is then for that area—this brings me to the local point the hon. Gentleman made—to decide how and when to take those forward. As I have said, since 2012, 52 local areas have been visited, reviewed and reported on. Lambeth was subject to one in 2014.

We are now building on that programme. We will not be conducting any Home Office-funded peer reviews, because that has been dealt with, but we have provided the tools for local areas to conduct local assessments based on the same principles. We are committed to keeping peer reviewers, local area leads and other experts together by setting up the ending gang violence and

exploitation forum. The forum will meet regularly—two or three times a year—and allow front-line practitioners directly to advise the Home Office officials of the latest issues and challenges; to share best practice with other practitioners; and to help inform the development of the new approach. It will be set out in more detail at the conference the Home Office is convening on 1 March—very soon—and which will be attended by more than 120 people with expertise in gangs.

**Mr Umunna:** I am grateful to the Minister for touching directly on this point I raised, but the disbanding of the network is a retrograde step. It is not the same as what the Government will reinstitute in its place. The nature of how gangs operate and proliferate changes, which is why we need the constant peer review the network provides. From what I understand and the information local partners have been given, it is basically being replaced by a couple of conferences, two civil servants who have added this to their responsibilities, and a mailbox.

**Richard Harrington:** I thank the hon. Gentleman for his point, but I think I have covered it already. The network is ending, but it is being replaced, so I cannot accept his point.

The hon. Gentleman said there should be a joined-up approach. I would point out that there is an interministerial committee on gangs, chaired by the Home Secretary, which brings together all the Departments. He made a good point, but one that is being dealt with. These interministerial committees, which I have dealt with in other fields, are taken very seriously and attended at a senior level.

**Mr Lammy** *rose*—

**Richard Harrington:** I am sorry; I cannot take an intervention, because of the time.

The Government are moving towards a cross-governmental approach on many things. The Government have identified six priorities to support the refreshed “Ending gang violence and exploitation” approach, based on what has been found and what we have been told—it is not a question of the Government saying, “This is what it will be.” Let me briefly go through the six priorities. The first is tackling “county lines”, which is the exploitation of vulnerable people by gang members to sell drugs. This is linked to urban gangs operating in drug markets in more suburban areas or surrounding towns. Our second priority is to protect vulnerable locations, which is linked to gang-related exploitation and refers to places where vulnerable young people can be targeted—for example, pupil referral units and children’s care homes.

Our third priority is reducing violence, including knife crime, which I will return to in a few moments. Better information sharing is a key part of reducing violence. The fourth priority is safeguarding gang-associated women and girls, who are regarded as being particularly vulnerable. Our fifth priority is to promote early intervention, because we know that intervention can stop young people becoming involved in gang and youth violence in the first place. Our sixth priority is to provide meaningful alternatives to gangs, such as education, training and employment.

Let me turn briefly to knife crime. The Government are aware of concerns about knife crime and we continue to work with the police and other partners to tackle it. Police-recorded knife crime is 14% below what it was in 2010, but it has increased by 9% in the 12 months to September 2015. According to the Office for National Statistics, the picture behind the rise is complex and may be the result of improved recording by the police, a genuine rise in knife crime and a more proactive police response. The Government are reviewing what can be done with the Metropolitan police and other agencies. We have co-ordinated a week of action against knives in February, and the Under-Secretary of State for the Home Department, my hon. Friend the Member for Staffordshire Moorlands (Karen Bradley), is having a round table with retailers, the police and the National Police Chiefs Council on this issue. I should also stress that there are already strict controls on sales of knives to under-18s and how knives can be marketed.

It is also important that we work with the NHS and the voluntary sector, as many victims of knife crime end up in the NHS in our emergency departments. In London alone, the Home Office has awarded more than £1 million to the Mayor's Office for Policing and Crime from the police innovation fund to support information sharing between health services and community safety partnerships.

The Home Office has a clear policy, and the funding is being used to extend the youth intervention programmes run by Redthread, a voluntary sector organisation, in the four major trauma centres in London, which include St George's in Tooting. This work is aimed at young people at hospital with knife injuries. Youth workers based in A&E talk to the young people at the "teachable moment" about what brought them there and whether they can be given support to prevent similar incidents from happening again. We are following the project very closely.

To conclude, I should like to repeat my thanks to the hon. Member for Streatham for securing this debate and providing Members with an opportunity to discuss this important issue, which can have such an impact on communities. I can assure the hon. Gentleman that the Government regard gangs and serious youth violence as a continuing priority and, through the new "Ending gang violence and exploitation" approach, we will continue to work with national and local partners to address this issue.

*Question put and agreed to.*

2.58 pm

*House adjourned.*





# House of Commons

*Monday 1 February 2016*

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

## PRAYERS

[MR SPEAKER *in the Chair*]

## Oral Answers to Questions

### WORK AND PENSIONS

*The Secretary of State was asked—*

#### State Pension Eligibility

1. **Martyn Day** (Linlithgow and East Falkirk) (SNP): What support his Department has made available to women born in the 1950s who are affected by recent changes in the age at which they become eligible for the state pension. [903344]

2. **Ms Tasmina Ahmed-Sheikh** (Ochil and South Perthshire) (SNP): What support his Department has made available to women born in the 1950s who are affected by recent changes in the age at which they become eligible for the state pension. [903345]

7. **Ian Blackford** (Ross, Skye and Lochaber) (SNP): What support his Department has made available to women born in the 1950s who are affected by recent changes in the age at which they become eligible for the state pension. [903350]

10. **Sir David Amess** (Southend West) (Con): What recent representations he has received on the pension arrangements of women aged between 60 and 65. [903354]

14. **Rachel Reeves** (Leeds West) (Lab): If his Department will make an assessment of the merits of options for transitional protection for women who will adversely be affected by the acceleration of increases in the state pension age. [903358]

**The Parliamentary Under-Secretary of State for Work and Pensions (Mr Shailesh Vara):** Working-age benefits are available for those who have not yet reached state pension age. A concession of £1.1 billion was made, and 81% of those affected will see a delay of one year or less. For the rest, the delay will be no more than 18 months. There are no plans for further transitional arrangements.

**Martyn Day:** In 2005, the Pensions Commission said that

“a policy of significant notice of any increase (e.g. at least 15 years) should be possible”

to mitigate the impact of any such changes. I would argue that the start of that 15-year process should be the beginning of the changes in 2010. In effect, the retirement

age for women will be 63 from April this year, so will the Department look again at smoothing out to 2025 the increase in pensionable age for women aged 63 to 66?

**Mr Vara:** The equalisation measures of the Pensions Act 2011 were introduced, and the matter was expedited, to ensure that we covered for the fact that there had to be a sustainable pensions budget. It is also important to remember that people are living a lot longer. We have to take that into account, which is why we had to accelerate the issue.

**Ms Ahmed-Sheikh:** The Minister speaks often of equality, but his Department's policies clearly have a disproportionate impact on so many women in this country. Not only are women born in the 1950s unequally affected by the pension plans, but many women will also lose out under the new single-tier pension rules. Should not the Government act now to allow people to opt to have a year treated as a qualifying year if, by including the income from two or more jobs, that person's earnings are at least equal to the earnings factor for that year?

**Mr Vara:** I remind the hon. Lady of the records we have achieved for female employees. We now have record female employment, at a rate of 69.1%, and there are more than 1 million more women in work since 2010. The number of older women in work is at a record high, with more than 100,000 more than last year. The people to whom the hon. Lady refers are all benefiting from the measures I have mentioned.

**Ian Blackford:** I hope the Minister will answer my question, given that he ignored the one asked by my colleague. Will he apologise formally for the utter shambles his Department has made of communicating the changes to the acceleration phase, as raised by Women Against State Pension Inequality, and for the inaccurate communication to pensioners regarding national insurance contributions? We learned over the weekend that the Government Gateway website is still showing that the pensionable age for women is 60. How does the Minister expect the House—and, indeed, the public—to have confidence in his Department's ability, given that it has failed so spectacularly to communicate and to deliver fairness?

**Mr Vara:** The issue to which the hon. Gentleman refers is isolated and he should regard it as such. The matter has been corrected. It is about time that he took on board all the other arguments that have been raging about this particular issue, rather than a solitary, individual mistake on a website, which has been corrected.

**Sir David Amess:** I fully accept that we are talking about huge sums of money. I was here in 1995 when we first announced the changes, but will my hon. Friend consider whether the Government have taken appropriate action in communicating to women these significant changes so that they can prepare for their retirement? Have the changes been clearly advertised on the Government websites?

**Mr Vara:** The initial changes were made in 1995. Until 2010, when the coalition Government came to office, there had been at least 10 Labour Pensions Ministers, one of whom held the position twice, and they made

absolutely no effort in terms of communication. I want to put it on the record that, as far as the Pensions Act 2011 is concerned, more than 5 million people were written to, including the women affected, using the addresses we had from HMRC. For those who want more information, it is available on the Government website.

**Rachel Reeves:** Many of the women whom we are talking about are caring for elderly parents or young grandchildren. Many have been working since they were 15 years old, and very few of them have significant pension savings. Will the Minister give those women some hope and look at transitional arrangements, such as allowing women who are affected to draw their pension credit early to help them through this difficult time?

**Mr Vara:** A concession was made in 2011. On Second Reading, the Secretary of State said that he would go away and consider matters. He did so, and when he came back he made a concession worth £1.1 billion and reduced the two-year extension to 18 months. In the case of 18 months, 81% of women affected will have to work no more than 12 months.

**Angela Rayner (Ashton-under-Lyne) (Lab):** More than 2.6 million women will be hit by this change, more than 5,000 of them in the Minister's constituency. The least they deserve is to be given the facts to allow an honest debate. We know that the Government considered £3 billion-worth of transitional protection but allocated only £1 billion, as the Minister outlined. In the spirit of an open and honest debate, will the Minister release to the House details of all the options for transitional protection that the Government have considered?

**Mr Vara:** Perhaps an apology should come from the hon. Lady about the fact that there was no element of communication when her people were in power for 13 years. Let us not forget—[*Interruption.*] Precisely! The hon. Lady mentions 1995; she will recall that within two years there was a Labour Government, who were around for 13 years. As I have said, there was no communication from any of the 10 Pensions Ministers. As far as the transitional arrangements are concerned, I responded to the hon. Member for Leeds West (Rachel Reeves) that a concession worth £1 billion was made, and the time period was reduced.

**Sir Edward Leigh (Gainsborough) (Con):** I am not sure that it helps these ladies, some of whom are in very difficult circumstances, for both Front-Bench teams to trade insults. Although everybody accepts that there should be equalisation, I want to mention the case of a widow who came to see me on Friday, who has worked hard all her life but has no occupational pension. Because she paid into the state earnings-related pension scheme, she says that she will lose up to £55,000. That is a real blow for her, because she has little in the way of savings. Is there no way in which we could look at further transitional concessions, or perhaps a cap, so that we could help some of these disadvantaged ladies?

**Mr Vara:** My hon. Friend is absolutely right that we need to discuss the matter in a measured way, but that means that we need to look at it in a broad context. A whole lot of other benefits are available to the women

who may be affected—for example, jobseeker's allowance, employment and support allowance, income support, carer's allowance and the personal independence payment.

Let us not forget that pensions will be uprated. There is the triple lock, and the simplified new state pension will be introduced in April. Pension freedom allows those who have a pension some flexibility. There has been a permanent increase in cold weather payments. The winter fuel payment has been protected, and more than 12 million pensioners benefited from it last year. As far as female employment is concerned, I have mentioned a number of benefits that we have brought in for female employees. It is important that we look at things in a broad context, rather than simply looking at people in the narrow confines that Members prefer to debate in this Chamber.

**Mr Speaker:** No one could accuse the Minister of excluding from his answer any matter that might in any way, at any time or to any degree be judged to be material, and we are grateful to him.

**Barbara Keeley (Worsley and Eccles South) (Lab):** The Minister talks about life expectancy, but he is not giving us the full picture. Life expectancy for women fell in 2012-13, and Salford has some of the worst life expectancy figures in the country. Female life expectancy in one ward in my constituency is only 72 years, and healthy life expectancy is only 54. Why should 1950s-born women in Salford carry the burden of the equalisation of the state pension age given that working until 66 is clearly going to be difficult for them? Those women need transitional arrangements.

**Mr Vara:** The general trend for longevity is increasing. The new state pension will ensure that 650,000 women will receive £8 extra a week. Women live longer and, in the longer run, they will benefit a lot more.

**Ben Howlett (Bath) (Con):** Although I appreciate that emotions are high on both sides, it is important to ask why, in 13 years of government, the Labour party did nothing to address the issue, especially since they knew that women were living longer. Does the Minister agree that a triple-lock single flat-rate pension would be much fairer to women than the old system?

**Mr Vara:** Absolutely. Such a pension will be much fairer. When such passionate comments come up at oral questions and in the various debates we are having on this issue, it is worth remembering that not one party—neither the Scottish National party nor the Labour party—put such a measure in its manifesto. That is because simply to reverse the 2011 measures would cost over £30 billion, and it would cost countless billions more to reverse the change made in 1995. Those parties should be mindful of the fact that the issue was not in either of their manifestos.

### Private Sector Jobs

3. **Damian Collins (Folkestone and Hythe) (Con):** What assessment he has made of trends in the level of private sector jobs. [903346]

12. **James Cartledge** (South Suffolk) (Con): What assessment he has made of trends in the level of private sector jobs. [903356]

**The Secretary of State for Work and Pensions (Mr Iain Duncan Smith):** A record 26 million people are working in the private sector, up over 500,000 in the past year and by 2.7 million since 2010.

**Damian Collins:** Will the Secretary of State join me in welcoming the fact that the unemployment rate in my constituency has fallen by 48% since 2010? Does he agree that the roll-out of universal credit, which came to my constituency on 25 January, is a further fundamental part of our welfare reforms to make sure that everyone can benefit from work?

**Mr Duncan Smith:** My hon. Friend is right that universal credit provides the support and incentives that people need to get back into work. Evidence released a few weeks ago shows that universal credit claimants are more likely to have been in employment, spent a longer time in employment, done more job-search activity and earned more than those on jobseeker's allowance. It is also important to note that, as part of the national roll-out, universal credit has now been rolled out across the whole county of Kent, which includes my hon. Friend's constituency.

**James Cartledge:** I very much welcome the fact that youth unemployment has halved in South Suffolk in the past 12 months and that long-term unemployment is down by over a third. Does my right hon. Friend agree that we cannot be complacent, and that there is an important role for community initiatives? Such an initiative is In2BK2, run by Kingfisher HR in Long Melford in South Suffolk, which takes local small business volunteers to help even more young people and the long-term unemployed back into work.

**Mr Duncan Smith:** I commend my hon. Friend for working with such organisations, about which he has spoken to me in the past. A huge amount of progress has taken place in this area, as he maintains. It is worth noting that, as a result of what we have been doing with the reforms and in working with organisations such as the one he mentions, the youth claimant count is at its lowest level since the mid-1970s, the number of those unemployed is down nearly 300,000 since 2010 and, most importantly, the unemployment rate for those not in education is 5.8%—pretty near the lowest it has ever been. We will carry on trying to get this right, but this is good evidence that welfare reform is working.

**Stephen Timms** (East Ham) (Lab): On 1 November 2011, the Secretary of State issued a press release saying that

“the Universal Credit IT programme is...progressing well with 30% of the new technology required to deliver it now complete”.

Will the Secretary of State tell the House what proportion of universal credit IT has now been completed?

**Mr Duncan Smith:** The roll-out of IT across the country is nearly complete. The roll-out nationally will be complete before April, as I said to the right hon. Gentleman last time he asked exactly the same question. It is always good to have old questions: the old ones are

always the best. The roll-out is progressing well. As he knows, he has an invitation to come and visit the final digital development, which will start to roll all the other benefits into universal credit in May.

23. [903368] **Mr Robin Walker** (Worcester) (Con): In Worcester, unemployment overall is down two thirds and youth unemployment is down three quarters since it peaked under the previous Labour Government. How can we go further and achieve the Prime Minister's aim of eliminating youth unemployment over the long term, and what role can apprenticeships play in delivering that goal?

**Mr Duncan Smith:** There are two elements. The first is that, as my hon. Friend knows, we have introduced a work experience programme, which has been hugely successful in getting young people back into work. When we came into office, people could take work experience through a jobcentre for only two weeks, but we have now increased that to two months—or three months for people who get the chance to have an apprenticeship. Over 50% of those who do work experience have gone back to work.

My hon. Friend is absolutely right that the huge increase in apprenticeships we are now planning will reskill our young people and ensure that the work they do is high skilled, high value and well paid.

#### Life Chances Strategy

4. **Paul Maynard** (Blackpool North and Cleveleys) (Con): What contribution his Department plans to make to the strategy announced by the Prime Minister in January 2016 to ensure that people from all parts of society have equal life chances. [903347]

11. **Luke Hall** (Thornbury and Yate) (Con): What contribution his Department plans to make to the strategy announced by the Prime Minister in January 2016 to ensure that people from all parts of society have equal life chances. [903355]

**The Secretary of State for Work and Pensions (Mr Iain Duncan Smith):** My Department is leading the development of the life chances strategy. The strategy marks our commitment to transforming children's lives by tackling the root causes of poverty—worklessness, poor educational attainment, family breakdown, problem debt and addiction.

**Paul Maynard:** Improving life chances is very important in my constituency, given the high levels of deprivation, which are often linked to ill health. What more can the Department do to help people stay in work when they experience ill health, rather than dropping out and having to engage with the benefits system?

**Mr Duncan Smith:** I commend my hon. Friend on the huge amount of work that he does so tirelessly in his constituency, which I have seen at first hand when visiting projects with him. He is a huge champion for those who have difficulties getting back into work. As he knows, we have introduced the “Fit for Work” programme, which helps employees facing long-term sickness to get back into work sooner and helps employers to get people assessed properly, rather than allowing them to fall away and have difficulties, so that occupational

health can look at them as well as their having a health assessment. That will introduce a new way of looking at people to keep them in work because, as the Department of Health now agrees, work is part of a health treatment and should not be seen as separate. The White Paper that I will bring forward shortly will talk about that.

**Luke Hall:** Does my right hon. Friend agree that family stability is hugely important to life chances? Will he update the House on what his Department is doing to strengthen family and relationship support services?

**Mr Duncan Smith:** I fully agree with my hon. Friend. In the last Parliament, the Department did a huge amount to get better advice and support for those who are thinking about breaking up. We invested over £30 million in relationship support over the last Parliament, which meant that about 160,000 people had access to preventive support. As the Prime Minister announced recently, we are doubling the funding available over the next five years to £70 million. The life chances strategy includes the important aim of strengthening and stabilising family life.

**Frank Field (Birkenhead) (Lab):** I welcome the Secretary of State's approach on this issue. Given that he has taught the House the fundamental point that life chances for most children are determined before they are five, will he bring forward a debate in Government time on how the policy of life chances is developing so that the views of Members can be taken into account before the Government publish the White Paper in the spring or summer?

**Mr Duncan Smith:** I will certainly look at that request. The door is open to the Chairman of the Select Committee on Work and Pensions. He has had a huge part to play. One of his recommendations, which is quite legitimate, is that we look at how we incorporate early years into the life chances measures. We are looking at that and would be happy to discuss it further with him.

22. [903367] **Mrs Madeleine Moon (Bridgend) (Lab):** There is increasing inequality across society for those who are disabled and need access to aids and adaptations. Those who can afford to buy them are fine, but there is a postcode lottery of availability. Is it not unfair, therefore, to look at aids and adaptations in assessments for the personal independence payment? Will the Secretary of State withdraw them from the PIP assessment?

**Mr Duncan Smith:** I say to the hon. Lady, whom I respect enormously, that we are consulting on what changes are necessary to aids and adaptations to ensure that the support, which was always bound into the personal independence payment, gets to those who need it most. That is the critical point. All of us should want to ensure that people get the support they need for the things they need most to get by. The door is always open to her, as it always has been, and I would be happy to discuss this matter further in light of the consultation.

**Chloe Smith (Norwich North) (Con):** My right hon. Friend will be aware of the index published by the Social Mobility and Child Poverty Commission over the weekend and will share my concern that children growing up in the Norwich City Council area have some

of the lowest chances of doing well in life. Does he agree that we should have the highest possible ambition for Norwich children? What does he suggest could be done locally to target that?

**Mr Duncan Smith:** A huge amount can be done locally. Universal support, which is now part of universal credit, is being trialled with a lot of councils to look at the families with the greatest difficulties. It involves councils getting financial support to those families and helping them to sort out drug and alcohol abuse. As they receive the special payments, we expect councils to work with us to ensure that their problems are put right, rather than ignored and left to one side.

**Neil Coyle (Bermondsey and Old Southwark) (Lab):** The Department is responsible for providing support to some people who, sadly, are at the end of their lives and have a prognosis of six months or less to live. Will the Minister update the House on progress to remove the 28-day waiting rule for terminally ill people who are transferring from the disability living allowance to the personal independence payment?

**Mr Duncan Smith:** May I write to the hon. Gentleman about that? We are considering that issue but have not quite made a decision, so I will provide a full answer in due course.

**Debbie Abrahams (Oldham East and Saddleworth) (Lab):** My hon. Friend the Member for Bridgend (Mrs Moon) is right. Poverty affects people's life chances, and disabled people are twice as likely to be living in poverty as the non-disabled population. We know from the Government's own figures that disabled people on incapacity benefit or the employment and support allowance are between two and six times more likely to die than the population as a whole. As my hon. Friend said, the recent consultation to review eligibility for the personal independence payment, just two years after it was introduced, will mean even more cuts for disabled people. That comes on top of the proposed cuts to ESA, the work-related activity group, and the £23.8 billion that has been taken from disabled people as part of the Welfare Reform Act 2012. With 5.1 million disabled people living in poverty, what is the Government's estimate of how many more disabled people will be living in poverty as a result of those measures?

**Mr Duncan Smith:** Even though we have created a new benefit—I believe that PIP is a better benefit than the DLA, and it is far better for those with mental health problems, as many charities and support groups have admitted—we must constantly keep it under review to ensure that the money allocated for it goes to those who need it most. As the hon. Lady knows, a recent court case widened the whole element of aids and adaptations, which would mean that fewer people got the kind of money that they needed. We believe that the personal independence payment is far better, and that it will deliver exactly what we expect to those who need it most. Our job is to support those who need it. The Government that the hon. Lady was part of did absolutely nothing to sort out the mess of the disability living allowance in the whole time they were in power.

### Single-tier Pension

5. **Kelvin Hopkins** (Luton North) (Lab): What estimate he has made of the number of people who will receive a lower state pension under the single-tier pension. [903348]

**The Parliamentary Under-Secretary of State for Work and Pensions (Mr Shailesh Vara)**: Provided that people have at least 10 national insurance qualifying years, they will not receive a lower pension under the new state pension based on their own national insurance contributions than they would have already built up under the current system.

**Kelvin Hopkins**: The truth is that under the Government's new pension system, substantial numbers of pensioners will lose money. Why did the Government turn their face against the obvious solution, which is to move to a much higher basic state pension, backed up by a compulsory state earnings-related scheme for all, with defined benefits?

**Mr Vara**: It is important that the hon. Gentleman appreciates that the new state pension is based on national insurance contributions. He will be aware that for many years many people have contracted out, and a small portion of their national insurance has gone towards a work pension or a private pension. If they add the new state pension to their other pension, which was paid for by national insurance contributions, they will find that in many cases they will be better off than they would be under the new state pension, which is £155.65.

**Andrew Stephenson** (Pendle) (Con): Will not the new state pension remove injustices that have persisted for far too long, benefiting women and low earners especially?

**Mr Vara**: Absolutely. As of April this year, with a new state pension and the triple lock, people will be £1,000 better off than they would have been under the old system whereby pensions were uprated. The triple lock will benefit people by £1,000 by April this year.

### Under-occupancy Penalty

6. **Ms Karen Buck** (Westminster North) (Lab): What evaluation his Department has made of the effect of the under-occupancy penalty. [903349]

**The Parliamentary Under-Secretary of State for Disabled People (Justin Tomlinson)**: The number of people subject to a reduction owing to under occupancy has been reduced by 18% since the introduction of this policy, and has already saved the taxpayer £1 billion. We will therefore be maintaining this policy, and will continue to protect vulnerable claimants who require additional support through discretionary housing payments.

**Ms Buck**: London is by no means the region worst affected by the bedroom tax, but even so, just one in four people affected in my constituency have been able to downsize in the three years since the policy came in. The Government's own research indicates that three-quarters of those hit by the bedroom tax have had to cut back on food, and 46% have had to cut back on

heating. What steps will the Minister take to ensure that those who are unable to downsize their homes are not left cold and hungry?

**Justin Tomlinson**: First of all, the £870 million discretionary housing payments fund has been set aside for this Parliament. The one in four looking to downsize will be welcome news to the 241,000 families in overcrowded accommodation and the 1.7 million on the housing waiting list.

**Mike Wood** (Dudley South) (Con): What guidance is being made available to local authorities on the use of discretionary housing payments so that we can make sure that in exceptional cases, such as when homes have been adapted for disability, they can benefit from the additional money that has been made available?

**Justin Tomlinson**: I thank my hon. Friend for raising that point, which goes to the very heart of it: it provides the flexibility to allow local authorities to work with organisations such as the police, social services and medical professionals. The Local Government Association recently said:

“Councils can bring local services together in a way central government will never be able to in order to ensure no-one falls through the cracks.”

**Dr Eilidh Whiteford** (Banff and Buchan) (SNP): Last week's Court of Appeal ruling that the bedroom tax discriminates against disabled people comes hard on the heels of a ruling in November that the inclusion of carer's allowance in the benefits cap also discriminates against disabled people. The Government have been forced into a climbdown on carer's allowance. Why will they not do the same on the bedroom tax and end discrimination against disabled people?

**Justin Tomlinson**: In fact, it was about whether it is possible to find such exemptions or whether discretionary housing payments give the right flexibility. What we do not want to do is create an artificial line that some people will then just fall beneath and not be able to get support. The £870 million gives the flexibility to work with different agencies. Let us remember: the 1.7 million people on the housing waiting list and the 241,000 families in overcrowded accommodation welcome any moves to help to free up those valuable family homes.

**Dr Whiteford**: That really is just sophistry. The UN Committee on the Rights of Persons with Disabilities is currently investigating the UK for grave and systematic violations of the UN convention on disability rights. Ministers should be thoroughly ashamed that the UK is the first country to face such an investigation. Does the Minister agree that scrapping the bedroom tax is actually the best thing the Government could do to bring their policy into line with articles 9 and 20 of the convention, which ensure accessibility for disabled people, including access to housing, an adequate standard of living and social protection?

**Justin Tomlinson**: We are very proud of our record and refute the allegations of that investigation. I absolutely will not abandon the 241,000 families in overcrowded

accommodation and the 1.7 million on the housing waiting list. They want us to do this and we will carry on doing it.

**Mr David Nuttall** (Bury North) (Con): Does my hon. Friend agree that one effect of this policy is that it saves taxpayers about £500 million a year, and that it is incumbent on those who suggest reversing the policy to explain where they would find that money?

**Justin Tomlinson:** Over the course of this Parliament, it will deliver a saving of £2.5 billion. I suspect that we will be waiting a very long time to get an alternative from those on the Opposition Benches.

**Owen Smith** (Pontypridd) (Lab): In the light of last week's Court of Appeal ruling, will the Minister tell us how many victims of domestic violence the bedroom tax currently discriminates against and what it would cost to exempt them?

**Justin Tomlinson:** I do not believe it does discriminate. Discretionary housing payments are there to make sure that nobody falls under an artificial line. As a Government, we have trebled the support for victims of domestic abuse to £40 million, a measure I think people on all sides of the House welcome.

**Owen Smith:** That is a curious answer, given that the Court of Appeal said that it did discriminate against those victims and that the Government admitted that they discriminated against those victims. I am sure the Minister knows the answer to my question: it is 280 victims of domestic violence and it would cost about £200,000 to exempt them. If he will not tell me that, will he tell me instead how much it will cost him to try to defeat those victims in the Supreme Court? Is it more or less than the cost of exempting them?

**Justin Tomlinson:** This is about doing the right thing and having the flexibility so that people do not fall beneath an artificial line. If this is so wrong, why did Labour Members not introduce this when they brought in the measures for the private sector? It is right to make sure that those who need the support—the vulnerable in society—are given the right support.

### Pensioners' Incomes

8. **Huw Merriman** (Bexhill and Battle) (Con): What steps he plans to take to maintain the level of pensioners' incomes during this Parliament. [903351]

**The Parliamentary Under-Secretary of State for Work and Pensions (Mr Shailesh Vara):** The Government will triple lock the basic and new state pension, top up income to a guaranteed minimum level for the poorest pensioners, and protect benefits for older people, including free eye tests, NHS prescriptions, bus passes, television licences for those aged 75 and over, and winter fuel payments.

**Huw Merriman:** Given that 28% of my constituents are over 65, compared with a national average of 17%, the Minister's answer is welcome news indeed. What steps are the Government taking to ensure that pensioners claim all their state entitlement?

**Mr Vara:** My hon. Friend makes a good point. I can assure him that the Government use a wide range of channels. On pension credit, we believe that one of the best ways to reach people is through community partners, and we provide a web-based pension credit toolkit containing a range of resources to encourage take-up among pensioners. Information and leaflets on other benefits are also available from the Department's offices, advice agencies and local authorities, as well as some post offices and doctors surgeries. Information about all benefits and how they may be claimed is readily available on the gov.uk website.

**Andrew Gwynne** (Denton and Reddish) (Lab): A triple lock of nothing is still nothing. The women of the Women Against State Pension Inequality campaign have been done an injustice by this Conservative Government. We also know that a group of women from 1956 will miss out on the new state pension benefits too. What has the Minister got against women from the 1950s?

**Mr Vara:** The hon. Gentleman has a problem understanding, so I will say this very slowly: as a consequence of the triple lock, which means an increase in line with whichever is highest out of inflation, earnings and 2.5%, when the new state pension comes into place in April, pensioners will get £1,000 a year more than under the old system. As he should remember, Gordon Brown insulted pensioners with a 75p rise, so we will take no lectures from the Opposition on who really cares about pensioners.

### Universal Credit Work Allowance

9. **Chi Onwurah** (Newcastle upon Tyne Central) (Lab): What assessment he has made of the effect on the income of working households of changes to the universal credit work allowance. [903353]

**The Secretary of State for Work and Pensions (Mr Iain Duncan Smith):** The changes to universal credit work allowances form part of a broader package of measures, including the introduction of the new national living wage, the increase in the personal tax allowance and the enhanced package of childcare support. Importantly, the single taper rate of 65% ensures that the benefits of work are clear and that support is withdrawn at a predictable and consistent rate, unlike under the existing tax credits arrangement.

**Chi Onwurah:** The Government were forced into a climbdown over tax credit cuts, but it was only a temporary reprieve, because cuts to the working allowance mean that 2.5 million families will be £1,600 per year worse off by 2020. How can the Secretary of State say that he is making work pay, when low-paid working families are paying the price for his cuts?

**Mr Duncan Smith:** I disagree with the hon. Lady. An independent study has already shown that with universal credit people get into work faster, stay in work longer and progress faster in earnings. She cannot take this in isolation, however; it is worth remembering that the national minimum wage is rising to some £9, and that under universal credit women will get 85% of their childcare costs, instead of 70%. There will be free childcare for poorer people with two-year-olds, and childcare support

for people with three and four-year-olds. The total package is hugely beneficial to people who want to work, which is why, as we get more people back to work, our record will only improve. That compares with the last Government's shocking record: one in five households with nobody in work.

**Nick Thomas-Symonds** (Torfaen) (Lab): It is good to see that the Secretary of State has screwed up the courage to come back to the Dispatch Box to answer some questions.

According to the Government's own advisers, some working families in this country will be £210 a week worse off as a result of cuts to universal credit. That means that someone on the minimum wage working full time will have to work an extra 30 hours a week to make up the difference. The Chancellor of the Exchequer claims that the Conservative party is the party of work. Did he forget to mention there would be 70 hours a week of it for the lowest-paid?

**Mr Duncan Smith:** I do not need any lessons on courage from the hon. Gentleman. What takes no courage is to sit there with a leader who talks about getting into bed with all sorts of extremists. I find that takes no courage whatever. [*Interruption.*] I note that the shadow Secretary of State is shouting, but he has already declared his interest in being the leader of the Labour party when the current leader fails.

The reality is very simple. Even under tax credits right now—this is why the figures of the hon. Member for Torfaen (Nick Thomas-Symonds) do not add up—when circumstances change, people actually have lower payments. The difference between us and the Labour party when in government is that we have cash-protected people through transitional protection so that when they move off tax credits on to universal credit, they will suffer no loss.

### Women in Employment

13. **Lucy Frazer** (South East Cambridgeshire) (Con): What progress he has made on increasing the number of women in employment. [903357]

**The Minister for Employment (Priti Patel):** Supported by this Government's reforms of welfare and the equalisation of the state pension age, there are now more women in work than ever before, with an increase of over 1 million since 2010.

**Lucy Frazer:** It is absolutely vital that after women have had children, they have the option to go back to work if they want to. What steps is the Minister taking to ensure that her Department encourages that?

**Priti Patel:** My hon. and learned Friend is absolutely right. In encouraging more women back into work, this Government are committed to increasing and providing more childcare places. In fact, I look forward to when we this week announce the early adopters of the new 30-hour childcare policy. I think it fair to say that alongside the increase in the national living wage and the increases in the personal allowance, there is more support for women to get back to work and to work longer hours.

20. [903365] **Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): Does the Minister agree that there is a special category of women—women on the autistic spectrum—who find it very difficult to get into employment? With the right kind of support, however, they can make a valuable contribution to our economy. Will the Minister look at Ambitious about Autism, which is launching an employability initiative for people with autism, and give it some support?

**Priti Patel:** Of course the hon. Gentleman is absolutely right. We are working with that organisation. I have been in touch with the National Autistic Society, too, to discuss what more we can do to work with employers and find more employment engagement for people on the spectrum. The hon. Gentleman is also right to highlight the need for more support for women with autism—and that is exactly what this Government are committed to do.

**Richard Graham** (Gloucester) (Con): Increasing the number of women in employment is a key goal for this Government. Many good things are happening, but one thing going on in my Gloucester constituency highlights that more needs to be done—helping women on employment and support allowance back into employment. In that context, will the Minister join me in thanking a partnership called Forwards, which, led by the county council and in tandem with organisations such as Pluss, is making a huge difference to the lives of individuals who are now coming into work for the first time?

**Priti Patel:** I thank my hon. Friend for making that point and for his observations from his own constituency. He is right to say that more support can always be provided for women on ESA, but also for people in general on it. That is why this Government are committed to the reforms that we have outlined. Importantly, we are committed to working in partnership with other organisations, including charitable organisations—as well as local authorities—such as the one my hon. Friend mentioned from his own constituency.

**Mr Jim Cunningham** (Coventry South) (Lab): What is the Minister doing to help women on zero-hour contracts to get tax credits?

**Priti Patel:** The most important and significant thing we have done as a Government in respect of zero-hours contracts is to abolish the exclusivity clauses, which the hon. Gentleman's party, when in government, did absolutely nothing about.

**Philip Davies** (Shipley) (Con): More and more people, particularly women, are taking on caring responsibilities. I thank the Minister for meeting me and Carers Resource from my constituency about this particular issue. Does she agree that it is important for employers to have more carer-friendly employment practices and that we need to do more to encourage that to happen in order to get the best for those people? Will the Government ensure that they do something to recognise the success of those employers who are carer friendly?

**Priti Patel:** My hon. Friend is absolutely right. It was with great pleasure that I met Carers Resource from his constituency. Earlier today I discussed how we can

support and work collectively with that organisation to support more women with caring responsibilities to get employment and also to work with employers to do more to support getting people into work—carers in particular. I look forward to working with my hon. Friend and Carers Resource to see what more we can do to pilot more initiatives locally.

### Workless Households

15. **Andrew Bridgen** (North West Leicestershire) (Con): What progress his Department has made in reducing the number of workless households. [903359]

21. **Henry Smith** (Crawley) (Con): What progress his Department has made on reducing the number of workless households. [903366]

**The Secretary of State for Work and Pensions (Mr Iain Duncan Smith):** The number of workless households is now at its lowest-ever level, having fallen by over 680,000 since 2010.

**Andrew Bridgen:** I welcome that encouraging figure, which means that fewer children are growing up in workless households. Does my right hon. Friend agree that, while ensuring that every family includes a member in work is the best way out of poverty, it also offers a great role model to any children in the household, increasing family stability and thus giving children the stability and security they need to have the best possible life chances?

**Mr Duncan Smith:** I do agree with my hon. Friend. We know that unemployment is one of the causes of family breakdown. Having a family member in work helps to create strong and stable families, which are crucial to giving children the best possible start in life. It is therefore very welcome that the number of workless households in the east midlands—a huge part of which my hon. Friend represents—has fallen by 68,000 since we came to power. I remind my hon. Friend and the House that, notwithstanding all the nonsense that we hear from Labour Members, some 2.5 million children were growing up in workless households when they left office. That is not much of a record.

**Henry Smith:** Will my right hon. Friend join me in welcoming the fact that the number of workless households in the south-east has fallen by more than 50,000 since 2010? Does he share my dismay that Labour Members are still set against welfare reform, and want a high tax, high spending economy to take us back to the pre-2010 days?

**Mr Duncan Smith:** My hon. Friend's question is a strong endorsement of the reforms that have reduced the number of workless households in the south-east by such a large number. Since 2010, the claimant count in Crawley has fallen by 60%, and the youth claimant count has fallen by 75%. Getting people into work clearly has a huge effect. However, my hon. Friend should not be too unkind to the Opposition. I know that many Labour Members who are not now on the Front Bench think that they should be engaging with us on welfare reform, but their new leadership does not believe in that; it believes only in opposition.

**Dr Lisa Cameron** (East Kilbride, Strathaven and Lesmahagow) (SNP): What assessment has the Department made of the barriers that prevent members of households with disabilities from accessing work, and what steps will the Secretary of State take to address them?

**Mr Duncan Smith:** We are increasing the number of advisers in jobcentres, and we are giving advisers much better training. A huge amount of money—more than £100 million—is being invested in training them to look at a wider perspective and a bigger picture, so that they can help those who have difficulties to get into work and support them when they are in work.

It is also important to note that universal credit opens the door to a much better package of support and care, because the advisers do not leave these people. When people receive tax credits they see no one, but from now on, when they go into work, they will be able to come back and see the same adviser. If they have a problem, they will be able to pick up the phone.

This is a hugely positive step, and I congratulate the hon. Lady on her question.

### Topical Questions

T1. [903334] **Dr Rupa Huq** (Ealing Central and Acton) (Lab): If he will make a statement on his departmental responsibilities.

**The Secretary of State for Work and Pensions (Mr Iain Duncan Smith):** We are trialling a new feature of the Access to Work scheme. From today we shall be testing the use of personal budgets, which will allow disabled people who have received grants to decide exactly how and when the money can best be used to support their individual needs. That gives them more choice and more control over the support they receive to help them to start work, to stay in work, or even to start a business.

**Dr Huq:** Last week the bedroom tax was declared unlawful in the Court of Appeal because it discriminated against domestic violence victims and disabled children. However, the Government are set to spend more on appealing against the decision than they would spend on abiding by the ruling. Surely the Secretary of State agrees that that means poor value for the taxpayer, and that this despicable and discredited policy needs to go.

**Mr Duncan Smith:** The hon. Lady ought to check her lines before making statements like that. The truth is that that is not what the Court of Appeal said last week. The debate in the Court of Appeal was about whether we should isolate individual groups and rule them out of the benefit system, or leave it to local authorities to handle the matter with extra money. We believe that, with the extra money that we are giving them for discretionary housing payments, local authorities are quite capable of allowing people to stay when they think that that is necessary, without limitation.

What I really wonder about—and this applies to the Front Bench as well—is the fact that Labour Members never, ever talk about those whom they left in overcrowded homes, on waiting lists, and unable to get decent homes. It was they who introduced this policy; we have merely followed through.



T2. [903336] **Tim Loughton** (East Worthing and Shoreham) (Con): Can the Secretary of State give me some indication of when he will publish the draft regulations on housing benefits for 18 to 21-year-olds? Will he also look sympathetically at exempting from those regulations those who cannot live safely in their neighbourhood where their family home is because of sexual abuse, gang-related activity or overcrowded housing?

**Mr Duncan Smith:** We will publish the draft regulations shortly, although the Welfare Reform and Work Bill has to be passed first. I am very happy to discuss those elements. Of course, there are always exemptions for those who are most in need, and I am very happy to discuss that matter with my hon. Friend if he would like to come and see me.

**Luciana Berger** (Liverpool, Wavertree) (Lab/Co-op): Last week, the Government were significantly defeated in the House of Lords over their plans to cut the benefits of sick and disabled people. More than half the people in the work-related activity group have a mental health condition. They face barriers getting into work as a result of their condition as well as stigma from employers. Will the Secretary of State now accept how utterly unfair and ineffective this proposed cut is, and abandon it?

**The Minister for Employment (Priti Patel):** No one will lose out as a result of the changes we are making to employment and support allowance. Importantly, that means that there will be no cash losers. I think it is worth my reflecting on the point that the Secretary of State made, which is that this Government are focused on supporting those on ESA in a way that the previous Labour Government did not when they introduced the work capability assessment. That is why we have kept the WCA under review. We will announce the publication of a White Paper in the spring that will look into further reforms.

T4. [903338] **Simon Hoare** (North Dorset) (Con): As the chairman of the all-party parliamentary group on multiple sclerosis, may I ask the Minister to join me in applauding the excellent work of the Multiple Sclerosis Society in supporting people with MS? Will he tell us how his Department is supporting people with MS to get into work or to keep their jobs after a diagnosis of MS?

**The Parliamentary Under-Secretary of State for Disabled People (Justin Tomlinson):** I join my hon. Friend in paying tribute to the fantastic work of the Multiple Sclerosis Society. Only two weeks ago, I was at the Swindon branch's 50th anniversary. The society has a huge number of volunteers across the country who are making a difference. Its work toolkit stands out as an example of best practice, both for employers and employees, and I am keen for that to be highlighted and for that best practice to be shared among other organisations.

**Drew Hendry** (Inverness, Nairn, Badenoch and Strathspey) (SNP): The Minister's latest proposals to change the way in which personal independence payments are assessed will be a further blow to disabled people, who have been among the hardest hit by the UK Government's austerity measures. I know from my constituents who are experiencing lengthy delays that

the assessment process is not yet working. Will the Minister abandon these latest proposals, which will narrow disabled people's eligibility for benefits, and instead focus on getting this part of the process right rather than adding complex changes that will reduce the support available to disabled people?

**Justin Tomlinson:** We are doing ongoing work with disability groups and user groups following the Paul Gray review, which flagged this as an area, and we are determined to get a clear and consistent policy as we analyse those consultation responses. The length of time for an assessment has fallen by three quarters since June 2014. It is now down to five weeks for an assessment, and 11 weeks median end to end. That has been a settled position for quite some time now.

T5. [903339] **Mr Alan Mak** (Havant) (Con): Jobs fairs are an effective way for local employers to promote their apprenticeships, which are a key element of this Government's long-term economic plan. Will the Minister join me in congratulating local Havant businesses Fasset, Barratt Homes and Lockheed Martin on supporting my jobs fair later this month?

**Priti Patel:** I thank my hon. Friend for making this point about the great work that is taking place in his constituency. I absolutely endorse his commitment to holding apprenticeship and jobs fairs, because they are the gateway to new jobs and employment opportunities for many young people. I commend him for the work that he is doing.

T7. [903342] **Mr Jim Cunningham** (Coventry South) (Lab): May I ask the Minister to speed up the review process for benefit claimants who have been sanctioned or whose claims are being investigated? Over the Christmas period, a number of my constituents, despite having done everything right, ended up having to borrow money to get through that period because of delays. In some cases, this has happened after the Christmas period as well.

**Mr Duncan Smith:** None of that should actually happen. There are now loans available immediately, so if someone has been sanctioned they are immediately told about hardship loans, which are advertised inside jobcentres. Delay times have fallen to their lowest level ever; they are far lower than they were under the previous Government. If the hon. Gentleman has an individual case in mind, he should write to us immediately or give us a call and we will help to solve the matter straight away.

T6. [903341] **Christopher Pincher** (Tamworth) (Con): Will my right hon. Friend congratulate Tame Plastics and other manufacturing firms in Tamworth that are creating new jobs and apprenticeships? What can he do in areas of low unemployment to turn jobcentres into recruitment agencies for more and better-skilled roles?

**Priti Patel:** My hon. Friend is absolutely right in what he says. There is no doubt that a great deal of work is being done with Jobcentre Plus to support local firms such as Tame Plastics, not only in recruiting new employees but in supporting the skills base that important companies such as this need in his constituency.

T8. [903343] **Patricia Gibson** (North Ayrshire and Arran) (SNP): Last week, the Government suffered another embarrassing defeat in the House of Lords on the proposals to cut ESA WRAG support by £30, which would leave many disabled people in a very difficult financial position. Despite what has been said earlier today, will the Secretary of State now re-examine the arguments put forward by the Scottish National party? Will he categorically give a commitment today that no one will lose out on this critical financial support?

**Priti Patel:** Let me remind the hon. Lady of my earlier comments, when I said that no one currently on ESA will lose out as a result of the changes. Importantly, too, our Government are focused on supporting individuals who have health conditions and are on ESA, which is why those in need would automatically go to the support group.

**Chris Green** (Bolton West) (Con): A jobcentre's role is especially important for those who do not have the necessary support at home. Does my right hon. Friend agree that in addition to the youth obligation, there should be an obligation on jobcentres to offer more specialist support?

**Priti Patel:** My hon. Friend raises an important point: jobcentres have a significant role to play in providing support to young people. That is why we have just started a pilot that takes Jobcentre Plus, with employers, into school to act as a gateway to provide new employment, work experience and work placement opportunities. He has also made the point that the new youth obligation focuses on ensuring that young people are either earning or learning, and do not end up trapped in the benefits system, which is exactly what happened under the previous Labour Government.

**Mark Durkan** (Foyle) (SDLP): We have already heard that the Department has changes afoot in relation to benefits for people with disabilities, not least with the narrowing of the personal independence payment. Are Ministers hoping to extend that to Northern Ireland as well, using the direct rule powers that exist until the end of this calendar year?

**Mr Duncan Smith:** We have no plans to do that, but I am happy to see the hon. Gentleman if he wishes to encourage us.

**Heidi Allen** (South Cambridgeshire) (Con): Following on from the comments about the ESA WRAG changes and the Lords having passed the matter back to us, I welcome the opportunity to look at this again and am excited to see the content of the White Paper. Can the Minister give us any feel at all about the cost recognition for claimants in the future? This is not just about support; it is also about the additional costs that they face to live.

**Priti Patel:** I thank my hon. Friend for the point she raises and her question, and I come back to the comments I made earlier. Importantly, the changes we are making, particularly through the Welfare Reform and Work Bill, show that we are committed to transforming people's lives by supporting more people with disabilities who face barriers to work. This also means an increase in

funding support for those with health conditions and disabilities of almost 15%, and we will bring that forward in the new work and health programme.

**Diana Johnson** (Kingston upon Hull North) (Lab): Will the Minister agree to look at the case of my constituent Mr Beet, who has home dialysis three times a week but is also trying hard to keep his job to support his family? He has been turned down for PIP twice. Does she feel, as I do, that if a person is having dialysis, they are eminently suitable to receive PIP?

**Priti Patel:** I would be very happy to look at this case with the hon. Lady to see what support we can provide her constituent. She makes an important point, which is that he wants to work and therefore should be supported to stay in employment, too.

**Peter Heaton-Jones** (North Devon) (Con): I look forward to welcoming my hon. Friend the Minister for Disabled People to North Devon next month for a Disability Confident event. Does he agree that these are very important events, not only for people with disabilities, to bring them closer to the world of work, but for employers, who do not realise what untapped talent there is?

**Justin Tomlinson:** I thank my hon. Friend for that. I am particularly excited about going to visit his constituency to support his excellent Disability Confident event, and I pay tribute to the other 48 MPs who came into our drop-in event last week and have committed to hold their own events in their constituencies.

**Alison Thewliss** (Glasgow Central) (SNP): Does the Secretary of State believe that the two-child policy and the rape clause are consistent with his Government's obligations under the UN convention on the rights of the child?

**Mr Duncan Smith:** I am quite convinced that the proposals that we bring forward will make it absolutely certain that all those who suffer rape will not be put upon in any way by this proposal.

**William Wragg** (Hazel Grove) (Con): What steps are the Government taking to ensure that all employees are fully informed of the new auto-enrolment pensions?

**The Parliamentary Under-Secretary of State for Work and Pensions (Mr Shailesh Vara):** I can assure my hon. Friend that the Government are working closely with the pensions regulator to ensure that small employees in particular are informed of the new auto-enrolment changes. Online facilities are easy and simple to use for many people. Offline facilities such as leaflets and so on are also made as easy as possible.

**Paul Blomfield** (Sheffield Central) (Lab): The Government have agreed to remove the 28-day waiting rule for terminally ill people who are transferring from DLA to PIP, but for those who are unable to afford to travel to loved ones, or who are worried about bills in their final weeks, it cannot come soon enough. Will the Minister update us on progress?

**Justin Tomlinson:** I pay tribute to the hon. Members for Sheffield Central (Paul Blomfield) and for Bermondsey and Old Southwark (Neil Coyle) and my hon. Friend the Member for Beverley and Holderness (Graham Stuart) for their tenacious and constructive work in this area, which I am delighted to support in full. Subject to the will of Parliament, we intend to make and lay new regulations and, as set out by the Secretary of State, we will write shortly to update Members on that timetable.

**Dr Julian Lewis** (New Forest East) (Con): Will Department for Work and Pensions Ministers hold discussions quite urgently with civil service and Treasury Ministers about the Conservative manifesto commitment to cap very large redundancy payments? Are they aware of serious concerns that, by including early retirement awards in the capping scheme, we may penalise long-serving but low-paid public employees by a measure rightly intended to limit undeserved golden goodbyes to the very highly paid?

**Mr Duncan Smith:** As my hon. Friend knows, that is really a matter for the Treasury, but I am very happy to undertake such discussions. If he would like to add his extra information on this, I would be very happy to take it.

**Joanna Cherry** (Edinburgh South West) (SNP): Half of those receiving employment and support allowance in Scotland qualify through a mental health problem. A report from the Scottish Association for Mental Health, which has a base in my constituency at Redhall Walled Garden, has found that people who are placed in the work-related activity group report “inappropriate

expectations” being put on them, making their mental illness worse. Does the Minister agree that that will be exacerbated by the Government’s proposed changes?

**Priti Patel:** With respect, I say to the hon. Lady that she is wrong. This Government are investing more than any previous Government in providing financial support and in piloting new projects to make sure that those who have mental health challenges and problems are given the right kind of support. We should make the distinction here that this is about not just financial support but the wider support that they get through DWP and the networks and in the community to help them get into work.

**Wendy Morton** (Aldridge-Brownhills) (Con): I welcome the news that nine out of 10 businesses that started with new enterprise allowance support survived for more than 12 months. Will the Minister update us on what further progress there has been in the Government’s efforts to support jobseekers who are looking to start up their own businesses?

**Priti Patel:** I thank my hon. Friend for highlighting the great work and the results of the NEA, which has been an outstanding scheme, supporting more and more people to get into work and start up their own businesses. There is more support going through our Jobcentre Plus network to mentor, help and engage with those individuals who want to start up their own businesses. We have more reviews coming, but the whole House can join me in commending this programme for its success and for how it has enabled people to get on in life and start up their own businesses and become successful.

## NHS Trusts: Finances

3.33 pm

**Heidi Alexander** (Lewisham East) (Lab) (*Urgent Question*): To ask the Secretary of State for Health if he will make a statement on what steps are being taken to improve the financial position of NHS trusts.

**The Parliamentary Under-Secretary of State for Health (Ben Gummer)**: The House will know that in 2014, the NHS itself set out its plans for the next five years, which included a front-loaded funding requirement of £8 billion. As our economy is strong, this Government have been able to honour that request and will be funding it in full, including a down payment of £2 billion in this financial year ahead of the spending review period.

Next year, there will be an increase of £3.8 billion and taken together, we shall, therefore, be providing £10 billion towards the NHS “Five Year Forward View”. Within that context, there are a number of hospital trusts that are running a financial deficit, in large part because of the need to staff wards safely after what was learned in the aftermath of the scandal of Mid Staffs.

It is also the case that the best hospitals have begun to transform along the lines required by the NHS “Five Year Forward View”, but some have not. This has made the management of their finances all the more difficult. NHS Improvement expects that NHS hospital trusts will report an overall deficit for the current financial year, 2015-16. Savings achieved in the rest of the NHS have ensured that this overall deficit will be offset, so that the system as a whole will achieve financial balance.

For the next financial year, NHS Improvement will continue to work with trusts to ensure that they improve their financial position. To help them in this endeavour, the Department has introduced tough controls on the costs of staff agencies, a cap on consultancy contracts, and central procurement rules as proposed by Lord Carter in his review on improving hospital efficiency.

The House should know that the savings identified by Lord Carter come, in total, to £5 billion a year by 2020. The chief executive of NHS Improvement, Jim Mackey, is confident that taken together, these measures will enable hospital trusts to recover a sustainable financial position next year.

**Heidi Alexander**: I am afraid the Minister seems to be in a state of denial. He claims that the settlement secured by the Department of Health in the spending review will sort the financial pressures that hospitals are under, but either he does not understand the scale of the problem or he simply has his head in the sand.

In the past few weeks it has become abundantly clear that hospitals across the country are buckling under the strain of providing healthcare with an inadequate budget. Four out of five hospitals are now predicting a deficit. Monitor is reportedly assembling teams of management consultants to dispatch to up to 25 trusts in need of turnaround, and now we learn that, along with the Trust Development Authority, it has written to every hospital asking it to take urgent steps to regain control of its budget, including

“headcount reduction, additional to the current plan”.

Was the Minister or the Secretary of State aware that this letter had been sent? Did it receive ministerial approval? How many hospitals have subsequently had

meetings to discuss headcount reductions? How many job cuts have been agreed as a result of these meetings? On the one hand the Care Quality Commission is telling hospitals they are unsafe, and on the other, Monitor is telling them to cut staff. So which one is it, Minister? What proportion of these so-called headcount reductions will involve clinically trained staff?

On Saturday the King’s Fund said:

“Three years on from Robert Francis’s report into Mid Staffs, which emphasises that safe staffing was the key to maintaining quality of care, the financial meltdown in the NHS now means that the policy is being abandoned for hospitals that have run out of money.”

Will the Minister now accept that his Government’s financial mismanagement of the NHS has made it impossible for some hospitals to provide safe patient care? Is it not the case that this Government have fundamentally lost control of NHS finances? Is it not clear that the only way Ministers are going make their planned £22 billion-worth of efficiency savings will be to cut staff, cut pay and close services? I say to the Minister that it is time to stop the NHS doublespeak and just come clean.

**Ben Gummer**: The hon. Lady started by claiming that the Secretary of State and I were in a state of denial. Were she to look at the outcomes of the NHS this year compared with the last year that her party was in power, she might consider that the performance of the NHS has improved beyond measure. We have 1.9 million more accident and emergency attendances, 1.3 million more operations, 7.8 million more out-patient appointments and 4.7 million more diagnostic tests. This is an NHS that is performing more procedures, helping more patients and doing more for the people of this country than at any time since its foundation. I would therefore gently suggest that those in denial are her party and her. The service is working hard to try to deliver better patient care in a challenging environment.

The hon. Lady asked a number of subsequent questions about staffing levels and letters sent out by NHS Improvement, and I will endeavour to answer each in turn. She asked about the settlement the Treasury has reached with the NHS, and I would point out that that is precisely the settlement that the NHS itself asked for and that the Labour party refused to endorse at the last election.

The hon. Lady’s second question—or statement—related to the fact that there are teams of management consultants. That allows me to remind her that the numbers of management consultants have been cut considerably—by the previous Government and by this one—in contrast to what happened under the Labour Government, who increased the numbers of managers in the 13 years they were in power. We will make no apology for the fact that NHS Improvement and its constituent bodies are working hard with some of the most challenged providers to help to turn them around and to try to address the issues of efficiency and quality they all have. Is the hon. Lady somehow suggesting that they should not be doing that? Should they not be going around hospitals trying to help those that are not able to control their own finances? Should they not be doing what is needed to try to improve the quality of the care those hospitals provide? If that is her suggestion, it is a quite remarkable one, and one that should be more widely shared with the people she seeks to represent.

The hon. Lady talked about the letter sent out by NHS Improvement. Yes, the Department was aware of it, as it was aware of the letter sent out the same day by Professor Sir Mike Richards, of the Care Quality Commission, addressing the issues of quality that need to be tackled across the service. I know that this is news to Opposition Members, but there are not separate parts of the NHS issuing separate diktats. The letters issued on staffing and other issues in the last few months have been co-signed by Professor Sir Mike Richards, the chief inspector of hospitals, by Dr Mike Durkin, the director of safety at NHS England, by Jim Mackey, the chief executive of NHS Improvement, and by Simon Stevens, the chief executive of NHS England. This is one system addressing the particular problems that are evident in some challenged providers and making sure that those providers level up to the best. If the hon. Lady is not convinced of that, she should look at the co-signatories of those letters to see how they correspond one with the other.

The hon. Lady asked about the line in one of the letters about reductions in headcount. I point her to the reductions in the headcount of administrators that the Government have achieved over the past five years. We have managed to reduce the number of administrators in the NHS by 24,000, while increasing the number of clinicians by 16,000. Would the hon. Lady, while not promising the money to the NHS that it has asked for, ask it to maintain the same level of administrators in the years ahead, or would she back NHS Improvement's plan to find efficiencies across the NHS, precisely so that the money that is spent on administrators can be spent better—on clinicians, on increasing the number of clinicians and on directing resources to the frontline? I know the hon. Lady is earnest in what she says about the NHS, but I cannot believe that she is really riding out in defence of increasing spend on back office at the expense of the frontline.

The hon. Lady asked about safe staffing ratios. She made a number of statements that, in retrospect, she might feel were somewhat irresponsible. The reason for that is that the letter issued about safe staffing in October last year, which built on advice given by the National Institute for Health and Care Excellence, was co-signed by Professor Sir Mike Richards, the chief inspector of hospitals, and by NHS Improvement and its two constituent bodies. It was a co-signed letter because quality and efficiency are two sides of the same coin. Those hospitals that are providing the highest quality of care in this country tend to be those that are also in control of their finances. Likewise, those that are struggling with quality tend to be those that cannot control their finances. If the hon. Lady were to suggest that, somehow, there is a binary distinction between the two—that there is a choice to be made between quality and efficiency—I would gently say to her that she is about a decade behind all current thinking on how a successful health service is run. It is about making sure that quality and efficiency go hand in hand, and the very best hospitals can achieve both.

In all this, the hon. Lady should avoid falling into the trap that her predecessor so often did of assuming that there is some kind of trade-off between quality and efficiency, and also attempting a pretty low-level politicising of the NHS—an approach that was roundly rejected at the last election. I ask her to consider the counterfactual—that were she standing at this Dispatch Box now, having won

the last election, she would not have had the £8 billion to invest in the NHS that we have managed to have, and she would not therefore be able to assure the public of continued improvements in the number of patients treated, an increased number of operations, GP numbers in excess of 5,000, which we have promised to deliver by 2020, record numbers of A&E admittances, and record numbers of out-patient appointments. She would have been able to promise none of that. That is why Conservative Members are proud to reaffirm that we are the true party of the NHS.

**Dr Sarah Wollaston (Totnes) (Con):** We all welcome the front-loading of the NHS settlement, and want to congratulate NHS staff on the extraordinary efforts they are putting in to improve quality, alongside coping with rising demand. If NHS Improvement is tasking management consultants to come in and advise trusts on turning around financial problems, will the Minister also task it with looking specifically at issues of social care and how the interrelation between underfunding of social care impacts on the health economies of local trusts, and with looking at improvement and prevention, because prevention was also noted by Simon Stevens to be unfinished business from the spending review?

**Ben Gummer:** My hon. Friend will be aware of the increase in the better care fund that this Government have introduced and the 2% precept on council tax bills that will deliver increases for social care. She will also be aware that “Five Year Forward View” is a holistic understanding of the healthcare system that includes transformation of the NHS and social care towards that point. That is why we are proud to fund “Five Year Forward View” in the manner that Simon Stevens requested—front-loaded, with £3.8 billion in the next year. The manner of that bottom-up integration over the next few years will ensure that the challenge around social care that my hon. Friend identifies will be addressed in years to come.

**Dr Philippa Whitford (Central Ayrshire) (SNP):** With almost 80% of trusts running a deficit, I am not sure that we can say that it is just failing hospitals that are having problems. The Government talk about giving £10 billion up front, but £2.2 billion of that is already written off in the deficit, and usually budgets are ascribed across the Department of Health, whereas Public Health England and Health Education England are losing money. With the £3 billion that is being clawed back from the areas that are not specifically under NHS England, it is actually £4.5 billion, not £8 billion, that is being put in. “Five Year Forward View” identified public health and prevention as crucial. The Government have a plan to recruit 5,000 extra GPs, but I am not sure how that can be done without Health Education England. The one thing that has so far been shown in evidence to impact on unnecessary deaths is a good, strong ratio of registered nurses to patients, so it is important that we look at how that will be funded. If trusts are not allowed agency or immigrant nurses, how are they going to do this? Why do we not get the National Institute for Health and Care Excellence to finish the piece of work on safe nursing levels throughout hospitals?

**Ben Gummer:** I thank the hon. Lady, who asked some salient questions that I will address. She asked about the deficits across the system. It is true that there are some particularly challenged providers where the heaviest

[Ben Gummer]

deficits fall, and they account for the larger part of the accumulated deficit, but it has been a very challenging time across the system, not only because of the demographic challenges facing the NHS that have got worse in every year of this and the previous Parliaments, but because of the effect of the excessive charges of agencies levied after the increase in staffing levels in the wake of Mid Staffs. To seek to address that area, which makes up the majority of the cost of the deficit, we have brought in the controls not only on agency spend—on locums—but on very high salaries and on consultancy spend. Taken together, that will make a significant difference to hospital trust finances.

The hon. Lady talked about public health. We accept that that is a very important part of achieving “Five Year Forward View”. That is why, over the course of this Parliament, we will invest £16 billion in public health across England, to ensure that we can achieve the kind of transformation that she wishes to see.

On GP recruitment, we intend to have 5,000 additional GPs by the end of this Parliament. I am glad to say that Health Education England is so far meeting its targets in filling those training places. I congratulate its chief executive, Professor Ian Cumming, on the work he has done in that regard.

The hon. Lady mentioned safe staffing and the NICE guidelines. During the process of NICE looking at safe staffing levels, it became clear, as the chief nurse identified, that we need to look more broadly at team staffing levels, not just at individual positions on wards. I think that the hon. Lady in particular will understand that. That is why the chief nurse and Dr Mike Durkin were commissioned together to look at and build on the advice of NICE. The safe staffing guidance, which will be released in the next few months, will show a broader and more complex understanding of staffing levels, which I know the hon. Lady will appreciate from her time on the wards.

I want to be clear that that staffing guidance will be signed off only once it has the approval of NICE, Professor Sir Mike Richards, the Care Quality Commission and Dr Mike Durkin, the head of safety and quality at NHS England. It will require their imprimatur.

**Jeremy Lefroy** (Stafford) (Con): Our experience in Staffordshire is that it takes a medium to long-term plan to put things right. I pay tribute to the work of the staff at the Stafford County hospital and the Royal Stoke University hospital. Will the Minister assure me that any measures put in place, both in Staffordshire and across the country, will take a long-term view and not be driven by the need to cut costs within a financial year? A five-year plan, at the very least, is vital.

**Ben Gummer:** I could not agree more with my hon. Friend. It is important to take a long-term view. That is something that has bedevilled the NHS under all kinds of Administrations since its creation. For the first time, it has a five-year forward view, which means that it can begin to transform properly. The very best trusts in the country, such as that in Northumbria, previously run by Jim Mackey, have been able to do that. We want to bring that kind of excellence to hospitals across England, to ensure that they provide the sustainable staffing and quality levels that my hon. Friend is beginning to see at Mid Staffs after the long-term view taken by that hospital.

**Mr Ben Bradshaw** (Exeter) (Lab): Devon NHS had no deficit in 2010 when we had a Labour Government. It now has the worst deficit in England. What assurances can the Minister give my constituents in Exeter and those elsewhere in Devon that services and waiting times will not deteriorate even further?

**Ben Gummer:** I thank the right hon. Gentleman for his co-operation and help in trying to form the future of the NHS in Devon. This will work only if there is a cross-party effort, and the same is true of the national level. We have particular, urgent problems in Devon, and that means that the deficit will increase unless we take significant local action. That action needs to be led by local clinicians, and I am very glad that they are talking constructively. My job and that of the right hon. Gentleman is to provide support in the coming months so that we can have one plan that we can then implement.

**Stella Creasy** (Walthamstow) (Lab/Co-op): Let me give the Minister an example from my constituency of how some of the challenges are affecting patients. My local hospital of Whipps Cross ended up downgrading the nursing bands in an attempt to save money. As a result, it now has a big crisis in staff morale, the CQC has intervened because of the quality of care, and it has a massive agency bill. Moreover, Whipps Cross University hospital is part of Barts Health NHS Trust, which has the largest private finance initiative deal in the country. It is due to pay back £7 billion on a £1 billion loan, and last year alone it paid out £148 million—half of which was interest—on its PFI deal. What is the Minister doing to help trusts renegotiate such costs and tackle these legal loan sharks of the public sector?

**Ben Gummer:** To ask about PFIs signed by the previous Government is a brave line of attack. I have held a number of meetings about Barts with the hon. Lady's colleagues, and I completely understand the difficulty that she and they—and, indeed, the trust—find themselves in. I had a meeting about Barts this morning. I also had two last week, and I shall be having a further two this week and next week, precisely because I want to see the transformation she needs in her area. I am very happy to discuss that in greater detail with her. In fact, I will convene a meeting of local MPs in the near future.

**Helen Whately** (Faversham and Mid Kent) (Con): The Government rightly front-loaded the extra money that the NHS called for in the “Five Year Forward View”, but it is vital that that money is used to drive transformation, such as the productivity improvement that is needed and the shift of care out of hospitals. Will my hon. Friend assure me that the money will go not just to plug deficits, but to change the way in which services are delivered?

**Ben Gummer:** My hon. Friend is entirely right and speaks from experience. That is why, as part of the spending review settlement, £1.8 billion was set aside as a transformation fund. The principle behind the transformation fund is that the money will go to those trusts that are beginning to show transformation in the way they are running not only their finances, but their whole operations. That is for the betterment of patients as a whole. We have to see transformation; otherwise money will be wasted, as it has been in years previously.

**Keith Vaz** (Leicester East) (Lab): What help and assistance can the Minister give to the ambulance service in Leicester? On Sunday 24 January, 10 of the 25 ambulances that serve the whole of Leicestershire were parked outside A&E at the Royal Infirmary, trying to hand over patients to the staff. On 856 occasions in the last year, ambulances had to wait between two and four hours to hand over those patients. In Leicester we need not more consultants, but a better system of management.

**Ben Gummer:** The right hon. Gentleman raises an issue that has been severe in Leicester, and I am aware of it. I am happy to have a separate meeting with him to discuss the matter and what is being done about it. Across the country, however, we are seeing a rather better performance this winter than last. That is because of the extraordinary amount of planning done by the NHS, and because we are getting better at dealing with the extraordinary pressures that are placed on the NHS in winter. In Leicester, there has been a particular issue. I am aware of it, and I reassure him that it will be fixed in time for next year.

**Jason McCartney** (Colne Valley) (Con): I welcome this urgent question, because clinical and patient decision making in Calderdale and Huddersfield NHS Foundation Trust is being dictated by a catastrophic PFI deal signed in 1998, under which Halifax hospital, which cost £64 million, will eventually cost the taxpayer £773 million. That has led to a proposal to close A&E at Huddersfield royal infirmary. Will the Minister please launch an urgent review into these catastrophic PFI deals? I look forward to exploring the matter further with him in my Westminster Hall debate tomorrow afternoon.

**Ben Gummer:** My hon. Friend should know that that review is already taking place in the Department of Health. We are looking again at the PFI deals that were signed by a previous Administration, who went around the country claiming to be building new hospitals without telling people that they had all been put on the credit card and that the bill would be paid by future generations and, in part, by the NHS itself. That is a great shame, and it has created a great deal of uncertainty for many trusts. I know that my hon. Friend has specific issues in Huddersfield, and we will answer them tomorrow in Westminster Hall.

**Norman Lamb** (North Norfolk) (LD): Will the Minister make it very clear whether he accepts the view of Simon Stevens that if there is a funding gap in social care, which is projected to be the case in 2020 and before, it will simply increase the deficit in the NHS; and that the funding of social care remains “unfinished business”? Does he accept that case?

**Ben Gummer:** I accept the case for the “Five Year Forward View”. Simon Stevens was very clear that the relationship between social care and the NHS needs to be transformed. That called for an additional £8 billion into the NHS, which we have provided, and it required additional money for social care. We have provided that in the better care fund and the council tax precept.

**Mrs Anne Main** (St Albans) (Con): West Hertfordshire Hospitals NHS Trust has been struggling for a very long time. For five of the 12 years from 1998 to 2010,

it registered a deficit, which peaked at £27 million in 2005-06. It is struggling because of a backlog of repairs and maintenance to its elderly estate, through a lack of investment from the previous Labour Government. What more can be done to help hospital trusts that are struggling with a massive backlog of ongoing maintenance?

**Ben Gummer:** My hon. Friend is entirely right. I went to Watford a few weeks ago, and the buildings are in a poor state of repair. They do not enable clinicians to provide the high standards of care that they all aspire to; in many cases, it is difficult to do so. West Herts trust requires additional capital expenditure. I have talked with the trust about how it might realise that, and I am discussing that in the Department at the moment.

**Mr Iain Wright** (Hartlepool) (Lab): I was contacted earlier today by a constituent. She had a scan last Tuesday, and the following day she was told that she required an urgent referral to a gynaecologist within two weeks and that she would be provided with an appointment within 48 hours. That did not happen. This morning, I was told by the NHS that no appointments were available anywhere, and that it had no idea when one would be available. My constituent is frantic.

In an earlier response, the Minister mentioned outcomes and increased numbers of appointments, but the reality of the NHS in 2016, for my constituent and millions like her, is that no funding or staffing is available not just for routine appointments, but for urgent appointments related to cancer. What will the Minister do for my constituent, and how quickly will he get a grip to ensure that appropriate funding is provided for the NHS?

**Ben Gummer:** During the course of the last Parliament and the beginning of this one, we have moved from being one of the worst performers on cancer outcomes in Europe to a position roughly midway in the table. We have done that through making rapid improvements in the work we do with people suffering from cancer. There is a lot more to do, but the money is flowing in and improvements to outcomes are being made. However, if there are individual cases, I will of course look at them, as I know will the Under-Secretary of State for Health, my hon. Friend the Member for Battersea (Jane Ellison), who has responsibility for cancer services. I am happy to take this on as a personal case.

**Henry Smith** (Crawley) (Con): During the past decade, under the previous Labour Government, the healthcare trusts that serve Crawley constituency had chronic deficits, and services such as A&E and maternity were closed at Crawley hospital. Services are now returning to that location. Will the Minister confirm that this Government will invest £10 billion in our NHS over the course of this Parliament, and will he say by how much the NHS is being cut in Wales, where Labour is in control?

**Ben Gummer:** I can confirm that the amount of money available to the NHS will increase by £10 billion over the course of this Parliament. However, this is not just about an infusion of money; it is about concentrating on quality and efficiency across the service. In Wales, not only has money been cut, but there has not been such a concentration on quality and efficiency, which is why outcomes are so much worse in Wales than they are in England.

**Daniel Zeichner** (Cambridge) (Lab): The hospital in Cambridge that serves my constituency, Addenbrooke's, is one of the trusts with the most challenging deficits. Today, it is urging people not to attend accident and emergency, which it explains by saying that it is seeing more and more frail, elderly patients. At the same time, the Conservatives in Cambridgeshire are refusing to levy the 2% that the Chancellor has offered them. We have a crisis in social care and health funding in Cambridgeshire. How can it possibly help hard-pressed staff at Addenbrooke's to hear the instruction that numbers should be cut? Will the Minister assure me, patients and staff in Cambridgeshire that that diktat will be withdrawn?

**Ben Gummer:** No. I cannot assure the hon. Gentleman that we will stop trying to find efficiencies across the NHS. The important thing is to make sure that we channel money right to the frontline, which means doing so in his hospital, as in others. It will sometimes mean finding efficiencies in individual trusts and commissioning groups, and making sure that the money is rediverted. I should say to the hon. Gentleman that the problems at Addenbrooke's go much further than A&E. The hospital is in special measures and there is much to put right. I am confident that that will be managed, under the stewardship of the new chief executive, who has proven himself to be excellent.

**Andrew Stephenson** (Pendle) (Con): Will my hon. Friend the Minister thank the Secretary of State for supporting calls for extra investment in Burnley general hospital? The additional £15.6 million committed last year for a phase 8 development at Burnley general will create a state-of-the-art ophthalmology unit and allow the hospital to centralise all out-patients in one location. Following the new £9 million urgent care centre, this is the latest boost for our local hospital, which lost its accident and emergency department and other key services under the previous Labour Government.

**Ben Gummer:** The reality, as my hon. Friend recounts in relation to his own constituency, is that satisfaction in the NHS is at near-record levels, and that dissatisfaction in the NHS is at record lows. We rank No. 1 in the Commonwealth Fund rankings of hospital and health systems across the world. Far from the picture painted by Opposition Members, the fact is that people feel the NHS is getting better. There is increasing proof that the NHS is safe in the hands of the Conservative party, and it will continue to be so for the next five years.

**Nic Dakin** (Scunthorpe) (Lab): The health economy in north Lincolnshire has been severely challenged for a number of years. When I meet the chief executive and others from the North Lincolnshire and Goole NHS Hospitals Foundation Trust, I get the impression that they are trying run up a finance escalator that is flying down towards them. What can the Government do to help in these circumstances?

**Ben Gummer:** I recognise the problems that the hon. Gentleman has identified at Northern Lincolnshire and Goole Hospitals NHS Foundation Trust and in north Lincolnshire. NHS Improvement is looking at them in detail at the moment. I hope that by working with the trust's existing management, we will see an improvement over the next year. That is the point of what NHS Improvement is trying to do. I reassure the hon. Gentleman

that if Jim Mackey produces the kind of results that he produced in his own hospital trust, his constituents will see NHS outcomes of a quality that has so far eluded them.

**Ben Howlett** (Bath) (Con): I had the great displeasure of seeing at first hand the catastrophe that was NHS Connecting for Health under the last Labour Administration. It was therefore a bit rich of Labour Front Benchers to table this urgent question. Does my hon. Friend agree that this Government have introduced a strong regulatory regime and that joint investigations by NHS Improvement, the Care Quality Commission and Monitor will prevent future contractual failures?

**Ben Gummer:** I can give my hon. Friend that reassurance. Every Monday when I meet leading officials in the NHS, the people in the room are from the Care Quality Commission, NHS Improvement and NHS England. We make joint decisions. That is important because the system has to work as one. If the different parts pull in different places, we will not provide the solutions that we need. That is what has happened throughout the history of the NHS. For the first time, we have a system-wide response to the challenges facing the health service.

**Rachael Maskell** (York Central) (Lab/Co-op): The CQC is downgrading trusts such as York Teaching Hospital NHS Foundation Trust owing to the national NHS staffing crisis. In addition, the trust will have an £11 million deficit for the first time at the end of this year. What risk assessment did the Minister make in respect of patient safety before the Government agreed to endorse NHS Improvement's letter that advises trusts to cut headcount?

**Ben Gummer:** The hon. Lady is wrong. The CQC is not downgrading any trusts. It provides a very important function in the NHS that did not exist before, which is to give open and transparent accounts of how good the quality is in individual trusts. For the first time, patients can see whether their trust is safe, well led and effective. That means that there can be a proper and solid response where there are failings. In too many parts of the NHS, there is not the level of quality that other parts deliver. The CQC shines a light on where we need to improve. Our job, as part of the system with NHS Improvement, is to make those areas measure up.

**Diana Johnson** (Kingston upon Hull North) (Lab): My trust in Hull is predicting a deficit of £21.9 million by the end of the financial year. Following a CQC report a few years ago that criticised the staffing levels in Hull, a huge amount of effort has gone into increasing the staffing levels, but that has come at a cost, especially given the premium that is paid for medical staff. Will the Minister reassure my constituents that we will not return to the staffing levels that the CQC criticised in the past when dealing with the deficit of nearly £21.9 million?

**Ben Gummer:** I can give the hon. Lady that reassurance. When I was in Hull a few months ago, I had a fantastic series of conversations with clinicians—not just those who are leading the hospital, but those on the frontline in the wards—about how to address the staffing challenges in Hull and east Yorkshire. It is tailored responses to the



problems in individual localities that will provide the quality of service in Hull that she wants for her constituents. I am committed, as are the staff in Hull, to ensuring that she sees it.

**Marie Rimmer** (St Helens South and Whiston) (Lab): Will the Minister join me in visiting my local clinical commissioning group, trust and social services? The reason I ask is that St Helens and Knowsley Teaching Hospitals NHS Trust has just been rated “good” in four of the five areas and “outstanding” in care. The chief executive is managing Southport hospital to help there in the interim. She previously helped Warrington out of its problems. We have no problem with our chief executive and our staff are outstanding and work hard. However, we are having to recruit nurses from Spain. There is a wonderful working relationship between the CCG, the hospitals and adult social care, with lots of pooling going on. Nevertheless, Whiston faces a £7 million deficit and that is not down to the PFI tariff. *[Interruption.]* Sorry, Mr Speaker, I will come to the question. Will the Minister please join me for a constructive discussion with those people to see what is happening on the frontline?

**Ben Gummer:** I know that the Under-Secretary of State for public health was in Whiston last year. I was in Manchester a few weeks ago, and I plan to go back there and to the north-west in the next few weeks. I will be doing a regional tour, and I would very much like to meet the hon. Lady and talk to her trust’s chief executive. She raises an interesting point, which is that chief executives in many trusts across the NHS are of exceptional quality. It is often easy to knock managers in the NHS, but there are some fantastic managers, and I am sure that her constituency has one.

**Mr Speaker:** I say to the Minister in all friendliness that I hope the region is aware of his upcoming tour. It sounds a most exciting prospect.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): Will the Minister think carefully about what has happened up and down the country? Health trusts such as mine in Calderdale and Huddersfield have run successfully for many years, but recently—I think this is something to do with the destabilisation of clinical commissioning groups—many problems have entered into the general life of those trusts. In Huddersfield we do not want the closure of A&E in our hospital, or the closure of the main hospital and its replacement by a much smaller one. Will the Minister look carefully and forensically at what has happened in the Huddersfield and Calderdale area? It is not just the whipping boy of the unfortunate independent financial arrangement that was negotiated under John Major but signed under Tony Blair.

**Ben Gummer:** The hon. Gentleman is an experienced Member of Parliament and, as he will know, there was a time when reorganisations and changes in the structure of the NHS, and the way that hospitals were disposed, was very much decided in Whitehall. That changed as a result of the Health and Social Care Act 2012, and such changes are now led by clinicians. The changes to which he alludes—which we will discuss tomorrow in Westminster Hall—are led by local clinicians, and ultimately the Secretary of State must defer to their opinion. An independent

reconfiguration panel judges those changes, and so far the Secretary of State has always concluded that the panel and local clinicians have been correct. That is the right thing to do. In this case I hope and expect that we will do the same, but I will look carefully at the hon. Gentleman’s concerns, and ensure that I take them on board and relay them back to the CCG.

**Liz McInnes** (Heywood and Middleton) (Lab): At Pennine Acute Hospitals NHS Trust, which serves my constituency, A& E attendances are at a record high, and this weekend the local paper carried the headline “Stay away from A&E unless it’s life or death.” The trust is predicting a deficit of £29 million by the end of the financial year, and although staff work hard in difficult circumstances, does the Minister truly believe that that is an example of a successfully run NHS?

**Ben Gummer:** There are many examples of success in the NHS, and hospitals, CCGs and community health organisations are delivering exceptional care within existing budgets. We must ensure that we spread that practice and approach to care across the NHS. Some parts of the NHS are not doing that, but with our ability to level up and “universalise the best”, as Bevan coined it, we will ensure that everyone gets the level of care that those in the best areas of the NHS already receive.

**Andy Slaughter** (Hammersmith) (Lab): Last week Imperial College Healthcare NHS Trust reported a £25 million deficit, and announced a non-clinical vacancy freeze on top of 10% vacancy rates, and above-target use of agency staff. Its solution was to pay its chief executive £350,000 last year to oversee the downsizing of the major local hospital, Charing Cross. What is that other than a short-sighted and dangerous attempt to undermine the NHS?

**Ben Gummer:** Given the hon. Gentleman’s record of statements given to his constituents, whether on housing or hospitals, I would prefer very much comments from the clinicians running Imperial College NHS Healthcare Trust, than I do his own comments about this.

**Christian Matheson** (City of Chester) (Lab): On the one hand, the Secretary of State is suggesting that he wants a seven-day-a-week NHS, which I presume is not an empty slogan, and on the other hand Ministers are calling for headcount reductions. That suggests that we are asking fewer people in the NHS to work longer hours. Does the Minister share my concern that that is a recipe for staff overstretch and increased pressure on staff, and therefore potentially for greater failings for patients?

**Ben Gummer:** If the hon. Gentleman had not mischaracterised the situation, he might have been able to ask a more coherent question. The fact is that NHS Improvement was looking for what savings could be made in back-office functions in hospitals so that that money could be recycled into the frontline. All I can say to him is that under this party the number of clinicians has increased by 16,000 since 2010. That is a record of which we are proud and on which we will continue to build over the next few years.

## Bank of England and Financial Services Bill [Lords]

[Relevant documents: Oral evidence taken before the Treasury Committee on 9 September and 20 and 22 October 2015, on the Bank of England Bill, HC445.]

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

*Second Reading*

4.15 pm

**The Economic Secretary to the Treasury (Harriett Baldwin):** I beg to move, That the Bill be now read a Second time.

Following the financial crisis, the Government fundamentally reformed the UK's system of financial regulation, replacing the failed tripartite system with a set of regulators with clear responsibilities and objectives. We have also taken concerted action to improve conduct across the banking sector, and to deal with the abuses and unacceptable behaviour of the past. The Bank of England has rightly been put back in charge of financial stability, and the Financial Conduct Authority is a watchdog protecting consumers from sharp practices and making sure bankers comply with the rules. Quite rightly, the powers and governance of those important organisations are reviewed closely and the Bill makes some modest changes to them.

The Bill has three main aims. The first is to further strengthen the governance, transparency and accountability of the Bank of England so as to put it in the best possible position to fulfil its vital role in delivering monetary and financial stability. It allows the National Audit Office into the Bank for the first time in its centuries-old history. The second aim is to build on concerted action the Government have already taken to drive up standards in financial services by extending the senior managers and certification regime across the sector, including a tough new duty of responsibility for senior managers. The third aim is to support the creation of a secondary market for annuities, protecting consumers by extending the remit of the Pension Wise guidance service and introducing a requirement which, in effect, ensures that certain individuals who are seeking to sell their annuities have received appropriate financial advice.

**Mr Barry Sheerman (Huddersfield) (Lab/Co-op):** Does the hon. Lady agree that one of the real problems in the culture of banking, which we all want to get right, is the role of auditors? Auditors should have been there, should have spotted the dangers and should have blown the whistle, but they did not. Is it not the case that the Bill still does not address the accountancy profession and auditors?

**Harriett Baldwin:** The hon. Gentleman is right to highlight the importance of auditors. Others in this place will consider the role of auditors in the crash, but I think what he will welcome in the Bill is the fact that the National Audit Office, for the first time, will have the ability to do value-for-money studies within the Bank of England.

**Kelvin Hopkins (Luton North) (Lab):** Following on from my hon. Friend's intervention, does the Minister not agree that one of the fundamental problems with

auditors is that they are always employed, effectively, by the managers of banks or companies when they should be representing shareholders? If they want their contracts renewed, time and again private auditors provide a soft option for managers so that they get the contract next time. As she says, the great thing about the National Audit Office is that it is independent and in the public sector.

**Harriett Baldwin:** The hon. Gentleman is absolutely correct that the Bill focuses specifically on the role of the National Audit Office, one independent arm of government, and the Bank of England, another independent agency. The Bill does not particularly focus on the role of auditors in private companies, but I am sure other parts of Parliament will consider that in this Session.

I turn first to the reforms that the Bill will make to the Bank of England. It introduces evolutionary changes to its governance, transparency and accountability to put it on the best possible footing to discharge its expanded responsibilities. These changes complement those taken by the Bank itself as part of its "One Mission, One Bank" strategic plan. The Prudential Regulation Authority will stop being a subsidiary of the Bank and instead be run by a committee of the Bank; another deputy governor will be able to join the court, the Bank's governing body; and the Treasury will be able to send a remit letter to the Prudential Regulation Committee.

To strengthen the Bank's transparency and accountability to Parliament and the public, we will give the National Audit Office the power to conduct value-for-money studies. Following debates in the other place and with the NAO and the Bank, we have made sure that that important change is implemented in a way that protects the independence of the Bank's policy-making functions and of the NAO.

**Kelvin Hopkins:** I welcome the fact that the NAO will be looking at the Bank, but it will need extra resources to do that big job. Will the Minister guarantee that the extra people employed will represent the shareholders—us and the people we represent—and will not simply come from the banking sector and be soft on banks?

**Harriett Baldwin:** The hon. Gentleman rightly points out the importance of the NAO's having the right resources. I have not had any representations about this particular move, but I am sure it will make its feelings known, should it require those resources.

The Bill also makes changes to the court. We will simplify and strengthen the governance of the Bank by transferring to the whole court the powers previously given to the oversight committee to oversee the Bank's performance. Following discussions in the other place, to help guard against group-think, we have amended the Bill so that a majority of non-executive directors on the court will still be able to initiate reviews of the Bank's performance without needing to secure the agreement of the whole court.

We will integrate prudential regulation more fully into the Bank by ending the PRA's status as a subsidiary of the Bank. The PRA board will be replaced by a new Prudential Regulatory Committee with sole responsibility within the Bank for the PRA's functions. That is modelled on the Monetary Policy Committee and the Financial Policy Committee. We will make these changes while

still protecting the PRA's operational independence, and we will continue to ensure transparency on the amounts raised by the levy and what the Bank spends in relation to its functions as the prudential regulator.

In order to strengthen governance and make the structures of the Bank more consistent, the Bill harmonises the legislation underpinning the Bank's three policy committees: the MPC, the FPC and the proposed PRC. It moves the MPC to a schedule of at least eight meetings a year, from the current 12, and updates requirements for the timing of MPC publications, implementing the remaining recommendations of the Warsh review, entitled "Transparency and the Bank of England's Monetary Policy Committee" and published in 2014.

Alongside these changes, the Bill builds on the existing arrangements and the strong working relationship between the Bank and the Treasury by updating the formal framework for how the Bank and the Treasury should engage with each other on the public funds risks and the financial stability risks of firm failure. These changes will improve co-ordination while maintaining the existing clear and separate roles of the Bank and the Treasury in the event of a crisis.

**Mr Sheerman:** I am slightly concerned that the Bill moves us towards a system of less tension and a cosier relationship between the Bank and the Treasury. That would worry me and other Members. Is it true? I always thought that that tension was healthy.

**Harriett Baldwin:** The hon. Gentleman is right to highlight the importance of the Bank's operational independence, which Gordon Brown introduced in 1997—it was his greatest legacy to our country—but he will note that his colleagues' motion calls for a stronger role for both the Treasury and Parliament and arguably for less independence for the Bank. It is popularly known as the people's quantitative easing, and I hope that the hon. Gentleman will not support his Front-Bench team on the reasoned amendment.

**Kelvin Hopkins:** Following the point made by my hon. Friend the Member for Huddersfield (Mr Sheerman), it would be even more worrying if there were a cosy relationship between the NAO and the Treasury. The NAO should be responsible to this House, and the Treasury should not be able to get its tentacles on the NAO.

**Harriett Baldwin:** The hon. Gentleman is right to recognise that the NAO is completely independent of the Treasury. Although I have a nominal role on the Public Accounts Committee, the NAO is rightly accountable to Parliament.

**Stewart Hosie** (Dundee East) (SNP): I very much welcome the move to turn the PRA into the PRC on a par with the MPC and the FPC. Does the Minister not have any anxiety, however, that that leaves the FCA, the consumer protection conduct of business element, out on a limb, with a different status from the other three committees?

**Harriett Baldwin:** The hon. Gentleman is right to highlight the fact that the FCA is set up completely differently. However, I stress that the similarity lies in the operational independence. When it comes to the

FCA, the Treasury is obviously able to appoint the chief executive and the board, but the operational decisions are for the FCA board, as we have made clear in recent weeks.

Let me move on to the second element of the Bill, which will make changes to the senior managers and certification regime. As hon. Members will know, the Government are committed to driving up standards of conduct across the financial sector, and to tackling the abuses and unacceptable behaviour of the past. That is why the Government are replacing the discredited approved persons regime with a much more robust new system, the senior managers regime, legislated for by the previous Government in the Financial Services (Banking Reform) Act 2013.

I find it quite extraordinary that, in the amendment they have tabled, Opposition Members have seen fit to claim that

"the Bill reduces regulation of financial services".

This Bill is a vital opportunity to remove what the Parliamentary Commission on Banking Standards described as the "complex and confused mess" of the approved persons regime for 60,000 financial services firms, all insurers, FCA-regulated investment firms and all consumer credit firms, and to replace it with the more targeted and robust senior managers and certification regime.

Let me set out the benefits of the new regime; perhaps the Opposition will then reconsider their position. The approved persons regime is a relatively broad, unfocused regime in which all individuals who were considered to hold significant influence functions in the firm, or who dealt with customers, would be subject to the regulators' pre-approval in a tick-box exercise. Crucially, clarity of responsibilities at the top of firms was woefully inadequate. Firms could pass the buck for ensuring the fitness and propriety of their staff to the regulators, and the regulators could take enforcement action only against the individuals they had pre-approved.

The senior managers and certification regime tackles those problems head-on. First, it focuses regulatory pre-approval on senior managers, the key decision makers at the top of firms. It enhances the accountability of these individuals through statements of responsibilities, documents that give clarity on which senior manager is responsible for each area of the firm's business, and through the proposed statutory duty of responsibility that requires senior managers to take reasonable steps to prevent breaches of regulations in their areas of responsibility.

**Mark Garnier** (Wyre Forest) (Con): Does the Minister agree that the senior managers regime will cut through the accountability far more, as the Parliamentary Commission on Banking Standards discovered? The regulatory regime at the time had the effect of forcing senior managers to create ignorance of what was going on within their institutions. The Bill will now absolutely reverse that, so that senior managers must know what is going on within their institutions so that they can take responsibility for infringements of the rules.

**Harriett Baldwin:** My hon. Friend, who was a distinguished member of the Parliamentary Commission on Banking Standards, is right to say that the commission highlighted the fact that the approved persons regime

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made it very difficult to pin down responsibility. The new regime, with its duty of responsibility clearly articulated—every organisation will have that set out when managers are first appointed and on an annual basis thereafter—is a much stronger regime. It also delivers more flexibility in the regulators' enforcement powers, enabling them to impose high standards of conduct through rules applying to individuals, including those whom they have not approved. The expansion of the new regime to all authorised financial services firms will enhance personal responsibility for senior managers, as well as providing a more effective and proportionate means of raising the standards of conduct of key staff more broadly.

Given the improvements that the senior managers and certification regime with the statutory duty of responsibility delivers in terms of senior accountability, the reverse burden of proof is simply not necessary. In extending the new regime to all authorised financial services firms, it is important to consider whether, under these new circumstances, the application of the reverse burden of proof to any or all firms is appropriate. Most of the firms to which the regime will now apply are small, and it simply would not be proportionate to apply it to those firms. By retaining it for the banking sector alone, we would raise serious questions of fairness and competition.

**George Kerevan** (East Lothian) (SNP): Can the Minister explain what has happened in the two and a half years since the 2013 Act was passed—essentially, by a Conservative Government—to change the reverse burden of proof?

**Harriett Baldwin:** As the hon. Gentleman knows, the measures in the 2013 Act are due to come into force on 7 March this year. The position in relation to the reverse burden of proof is becoming increasingly clear. Andrew Bailey said in his evidence to the Treasury Committee, of which the hon. Gentleman is a member:

“I support the change, because what the change does is it turns the process round and puts the judgment back on to us”—that is, the regulator.

“I would rather it does that than have us heading down this tick-box regime with legal questions around it over human rights.

I do not want to come back or have one of my successors come back to you in the future and have to say, ‘I am sorry; we could not use this regime in the way that was intended, because it was always a bit doubtful that we could make it stick’. It is far better we come at this point to you and say, ‘I do not think this has a sufficient probability of being effective’.”

I could supply further quotations, from members of the Parliamentary Commission on Banking Standards in the other place, but I must make fairly rapid progress now.

**Mr Andrew Tyrie** (Chichester) (Con): Will the Minister give way on that point?

**Harriett Baldwin:** I will give way to the Chair of the Select Committee on that point.

**Mr Tyrie:** It surprised a number of members of the Committee when both the Prudential Regulation Authority and the Financial Conduct Authority told us that they supported the removal of the reverse burden of proof. I think that many of us would be in a different place had they not given that evidence.

The Minister has just placed great emphasis on the need for the senior managers and certification regime. Has she asked the regulators for a report on progress in its implementation? If so, will she tell us what it said and put it in the public domain? I have to say, on the basis of what we have heard, that progress is inadequate.

**Harriett Baldwin:** I appreciate my right hon. Friend's contribution, because he has been examining the issue for longer than most. He will know of the points that were made about this topic in the other place. The regime is due to come into force on 7 March 2016, which is pretty soon. The rolling out of the implementation will focus on the larger organisations first, but the Committee and, I am sure, the Treasury will want it to apply in particular to the large, systemically important firms by 7 March.

The third element of the Bill relates to the extension of the important new freedoms that the Government are granting to allow people to take control of their retirement savings. It will help to ensure that consumers who will be able to sell their annuity incomes through the secondary market in annuities are sufficiently supported. There are two key measures. The first will extend the Pension Wise guidance to those who, from April 2017, will be eligible to sell their annuity incomes through the secondary market in annuities. That will include the offer of guidance to those who have a right to an income under the annuity, such as any dependants and beneficiaries as well as the primary annuity holder.

The second measure will require the FCA to make rules to ensure that specified firms check that individuals with annuities above a threshold value have received appropriate financial advice. On 19 January, the Chancellor set out the Government's intention to legislate to place a new duty on the FCA to cap excessive early exit charges. I should like to take this opportunity to announce that that new duty will be introduced as a Government amendment in Committee.

**Stewart Hosie:** The Minister has used the words “guidance” and “advice” almost interchangeably in her last few sentences. Many of us across the House are concerned that it is advice that will be required, particularly by those with rather modest annuities. Can she give a guarantee that what is being offered is advice and not merely guidance?

**Harriett Baldwin:** The hon. Gentleman is absolutely right to highlight that semantic distinction. His constituents and mine want help; they do not know whether they are asking for regulated advice or guidance. He will also be aware that we have carried out a consultation—the financial advice market review—which closed in December. We are now studying the responses to that consultation with a view to seeing whether the current distinction is linguistically, and indeed legally, appropriate. He will hear more on this interesting topic in due course.

The Bill also makes a number of smaller changes. We are legislating to give the Treasury the power to make recommendations to the PRA and the FCA about aspects of the Government's economic policy. Those will be non-binding remit letters. We are also allowing the Treasury to make regulations implementing a more competitive framework for insurance-linked securities business. That will help to preserve London's position as a centre for specialist insurance and reinsurance.

Following debates in the other place, we are also making a change that will support our ambitions for a diverse financial sector by putting consideration of mutuality and other types of business organisation into both regulators' guiding principles. There will also be changes within an existing banking group to authorise a bank to issue banknotes in Scotland and Northern Ireland.

Illegal moneylenders prey on the most vulnerable people in society, causing their victims immense misery. That is why we will act now in the Bill to ensure that illegal moneylending teams have the funding they need to continue to protect consumers and prosecute loan sharks. We will introduce an amendment in Committee to give the Treasury a power to provide financial assistance to persons involved in taking action against illegal moneylending. The amendment will also give a power that allows the FCA to collect a levy from consumer credit firms in order to fund their financial assistance.

In conclusion, the measures that I have outlined today build on reforms to financial regulation and contribute to the Government's commitment to deliver a new settlement for financial services. I see that the hon. Member for Hayes and Harlington (John McDonnell) is now on the Opposition Front Bench. By indicating that they do not support the Bill, the Opposition have put themselves on the wrong side of the argument on a range of sensible measures. By voting against the Bill, they will be voting against stronger governance and transparency in the Bank of England and in particular against making the Bank more accountable to Parliament and the public by giving the National Audit Office the power to conduct value-for-money studies of the Bank. They will be voting against extending the benefits of greater accountability for the senior managers and certification regime to all authorised financial services firms.

By voting against the Bill, the Opposition will be voting against ensuring that consumers who can sell their annuity income through the new secondary market have access to Pension Wise guidance and, where appropriate, take financial advice to support their decision. As well as that, they will be voting against proposals to place new duties on the FCA to cap early exit charges for those eligible to access the pension freedoms and to ensure that illegal moneylending teams have the funding they need to continue to protect consumers and prosecute loan sharks. The Labour party has been wrong on financial services regulation in the past and it is wrong again today. I commend the Bill to the House.

4.39 pm

**Richard Burgon** (Leeds East) (Lab): I beg to move an amendment, to leave out from "That" to the end of the Question and add

"this House, whilst noting improvements made to the Bill in the House of Lords, declines to give the Bank of England and Financial Services Bill [Lords] a Second Reading because the Bill fails to increase oversight and accountability of the work of the Bank of England, because the Bill reduces regulation of financial services and because the Bill removes the reverse burden of proof with regard to personal responsibility in the Senior Managers and Certification Regime which was introduced following the cross-party Parliamentary Commission on Banking Standards and enacted in the Financial Services (Banking Reform) Act 2013; and considers that there is no evidence base to justify the removal of the reverse burden of proof which has not yet been implemented."

The regulation of financial services has been discussed at length and legislated upon in this House since the financial crash, with the Financial Services Act 2012 and the Financial Services (Banking Reform) Act 2013 being passed, and this Bill now being brought to this House. The Bill is made up of two parts: first, amendments to the structures of the Bank of England; and, secondly, regulation of financial services. We believe that the Bank of England should carry out its work in the most efficient way possible, with transparency and accountability in its decision making, serving the interests of the people who have sent us here to represent them. We also believe that senior bankers and others in the financial sector should be effectively and appropriately regulated, in order to deliver a banking culture that is free from the systematic greed and reckless risk-taking that precipitated a bankers' crisis of historic proportions in 2008.

**Cat Smith** (Lancaster and Fleetwood) (Lab): Is it not the case that Labour rescued the banks in 2008 and that now the Conservatives are selling off RBS shares at a loss to the taxpayer?

**Richard Burgon**: I thank my hon. Friend for her intervention, and she is correct. It shows what disregard the Chancellor has for the taxpayers' coffers and the public purse—he is also showing that in his numerous meetings with Google and their shoddy outcome. Financial stability and the effective regulation of our banking and wider financial services industry are vital in ensuring that the sector serves the interests of the whole economy, does not hurt ordinary people or small and medium-sized businesses, and delivers vital investment that our country needs for long-term growth. Getting the balance of regulation right is an important task for any Government, one that Governments around the world have failed to fulfil in the past decade. It is a task that has been attempted since the bankers' crisis of 2008, but today the Government are threatening to set back this task.

The context of the Bill is vital to understanding our concerns, and the reasonable concerns and demands of the public. We are eight years on from the economic crisis—the bankers' crisis, which brought the financial services sector and the country to its knees. Banks that were too big to fail were bailed out by the state.

**John Redwood** (Wokingham) (Con): The hon. Gentleman was not here then, so he can form a dispassionate view. What has he learnt about the mistakes the regulators made under Labour, when we saw all those excesses that he is now talking about?

**Richard Burgon**: I thank the right hon. Gentleman for his intervention. At the time, Conservative Members were calling for even lighter regulation, but what is clear, and what I will illustrate, is that Labour Members have learnt the lessons of the banking crisis but that this Bill shows they have not been learnt by Conservative Members. Eight years on, bankers' behaviour and bankers' bonuses remain in the news. Court cases and institutional fines continue, with hundreds of millions of pounds-worth of fines issued, yet still only one person is in prison, despite all the damage done. Despite a series of commissions and reviews, there remains too little evidence that the lessons of the bankers' crisis have been learnt. We should all know that the public remain angry at what a number of top bankers did to our economy and our society.

**Kelvin Hopkins:** My hon. Friend is making an excellent speech and I strongly agree with it. Was it not astonishing that before 2008 those in the private banking sector did not appear to spot the crisis that was coming? They were too busy making money hand over fist for themselves.

**Richard Burgon:** I thank my hon. Friend, who has extensive experience in these matters, for that. Troublingly, the people who now say there is no risk of a financial crisis ever again were the very same people in the very same sector who were saying before 2008 that everything was fine and there was no risk of disaster at the time. Sadly, how wrong they were! Despite what the bankers did to our economy and our society, about which there was entirely justified anger among the population, the Chancellor has cunningly turned the bankers' crisis into a crisis of public spending, and has adopted a policy of spending cuts to vital services to which there seems to be no end in sight. In looking at this Bill, it appears that the Chancellor believes that he can now turn back the clock in the banking and financial sector.

Under this Chancellor, things are going in the wrong direction. For example, he sold off shares in the Royal Bank of Scotland at a very significant loss to the taxpayer; he appointed Angela Knight, who was head of the British Bankers Association during the financial crisis and who defended the top bankers during the crisis, to head up the Office of Tax Simplification in the Treasury; and he decided he could do without the continued services of the respected chief executive of the Financial Conduct Authority, Martin Wheatley. I am sure that he is delighted with the new appointment, as we have been told by the Minister that Mr Wheatley's successor is fine with the abolition of the reverse burden of proof. I wonder whether Martin Wheatley, who departed prematurely, would have said the same.

The FCA's planned public review into banking culture has now been cancelled, and its investigation into the promotion of tax evasion by HSBC has been brought to a premature conclusion. I know that we will be hearing more about the FCA in another debate this evening.

The Bank of England and Financial Services Bill was originally drafted, according to the Chancellor at a Treasury Committee meeting, to make changes to the Bank of England's structure. One important concern is that it includes a major change to the regulation of senior bankers, undoing a key measure taken after the bankers' crisis to change senior bankers' conduct and to deliver transparency and accountability to financial decision making. I am talking about the presumption of responsibility—or the so-called reverse burden of proof.

We welcome the extension of the senior managers regime to senior managers across all regulated financial firms, but we do not accept the Government's case for ending the presumption of responsibility for the top managers in banking.

The presumption of responsibility, as currently set out, applies to senior managers. It means that, to avoid being found guilty of misconduct when there has been a regulatory contravention in an area for which they are responsible, they will have to prove that they took reasonable steps to prevent that contravention. This Bill removes that onus on senior bankers. The onus is entirely reasonable, proportionate and, as bitter experience tells the British people, entirely necessary. Misconduct and misdemeanours in financial services are not merely a

tale from history. In 2015, for example, the FCA had to fine firms more than £900 million. There was also a LIBOR scandal, foreign exchange fines and the mis-selling of payment protection insurance to the value of up to £33 billion.

**Sammy Wilson (East Antrim) (DUP):** At the conclusion of her speech, the Minister indicated that by voting against the Second Reading of this Bill Members would be putting the public at risk from further bank abuses. Does the hon. Gentleman not agree that, by voting against this Bill and getting it changed so that the reverse burden of proof is put back in place, we are safeguarding against the abuses of the past?

**Richard Burgon:** I thank the hon. Gentleman for putting that necessary point so powerfully. People outside this place will be shocked to hear that, as a result of this Bill, senior bankers in the top firms will have less guards on their personal responsibility.

**Harriett Baldwin** *rose*—

**Richard Burgon:** I do wish to make some progress. [HON. MEMBERS: "Give way!"] I will give way.

**Harriett Baldwin:** I thank the hon. Gentleman for giving way. Further to that point, the measures that he seems to object to so much are in clause 22. Why is he voting against Second Reading when there are many other excellent measures to which he presumably does not object?

**Richard Burgon:** It may be that others can explain to the Minister the real purpose of a reasoned amendment in these circumstances. I think our action is entirely right.

The presumption of responsibility is so reasonable and necessary that the policy was introduced with cross-party support. That should not be forgotten. It was originally proposed by the Parliamentary Commission on Banking Standards, led by the Conservative right hon. Member for Chichester (Mr Tyrie) and Labour's Lord McFall of Alcluith, and it was the Liberal Democrat Lord Newby, a Minister in the Conservative-Liberal Democrat coalition, who moved its introduction into law. I have to echo a point previously made by the hon. Member for East Lothian (George Kerevan), sitting on the SNP Front Bench, that it was passed as recently as December 2013, and the presumption of responsibility has yet to come into effect. It was meant to come into effect in March this year, and it remains untested. We must remember that this was a safeguard brought in by the very same Chancellor who is now seeking to scrap it.

**Mark Garnier:** The presumption of responsibility has not gone. The senior managers regime absolutely includes the presumption of responsibility for everybody in these institutions. The hon. Gentleman may have had a number of conversations with some of the banks being affected by this, as I have, and I served on the banking commission that brought in the reverse burden of proof. What is interesting is that the banks are now complaining bitterly that the reverse burden of proof has now been reversed, because that managed to be a tick-box operation and they now have a much more onerous responsibility for management than they ever

had before. This is a far stronger measure for ensuring probity for the managers of banks than the reverse burden of proof.

**Richard Burgon:** I thank the hon. Gentleman, who is experienced in these matters, for his intervention, but every time we have received correspondence from, and listened to, bankers on this matter, they seem desperate for the reverse burden of proof to be scrapped. They say how dreadful it would be, how it was totally unjustified and that business as usual is fine—that we can just return to things with no risk of a repeat of the financial crisis of 2008. Unfortunately, I believe they are wrong, but we need to remember that this presumption of responsibility, or the reverse burden of proof, was a safeguard brought in by the very same Chancellor who is now seeking to scrap it.

In 2013 the Chancellor said he had

“called for a thorough and intensive investigation into how to improve standards in the banking system and the PCBS has delivered. I am pleased to say that the government will implement its main recommendations.”

Of course one of its main recommendations was this presumption of responsibility.

On that occasion, the Chancellor was not alone. This was his Bill and Conservative Members backed it. Indeed, the right hon. Member for Tunbridge Wells (Greg Clark), then Financial Secretary to the Treasury, clearly explained that his Government were introducing new rules to promote higher standards for all bank staff and were reversing the burden of proof so that bank bosses are held accountable for breaches within their areas of responsibility.

The Conservative Member for Macclesfield (David Rutley) was briefly on the Treasury Committee, and he said:

“It is critical to bringing about the individual accountability that many of us want to see across our financial services sector, with the tough senior persons regime, reversing the burden of proof and criminal sanctions for reckless misconduct. All those steps are vital”.—[*Official Report*, 9 July 2013; Vol. 566, c. 261.]

His party colleague, the hon. Member for North East Cambridgeshire (Stephen Barclay), said:

“I do not think there can be any doubt about the merits of reversing the burden of proof... The Government’s announcement that they will reverse the burden of proof is extremely welcome.”—[*Official Report*, 8 July 2013; Vol. 566, c. 119.]

I could go on, but instead I ask this question: what has changed? What, or who, has so dramatically changed the mind of the Chancellor? At the Treasury Committee in October the hon. Member for Wyre Forest (Mark Garnier) put the question many of us are thinking when he asked the Chancellor whether the proposed scrapping of the presumption of responsibility was “largely as a result of lobbying by the banks, which has the flavour of getting stronger.”

**Grahame M. Morris** (Easington) (Lab): My hon. Friend is making an interesting argument in a powerful speech. Does he agree that the Chancellor had said he had not met the banks in the lead-up to the general election, but apparently he has met bankers on five separate occasions since the general election—presumably to discuss the contents of this Bill? Is he concerned, as I am, that the Chancellor might be the victim of Stockholm syndrome and has become a prisoner of the bankers and their financial interests?

**Richard Burgon:** Of course it is correct that the Chancellor meets senior bankers, but what concerns me and many people outside this place is that the Chancellor appears to be acting in their interests alone.

**Imran Hussain** (Bradford East) (Lab): Following comments made to the media by Robert Jenkins, a member of the Bank’s Financial Policy Committee, that the regulators and their political masters were captured by banking leaders in the run-up to the meltdown, is my hon. Friend concerned that the Bill shows that the Government are still being captured by banking leaders?

**Richard Burgon:** My hon. Friend hits upon an important point. The role of a City Minister, a shadow City Minister and of the Government is not to represent the interests of the City to the population, but to fulfil their democratic function. A Government are not there to take orders from the City of London. Yes, we must listen to the City of London and value its contribution, but we are not its political representatives on earth.

On the Chancellor’s change of mind, the Chair of the Treasury Committee put it well when he asked his Chancellor a very reasonable question: “Why did you not wait for the regime to come into force to enable an assessment of it, how it works, before implementing this further change?” That was an extremely serious question. The change is based on no evidence, which is the worst kind of change.

Banks are having to put significant effort into identifying and establishing new procedures to meet the requirements of the 2013 Act, which received cross-party support in Parliament. The issues were already abundantly clear then, but now the Conservative Government have performed a dramatic U-turn and are not willing even to test the procedures that they initially supported. It is rare for an important measure to be abolished before it has even been introduced.

How will the public feel when they learn that the Chancellor is scrapping a duty on senior managers in banks—a duty that was welcomed as necessary on a cross-party basis—before it has even been implemented? The public’s deep concern about the behaviour of some senior bankers should extend to the Chancellor, who, it appears, is doing the bankers’ bidding, not the bidding of the British people. Do not the Chancellor and the Government understand the widespread anger of the public and their mistrust of the banking system? The public are right to remember that, because of the bankers’ behaviour, people whom this House is meant to represent lost their homes and their jobs. We should never forget that it was the bankers’ crisis that caused the deficit that this Government have relied upon as their justification for their political choice to cut our public services, cut funding to our local authorities, cut the incomes of working people and cut support for the most vulnerable people in our communities.

**Mark Garnier:** The hon. Gentleman is being generous with his time. I am sorry to be a pedant, but in 2005 there was a £43 billion budget deficit. There was a deficit long before the banking crisis, and there was a structural deficit that the banking crisis brought out.

**Richard Burgon:** I appreciate the hon. Gentleman’s pedantry. With respect, he makes a point that does not bear too much political scrutiny. The global financial

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crash caused the huge increase in the deficit and stalled the economy. It also gave the Government the opportunity to carry out their long-harboured ideological desire, decades old, to cut public services and wither away the state.

The Bill comes to us from the other place, where there was considerable debate at every stage. The Bill has changed, following a number of amendments proposed by the Government. In our reasoned amendment, we recognise those changes as improvements, and they are welcome, but the Bill has not changed significantly enough. As I mentioned, the Bill is in two parts, and on the first part—on the Bank of England's structures—we recognise that the Government have made some positive movement, although it is insufficient. We recognise that they have moved on aspects of the oversight powers of the Bank's court of directors, but the directors' forum for discussion—the oversight committee—remains abolished.

We also recognise that the Government have moved on the proposed power of veto for the Bank's court of directors over National Audit Office investigations, but the memorandum of understanding referred to in the Bill remains under negotiation and unpublished. On other aspects, in the House of Lords, there was no agreement. I wrote to the Chancellor asking that the memorandum of understanding be presented to this House during the passage of the Bill. I am glad to say that the Economic Secretary responded, explaining that it is not yet complete and is subject to ongoing discussions between the Bank and the National Audit Office. She explained that she will write to the Governor of the Bank of England and the Comptroller and Auditor General at the National Audit Office to see whether they will be in a position to share the draft memorandum of understanding during the passage of the Bill. In such an important matter, it can only be right for the House to have sight of that crucial memorandum of understanding. Any other approach would be a cause for concern.

The Bill replaces the Prudential Regulation Authority with a new Prudential Regulation Committee. Peers on both sides—including Government peers—expressed concern that that represented a downgrading and threatened a loss of independence.

As I have discussed at length, the Bill also replaces the presumption of responsibility with a duty of responsibility. Opposition peers challenged that on Report, and the Government's measure scraped through by only 200 votes to 198. If I believe what I am told by the Minister, scrapping the presumption of responsibility is entirely uncontroversial and entirely reasonable. Unfortunately, that is not the case, and the issue gives us particular cause for concern in the wider context of the Chancellor's new settlement with financial services.

We need a healthy and effective banking sector that is appropriately regulated, that serves the interests of the whole economy, that does not hurt ordinary people or small and medium-sized businesses, and that delivers the vital investment our country needs for long-term growth. The Conservative Government climbdown on the presumption of responsibility, which they previously supported, will hinder, not help, the fulfilment of those ambitions. Personal responsibility is vital for the operation of our regulatory systems. The Chancellor's policy U-turn

reduces exactly the personal responsibility that the Parliamentary Commission on Banking Standards recommended in its 500-page report. Scrapping a key measure before it has even had the chance to be tested makes no sense—unless, of course, the Chancellor is just following bankers' orders. The startling and precipitous scrapping of a widely welcomed measure shows that there is a very real risk of failing to learn the lessons of the bankers' crisis.

Our concerns go much wider than the presumption of responsibility, to the role of the Governor, the work of the FCA and the programme of selling off, for example, Royal Bank of Scotland shares at a loss to the taxpayer. The Chancellor's whole approach says, "Let's get back to business as usual." However, it was the bankers' business as usual that brought Britain to the brink; it was the bankers' business as usual that caused the deficit. Returning to business as usual will make another financial crisis even more likely, with disastrous consequences for those we are meant to represent in this place, and that—to clear up any confusion on the part of the Minister—is why we are asking the Government in our reasoned amendment to think again today.

Several hon. Members *rose*—

**Madam Deputy Speaker (Natascha Engel):** Order. Before I call the Chairman of the Select Committee, may I remind Members that there are 12 Members wishing to speak in the debate, and that there is an important Backbench Business Committee debate to follow, so if everybody restricts themselves to 10 minutes, including interventions, everybody will get in, and we will have plenty of time for the Back-Bench debate. To set an example, I call the Chairman of the Treasury Committee, Andrew Tyrie.

5.4 pm

**Mr Andrew Tyrie (Chichester) (Con):** I fear that I may disappoint you slightly in that regard, Madam Deputy Speaker, but I will do my very best—unless you were giving an instruction from the Chair.

First, I want to find a point of agreement. I strongly agree that there is still widespread mistrust of the banks. A great deal of damage has been done, and it is agreed that there is a lot more work to do to sort it out, but there is a lot more work for the banks to do as well, to demonstrate that they are worthy of trust. The recent conduct scandals and the IT failures are just two examples of how much further we have to go.

Rather than talk in great detail about each clause of the Bill, I thought it might be helpful to take advantage of this Second Reading debate to say something more generally about the progress we have made on regulation. Last time a banking Bill was brought before Parliament—in 2012—it legislated for the ring fence. On behalf of the Treasury Committee, I asked the Government to think again, describing the Bill as "defective", with parts of it being "virtually useless". They listened to what the Committee said and changed the Bill, and adequate electrification of the ring fence is now part of the legislation.

This time, there is no need for a fundamental rethink. This Bill goes very much in the right direction. It brings the Bank of England more up to date as an institution, and in doing so it should greatly improve the scope for making it accountable to Parliament and the public.



In 2011, the Committee published a report on these matters, and a high proportion of the proposals in this Bill originate or have roots in that report.

This is the sixth piece of legislation the House has been asked to look at in response to the financial crisis. As I said, before examining the specific measures, it is helpful to keep all this in perspective. Banking supervision has been rethought and fundamentally reconstructed three times in the past 30 years—that is a heck of a lot in a historical perspective. The Bank of England initially resisted most of these changes. First, it resisted the creation of the Board of Banking Supervision in the wake of Johnson Matthey. Then, in 1998, it complained that it had not been consulted about the creation of the new supervisory body, the Financial Services Authority. On that occasion, perhaps it was right. Gordon Brown's creation of the FSA separated banking supervision from central banking and brought in a new "light touch" approach to supervision embodied in the principle, "We'll make some clear rules, and if you comply with them we won't interfere." That all sounded very reasonable, but it left far too much scope for irresponsible buccaneers to pursue reckless business strategies, sometimes egged on by myopic shareholders.

At the same time, the Bank decided to define its role much more narrowly and concentrate on its new responsibility for monetary policy. In doing so, it was seduced by the benign economic conditions at the time, which it called "the great moderation". Just as bad, it was reassured by the audited but nevertheless misleading and, in some cases, useless accounts of the big banks. The Treasury Committee is trying to do something about inadequate auditing right now. The Bank neglected its financial stability responsibilities right through the period up until 2007, and it failed to rise to the challenge when liquidity seized up in that year.

Perhaps worst of all, the statutory responsibilities of the FSA and the Bank created a large supervisory gap. Nobody paid enough attention to the banking system as a whole, even when it was known, for example, that the banks were becoming excessively reliant on wholesale deposits for funding. In principle, the gap was to be filled by the so-called tripartite, backed by a memorandum of understanding. In practice, the tripartite was considered an irrelevant backwater by all three parties involved, and we later learned that the heads of the three bodies never met prior to the crisis. Parliament was largely asleep on the job; we were all looking through a glass darkly. Some raised voices of concern, including Vince Cable, who is no longer a Member, and, on several occasions, my right hon. Friend the Member for Hitchin and Harpenden (Mr Lilley). For what it is worth, I argued vigorously that the tripartite was an accident waiting to happen and that the Government were neglecting systemic risk. Those were all partial warnings; there was nobody with a comprehensive picture.

The multiple failures of 2007-08 were not just the result of bad supervisory arrangements aggravated by a complacent Government and a sleepy Parliament. Nearly everybody who had responsibility in the field failed—and to some degree, in my view, they are still failing—including directors, managers, credit risk analysts and auditors. Shareholder discipline, in particular, was and is still lacking.

Limited liability brings a limited sense of responsibility, but it implies an unlimited liability for taxpayers, and the bail-outs have added to moral hazard. They have

made it essential that the objectives and organisation of banking supervision be fundamentally rethought. Hence we have got to where we are now—twin peaks. Put crudely, supervision is back with the banks, and the FCA is responsible for conduct. Twin peaks, and particularly ring-fencing with electrification, is and remains an experiment. Experiments need particular care, and that means a particular responsibility for Parliament to keep an eye on it.

A number of issues already present themselves for attention. For example, it is becoming clear that prudential risk management is about not just adequate capital on the balance sheet, but proper conduct of business. The shocking treatment meted out to customers has triggered massive fines. UK banks have paid about £30 billion in fines in redress since 2009. In theory, those fines should be enough to wake up even the sleepest shareholder, but so far they have not done so, or certainly not enough. The systemic implications of conduct risk also make it essential that the Bank of England and the FCA be better co-ordinated than they were in the days of the calamitous tripartite. Parliament needs to keep a close eye on that.

Most important of all, the Bank has huge new powers, some of which are enhanced by the Bill. How it runs itself can no longer be left to the Bank; it is a matter of considerable public importance. That is why the Treasury Committee has been pressing for years that the Bank should abandon the style of governance that Alistair Darling memorably characterised, whether fairly or not, as the

"court of The Sun King."

It needs a modern board, one fit for the 21st century.

That is where the Bill comes in: it does a good deal of the statutory heavy lifting required to enable a modern board to be created. Its main effect is to rationalise the demarcation between the Bank court and the Bank executives, which previously contained some curious anomalies that were created after 2007-08 by on-the-hoof policy making by both Governments.

The Prudential Regulation Authority will no longer be a subsidiary of the Bank, but part of the Bank. The Financial Policy Committee will no longer be a sub-committee of court, and the oversight of the executive will be the responsibility of the court itself, rather than a sub-committee. Even though it was not called a sub-committee, it was, in fact, a sub-committee, and a weaker committee than the court.

The Bill also provides for the appointment of another deputy governor. I would say in passing that, over the 300 years that the Bank has been around, it has managed to rub along quite well with one deputy governor. In 1998, it acquired a second one, then the Financial Services Act 2012 gave it a third, and now we are told that it needs a fourth. I just wonder how many this old lady really needs.

It is greatly to the credit of the current Governor and deputy governors that they have grasped the importance of being required to explain themselves in greater depth before Parliament. The Bank's initial resistance to the Treasury Committee's 2011 proposals, now embodied in the Bill, have largely evaporated. It has grasped the fact that with accountability can come enhanced authority. Far from weakening the Bank's effectiveness, scrutiny and explanation can enhance it.

[Mr Andrew Tyrie]

The Bill also provides for the Comptroller and Auditor General to have, for the first time, a role in the audit of the Bank's accounts. That sounds sensible at first blush, and it was an easy win for the Chancellor on Budget day, but I think it flatters to deceive and we certainly should not expect too much of it. The National Audit Office lacks the expertise to do that kind of work, and I think it is already trying to rectify that by hiring some people, so there is an extra public expenditure cost involved.

I am sure the NAO can learn the skills, but there is a bigger risk: it is essential that the Comptroller and Auditor General should not be induced, whether by accident or design, to bring pressure on the Bank in a way that could adversely affect the decision making of the three policy making committees, or their funding. That is not an idle concern. After 1997, I am told, with the changes that had been made and the transfer of supervision to the FSA, the Bank was encouraged by the Treasury to save money. Foolishly, the Bank cut back the amount that it spent on financial stability, and lost some of its institutional experience of financial crashes—high-quality people—as a result. An idea that might have looked like good value for money at the time turned out, in retrospect, to be a big mistake. I hope that the NAO treads carefully, strong value-for-money man though I am.

There is a risk that the over-mighty Governor problem will be reinforced by the removal of the PRA's subsidiary status. The independence of the PRA—or the Prudential Regulation Committee, as it will now be—is essential. A single point of systemic risk, in the Governor, has been created and will remain. Parliament will need to keep alert to protect the PRA's independence.

On that score, I believe that more transparency could help. I have a proposal off my own bat, not on behalf of the Committee; I have not yet discussed it with Committee colleagues. The PRA could consider making more of its rulings available, not only to the managers of companies affected but to shareholders—they are the people who are supposed to be responsible for these companies' affairs. That would mean making that information public. At the same time, it would reveal, and provide an opportunity to challenge, the PRA's reasons for its rulings. I have said that that should be considered; there is a lot more to think through before it can be done.

In the meantime, the PRA appears to be accepting a related and more modest proposal from the Treasury Committee, which relates to banking competition. It is well known that challenger banks, which are new in the market, can be impeded by onerous capital requirements. A few weeks ago, I wrote to the chief executive of the PRA to suggest that the average of capital requirements of established banks be published, together with the average of capital requirements of challengers, so that a comparison could be made between the two. I am pleased to say that the PRA is looking into that.

At the heart of the Bill is the strengthening of the court. A strong board is needed to ensure that the policy committees are doing what they should be doing, and it will need to be forthcoming when the Treasury Committee asks for technical and other support for our scrutiny work. When we need information, reports and, occasionally, investigations, we will expect the court to be co-operative.

Before I sum up, I will raise one relatively minor issue that has not been touched on. The court, despite our request, has not been renamed the board of the Bank of England. That is a mistake. What is in a name? I am a strong supporter of most traditions, except when they get in the way of good outcomes, and this one is on the cusp, at best. Perhaps the Chancellor, who likes 18th-century history, has been too swept up in 18th-century court politics and cannot bear to lose the name, but I think that it is time it went.

With six relatively new pieces of legislation to implement, some time should pass to allow their effectiveness to be established. A lot of legwork will be required from supervisors and regulators to implement them all. A couple of quick examples will suffice. First, regulators have not reached the point where they can allow a bank to fail, and they have told us as much in evidence. What does that mean? It means that the taxpayer could still be at risk. Secondly, several banks still seem too big to manage. That poses a threat to financial stability and increases the risk of misconduct. The proposals of the banking commission were designed to address that problem directly. Detailed implementation towards certification, in particular, has been pretty sluggish so far. I am concerned that the Minister is not pressing more vigorously to make sure that certification and the senior managers regime will be fully implemented and to time.

I would like to end with a broad observation. With all this legislation, we are making some huge demands on the Bank and the FCA, and we may be close to the point of regulatory and supervisory overload. By that, I mean that the Government and Parliament could be raising expectations of what they can achieve to a point where they will never be perceived to have succeeded. We need to ask just how much national regulation can achieve in an open financial world. The truth is: perhaps not that much, and certainly less than many people think. We probably cannot stop the next financial crisis. The best we can hope for is to delay it, to reduce its impact by developing somewhat stronger institutions, including financial institutions, and to give us a better prospect that regulators are a bit more alert and prepared than they were in 2007-08.

In the long run, competition must take more of the regulatory strain. In markets for most products and services, customers can vote with their feet and barriers to market entry are tolerably low. Businesses with weak balance sheets or poor customer standards go to the wall. Neither of those is yet the case in banking. We are a long way from the point where competition can be a full substitute even for conduct regulation in banks, and the contagion risk inherent in the banking system would make supervisory withdrawal and reliance on market disciplines even more hazardous. Until competition is much stronger and market discipline more of a restraint, there will be no substitute for a strong and sometimes interventionist Bank of England and an effective conduct regulator.

Overall, although with some weaknesses, the Bill takes a step in the right direction—the direction of strengthening that framework—which is why I will vote for it on Second Reading.

Several hon. Members *rose*—

**Madam Deputy Speaker (Natascha Engel):** Order. Let us see whether the SNP spokesperson can give us a better definition of what constitutes 10 minutes. I call George Kerevan.

5.21 pm

**George Kerevan** (East Lothian) (SNP): I will try to do so, Madam Deputy Speaker.

It is always a great pleasure to follow the right hon. Member for Chichester (Mr Tyrie), who chairs the Treasury Committee. Ninety-nine times out of 100, I would bow to his wise words. Indeed, his repository of knowledge often leads me to think that he should be one of the regulators, rather than sitting on the Back Benches in Parliament. However, in this instance, it pains me that I cannot follow him or the hon. Member for Wyre Forest (Mark Garnier).

I will try to get the right hon. Member for Chichester to understand why those of us on the Opposition Benches cannot accept the Bill as it stands. Fundamentally, it is about the shift away from the reverse burden of proof. Given the backlog of distrust on the banking system and given that the reverse burden of proof was put into legislation and is just about to come into operation in March, to shift away from it now will only make the public less likely to accept what is going on and to make them fear that the banks are being let off the hook yet again. I would say to him and the Minister that it would have been much better to let the legislation run for a few years to see how it worked in practice.

The right hon. Member for Chichester gave us a very good reason for saying that, after so much legislation, it was perhaps time to pause while we made sure that it works in practice. However, his argument can be turned against him, because we are changing legislation at the last moment, after we passed it two years ago, but not implemented it. We should do that: we should see how the reverse burden of proof works. That is why I support the hon. Member for Leeds East (Richard Burgon) in opposing the Bill as it stands.

**Sammy Wilson:** Does the hon. Gentleman accept that one piece of evidence about why the reverse burden of proof would have been an effective brake on the excesses of the banks is the fact that bankers themselves are not keen on it? They knew that it would be an effective tool and were fearful of it.

**George Kerevan:** I am trying to avoid pointing the finger and drawing inferences. What I will do, in agreeing with the hon. Gentleman, is to quote the right hon. Member for Chichester. I hope he will forgive me for doing so. When the LIBOR scandal emerged in 2014, after the Banking Commission, he said:

“As time passes, the pressure for reform will weaken”—  
it is, is it not?—

“The old system failed disastrously... Maintaining or resuscitating parts of the failed system, whether at the behest of bank lobbying or for the convenience of regulators, must not be permitted to happen.”

I think we are getting both: we are getting bank lobbying, but we are also getting the regulators wanting a quiet time.

The hon. Member for Wyre Forest made a reasonable point. He said that by extending the senior managers and certification regime, the Bill will place in law a very

detailed duty of responsibility on senior bankers to take all reasonable steps to prevent wrongdoing. However, at the same time, it will place the onus on the regulators to prove that that responsibility was discharged. Suddenly, it gives the regulators a job—

**Helen Goodman** (Bishop Auckland) (Lab): And no resource.

**George Kerevan:** Absolutely.

As the right hon. Member for Chichester pointed out, time after time when there have been regulatory failures, the regulators have been implicated. I therefore do not want to return to a situation in which it is up to the regulators to prove that something has gone wrong in the new regulatory regime, when they are partly responsible for it. I want the onus to fall on the bankers themselves.

It is worth looking more forensically at the reasons against the presumption of the reverse burden of proof. Andrew Bailey has argued that there is a worry that when the next crisis comes along, senior bankers will rush off to the European Court and claim that their rights under the European convention on human rights are being taken away because of the reverse burden of proof. That is rubbish.

The Parliamentary Commission was perhaps a little unwise to use the phrase “the reverse burden of proof”, even though we all use it and I use it. We are not talking about criminal law and making people guilty until proven innocent. We are talking about infractions in banking if, say, a banking crisis takes place. The legislation that the Government are trying to change would make it an infraction to be responsible for an activity in which wrongdoing took place, rather than for committing the wrongdoing itself. To give a flippant example, if it is a criminal offence to be in charge of a bawdy house, the prosecution needs to prove only that somebody was in charge of that house of ill repute, not that they were selling their own body. It would be no defence that they thought the bawdy house was a nunnery.

The reverse burden of proof regime makes managers responsible for the activity in their banks. When a disaster takes place, it is up to them to prove that they failed to stop it happening, rather than, as has always been the case, it being up to the regulators to find the solution and explain what happened, which means that everyone hides behind collective responsibility.

**Mark Garnier:** The hon. Gentleman is making an extraordinarily intelligent speech, but he has just hit on the key point. It is possible for bankers to provide a tick-box operation, which their lawyers have advised them on, to prove that they have undertaken every possible measure to prevent such action. It is therefore very easy for them to get around the reverse burden of proof legislation. The point behind reversing that legislation, which was given by Andrew Bailey and by the Governor of the Bank of England and some of the Bank’s lawyers, is that there cannot be a tick-box operation to show that they have complied with the rules because they involve a much more esoteric way of running the bank. It is therefore much more difficult for bankers to escape the rules if something does go wrong.

**George Kerevan:** I respect the logic of the hon. Gentleman’s argument. Sadly, we will never get a chance to see the legislation that he voted for in the last

[George Kerevan]

Parliament put into practice and to watch it fail. I look forward to his contribution—he will have time to make it if I hurry up—and to finding out why he has changed his mind.

I am interested in Mr Bailey's tick-box argument, which is that if we reverse the burden of proof, senior bank officials will hold endless seminars with those on the trading floor, explaining to them why doing the sort of things that happened in the LIBOR scandal is wrong. When the inevitable crisis happens, they will come with the list of who they spoke to—they told the traders that this should not happen, but it did.

It is not enough to have lots of meetings; we must change the culture of the banks. It is also important to remember—I hope the Minister remembers this—the title of the Parliamentary Commission's report on banking standards: "Changing banking for good". There are a lot of good things in the Bill, but it does not change banking for good. It is half a loaf, and I am afraid that another half loaf will lead us more quickly to yet another banking crisis for which nobody is responsible. Ultimately, we need responsibility.

In conclusion, we are being offered a duty of responsibility versus a presumption of responsibility. Once upon a time, there was a convention: when a ship sank, the captain went down with the ship, whether it was his fault or not. It was presumed that it was his fault no matter what happened, because he was in charge of the ship. What happens these days is that the ship goes down, the captain gets into the first lifeboat, and he turns up at the inquiry to say—to use a Scottish term—"It wisnae me; I did my best." Once upon a time Ministers also resigned when something went wrong. We should return to a situation where if there is a banking crisis the captain goes down with the ship, and we assume that he will do that, whether it was his fault or not, because he or she was in charge and leading the bank. If we do not change that culture, we will go on having banking crises ad nauseam.

5.31 pm

**Mark Field** (Cities of London and Westminster) (Con): I will be neither as discursive nor as time-consuming as my right hon. Friend the Member for Chichester (Mr Tyrie), but he made some important points. Even before 2008, banking was one of the most highly regulated industries. Although I agree that ideally we need to move towards a much more competitive world in the banking sphere, it is also worth reflecting that one reason why we have not had a great upsurge of challenger banks is because—at least in the retail banking sector—the banking world is insufficiently profitable to make it worth while for such competitors to come through. One reason for that is because there is ever more regulation and compliance in the retail world. It is therefore perhaps predictable that the furore surrounding this Bill has been concentrated on the role in the institutional architecture of the Financial Conduct Authority, and the changes that have already been referred to regarding the Government's original proposals on the senior managers' regime.

As the MP for the City of London, I have had my ear to the ground over 15 years as Governments—Labour, the coalition, and now Conservative—have grappled with devising a framework of regulation and compliance,

in particular one that was fit for purpose in the aftermath of the financial crisis of 2008. We should all accept that that is not easy work and, in making such changes, it is important not to undermine our global competitive advantage in financial services—again, that was alluded to by my right hon. Friend the Member for Chichester, who pointed out that the most effective regulatory framework will probably have an international nature, rather than one specific to the UK.

We should all be much poorer if regulation is designed simply to punish banks and bankers. By the same token, sensible voices from the City of London—there are more than might be appreciated by certain elements on the Opposition Benches—fully recognise that the British public need to see the risk of future bail-outs kept to a minimum. For all the talk of maintaining free markets and global capital flows, the sheer importance of the financial system to the economy as a whole means that there will continue to be some form of implicit guarantee from taxpayers in the event of a future financial crash. The price to be exacted by the public for that guarantee is rigorous regulation and watchful compliance, as well as the ongoing banking levy that has been introduced and is, I think, here to stay.

As the Minister will recall, I must confess that I have consistently argued against the reversal of the burden of proof, which had been proposed as a key element of the senior managers regime. I am pleased that we have not implemented what was going to come into place on 7 March. I should therefore rightly pay fulsome tribute to the Treasury for rowing back from this draconian and potentially unenforceable measure. Likewise, I am pleased that the Government have fiercely resisted attempts in the other place to resist that.

There was already plentiful evidence that senior executives of global banks were thinking twice about relocating, or indeed continuing to be based, here in the United Kingdom. The notion of a criminal liability being levied on management for actions committed by junior bank staff who were perhaps working even in another jurisdiction, and such liability being regarded by the courts essentially as strict, risked leading to an exodus of senior management from London. Indeed, it has been my understanding that the senior managers regime, as originally proposed, was the single biggest consideration in the ongoing deliberations by HSBC and Barclays that they might headquarter outside the UK—more important than concerns over the bank levy, bonus caps, remuneration caps and the whole ring-fencing agenda.

**George Kerevan:** Is the right hon. Gentleman essentially saying that, from his knowledge, the Treasury was blackmailed into changing the proposed legislation?

**Mark Field:** I am not suggesting that for one minute, but we need to make legislation that is effective and enforceable. I think there were human rights implications about having a reverse burden of proof. If we are going to try to encourage a banking and professional services industry that is worth its salt here in the UK, we need to ensure we do not put it under burdensome regulations that apply here in the UK but not across the globe.

I agree very much with the Chancellor's decision not to renew the contract of the first chief executive officer of the Financial Conduct Authority, Martin Wheatley. The concern went beyond the well-publicised leak over

pensions policy, which saw £3 billion wiped off insurance company shares. In truth, Mr Wheatley had lost the confidence and, more importantly, the respect of many leading figures in the City. I suspect some Opposition Members would regard that as a badge of honour, but frankly for an industry regulator to let it be known that he regarded those working in the financial services industry as inherently dishonest is not the way to win hearts and minds. To be quoted as saying he would

“shoot first and ask questions later”

in championing customers against the banking fraternity may have played to the gallery, but it was not sensible regulation.

I am unconvinced that that superficially robust approach ever truly benefited customers. I commend my hon. Friend the Member for Aberconwy (Guto Bebb) for securing a Backbench Business debate later today on the failure, thus far, of the FCA to secure fair redress for victims of financial mis-selling of interest rate hedging products. I have constituents—I am sure all Members do—who are still waiting for redress from the mis-selling of such products in 2007. They now find themselves out of time, under the six-year rule, to initiate legal proceedings because the Financial Services Authority advised them to rely instead on its own processes and the FCA subsequently failed to devise a satisfactory structure for compensation.

I was pleased to see last week that the respected head of the Prudential Regulation Authority, Andrew Bailey, was appointed as Mr Wheatley’s successor. I know from my own dealings with him that he is no soft touch. I trust that his experience and his reputation for fairness, not only at the PRA but at the Bank of England, will restore credibility to this vital part of the regulatory infrastructure. The breadth of his experience should hopefully ensure that he is able to take a comprehensive view of the financial system that avoids some of the mistakes of the discredited tripartite system of oversight. Going forward, I believe City regulators—and central bank governors, for that matter—would perhaps do well to give careful consideration to the famous advice one is given on joining the Whips Office: why say one word when none will do? I fully endorse the clauses of the Bill that recalibrate the duties of the FCA. I hope the Government are now able to convince an admittedly sceptical public and a very wary financial services community that in its new iteration the FCA will achieve more—much more—of what was intended when it was set up.

It was fair of the hon. Member for Leeds East (Richard Burgon) to point out that the other place had made changes to regulation, but I am not sure it went far enough. I still think there is the risk of a virtually untrammelled power being given to the Governor to appoint or remove deputy governors. Granted, such appointments and dismissals would necessitate a statutory instrument procedure in the House, but such a process would not pass muster as good corporate governance of a FTSE 250 company, so why, in view of the Bank’s extensive powers, should it be tolerated here? This is not simply an academic concern. We are potentially enabling a Governor to pack his board with worthies happy to do his bidding and thereby outweigh the influence of the Bank’s independent directors.

As Mark Carney begins the second half of his term, we have seen in the past week the swooning of the financial press over Mario Draghi’s decisive actions as

President of the European Central Bank. This cult of the central banker is nothing new—it goes back to the 1920s and the greater control central banks had in the aftermath of world war one—but I have long been sceptical about the practicality, or even the desirability, of fully fledged Bank of England independence. In the final analysis, strategic economic decision making must lie with elected politicians operating within financially responsible Ministries. The composition of the Bank should neither be nor, more importantly, appear to be the plaything of the Governor.

In wholeheartedly supporting the Bill, I trust that the Minister will give some thought to those genuine governance concerns as it makes its way through the House.

5.41 pm

**John Mann** (Bassetlaw) (Lab): I shall stick to your request that we keep to 10 minutes, Madam Deputy Speaker, not least because I hope to catch your eye in the second debate. I will therefore not speak about the FCA now, although it would be relevant.

I reiterate what can now be called the East Lothian question: if the ship goes down, should the captain not go down with it? I thank the constituent of mine who last night sent me the link to the footage of the session of the Treasury Committee in 2009 at which a Mr Andy Hornby and Mr Fred Goodwin gave evidence. Nothing could encapsulate the East Lothian question more profoundly than that hearing, their performance and their escape from real responsibility for their failures in office. The reverse burden of proof change and the dropping of the FCA’s culture review are two sides of the same coin.

The Chancellor’s actions are consistent with what he has done and said in the past. The House should remember that, speaking about regulation in 2007, one year before the crisis, he cited Ireland as an example of why there should be less regulation and greater deregulation of precisely the authorities we are talking about now. We saw in Ireland what would have happened here had we followed his advice, but we are a much bigger economy, so it would have been far worse for our people. History is not repeating itself; ideology is repeating itself.

I note some interesting clauses in the Bill. It is hard to disagree with the reduction in the number of MPC meetings from 12 to eight. There have been more than 80 since the last decision to change anything. One can begin to question, therefore, not whether there is groupthink, but whether that body needs to put quite as much effort, month after month, year after year, into making no decision at all, and whether we need to put quite as much effort into scrutinising, month in, month out, its inability or unwillingness to make a decision—or perhaps even its correctness in making no decision. It shows how we are missing the point.

Some bigger things are not in the Bill. Transparency is missing at every level in the Bill. When it comes to it, there is no transparency. Minor improvements are proposed, but the workings of the Bank of England and the financial sector and its regulation remain in great secrecy. That is a fundamental problem.

In the past, I have proposed that there should be differential risk, particularly in retail banking. If I wish to speculate my money away with an Icelandic bank, the bookies or anybody else, I should be allowed and not be stopped from doing so, but I should not expect

[John Mann]

the taxpayer to pick up the tab if things go wrong. We have the principle with premium bonds, but we have not expanded that into the mutual sector, for example. There should undoubtedly be a lower interest rate. There should be absolute guarantees. We have failed to look at differentiating the risk for the consumer. That will come back to haunt us.

Lip service is paid to competition, with the Chancellor and the Treasury wanting again to dominate the FCA. Under clause 18, they want to be able to tell the FCA what it should be doing. What is missing from the bigger picture is competition. There are competition objectives, but it is the same old banks. In fact, it is far worse, as it is not just the same old banks—the building society sector has largely disappeared from the retail sector compared with 10, 20 or 30 years ago. I am certain that, if the old-style Halifax building society were resurrected, many of my constituents would wish to put their money there, as I did all my life, and as my mother, all my family and many people in the north did.

**Mark Field:** Is the hon. Gentleman able to answer my earlier point? If we have ever-more rigorous regulation and ever-more onerous compliance, with even the new challenger banks having to pay a large bank levy immediately, will that not provide a massive disincentive to the sort of competition that many want to see in the banking system? I am not saying it is an easy issue to resolve. We all want competition, but how will that happen in the banking sector if it is so heavily regulated—now and in the future?

**John Mann:** I have said many times in the past and repeat it briefly now that there should be a differential in the risk for retail banking.

We know what is going on here. The Chancellor has a problem—his accounts do not add up. I confidently predict that he will not get the surpluses he wants, as we will find out with the OBR report at the time of the Budget. He is therefore desperate to sell off the shares in Lloyds and RBS. That is what is going on. That is why all this is happening. That is why he wants a new settlement with the banks. He wants to maximise the price in order to create the surplus that he has created in his head and in his Budget for all of us. That is what is going on politically.

**Harriett Baldwin** *rose*—

**John Mann:** I shall end now; there is plenty of opportunity to join the debate.

We have heard about Google in the past week, but we have not heard enough about the bank take. We keep being told that the banks are the engine of the British economy. Well, they are certainly not the engine of tax receipts because most of them are not paying tax. We see that with the overseas banks. We know that seven out of the biggest 10 investment and commercial banks are paying zero tax. We see Lloyds paying zero UK corporation tax. We see Citigroup paying zero UK corporation tax and Credit Suisse paying zero. We see HSBC paying £160 million out of its £11.3 billion worldwide profits. That is all the tax they are paying. Perhaps the example that sums up the problem the most is Goldman Sachs, which generated £2 billion in UK

profits last year, but what tax has it paid on that? It is less than it pays to the individual partners—so less to the state and the Exchequer for the defence of the realm, the health service, broadband, the infrastructure, education and the welfare state. It paid less than it paid to one individual—a measly £27 million.

That is not good enough. That is what this Bill is missing. I look forward to contributing further.

5.50 pm

**Mr Gary Streeter** (South West Devon) (Con): I, too, will be brief, as I wish to catch the eye of the occupant of the Chair during the next debate.

I am pleased to be able to support a Bill that, in my view, takes our regulatory system in the right direction. However, the Bill does not deal only with the Bank of England. It also contains clauses relating to related personal finance matters, and I want to focus on those.

Last week, I met colleagues in the cross-party debt management working group to discuss the growing problem of consumer debt, which currently stands at 142% of overall household income. I believe that the Bill provides an opportunity to effect what would be a small legislative tweak to bring about an urgently needed change in the sector. The Minister gave me some hope that she was thinking along the same lines when, towards the end of her speech, she spoke of taking more action on behalf of consumers, but we shall have to see what happens in Committee.

Debt management is becoming an increasingly inefficient industry, and consumers are getting a bad deal more often. Some debt management schemes charge the debtor, while others are free to the debtor and charge the creditors. The quality of service offered by debt advisers varies greatly, as do the costs. As we know, most people, when they reach the point of desperation and realise that they have a problem and need help, do not sit down and research the sector in depth for 24 hours, but opt for the first helper who crosses their path. If it turns out to be a provider whom they must pay, that is often because they do not know that free help is available.

Free debt management plans, such as those offered by organisations such as PayPlan and Christians Against Poverty, may not be the solution for everyone, but their availability to those who can and want to repay their debts is important, and is becoming increasingly threatened. “Fairshare operators” such as those whom I have just mentioned have arrangements with creditors providing voluntary contributions that allow services to be provided for consumers without charge. Fairshare revenue, which is paid as a percentage of the debt repayments, has reduced as a consequence of a fall in consumers’ average disposable income, which has restricted the capacity to take on more economically viable cases. Those operators will ultimately have to reduce the number of new cases that they take on as funding become increasingly unsustainable.

Unless we correct the position, consumers who get themselves into difficulty will inevitably need to increase their use of providers who charge high fees for the same service, which may amount to up to half the debt repayment. If the plan provides for someone to pay £70 a month, a further £35 may have to be paid to the debt management plan company rather than reducing the debt. That significantly increases both the time and

the cost involved in solving the problem. One solution would be the introduction of a new system—as the Minister knows, a small amendment has been tabled to this effect, which could perhaps be considered in Committee—whereby all debt advice operators must offer a sustainable debt management plan that is free to the consumer and funded by creditors at a lower cost than is the case at present.

**Louise Haigh** (Sheffield, Heeley) (Lab): It is vital that we tackle the debt advice and lending industries. We have a fantastic “buddy” in Sheffield called Sheffield Money, which is trying to do just that. However, the Office for Budget Responsibility has estimated that the measures in last year’s Budget will increase unsecured individual lending by £40 billion by 2020. Does the hon. Gentleman share my concern about that?

**Mr Streeter:** Regardless of the amount by which personal lending increases, what is important is the availability of help for those who get themselves into difficulty, and we may see an increase in the number of people in difficulty if interest rates rise towards the end of the year. I know that that would cause pain to a great many of our constituents, so it is important to get the system right now.

With a supportive FCA framework already in place, a fairly minor amendment to the Bill could effectively set a fee structure that would activate the provision of free debt management plans by authorised firms. I hope that my Front-Bench colleagues agree that action is needed soon, and that the Bill represents a timely vehicle for the necessary change.

I believe this to be a truly cross-party issue, and that the Bill needs to be amended to give people in debt more security and access to free, high-quality plans that help them to manage their finances. If interest rates do go up any time soon, the debt management sector may be called on to give even more support than it provides now, and this is therefore a good time to strengthen the system.

5.55 pm

**Jonathan Edwards** (Carmarthen East and Dinefwr) (PC): Diolch, Madam Deputy Speaker.

I want to concentrate on four main themes: the issuing of Welsh-specific banknotes, the accountability of the central bank to Wales and her people, the name of the central bank, and the remit of the bank when it comes to setting interest rates.

The Bill aims to provide some flexibility in relation to who can issue sterling banknotes in Scotland and Northern Ireland. Currency issued by banks in Northern Ireland and Scotland is legal, and can be used throughout the United Kingdom. Among the many historic anomalies between Welsh nationhood and the nationhoods of our neighbours is the fact that Wales remains the only nation that is prohibited from producing its own distinctive banknotes. The Royal Mint does produce Welsh-specific coins, so my proposals raise no major issue of principle.

Like other parts of the UK, Wales was once awash with small banks covering relatively small geographical areas which were allowed to issue their own banknotes. The Bank Charter Act 1844 brought an end to Welsh banknotes, and, indeed, to provincial banknotes in England, but that did not apply to Ireland or Scotland.

Four banks in Northern Ireland and three in Scotland have the authority to issue their own banknotes provided that they are backed by Bank of England notes.

Plaid Cymru is proposing today that Lloyds Banking Group, which holds the rights to the Bank of Wales brand and which is in part publicly owned—a share is, of course, owned by Welsh taxpayers—should be given the right to issue Welsh banknotes in the same way as is permitted for the three clearing banks in Scotland and the four in Northern Ireland. I believe that such an outcome would give a welcome boost to the Welsh national character, and the recognition of Wales as an equal nation and an economic entity.

In Northern Ireland, Bank of Ireland, Danske Bank—formerly known as Northern Bank—First Trust Bank and Ulster Bank notes are used to celebrate the recognition of individuals such as J.B. Dunlop, Harry Ferguson, Sir S.C. Davidson and James Martin, while also celebrating architectural splendour such as that of Belfast City Hall. In Scotland, the Bank of Scotland, Clydesdale Bank and Royal Bank of Scotland are entitled to issue banknotes. They pay tribute to the fantastic bridges of their country, and recognise the contribution of people like Sir Walter Scott and Robbie Burns.

The question that naturally rises, therefore, is this: why can we not similarly issue banknotes in Wales to recognise our historic landmarks such as Castell Carreg Cennen, in my constituency, Pont Menai and Yr Wyddfa, and our historic greats such as Owain Glyndwr, who was nominated the seventh most important person of the last millennium by *The Times*, David Lloyd George, the originator of the welfare state, Aneurin Bevan, the architect of the NHS, and Gwynfor Evans, the first Plaid Member of Parliament and the father of modern Wales?

**Sammy Wilson:** Does the hon. Gentleman accept that the downside of having our own banknotes in Northern Ireland is that anyone who tries to pass them on in England is looked on as some kind of conman?

**Jonathan Edwards:** I am always grateful for interventions from my great friend, who speaks with a huge knowledge of financial matters. Those notes are legal tender and a legal currency, and I think that we need to move forward. The issue was raised with me on television today. The fact is that Scottish and Northern Ireland banknotes can be legally used anywhere in the United Kingdom.

Before I was distracted, I was making the case for some people who might be pictured on Welsh banknotes. A notable case could also be made for what is arguably the most famous Welsh painting of all: “Salem”, painted by Sydney Curnow Vosper in 1908. His painting of Sian Owen aged 71 at Capel Salem, a Baptist chapel at Pentre Gwynfryn in the north of my country, is a national icon, much as Constable’s “The Hay Wain” is in England.

Notes that are currently used in Wales recognise people including Elizabeth Fry, Charles Darwin, Adam Smith, Matthew Boulton and James Watt. Previous notes have portrayed Charles Dickens, Sir Edward Elgar, Michael Faraday, Sir John Houblon, Sir Isaac Newton, Florence Nightingale, William Shakespeare, George Stephenson, the first Duke of Wellington, and Sir Christopher Wren: all great people, but none, to my knowledge, with any direct link to my country. Many pounds from many Welsh people have contributed to the UK over many years,

[Jonathan Edwards]

from the industrial revolution through to the bank bail-outs, and I deem it entirely appropriate that Wales's contribution and standing within the sterling zone should be recognised. That would put right what appears to be a clear injustice. I pay tribute to the work of my colleague Steffan Lewis on this issue, and I look forward to seeing him take his place in the National Assembly after the elections in May.

On the issue of accountability to my country and to the other devolved Governments, I want to put forward proposals in the spirit of the so-called partnership of equals, as it was labelled by the Prime Minister and the Unionist campaign during the recent Scottish independence referendum. The British state is rapidly changing as power and responsibility flow from Westminster to the devolved countries, although the pace is perhaps not as quick as someone like me would want. It is undeniable that the UK is now a vastly different place from the one it was 20 years ago. Central to recent developments has been the increasing fiscal devolution to Scotland, Northern Ireland and even Wales. The Scotland Act 2012 fully devolves income tax, and Northern Ireland has recently been awarded full powers over corporation tax. Wales, as always, is in the slow lane, but even we will soon have an income tax sharing arrangement, if the draft Wales Bill reaches the statute book.

Measures relating to major fiscal levers are flowing from the Treasury in London to the devolved countries. This increases the political accountability of the devolved Governments to their respective electorates and, critically, incentivises those Governments to boost economic performance in order to invest in public services. The co-ordination of monetary and fiscal policy is vital in any economic policy. I understand that the central bank is politically independent, but there is obvious co-ordination between the Treasury and the central bank. Similar protocols and links need to be developed with the Welsh, Scottish and Northern Irish Exchequers. The national Parliaments should nominate a member to serve on the Monetary Policy Committee to ensure that those involved in the interest rate setting process have an understanding of economic conditions and events in Wales, Scotland and Northern Ireland. All MPC members are currently either bank staff or nominated by the Treasury. My proposal should also apply to the Financial Policy Committee and the soon-to-be-implemented Prudential Regulation Committee, which will be created by the Bill.

Political scrutiny of monetary policy remains the preserve of Westminster despite increasing fiscal decision making at devolved levels. Although we are not privy to the meetings between Treasury Ministers and the Governor and his senior team, we can safely assume that those meetings are frequent. On top of that, in regard to parliamentary scrutiny, the Governor and his team meet the Treasury Select Committee here at Westminster at least five times a year. Considering the fiscal powers that have been devolved or are in the process of being devolved, I would hope that the central bank agrees that it is in its interests to strengthen relations with the devolved Governments and Parliaments. I am not aware of any formal structures for meetings between the Governor and Ministers of the devolved Governments. In the interest of mutual respect, those structures need to be formalised.

In addition, I strongly believe that the Governor should attend a meeting of the relevant economic committee of the devolved Parliaments at least once a year. Evidence sessions of that sort would be vital in helping political parties in the devolved Administrations to formulate their own fiscal policy and would recognise the reality that fiscal and economic policy is no longer the sole preserve of Westminster when it comes to Wales, Scotland and Northern Ireland.

A further issue is the name of the central bank, currently named the Bank of England. It is a contentious issue for me as a proud Welshman that the central bank that decides monetary policy in my country is named after another country. The Bank of England was created in 1694 before the present British state was constructed. Wales was annexed in 1536, Scotland in 1707 and Ireland in 1801. The central bank was therefore created to serve a political entity that consisted only of Wales and England. If the British state is a partnership of equals, all its institutions must reflect that reality, including perhaps the most important institution underpinning its financial system: the central bank. If it would be helpful to the Minister, I have a suggestion, which is to rename the Bank of England the "Sterling Central Bank". This would reflect the fiscal and political reality we live in, and it would show that those in this place genuinely believe in the respect agenda and a partnership of equals.

I am very interested in the emerging debate on changing the remit of the MPC in regard to setting interest rates. The MPC is specifically charged with keeping an inflation target of 2%. Other central banks such as the US Federal Reserve have a dual mandate which goes beyond price stability. In 1977, the US Congress amended the 1913 Federal Reserve Act and mandated the central bank to achieve long-term moderate interest rates and, critically, maximum employment, in addition to reaching inflation targets. As the Bill progresses, I hope to return to these themes in more detail. I would also be more than happy to support the amendments tabled by Labour and the SNP when it comes to the vote.

6.4 pm

**Mr Alan Mak** (Havant) (Con): I am pleased to speak in support of this important Bill, which delivers a new settlement for the financial services sector—a vital sector of the UK economy—by strengthening the Bank of England and the regulatory regime governing individuals working in the sector. In particular, the Bill deserves support because it puts the Bank of England at the centre of a new regulatory system that will give it new powers, more responsibilities and better procedures. It will also strengthen the Bank's governance, transparency and accountability and increase the accountability of staff working in our important financial services sector.

When the idea of a Bank of England first emerged after William and Mary came to the throne in 1688, the public finances were in disarray, the system of money and credit was weak and our financial markets were on the verge of collapse. Things were not much better 320 years later, however, under a Labour Government, who oversaw a banking system that had become too concentrated, took too many risks, and acted against taxpayers' interests. It was under the discredited tripartite system that people such as Fred Goodwin were allowed to receive huge bonuses while running their banks into the ground.



Today our financial services sector is much stronger, and it requires the up-to-date effective governance and regulation that the Bill proposes. According to TheCityUK trade body, the financial services sector employs 7% of the UK workforce—two-thirds of whom are outside London—and accounts for 12% of our GDP. It is absolutely right that this Bill should support a growing and moral financial services sector.

I support clause 1, which will make the deputy governor for markets and banking a member of the Bank of England's court. Following the expansion of the Bank's responsibilities through the Financial Services Act 2012, a fourth deputy governor, with responsibility for markets and banking, was appointed and given responsibility for reshaping the Bank's balance sheet. This important role, currently filled by Dame Minouche Shafik, does not have statutory membership of the court. Clause 1 will rectify that situation and ensure equal status for the fourth deputy governor. It will also give the Government the necessary flexibility to update the membership of the court, the Financial Policy Committee, the MPC and the new Prudential Regulation Committee. This will ensure flexibility to meet future need, and that the court is fit for purpose.

When the Bank opened for business in 1694 in temporary accommodation in the Mercers Hall in Cheapside, it had a staff of 17 clerks and two gatekeepers. Today its personnel is much wider, and none are more important than the members of the court. That is why I welcome the reforms in clause 1. It will update the powers of the court and increase its flexibility to ensure that new expertise is added when necessary. These are practical powers and they deserve the support of the entire House. I also welcome the reforms to the Oversight Committee, the Financial Policy Committee and the Monetary Policy Committee that my right hon. Friend the Member for Chichester (Mr Tyrie), who is no longer in his place, articulately outlined.

A key element of the Bill is the transformation of the Prudential Regulatory Authority into the Prudential Regulation Committee. As Members will know, the PRA is responsible for the supervision of around 1,700 banks, building societies, credit unions and major investment firms. The transition will result in the PRA, a subsidiary of the Bank of England, becoming the PRC, a committee of the Bank. This will ensure that it is fully integrated into the Bank's work while retaining its operational independence. This measure deserves the support of all hon. Members—[*Interruption*]<sup>1</sup>—including those on the Opposition Front Bench. This will continue the process of building a unified institution, which will allow the new authority to focus more closely on its policy work, rather than thinking about back-office issues such as IT procurement.

**Rob Marris** (Wolverhampton South West) (Lab): Is there anything in the Bill that the hon. Gentleman does not like?

**Mr Mak:** I am sure that the hon. Gentleman will agree that the proposals support the Governor's "one mission, one bank" strategy, which entails supervision being conducted in a more effective and efficient way, as befits an institution of our modern global economy. The new arrangements come with important safeguards. For example, the statutory objectives of the PRA will

remain undiminished; the name and the brand will remain unchanged; and its reputation for tough regulation will remain undimmed.

On financial services, the Minister mentioned earlier that one of the least attractive elements of Labour's financial crisis was that no one at the top of the main financial services institutions faced formal punishment from the regulators or the courts. There appeared to be no link between the actions of those at the top and the fate of the institutions that they led. One of the FCA's reports stated that

"individual accountability was often unclear or confused".

The Bill strengthens and clarifies the individual accountability of those working in our systemically important financial services sector. I also believe that these reforms will embed a new culture within the sector, rather than simply reshaping the legal and regulatory framework.

Before I entered this House, I had the privilege of working with TheCityUK and a number of others working in the financial services sector on writing a report entitled the "Next Generation Vision for Financial Services". It asked that our financial services sector be a part of society, not apart from society. I am pleased that the reforms set out in this Bill, in the clauses that I mentioned, will help our sector to get closer to the vision we articulated.

I particularly welcome the extension of the senior managers certification regime to all regulated firms, not just to deposit takers. The expansion of the regime to all financial services firms and all staff will enhance the culture of personal responsibility for senior managers, while, we hope, increasing the accountability of other staff who work in our financial services sector. It will also ensure that as the sector expands the regulation and the laws governing its operation increase to match the scope and size of the industry. Many firms beyond the banking sector, from investment firms and insurers to those involved in the so-called "shadow banking" sector, can pose a threat to financial stability, and it is therefore right to include them in this new regime.

In conclusion, the growth of the financial services sector, in both size and complexity, the globalisation of our economy and Labour's financial crisis mean that the governance, functions and powers of the Bank of England need to be updated. So, too, does the regime that governs the individuals who work within our financial services sector. This Bill achieves both goals, ensuring a Bank of England that is fit for purpose: an effective central bank in a growing 21st-century economy sitting at the heart of the world's most successful financial services industry. The Bill deserves the support of the whole House.

6.11 pm

**Helen Goodman** (Bishop Auckland) (Lab): I am pleased to be able to contribute to this debate and to follow the hon. Member for Havant (Mr Mak), who gave a Panglossian view of the City and the Bill. When I first read this Bill, I thought it was disappointing, but the more carefully I looked, the worse I thought it became. Of course it contains some good steps, but one thing we see here is the Tory Government circling their wagons to protect their friends and funders in the City. The Bill gives us no hope of introducing the separation between retail and investment banking that we so obviously

[Helen Goodman]

needed after the crash and for which many, including Professor John Kay of Oxford University, Martin Wolf of the *Financial Times* and the former Tory Chancellor Lord Lawson, are still calling.

The main flaws in the Bill are on transparency at the Bank and the responsibility of senior managers across the sector. In the Treasury Committee, I questioned both the Chancellor and the Governor about the original draft of the Bill, which allowed the court, on an ad-hoc basis, to determine the scope of audits by the Comptroller and Auditor General. I am therefore pleased to see the redrafting of clause 11, which clarifies what the policy carve-outs will be, but I do not believe that is enough. First, we were promised a memorandum of understanding, agreed between the CAG and the Bank of England. Where is it? This House must see the memorandum before we pass this legislation. The Government are treating the House with the same disdain they do when they put substantial measures into statutory instruments and do not share those with the House either. Why have the Government brought the Bill back to this House before the memorandum of understanding has been drafted? The answer is obvious: it is because the senior managers regime comes into force in March and so the Government are desperate to get Royal Assent before that happens. I am not sure that CAG access will be enough. The Bank of England is independent in its existing judgments with respect to monetary, financial and prudential matters, and that is how it should be, but it is also democratically accountable. I believe citizens will be able to exercise their democratic rights only if we make the Bank subject to the Freedom of Information Act. Let me set out why.

When Treasury Ministers announced the RBS sale last summer, they waved about a letter from the Governor endorsing the sale. Writing this letter was not part of the Governor's role on monetary, financial and prudential policy; it was an intervention in Government policy, at the Chancellor's request, on the issue of a share sale. I asked the Governor whether he considered this letter to be policy, and he said it was. I asked him whether he would share the analysis that underlay the letter, but he refused, point blank, to do so. This is what he said:

"It is a policy judgment. I was asked as Governor by the Chancellor for a judgment with respect to the potential sale...as you know, and the terms of the question are outlined in the letter. I was asked as Governor; it was not a question of the FPC or the PRA Board. It was not a question in terms of safety and soundness but in terms of the overall impact. I consulted with the Deputy Governor for Prudential Regulation and the CEO of the PRA, Mr Bailey; and did analysis in the team."

He continued:

"The analysis rested on the supervisory judgments, the input of the stress test and then the broader perspective of an institution that had been stabilised".

He went on to say that

"the overlap between the commercially confidential information that we obtain as part of the discharge of our supervisory responsibilities of the PRA and the analytic is perfect".

It is, however, very far from perfect—it is a raggedy hotch-potch.

The letter the Governor wrote roamed far beyond these matters. It said:

"it is in the public interest for the government to begin now to return RBS to private ownership...a phased return of RBS to

private ownership would promote financial stability, a more competitive banking sector, and the interests of the wider economy."

No information has been shared with any of us as to how this sale promotes a more competitive banking sector—it does not—or what the benefits will be to the wider economy. I still live in hope that when the CAG undertakes his audit of the RBS sale he will see this analysis, but I believe we need a structural reform: the application of the Freedom of Information Act to the Bank of England. This Bill should be the vehicle for that change.

Let me now turn to the issue of personal responsibility and the catastrophic capitulation of Ministers to their friends and funders, the banks. At first blush, the extension of the new senior managers regime for banks and building societies to all authorised persons in all financial institutions looks like a good thing, but unfortunately the quid pro quo is the significant weakening in the way this will operate. Instead of senior managers having to show that they took reasonable steps to prevent regulatory breaches, as recommended by the Parliamentary Commission on Banking Standards, ably chaired by the right hon. Member for Chichester (Mr Tyrie), the burden will be on the regulator to show that the senior manager failed to do that. As Lord Eatwell pointed out in an excellent speech in the other place, the only reason put forward by Ministers for this change is to deal with what they have described as "an excessive regulatory burden" and "costs" on firms. As he said, the Bill will result in less documentation; less awareness on the part of bankers of their responsibilities; and less examination of the relationship between the risks they take and the responsibilities they have.

The Government continue to believe it is acceptable for banks to privatise their profits and socialise their losses. Let us never forget the cost to all of us—to the British taxpayer: the £133 billion we had to stump up to save the banks. The banks continue to benefit from an implicit taxpayer subsidy, including to their risky investment activities, undertaken, as Lord Lawson said on Second Reading, "just for themselves". But they continue also to whinge at the Government about the costs of documentation which would fall to them.

Ministers should also take note of the fact that a regime where the managers must show that they have taken reasonable steps is what applies in road traffic legislation, health and safety at work legislation, the Bribery Act 2010, legislation on terrorism, the Misuse of Drugs Act 1971, the Trade Marks Act 1994, the Criminal Justice Act 1988 and the Official Secrets Act. What, we want to know, is so special about bankers?

Another argument put forward by a series of lawyers in the other place is that this approach fundamentally is unfair and outwith the traditions of English law. As Lord Pannick said, the regime, as proposed by the Parliamentary Commission on Banking Standards, requires "strong justification". What is the justification here? He said that he did "not understand it".

Apart from the £133 billion bill and crashing the entire economies of the OECD, there is quite a lot to be said for what has gone wrong. Perhaps if those in the other place had constituents, they would understand that the appalling austerity now being wreaked on our constituents, especially disabled people, is something to which some of us must respond, "Never again." If the £133 billion cost to British taxpayers is not enough

justification, what about the fact that none of the senior bankers has taken responsibility or been punished for their criminally selfish and irresponsible behaviour?

In other words, what we see is yet another decision by this Chancellor of the Exchequer and this Government to put party interest before the national interest. After hours of hearings and work in the previous Parliament by the Parliamentary Commission on Banking Standards, the Chancellor was lobbied by his friends and funders in the City and he has let them off the hook again.

6.20 pm

**Marcus Fysh** (Yeovil) (Con): It is a bit rich for the Opposition to be talking about this as if it were some sort of a party political issue. [*Interruption.*] Let me explain why I said that. Everybody shares the frustration at what happened in the lead-up to the banking crisis, but we cannot get away from the fact that the Labour party played a large part in it. Even though the regulation and the powers were there, the practices were not pursued assiduously enough, which put financial stability at risk.

Financial stability is crucial. This is not really about bankers' bonuses; it is about the fact that ordinary people suffer the most when finance fails. I must say that I have some sympathy with what the hon. Member for Bishop Auckland (Helen Goodman) said about the separation between retail banking and investment banking. When I left university, I joined the training course at the SG Warburg group. Lord Roll, a very wise old man, gave us a lecture about all of the things that had gone wrong throughout the 1930s and so on. He said that whenever the separation between retail banking and investment banking is weakened, there will be a problem, and that has really stuck with me. We must look at ways in which we can introduce more competition and put that separation back, so that there is not such a burden on regulators to use their powers. None the less, for the time being, this Bill is a useful step.

I wish to deal with this Bill in two sections. The first is to do with regulation, and the second governance. The proposed regime for senior managers is good. I do not agree with Opposition Members who say that it is a reduction in the power of the regulations. The thing about financial services is that they are ongoing. If things go wrong, a manager has a duty not just to their clients and to the system generally, but all the way along. The beauty of the measures before us is that that duty of responsibility will have to be proved, all the time, by each manager to their regulators. Importantly, that duty applies to any breach and to any manager. What was proposed previously was effectively a two-tier system: firms with a potential prudential impact would have to comply with the legislation while those in investment funds would not. That is incredibly important, especially in the modern world in which we now operate and especially since the financial crash. As banks have had to build up their capital and have been less willing to lend, a large burden of the lending and credit business has fallen on to investment funds. Under the old legislation, those aspects would not have been covered.

I am a bit concerned that the Prudential Regulation Authority—or the Prudential Regulation Committee as it becomes—does not regulate some of these investment firms that do have a potential systemic impact on the markets. I would prefer that it took a much more active look at such firms, especially the credit and derivative

funds, which quite often operate with a large degree of leverage. Because of the volatility in oil prices, we have seen some of the lower grade credits in America, particularly of oil firms and gas firms, really suffering. Yields have blown out. Regulators in America, who do not want to highlight the problem, are saying to the banks, "Don't mark these to market." The Minister should look at that issue, because I fear there are some firms in London that are involved in similar business, and that poses a risk for us as we go forward.

Bringing the PRA in-house is a good thing. When the retail and investment banks are together, as they are now, we really need the PRA, or the PRC as it will become, to have the sharpest teeth possible and the best people working in it. The less time that it has to focus on the corporate governance of a separate company or institution, the better.

Also coming in-house will be the people who work for the authority. Let us face it, there can be a revolving door in this industry as most of the jobs in regulation do not pay as much as those in the financial markets that they have to regulate. What we want are the people with the best brains and the most application, because they have to see a way of having a lucrative career in the Bank of England, which is a great success. It will be much better to keep regulation within the Bank, rather than outside it.

Other developments on the governance front are useful, especially the oversight and tightening up of the Monetary Policy Committee. I have quite a lot of sympathy with what was said by my right hon. Friend the Member for Cities of London and Westminster (Mark Field). We do need to take a very active role in looking at what the Bank of England does and does not do. That is especially true at the moment when we are seeing bank balance sheets around the world dramatically expanded in a very experimental way. Recently, we have seen the European Central Bank and the Bank of Japan both going full tilt at the windmills of trying to create inflation. The jury is very much out on that policy. We must not forget that our own MPC made a terrible mistake back in 2005 by cutting interest rates at exactly the wrong time, which sent exactly the wrong signal to the housing markets and to the banks. It was done at a time when the creation of money was racing away. We need to be all over this in this place, both on the regulatory front and on looking at what happens in monetary policy decisions. None the less, this Bill is a first step and I commend it to the House.

6.29 pm

**Roger Mullin** (Kirkcaldy and Cowdenbeath) (SNP): One disadvantage of being called late in the debate is that I always find myself completely rewriting what I thought was an excellent speech. I feel that I must reflect on some of the earlier contributions. I noted that, in her opening remarks, the Minister said that the Financial Conduct Authority would deal with things such as sharp practices. She talked about the importance of dealing with groupthink. The right hon. Member for Chichester (Mr Tyrie) talked about the importance of re-establishing trust in the proper conduct of business. The hon. Member for Leeds East (Richard Burgon) talked about his concerns about the public view of the behaviour of banks. These, and other, contributions make the case for the fundamental importance of what

[Roger Mullin]

we are all trying to address: an issue of culture. That issue of culture cannot be wholly satisfied through changes in structure or regulation alone.

I was intrigued to hear my hon. Friend the Member for East Lothian (George Kerevan) come up with the East Lothian answer, as I shall call it from now on, which I think bears some repetition: getting people who lead great institutions to be like captains of a ship. What was it that characterised them? They took responsibility; they acted with high ethical standards; they were equipped not only technically, but culturally to lead and accept the highest of standards. If we could reinstitute that in many of our institutions today, there would be much less demand for some of the detailed regulation and structures we find ourselves having to deal with. I would like to deal with some of the issues of culture, because many of the technical matters have been well rehearsed in the debate so far.

Like many Members on the Opposition Benches, I have been concerned about the willingness of the Government to remove the reverse burden of proof for senior managers before it has even been tested. Without it, we could—I am not saying would—perpetuate a culture of failing to accept responsibility under the cloak of a form of collective responsibility that favours the consensus of the guilty over the scrutiny of behaviour. Culture is fundamentally important to understanding the crash of 2008.

What I do mean by culture? To me, it is about the way in which groups of people solve problems and reconcile dilemmas. It involves unconscious, taken-for-granted beliefs—their perceptions, thoughts and feelings that forge the values and behaviours within their organisations. It has been argued by many researchers that about 70% of all major organisational crises are a function of culture. That is why I have great sympathy with the Minister who is trying to deal with predominantly a cultural failure through mere regulation and changes to organisation alone.

I am sure many would argue with me that failures of culture were part and parcel of the failures at Enron, Northern Rock, Lehman Brothers, RBS and HBOS. In these cases, among other cultural problems they faced precisely the cultural problem the Minister mentioned in her opening remarks: the problem of groupthink at the highest levels.

One aspect of groupthink is present when groups are unwilling to listen to critical voices, preferring the easy comfort of a blind consensus born of common bonds. A classic example was, of course, found in HBOS, where it is widely recognised that the risk manager, Paul Moore, was sacked for raising concerns about the company's strategy. He told the Treasury Committee in 2008 how he had predicted that the bank's practices could "lead to disaster". He informed the bank's board of his concerns, but was sacked by Sir James Crosby, the bank's former chief executive, deputy chairman of the Financial Services Authority and adviser to the then Prime Minister Gordon Brown. It tells us lots that someone who acted in such way should have reached such heady heights.

In his evidence, Mr Moore told MPs anyone whose eyes were not blinded by "money, power and pride" would have realised problems were mounting for HBOS and the other high street banks. Since his dismissal

Mr Moore has been shunned by the financial community, to its shame. As Professor Andrew Kakabadse has recently put it, the cultural problem occurs when

"management intimately know what is happening and even know what to do to stem an oncoming catastrophe but are too emotionally paralysed to act. And this often because the boss does not want to hear bad news."

Perhaps it has best been most eloquently, if somewhat brutally, summed up by the hon. Member for Huddersfield (Mr Sheerman) who has been quoted as saying in a review of Paul Moore's recent book that he exposed

"the rottenness, deceit, and corruption of the malign gang that took over a successful British bank and drove it to ruin in a few short years. This gang has never been properly held to account or been brought to justice whilst Paul Moore...has never been compensated for his sacrifice."

That is the rub of it: a lack of being held to account, a lack of effective external scrutiny, and to this day a lack of a fundamental inquiry into the culture and goings-on at these major institutions. That is a failure, and a failure upon which we address regulation and structural changes on shifting sands.

There have been other cultural failings, too—indeed too many to recite here—but they include sacrificing rigorous analysis for group harmony; making decisions as a cabal without any external critique; dealing with complex decisions in an overly intuitive manner with a prejudice in favour of an easy consensus; and a willingness to be led by strong directive individuals.

One of the fundamental concerns, which everybody in some way alluded to but we still remain to grapple with, is how and when we are going to fully understand the nature of the cultural crisis that afflicted our institutions. That is something we await to address.

6.36 pm

**Robert Jenrick** (Newark) (Con): It is a pleasure to speak in this Second Reading debate.

I was reminded this weekend in my constituency that my constituent, Thomas Smith of Newark, became the first provincial banker when he founded the very first bank outside London, in Nottingham in 1658, called Smith's Bank. It later expanded to a branch in Newark and one in Retford in the constituency of my neighbour the hon. Member for Bassetlaw (John Mann). Several of Thomas Smith's illustrious ancestors became Governors of the Bank of England, and so those of us who know these geeky facts about Nottinghamshire, including the hon. Gentleman, thought it was fitting that Mark Carney chose to make his first speech as Governor of the Bank of England in Nottingham, and to declare our city and county as the bellwether for the British economy.

In that speech in 2013, which I listened to, Mr Carney committed us all, and particularly the Bank of England, to using all of the tools available to the Bank to secure a sustainable economy for all parts of the country, particularly the regions of the UK. This Bill, in reasonable and modest ways, helps us to refine and improve the toolbox that is in the hands of the Governor of the Bank of England.

From knowing a few people working at the Bank of England or who have worked there in recent years, while I would say it is a good institution of which we should all be proud as members of the United Kingdom, it would be fair to say it has been somewhat inward-looking. If one were being critical, one would say its culture has

been stuffy and overly theoretical, and it moves quite slowly, to say the least—although that is not always a bad thing, of course.

I think Mark Carney, as a younger, dynamic Governor, has made a real impact in tackling these cultural concerns when that was appropriate. If I could make any suggestion from my experience and those of acquaintances who have worked at the Bank, it is that it should continue to do as he has tried to do, which is recruit more people with practical experience of life in the financial services sector and the corporate world—those who have worked in banks, law firms or elsewhere, who can provide an essential counterbalance to those who are perhaps overly theoretical and not so practical. With a proper court or governing body—a board, as my right hon. Friend the Member for Chichester (Mr Tyrie) rightly said, it should be described—this larger and more powerful organisation, enhanced by the structural changes of this Bill, can operate in a much more modern and dynamic way than its predecessor.

I was pleased to hear that Andrew Bailey had been appointed to the FCA, and others have already welcomed that. From my very limited interactions with him, and when he came to Parliament last week to address the all-party parliamentary group on corporate governance, of which I am an officer, I found him to be clever, practical, down to earth, affable, but willing to speak frankly when necessary. He clearly possesses a deep and broad knowledge of the financial services sector, all of which suggests that this has the making of a good appointment. He appears to have done a good job of taking over and improving prudential regulation at the Prudential Regulation Authority.

Having worked as a commercial lawyer, dealing routinely with the old FCA, I know that that organisation and some of its personnel were in a very poor state before these moves, and morale was extremely low. It is still a struggle to recruit and retain the best talent, as my hon. Friend the Member for Yeovil (Marcus Fysh) wisely said, when the rewards are usually, if not always, less than those on the frontline elsewhere in the financial services sector. It is essential that we give all the tools necessary to Andrew Bailey and others to enable them to recruit more talented individuals. It seems, as my hon. Friend said, a wise step in that direction to bring the PRA within the Bank of England because that is inevitably a more attractive institution to work for, be part of and have on one's CV than any other, perhaps lesser, regulator.

Although the Bill is not revolutionary in content, it continues the work and takes a series of very sensible steps forward. Some have argued today and elsewhere in the press that we should go much further in changing the Bank of England or even re-imagining the role of a central bank in the 21st century. I would caution that the Bank has been subject to a great deal of change in recent years. Although I do not have the exact figures to hand, I imagine, for example, that a staff of around 2,000 has already increased to 3,500 or thereabouts. The challenge of integration—of building a large integrated organisation and of ensuring quality, because quality and standards are ultimately all that matter—is very great, and we should be careful not to give our regulators too much to contend with.

The formalisation of the PRA's position as part of the Bank therefore seems sensible. It always seemed rather strange that it was merely a subsidiary of the Bank.

I did note, and I am sure the Minister and the Treasury have already seen this and decided it makes sense, that whereas previous legislation had deliberately kept the supervisory role then exercised by the FSA separate from the resolution role, the new landscape brings them together. In other words, it used to be believed by the sector and by the Government that it was more appropriate that the organisation supervising a bank should be different from that tasked with resolving whatever problems or mess it got itself into. Presumably the view is that this is no longer necessary, and of course the Bank is capable of handling both sides of the coin.

The proposal in the Bill to provide the Treasury with more information seems logical. After all, whereas the Bank of England provides temporary liquidity and support to a bank in crisis, it is the Treasury and taxpayers who ultimately step in and pick up the tab. These measures are all part of the Government's laudable efforts to ensure that banks are properly supervised and, to the extent possible, are too big to fail.

The value for money component, which many other Members have mentioned, is welcome. As the Bank becomes more powerful and significantly larger with the advent of the PRA, so it is appropriate that it is open to greater scrutiny. Questions of freedom of information and others will no doubt arise if the Bank's powers continue to increase.

The Bank of England's accounts have always seemed to me to be extremely difficult to understand. It always seems to make a profit. I have always been suspicious of that—as a former partner at a law firm once said to me, of course the Bank of England can print its own money!

On the wider questions of openness and governance, I would like to see a greater part of the governance of the Bank drawn from the regions of the UK, not for superficial reasons, but—rather like my opening example of the long-gone world of Thomas and Abel Smith and the Governors of the Bank of England who began their careers in Newark—so that there are experienced voices at the heart of our central bank with direct knowledge of the regional economies, particularly Scotland and Wales.

Finally, on the senior managers regime, a great deal has been said here and, clearly, agreement will not be reached across the House. The position in the Bill seems fair and workable as it continues to put the right pressure on senior managers to be named and to take direct personal responsibility. I am not interested in grandstanding. I am looking for what will have the greatest effect on our financial services sector. The vast majority of my constituents—almost all, I would venture—have never heard of this regime. What they have heard of and what they are expecting of their Member of Parliament is to ensure that there is a financial services sector that is stable, secure and resilient. I believe the Bill is the best way to deliver it.

I welcome the change which the Bill introduces to the pensions regime. Although this aspect has barely been touched on in the debate, the pensions guidance service, Pension Wise, can in future be more widely applied to those looking to take advantage of the great opportunity that was achieved in the previous Parliament to use their annuities in whichever way they see fit. We must not allow one of the great developments in pension reform and other Treasury policies from the previous

[Robert Jenrick]

Parliament to be sullied by mis-selling. One can easily imagine mistakes being made by constituents who, by their own admission, are not always as financially literate as they would wish. This could be, as wiser souls have said, the next great mis-selling scandal.

Although Citizens Advice, which was initially given the difficult task of providing support for members of the public on their pensions, is a superb organisation, and I praise those in my constituency who are involved in it, any additional support that we can give through Pension Wise to ensure that our constituents make the right decisions for them at a crucial juncture in their financial lives must be welcomed.

In conclusion, the Bill contains a range of modest and reasonable proposals to further the Government's aim to provide a stable and resilient financial services sector to secure a successful economy for the United Kingdom. I cannot for the life of me imagine why other Members would vote against it tonight.

6.46 pm

**Mike Wood** (Dudley South) (Con): I shall try to compensate for some of the earlier speeches that went a little beyond your guidance, Madam Deputy Speaker.

It is seven years since the most devastating financial crash of our lifetime. Since the crash, regulations have rightly been updated by the Chancellor and Treasury Ministers. They have put responsibility and accountability at the heart of the UK's financial system. Because of the Government's long-term economic plan, banking in the UK is now far more robust, but it is clearly not invincible. I shall support the Bill this evening so that we can build on that progress, continuing all the valuable work that the Treasury has done so far and improving on the status quo, strengthening the way the Bank of England is governed, increasing accountability in the financial services sector, and extending the role of the Pension Wise advice service, which I know is used and valued by many of my constituents.

The Bank of England has been a cornerstone of global finance since 1694. Its structures and governance must adapt to the needs of the 21st century so that it can continue as such. Some of the Bank's historic practices have not been in line with current international standards, but the Bill helps to redress the balance. Strengthening the role of the Bank of England's court of directors will enable the Bank to function with an effective and modern unitary board, a more effective structure to allow the Bank to deliver on its vital regulatory and policy roles.

To most of our constituents, the key role of the Bank of England, other than issuing bank notes in England, is to set interest rates. The Monetary Policy Committee currently meets 12 times a year but, as we have heard, a single month is rarely long enough to properly review, consider and change a macro-economic assessment, so moving the MPC to eight meetings a year would have many desirable outcomes. Most obviously, policy making at that level requires time for reflection, which a longer period between meetings would allow. Such a sensible change will merely bring the Bank of England into line with other central banks, such as the Federal Reserve

and the European Central Bank. Allowing the results of votes and the reasoning behind them to be published alongside decisions over interest rates will open up that opaque process, granting access to the MPC's thinking.

The crash of 2007-08 highlighted the irresponsible behaviour of some individuals working in the financial services industry. Thankfully, the days to which my hon. Friend the Member for Havant (Mr Mak) referred, when the Labour party allowed people such as Fred Goodwin to take huge bonuses while allowing their banks to freefall, are behind us.

The senior managers and certification regime legislated for by the coalition will come into force in March. However, although the existing legislation will apply to banks, building societies, credit unions and PRA-regulated investment firms, it will not extend to other authorised financial services firms. Expanding the regime's scope will help to create a fairer, more consistent, more effective and more rigorous regime for all authorised financial services firms.

The Government have already made revolutionary changes to improve and support the pensions system. Allowing our constituents to access their pension pots—their annuities—without being penalised for doing so has given people more flexibility and more choice over how they spend their own money. As a result of those changes, the Pension Wise scheme was introduced following the 2014 Budget. Expanding the service's scope will mean that more people receive impartial, high-quality financial advice and guidance, which will allow them to discuss their new options.

I encourage all hon. Members to join me this evening in voting in support of a Bill that will bring the Bank of England and financial services into the 21st century—a Bill to allow transparency and accountability to reign in the financial sector.

6.51 pm

**Rob Marris** (Wolverhampton South West) (Lab): It is a pleasure to follow a fellow black country MP—my almost near neighbour, the hon. Member for Dudley South (Mike Wood).

I will be brief, as I have been exhorted to be. The Opposition welcome the improvements made to the Bill in the other place. We also welcome the Government's preparedness to listen. There are some good things in the Bill. We give a partial welcome to the change allowing the National Audit Office to do investigations into value for money, although it is a pity that it will not be allowed to look at whether the Bank of England's goals were achieved—not at whether there should have been goals, because that is not the NAO's role, but at whether the Bank's goals were achieved. That should be part of the NAO's remit.

We welcome the extension of the scope of the senior managers and certification regime. We broadly welcome the changes on the enforceability of credit agreements and the regulation of what are called “transformer vehicles”, which are devices for risk mitigation—a kind of reinsurance. We very much welcome the extension of the Pension Wise guidance service, and the Bank of England's increased duty to provide information to the Treasury is also welcome. We also welcome banks being authorised to issue notes in Scotland and Northern Ireland if their sister banks operate there.

**Keith Vaz** (Leicester East) (Lab): Would my hon. Friend also welcome something for which some of us have been campaigning for the last 24 years? Twenty-four years ago, the Bank of Credit and Commerce International—the sixth-largest private bank in the world—closed and the Bingham report was commissioned to look at the supervision of the Bank of England and at its powers. However, one part of the report has not been published over the last 24 years—the confidential second part. Does my hon. Friend think it should now be published?

**Rob Marris:** I agree with my right hon. Friend. Many of his constituents in Leicester, and mine in Wolverhampton, were adversely affected by BCCI's collapse, and unless we publish that material, we will not learn from it.

There have been considerable problems. As the right hon. Member for Chichester (Mr Tyrie), the Chair of the Treasury Committee, put it at the Report stage of the Financial Services (Banking Reform) Bill in 2013 in this very Chamber:

“The crisis of standards and trust in banking—and it is a crisis—is multi-faceted, and so are the necessary remedies...In a nutshell, boards were negligent and the system of regulation was found seriously wanting the first time it was tested.”—[*Official Report*, 8 July 2013; Vol. 566, c. 76.]

That was absolutely right. Sadly, that is still the situation now. There have been too few prosecutions. It bemuses me, as a lawyer, why the authorities cannot use section 16 of the Theft Act 1968, on obtaining pecuniary advantage by deception, rather than going off on jaunts unsuccessfully looking at conspiracy charges, which are much more difficult to prove.

There has been a series of post-2008 crash infractions by banking institutions. Since 2013, the new Financial Conduct Authority, which replaced the old Financial Services Authority, has dished out fines to firms large and small totalling almost £3 billion. That includes big fines to Barclays, Lloyds, RBS and HSBC. Banks such as Standard Chartered have been paying big fines in the States. That is for wrongdoing that took place after the crash in 2008, so some of these people simply do not learn. Today, according to the BBC, Barclays and Credit Suisse have been fined a total of \$154 million by US regulators for their American dark pool trading operations. Those may have begun before 2008, but the wrongdoing continued until well after, so these people sometimes do not learn.

There are problems with the Bill. The test should be whether regulation will lead to better or worse compliance. Quite a lot of today's debate has been about the reverse burden of proof, and that is important, but we want a strict regime to encourage compliance. However, that is not going to happen if we get rid of the reverse burden of proof. The question is, will this change make prosecutions easier or harder? It will make them harder. Will it make compliance more or less likely? My hunch is that abolishing the reverse burden of proof will make it less likely, but we do not know, because the Government are rushing to get this change made before the SM&CR comes in on 7 March—it is a good acronym, but I would pronounce it “smacker”, because that is what we should have.

We have had some indecision by the Chancellor of the Exchequer over the years. Back in July 2013, in the Government response to the report by the Parliamentary Commission on Banking Standards—this is still on the Government website—he said:

“Cultural reform in the banking sector marks the next step in the government's plan to move the whole sector from rescue to

recovery and ensure that UK banks demonstrate the highest standards, and are able to support business and drive economic growth.”

However, if the Bill is passed unchanged, it will take us backwards.

If we look at what the FCA is doing, it appears to have had pressure put on it. In its business plan for 2015-16—for this very year—its chair, John Griffith-Jones, said:

“In our last Risk Outlook we identified the seven most important forward-looking areas of focus in our view...Poor culture and controls continue to concern us, notwithstanding the efforts being made by firms to improve both.”

He wanted to look at the culture in the banking sector and the financial services sector, but that now appears to have gone out the window.

On the reverse burden of proof, I say with all due respect that, as far as I know—I stand to be corrected—the chief executive-designate of the Financial Conduct Authority, Dr Bailey, is not a lawyer. However, he is pronouncing on legal matters. In a letter from Lord Bridges of Headley, a Parliamentary Secretary in the Cabinet Office, he is quoted as saying:

“The introduction of the ‘duty of responsibility’ in place of the ‘presumption’ makes little difference to the substance of the new regime. Once introduced, it will be for the regulators (rather than the senior manager) to prove that reasonable steps to prevent regulatory breaches were not taken. This change is one of process, not substance”.

I have to say to Dr Bailey that, as a lawyer, I profoundly disagree. I know what the burden of proof is in civil cases, and I know what the burden of proof is in criminal cases. I know what the concept of strict liability is, and I know what the reverse burden of proof is. The reverse burden of proof is not as bad as strict liability, and my hon. Friend the Member for Bishop Auckland (Helen Goodman) mentioned that. We have strict liability for things such as the Health and Safety at Work etc. Act 1974—one of the Acts under which I made my living before I entered this place.

We want the Government to tighten the regime, not loosen it, as this Bill will if passed unaltered. Some of the proponents of the Bill seem to think, or certainly did think, that regulation of banking was too tight before the crash in 2008. In March 2005, the Centre for Policy Studies published a report called “The Leviathan is still at large” in which it called for, among other things,

“an industry with responsible senior management, ensuring that consumer protection is provided through market forces and competitive brands jealous of their reputations, and where risk-taking is not viewed as dangerous but as commendable”.

It also recommended

“an industry where competition abroad and competitiveness at home are not hampered by the costs and burden of being regulated, or by the costs (and conflicts) of educating consumers, or of policing and prosecuting money-laundering and financial crime.”

Before I came to the House this evening, I looked up the definition of a phrase with which hon. Members will be well familiar, “the reverse ferret”, which is

“a sudden reversal in an organisation's editorial line on a certain issue. Generally, this will involve no acknowledgement of the previous position.”

It came from Kelvin MacKenzie when he was at *The Sun*. Well, tonight we have a double reverse ferret; I do not know what that is called. The report by the Centre for Policy Studies, published in March 2005, before the world

[Rob Marris]

crash, had 10 authors; it was a co-operative effort. Two of those authors are now Treasury Ministers; they were not MPs at the time. One of them is the Economic Secretary to the Treasury, who has been addressing the House tonight, and the other is the Financial Secretary to the Treasury. Before 2005, they were saying, “Labour’s got regulation too tight”, while many of us on the Labour Benches were saying, “Labour’s got regulation too loose.” To my great sadness, I was right and my own Government were wrong, but this Government are making it worse. They tightened things up with the reverse burden of proof, and so on, in 2013, and two years later, before it came into force, untested, they said it was to be done away with under this Bill. That is a double reverse ferret, and it is not acceptable.

7.2 pm

**Harriett Baldwin:** With the leave of the House, Mr Deputy Speaker, I would like to speak for a second time.

I commend the fact that we have had a wide range of speeches, with 12 by Back Benchers from, I am pleased to say, almost across the country. We heard from my right hon. Friends the Members for Chichester (Mr Tyrie) and for Cities of London and Westminster (Mark Field), the hon. Members for East Lothian (George Kerevan) and for Bassetlaw (John Mann), my hon. Friend the Member for South West Devon (Mr Streeter), the hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards), my hon. Friend the Member for Havant (Mr Mak), the hon. Member for Bishop Auckland (Helen Goodman), my hon. Friend the Member for Yeovil (Marcus Fysh), the hon. Member for Kirkcaldy and Cowdenbeath (Roger Mullin), and my hon. Friends the Members for Newark (Robert Jenrick) and for Dudley South (Mike Wood). I will deal with some of the questions they asked later.

This has been a very revealing debate. We have just heard the hon. Member for Wolverhampton South West (Rob Marris) say that he is not satisfied with the creation of the system of regulation that was rightly criticised in 2005 and resulted in the financial crash on Labour’s watch. In fact, Labour Members, by declining to give this Bill a Second Reading tonight, are showing once again that they would be a risk to the livelihoods of everyone, most especially the poorest and the oldest, if they were ever to return to power, because their shadow Chancellor opposes giving a Second Reading to this entirely sensible Bill due to his opposition to the independence of the Bank of England—Gordon Brown’s best decision. His reasoned amendment says that “the Bill fails to increase oversight and accountability of the work of the Bank of England”.

I thought it might be interesting to see exactly what the shadow Chancellor means by that. In 2012, he said:

“In the first week of a Labour Government democratic control of the major economic decisions would be restored by ending the Bank of England’s control over interest rates and bringing the nationalised and subsidised banks under direct control”.

That is what his reasoned amendment implies. In setting up his review of monetary policy, he said:

“Perhaps we should be even bolder, creating a national investment bank and using newly printed money to fund it.”

He does not need me to criticise that as a terrible idea that would cause inflation—he should look no further

than his predecessor as shadow Chancellor, the hon. Member for Nottingham East (Chris Leslie), who said:

“Printing money and ending Bank of England independence would push up inflation, lending rates, squeeze out money for schools and hospitals and mean spending more on debt servicing. Higher inflation and a higher cost of living would hit those on the lowest incomes, the poorest people who couldn’t afford those goods and services.”

That is the reality of the Opposition’s economic policies with regard to the Bank of England. Inflation is a tax on the poorest, and they would hit the poorest hard.

**Helen Goodman** *rose*—

**Harriett Baldwin:** Does the hon. Lady agree with that policy?

**Helen Goodman:** Surely the hon. Lady knows that it is the current Chancellor who has printed, as she puts it, £175 billion of money, and in doing so has increased the wealth of the top 5% in this country by £185,000 each.

**Harriett Baldwin:** I do worry about the hon. Lady sometimes, because she is again criticising the decisions of the independent Bank of England.

That is before we get to the Opposition’s other policies, such as bringing back secondary picketing, banning dividends, and nationalising businesses without compensation. Even Danny Blanchflower, the head of the independent review that the shadow Chancellor has set up to look at the remit of the Bank of England—

**Rob Marris:** It is David Blanchflower!

**Harriett Baldwin:** Danny is what he seems to like to go by. He said in a recent article for the *New Statesman*:

“We are in search of good ideas...the new Labour Party still doesn’t have many economic policies to speak of...The new Labour leaders are not economists and are going to have to learn fast.”

This debate shows that they have not learned anything.

While the SNP’s reasons for opposing the Bill’s Second Reading show some common ground with Labour’s, the SNP is at the other end of the spectrum in thinking that the Bill fails to provide sufficient independence from direct political interference for the Bank of England. They cannot both be right; indeed, they are both wrong. The Bill strikes the right balance on operational independence at the Bank of England and the FCA, and scrutiny by the people in the form of the Treasury Committee and the elected Government.

I will now address some of the points raised in the debate. I noticed that the hon. Member for Leeds East (Richard Burgon) did not point out that we now have the toughest rules on bankers’ pay of any major financial centre and that we have brought in new criminal offences in terms of financial crime, and that he did not welcome the fact that we are widening the duty of responsibility to the whole of the financial services sector. He asked one reasonable question, which was about the memorandum of understanding between the BOE and the NAO. He knows that I have written to the Governor and to the Comptroller and Auditor General, Sir Amyas Morse, and they will endeavour to try to publish the memorandum during the course of the Bill’s passage through the House.



My right hon. Friend the Member for Chichester, who made a superb, sweeping masterclass of a speech on the history of financial regulation, came up with some interesting suggestions about making PRA rulings public. Obviously that would involve some issues of commercial sensitivity in some of the things that it deals with. He said that he wanted to rename the court “the board of the Bank of England”. He pointed out, quite rightly, that the concept of “too big to fail” is still in the banking system, not least in that the Government continue to own large chunks of it. He mentioned the timetable, and emphasised competition, which is very important.

The hon. Member for East Lothian, in an erudite speech, pointed out that responsibility is what we need, and we believe that we are delivering it through the duty of responsibility. He rightly highlighted the importance of changing the culture. I like his analogy with the captain of the ship, and we believe that setting out the responsibilities of senior managers achieves that balance.

My right hon. Friend the Member for Cities of London and Westminster spoke up for his constituency. He mentioned a problem with interest rate swap claims running out of time, which I would like to take up with him on a separate occasion, if I may. I want to clarify that the power to appoint deputy governors is not the Governor’s alone; it is actually an appointment of the Queen, with the consent of the Chancellor.<sup>1</sup>

The hon. Member for Bassetlaw, who is not in his place, wants more transparency and competition. I gently point out to him—perhaps he will read this in *Hansard*—that the building society sector has welcomed the fact that the reverse burden of proof is no longer in the Bill.

My hon. Friend the Member for South West Devon made an excellent point about debt management, and I share his enthusiasm for free debt advice and organisations such as PayPlan, Christians Against Poverty, StepChange and, of course, Citizens Advice. I am keen to hear more detail from him about what more we can do to make sure that, as the FCA takes on responsibility for debt management, the fee structure works well for consumers.

The hon. Member for Carmarthen East and Dinefwr mentioned Welsh bank notes, which is an interesting idea, and proposed a sterling central bank. He will, of course, be aware that the North and South Wales Bank was bought by Midland Bank in 1908 and lost the ability to issue Welsh bank notes.

My hon. Friend the Member for Havant made a wide-ranging and supportive speech, but the hon. Member for Bishop Auckland and I are never going to see eye to eye on this Bill. On the sale of the Royal Bank of Scotland, how can she think that it is not in the wider interests of the economy for the Government not to own it? She is the one complaining about socialising losses, so she should be congratulating the Government on having started on the sale of RBS last August.

My hon. Friend the Member for Yeovil made a very good speech about competition and systemic risks. He is right that the investment firms and their systemic risk must be addressed by the regime. So far, eight investment firms have been identified as important in that regard.

The hon. Member for Kirkcaldy and Cowdenbeath made a very good speech about the importance of culture. We agree with him on that.

My hon. Friend the Member for Newark made a Nottinghamshire-based speech about the bellwether for the British economy. He made some excellent points. I reassure him that supervision and resolution will continue to be operationally separate under different deputy governors at the Bank of England. I also endorse his point about the regions. He will be pleased to know that Mr Andrew Bailey is, in fact, from Leicester, which is another important bellwether for the British economy. I was also glad to hear my hon. Friend make supportive comments about Pension Wise.

My hon. Friend the Member for Dudley South said how popular Pension Wise is in his area, and the hon. Member for Wolverhampton South West has clearly done his legal research.

In conclusion, the Bill brings National Audit Office scrutiny into the Bank of England for the first time. It protects its independence on decisions and extends a duty of responsibility, via the senior managers and certification regime, to change the culture of financial services firms. It brings extra help for consumers in the secondary annuity market and in capping exit charges, and ensures that the most vulnerable in society are protected from illegal loan sharks.

All those excellent measures will be lost if the Opposition have their way and tonight’s Second Reading is opposed. We cannot take irresponsible risks with financial regulation, which is what the Labour party wants to do. This is a good and sensible Bill, and I urge right hon. and hon. Members to back its Second Reading.

*Question put, That the amendment be made.*

*The House divided: Ayes 252, Noes 289.*

**Division No. 179]**

**[7.14 pm**

**AYES**

Abbott, Ms Diane	Burgon, Richard
Abrahams, Debbie	Butler, Dawn
Ahmed-Sheikh, Ms Tasmina	Byrne, rh Liam
Alexander, Heidi	Cadbury, Ruth
Ali, Rushanara	Cameron, Dr Lisa
Allen, Mr Graham	Campbell, rh Mr Alan
Anderson, Mr David	Campbell, Mr Ronnie
Arkless, Richard	Carmichael, rh Mr Alistair
Ashworth, Jonathan	Champion, Sarah
Austin, Ian	Cherry, Joanna
Bailey, Mr Adrian	Coaker, Vernon
Bardell, Hannah	Coffey, Ann
Barron, rh Kevin	Cooper, Julie
Beckett, rh Margaret	Cooper, Rosie
Benn, rh Hilary	Cooper, rh Yvette
Berger, Luciana	Corbyn, rh Jeremy
Betts, Mr Clive	Cox, Jo
Black, Mhairi	Coyle, Neil
Blackford, Ian	Crausby, Mr David
Blackman, Kirsty	Crawley, Angela
Blackman-Woods, Dr Roberta	Creagh, Mary
Blenkinsop, Tom	Creasy, Stella
Blomfield, Paul	Cruddas, Jon
Boswell, Philip	Cryer, John
Bradshaw, rh Mr Ben	Cummins, Judith
Brake, rh Tom	Cunningham, Alex
Brennan, Kevin	Cunningham, Mr Jim
Brock, Deidre	Dakin, Nic
Brown, Alan	Danczuk, Simon
Brown, Lyn	David, Wayne
Bryant, Chris	Day, Martyn
Buck, Ms Karen	De Piero, Gloria

Docherty, Martin John  
 Dodds, rh Mr Nigel  
 Donaldson, Stuart Blair  
 Doughty, Stephen  
 Dowd, Jim  
 Dowd, Peter  
 Dromey, Jack  
 Dugher, Michael  
 Durkan, Mark  
 Eagle, Ms Angela  
 Eagle, Maria  
 Edwards, Jonathan  
 Efford, Clive  
 Elliott, Julie  
 Ellman, Mrs Louise  
 Esterson, Bill  
 Farrelly, Paul  
 Fellows, Marion  
 Fitzpatrick, Jim  
 Fletcher, Colleen  
 Flint, rh Caroline  
 Flynn, Paul  
 Fovargue, Yvonne  
 Gethins, Stephen  
 Gibson, Patricia  
 Glass, Pat  
 Glendon, Mary  
 Goodman, Helen  
 Grady, Patrick  
 Grant, Peter  
 Green, Kate  
 Greenwood, Lilian  
 Greenwood, Margaret  
 Griffith, Nia  
 Gwynne, Andrew  
 Haigh, Louise  
 Hamilton, Fabian  
 Hanson, rh Mr David  
 Harris, Carolyn  
 Hayes, Helen  
 Healey, rh John  
 Hendrick, Mr Mark  
 Hendry, Drew  
 Hepburn, Mr Stephen  
 Hermon, Lady  
 Hodgson, Mrs Sharon  
 Hollern, Kate  
 Hopkins, Kelvin  
 Hosie, Stewart  
 Howarth, rh Mr George  
 Huq, Dr Rupa  
 Hussain, Imran  
 Irranca-Davies, Huw  
 Jarvis, Dan  
 Johnson, Diana  
 Jones, Gerald  
 Jones, Helen  
 Jones, Susan Elan  
 Kaufman, rh Sir Gerald  
 Keeley, Barbara  
 Kendall, Liz  
 Kerevan, George  
 Kinnock, Stephen  
 Kyle, Peter  
 Lamb, rh Norman  
 Lammy, rh Mr David  
 Lavery, Ian  
 Lewell-Buck, Mrs Emma  
 Lewis, Clive  
 Lewis, Mr Ivan  
 Long Bailey, Rebecca  
 Lucas, Caroline

Lucas, Ian C.  
 Lynch, Holly  
 MacNeil, Mr Angus Brendan  
 Mactaggart, rh Fiona  
 Madders, Justin  
 Mahmood, Mr Khalid  
 Mahmood, Shabana  
 Malhotra, Seema  
 Mann, John  
 Marris, Rob  
 Marsden, Mr Gordon  
 Maskell, Rachael  
 Matheson, Christian  
 Mc Nally, John  
 McCabe, Steve  
 McCaig, Callum  
 McCarthy, Kerry  
 McDonagh, Siobhain  
 McDonald, Andy  
 McDonald, Stewart Malcolm  
 McDonald, Stuart C.  
 McDonnell, John  
 McFadden, rh Mr Pat  
 McGarry, Natalie  
 McGinn, Conor  
 McGovern, Alison  
 McInnes, Liz  
 McKinnell, Catherine  
 McMahan, Jim  
 Meale, Sir Alan  
 Mearns, Ian  
 Miliband, rh Edward  
 Monaghan, Dr Paul  
 Moon, Mrs Madeleine  
 Morden, Jessica  
 Morris, Grahame M.  
 Mullin, Roger  
 Murray, Ian  
 Newlands, Gavin  
 Nicolson, John  
 O'Hara, Brendan  
 Onn, Melanie  
 Onwurah, Chi  
 Osamor, Kate  
 Oswald, Kirsten  
 Owen, Albert  
 Paterson, Steven  
 Pearce, Teresa  
 Pennycook, Matthew  
 Perkins, Toby  
 Phillips, Jess  
 Pound, Stephen  
 Powell, Lucy  
 Pugh, John  
 Rayner, Angela  
 Reed, Mr Jamie  
 Reed, Mr Steve  
 Rees, Christina  
 Reeves, Rachel  
 Reynolds, Jonathan  
 Rimmer, Marie  
 Ritchie, Ms Margaret  
 Robinson, Gavin  
 Robinson, Mr Geoffrey  
 Rotheram, Steve  
 Ryan, rh Joan  
 Saville Roberts, Liz  
 Shah, Naz  
 Sharma, Mr Virendra  
 Sherriff, Paula  
 Shuker, Mr Gavin  
 Siddiq, Tulip

Skinner, Mr Dennis  
 Slaughter, Andy  
 Smeeth, Ruth  
 Smith, rh Mr Andrew  
 Smith, Angela  
 Smith, Cat  
 Smith, Nick  
 Smith, Owen  
 Smyth, Karin  
 Spellar, rh Mr John  
 Starmer, Keir  
 Stephens, Chris  
 Stevens, Jo  
 Streeting, Wes  
 Stringer, Graham  
 Stuart, rh Ms Gisela  
 Tami, Mark  
 Thewliss, Alison  
 Thomas, Mr Gareth  
 Thomson, Michelle  
 Thornberry, Emily  
 Timms, rh Stephen  
 Trickett, Jon  
 Turley, Anna

Adams, Nigel  
 Afriyie, Adam  
 Aldous, Peter  
 Allan, Lucy  
 Allen, Heidi  
 Andrew, Stuart  
 Ansell, Caroline  
 Argar, Edward  
 Atkins, Victoria  
 Bacon, Mr Richard  
 Baker, Mr Steve  
 Baldwin, Harriett  
 Barclay, Stephen  
 Barwell, Gavin  
 Bebb, Guto  
 Bellingham, Sir Henry  
 Benyon, Richard  
 Beresford, Sir Paul  
 Berry, Jake  
 Berry, James  
 Bingham, Andrew  
 Blackman, Bob  
 Blunt, Crispin  
 Boles, Nick  
 Bone, Mr Peter  
 Borwick, Victoria  
 Bottomley, Sir Peter  
 Bradley, Karen  
 Brazier, Mr Julian  
 Bridgen, Andrew  
 Brokenshire, rh James  
 Bruce, Fiona  
 Buckland, Robert  
 Burns, Conor  
 Burns, rh Sir Simon  
 Burrowes, Mr David  
 Burt, rh Alistair  
 Cairns, Alun  
 Carmichael, Neil  
 Cartlidge, James  
 Cash, Sir William  
 Caulfield, Maria  
 Chalk, Alex  
 Chishti, Rehman  
 Churchill, Jo

Turner, Karl  
 Twigg, Derek  
 Twigg, Stephen  
 Umunna, Mr Chuka  
 Vaz, rh Keith  
 Vaz, Valerie  
 Weir, Mike  
 Whiteford, Dr Eilidh  
 Whitehead, Dr Alan  
 Whitford, Dr Philippa  
 Williams, Hywel  
 Williams, Mr Mark  
 Wilson, Corri  
 Wilson, Sammy  
 Winnick, Mr David  
 Winterton, rh Dame Rosie  
 Wishart, Pete  
 Woodcock, John  
 Wright, Mr Iain  
 Zeichner, Daniel

**Tellers for the Ayes:**  
**Jeff Smith and**  
**Vicky Foxcroft**

#### NOES

Clark, rh Greg  
 Cleverly, James  
 Clifton-Brown, Geoffrey  
 Coffey, Dr Thérèse  
 Colville, Oliver  
 Costa, Alberto  
 Cox, Mr Geoffrey  
 Crabb, rh Stephen  
 Davies, Byron  
 Davies, Chris  
 Davies, David T. C.  
 Davies, Glyn  
 Davies, Dr James  
 Davies, Mims  
 Davies, Philip  
 Davis, rh Mr David  
 Dinenage, Caroline  
 Djanogly, Mr Jonathan  
 Donelan, Michelle  
 Double, Steve  
 Dowden, Oliver  
 Doyle-Price, Jackie  
 Drummond, Mrs Flick  
 Duddridge, James  
 Duncan, rh Sir Alan  
 Duncan Smith, rh Mr Iain  
 Dunne, Mr Philip  
 Ellis, Michael  
 Ellison, Jane  
 Elphicke, Charlie  
 Eustice, George  
 Evans, Graham  
 Evans, Mr Nigel  
 Evennett, rh Mr David  
 Fabricant, Michael  
 Fallon, rh Michael  
 Fernandes, Suella  
 Field, rh Mark  
 Fox, rh Dr Liam  
 Frazer, Lucy  
 Freer, Mike  
 Fuller, Richard  
 Fysh, Marcus  
 Gale, Sir Roger  
 Garnier, rh Sir Edward

Garnier, Mark  
 Gauke, Mr David  
 Ghani, Nusrat  
 Gibb, Mr Nick  
 Gillan, rh Mrs Cheryl  
 Graham, Richard  
 Grant, Mrs Helen  
 Gray, Mr James  
 Grayling, rh Chris  
 Green, Chris  
 Green, rh Damian  
 Grieve, rh Mr Dominic  
 Griffiths, Andrew  
 Gummer, Ben  
 Gyimah, Mr Sam  
 Halfon, rh Robert  
 Hall, Luke  
 Hammond, Stephen  
 Hancock, rh Matthew  
 Hands, rh Greg  
 Harper, rh Mr Mark  
 Harrington, Richard  
 Hart, Simon  
 Haselhurst, rh Sir Alan  
 Heald, Sir Oliver  
 Heapey, James  
 Heaton-Harris, Chris  
 Heaton-Jones, Peter  
 Henderson, Gordon  
 Herbert, rh Nick  
 Hinds, Damian  
 Hoare, Simon  
 Hollinrake, Kevin  
 Hollobone, Mr Philip  
 Holloway, Mr Adam  
 Hopkins, Kris  
 Howarth, Sir Gerald  
 Howell, John  
 Howlett, Ben  
 Huddleston, Nigel  
 Hunt, rh Mr Jeremy  
 Hurd, Mr Nick  
 Jackson, Mr Stewart  
 Javid, rh Sajid  
 Jayawardena, Mr Ranil  
 Jenkin, Mr Bernard  
 Jenkyns, Andrea  
 Jenrick, Robert  
 Johnson, Boris  
 Johnson, Gareth  
 Johnson, Joseph  
 Jones, Andrew  
 Jones, rh Mr David  
 Jones, Mr Marcus  
 Kawczynski, Daniel  
 Kennedy, Seema  
 Kirby, Simon  
 Knight, rh Sir Greg  
 Knight, Julian  
 Kwarteng, Kwasi  
 Lancaster, Mark  
 Latham, Pauline  
 Leadsom, Andrea  
 Lefroy, Jeremy  
 Leigh, Sir Edward  
 Leslie, Charlotte  
 Letwin, rh Mr Oliver  
 Lewis, Brandon  
 Lewis, rh Dr Julian  
 Liddell-Grainger, Mr Ian  
 Lidington, rh Mr David  
 Lilley, rh Mr Peter

Lopresti, Jack  
 Lord, Jonathan  
 Loughton, Tim  
 Lumley, Karen  
 Mackinlay, Craig  
 Mackintosh, David  
 Main, Mrs Anne  
 Mak, Mr Alan  
 Malthouse, Kit  
 Mann, Scott  
 Mathias, Dr Tania  
 May, rh Mrs Theresa  
 Maynard, Paul  
 McCartney, Jason  
 McLoughlin, rh Mr Patrick  
 McPartland, Stephen  
 Menzies, Mark  
 Mercer, Johnny  
 Merriman, Huw  
 Metcalfe, Stephen  
 Miller, rh Mrs Maria  
 Milling, Amanda  
 Mills, Nigel  
 Milton, rh Anne  
 Mitchell, rh Mr Andrew  
 Mordaunt, Penny  
 Morgan, rh Nicky  
 Morris, Anne Marie  
 Morris, David  
 Morris, James  
 Morton, Wendy  
 Mowat, David  
 Mundell, rh David  
 Murray, Mrs Sheryll  
 Murrison, Dr Andrew  
 Neill, Robert  
 Newton, Sarah  
 Nokes, Caroline  
 Norman, Jesse  
 Nuttall, Mr David  
 Offord, Dr Matthew  
 Opperman, Guy  
 Osborne, rh Mr George  
 Parish, Neil  
 Patel, rh Priti  
 Pawsey, Mark  
 Penning, rh Mike  
 Penrose, John  
 Percy, Andrew  
 Perry, Claire  
 Philp, Chris  
 Pickles, rh Sir Eric  
 Pincher, Christopher  
 Prentis, Victoria  
 Pritchard, Mark  
 Pursglove, Tom  
 Quin, Jeremy  
 Quince, Will  
 Raab, Mr Dominic  
 Redwood, rh John  
 Rees-Mogg, Mr Jacob  
 Robertson, Mr Laurence  
 Robinson, Mary  
 Rosindell, Andrew  
 Rudd, rh Amber  
 Rutley, David  
 Sandbach, Antoinette  
 Scully, Paul  
 Selous, Andrew  
 Shapps, rh Grant  
 Sharma, Alok  
 Shelbrooke, Alec

Simpson, rh Mr Keith  
 Skidmore, Chris  
 Smith, Chloe  
 Smith, Henry  
 Smith, Julian  
 Smith, Royston  
 Soames, rh Sir Nicholas  
 Solloway, Amanda  
 Soubry, rh Anna  
 Stephenson, Andrew  
 Stewart, Bob  
 Stewart, Iain  
 Stewart, Rory  
 Streeter, Mr Gary  
 Stride, Mel  
 Stuart, Graham  
 Sturdy, Julian  
 Sunak, Rishi  
 Swayne, rh Mr Desmond  
 Swire, rh Mr Hugo  
 Syms, Mr Robert  
 Thomas, Derek  
 Timpson, Edward  
 Tolhurst, Kelly  
 Tomlinson, Justin  
 Tomlinson, Michael  
 Tracey, Craig  
 Trevelyan, Mrs Anne-Marie  
 Truss, rh Elizabeth

Tugendhat, Tom  
 Turner, Mr Andrew  
 Tyrie, rh Mr Andrew  
 Vaizey, Mr Edward  
 Vara, Mr Shailesh  
 Vickers, Martin  
 Walker, Mr Charles  
 Walker, Mr Robin  
 Wallace, Mr Ben  
 Warburton, David  
 Warman, Matt  
 Watkinson, Dame Angela  
 Wharton, James  
 Whately, Helen  
 Wheeler, Heather  
 White, Chris  
 Whittaker, Craig  
 Whittingdale, rh Mr John  
 Wiggin, Bill  
 Williamson, rh Gavin  
 Wilson, Mr Rob  
 Wollaston, Dr Sarah  
 Wood, Mike  
 Wragg, William  
 Wright, rh Jeremy  
 Zahawi, Nadhim

**Tellers for the Noes:**  
**Margot James and**  
**George Hollingbery**

*Question accordingly negatived.*

*Question put, That the Bill be now read a Second time.*

*The House divided: Ayes 292, Noes 257.*

**Division No. 180]**

**[7.27 pm**

**AYES**

Adams, Nigel  
 Afriyie, Adam  
 Aldous, Peter  
 Allan, Lucy  
 Allen, Heidi  
 Andrew, Stuart  
 Ansell, Caroline  
 Argar, Edward  
 Atkins, Victoria  
 Bacon, Mr Richard  
 Baker, Mr Steve  
 Baldwin, Harriett  
 Barclay, Stephen  
 Barwell, Gavin  
 Bebb, Guto  
 Bellingham, Sir Henry  
 Benyon, Richard  
 Beresford, Sir Paul  
 Berry, Jake  
 Berry, James  
 Bingham, Andrew  
 Blackman, Bob  
 Blunt, Crispin  
 Boles, Nick  
 Bone, Mr Peter  
 Borwick, Victoria  
 Bottomley, Sir Peter  
 Bradley, Karen  
 Brazier, Mr Julian  
 Bridgen, Andrew  
 Brokenshire, rh James  
 Bruce, Fiona  
 Buckland, Robert  
 Burns, Conor  
 Burns, rh Sir Simon  
 Burrowes, Mr David  
 Burt, rh Alistair  
 Cairns, Alun  
 Carmichael, Neil  
 Cartledge, James  
 Cash, Sir William  
 Caulfield, Maria  
 Chalk, Alex  
 Chishti, Rehman  
 Churchill, Jo  
 Clark, rh Greg  
 Cleverly, James  
 Clifton-Brown, Geoffrey  
 Coffey, Dr Thérèse  
 Colville, Oliver  
 Costa, Alberto  
 Cox, Mr Geoffrey  
 Crabb, rh Stephen  
 Davies, Byron  
 Davies, Chris  
 Davies, David T. C.  
 Davies, Glyn  
 Davies, Dr James  
 Davies, Mims  
 Davies, Philip  
 Davis, rh Mr David  
 Dinenage, Caroline  
 Djanogly, Mr Jonathan  
 Donelan, Michelle

Double, Steve  
 Dowden, Oliver  
 Doyle-Price, Jackie  
 Drummond, Mrs Flick  
 Duddridge, James  
 Duncan, rh Sir Alan  
 Duncan Smith, rh Mr Iain  
 Dunne, Mr Philip  
 Ellis, Michael  
 Ellison, Jane  
 Elphicke, Charlie  
 Eustice, George  
 Evans, Graham  
 Evans, Mr Nigel  
 Evennett, rh Mr David  
 Fabricant, Michael  
 Fallon, rh Michael  
 Fernandes, Suella  
 Field, rh Mark  
 Fox, rh Dr Liam  
 Frazer, Lucy  
 Freer, Mike  
 Fuller, Richard  
 Fysh, Marcus  
 Gale, Sir Roger  
 Garnier, rh Sir Edward  
 Garnier, Mark  
 Gauke, Mr David  
 Ghani, Nusrat  
 Gibb, Mr Nick  
 Gillan, rh Mrs Cheryl  
 Glen, John  
 Graham, Richard  
 Grant, Mrs Helen  
 Gray, Mr James  
 Grayling, rh Chris  
 Green, Chris  
 Green, rh Damian  
 Grieve, rh Mr Dominic  
 Griffiths, Andrew  
 Gummer, Ben  
 Gyimah, Mr Sam  
 Halfon, rh Robert  
 Hall, Luke  
 Hammond, Stephen  
 Hancock, rh Matthew  
 Hands, rh Greg  
 Harper, rh Mr Mark  
 Harrington, Richard  
 Hart, Simon  
 Haselhurst, rh Sir Alan  
 Heald, Sir Oliver  
 Heappey, James  
 Heaton-Harris, Chris  
 Heaton-Jones, Peter  
 Henderson, Gordon  
 Herbert, rh Nick  
 Hinds, Damian  
 Hoare, Simon  
 Hollinrake, Kevin  
 Hollobone, Mr Philip  
 Holloway, Mr Adam  
 Hopkins, Kris  
 Howarth, Sir Gerald  
 Howell, John  
 Howlett, Ben  
 Huddleston, Nigel  
 Hunt, rh Mr Jeremy  
 Hurd, Mr Nick  
 Jackson, Mr Stewart  
 Javid, rh Sajid  
 Jayawardena, Mr Ranil

Jenkin, Mr Bernard  
 Jenkyns, Andrea  
 Jenrick, Robert  
 Johnson, Boris  
 Johnson, Gareth  
 Jones, Andrew  
 Jones, rh Mr David  
 Jones, Mr Marcus  
 Kawczynski, Daniel  
 Kennedy, Seema  
 Kirby, Simon  
 Knight, rh Sir Greg  
 Knight, Julian  
 Kwarteng, Kwasi  
 Lancaster, Mark  
 Latham, Pauline  
 Leadsom, Andrea  
 Lefroy, Jeremy  
 Leigh, Sir Edward  
 Leslie, Charlotte  
 Letwin, rh Mr Oliver  
 Lewis, Brandon  
 Lewis, rh Dr Julian  
 Liddell-Grainger, Mr Ian  
 Lidington, rh Mr David  
 Lilley, rh Mr Peter  
 Lopresti, Jack  
 Lord, Jonathan  
 Loughton, Tim  
 Lumley, Karen  
 Mackinlay, Craig  
 Mackintosh, David  
 Main, Mrs Anne  
 Mak, Mr Alan  
 Malthouse, Kit  
 Mann, Scott  
 Mathias, Dr Tania  
 May, rh Mrs Theresa  
 Maynard, Paul  
 McCartney, Jason  
 McCartney, Karl  
 McLoughlin, rh Mr Patrick  
 McPartland, Stephen  
 Menzies, Mark  
 Mercer, Johnny  
 Merriman, Huw  
 Metcalfe, Stephen  
 Miller, rh Mrs Maria  
 Milling, Amanda  
 Mills, Nigel  
 Milton, rh Anne  
 Mitchell, rh Mr Andrew  
 Mordaunt, Penny  
 Morgan, rh Nicky  
 Morris, Anne Marie  
 Morris, David  
 Morris, James  
 Morton, Wendy  
 Mowat, David  
 Mundell, rh David  
 Murray, Mrs Sheryll  
 Murrison, Dr Andrew  
 Neill, Robert  
 Newton, Sarah  
 Nokes, Caroline  
 Norman, Jesse  
 Nuttall, Mr David  
 Offord, Dr Matthew  
 Opperman, Guy  
 Osborne, rh Mr George  
 Parish, Neil  
 Patel, rh Priti

Pawsey, Mark  
 Penning, rh Mike  
 Penrose, John  
 Percy, Andrew  
 Perry, Claire  
 Philp, Chris  
 Pickles, rh Sir Eric  
 Pincher, Christopher  
 Prentis, Victoria  
 Prisk, Mr Mark  
 Pritchard, Mark  
 Pursglove, Tom  
 Quin, Jeremy  
 Quince, Will  
 Raab, Mr Dominic  
 Redwood, rh John  
 Rees-Mogg, Mr Jacob  
 Robertson, Mr Laurence  
 Robinson, Mary  
 Rosindell, Andrew  
 Rudd, rh Amber  
 Rutley, David  
 Sandbach, Antoinette  
 Scully, Paul  
 Selous, Andrew  
 Shapps, rh Grant  
 Sharma, Alok  
 Shelbrooke, Alec  
 Simpson, rh Mr Keith  
 Skidmore, Chris  
 Smith, Chloe  
 Smith, Henry  
 Smith, Julian  
 Smith, Royston  
 Soames, rh Sir Nicholas  
 Solloway, Amanda  
 Soubry, rh Anna  
 Spelman, rh Mrs Caroline  
 Stephenson, Andrew  
 Stewart, Bob  
 Stewart, Iain  
 Stewart, Rory  
 Streeter, Mr Gary  
 Stride, Mel

Stuart, Graham  
 Sturdy, Julian  
 Sunak, Rishi  
 Swayne, rh Mr Desmond  
 Swire, rh Mr Hugo  
 Syms, Mr Robert  
 Thomas, Derek  
 Timpson, Edward  
 Tolhurst, Kelly  
 Tomlinson, Justin  
 Tomlinson, Michael  
 Tracey, Craig  
 Trevelyan, Mrs Anne-Marie  
 Truss, rh Elizabeth  
 Tugendhat, Tom  
 Turner, Mr Andrew  
 Tyrie, rh Mr Andrew  
 Vaizey, Mr Edward  
 Vara, Mr Shailesh  
 Vickers, Martin  
 Walker, Mr Charles  
 Walker, Mr Robin  
 Wallace, Mr Ben  
 Warburton, David  
 Warman, Matt  
 Watkinson, Dame Angela  
 Wharton, James  
 Whately, Helen  
 Wheeler, Heather  
 White, Chris  
 Whittaker, Craig  
 Whittingdale, rh Mr John  
 Wiggan, Bill  
 Williamson, rh Gavin  
 Wilson, Mr Rob  
 Wollaston, Dr Sarah  
 Wood, Mike  
 Wragg, William  
 Wright, rh Jeremy  
 Zahawi, Nadhim

**Tellers for the Ayes:**  
**Margot James and**  
**George Hollingbery**

#### NOES

Abbott, Ms Diane  
 Abrahams, Debbie  
 Ahmed-Sheikh, Ms Tasmina  
 Alexander, Heidi  
 Ali, Rushanara  
 Allen, Mr Graham  
 Anderson, Mr David  
 Arkless, Richard  
 Ashworth, Jonathan  
 Austin, Ian  
 Bailey, Mr Adrian  
 Bardell, Hannah  
 Barron, rh Kevin  
 Beckett, rh Margaret  
 Benn, rh Hilary  
 Berger, Luciana  
 Betts, Mr Clive  
 Black, Mhairi  
 Blackford, Ian  
 Blackman, Kirsty  
 Blackman-Woods, Dr Roberta  
 Blenkinsop, Tom  
 Blomfield, Paul  
 Boswell, Philip  
 Bradshaw, rh Mr Ben

Brake, rh Tom  
 Brennan, Kevin  
 Brock, Deidre  
 Brown, Alan  
 Brown, Lyn  
 Bryant, Chris  
 Buck, Ms Karen  
 Burgon, Richard  
 Burnham, rh Andy  
 Butler, Dawn  
 Byrne, rh Liam  
 Cadbury, Ruth  
 Cameron, Dr Lisa  
 Campbell, rh Mr Alan  
 Campbell, Mr Ronnie  
 Carmichael, rh Mr Alistair  
 Champion, Sarah  
 Cherry, Joanna  
 Coaker, Vernon  
 Coffey, Ann  
 Cooper, Julie  
 Cooper, Rosie  
 Cooper, rh Yvette  
 Corbyn, rh Jeremy  
 Cox, Jo

Coyle, Neil  
Crausby, Mr David  
Crawley, Angela  
Creagh, Mary  
Creasy, Stella  
Cruddas, Jon  
Cryer, John  
Cummins, Judith  
Cunningham, Alex  
Cunningham, Mr Jim  
Dakin, Nic  
Danczuk, Simon  
David, Wayne  
Day, Martyn  
De Piero, Gloria  
Docherty, Martin John  
Dodds, rh Mr Nigel  
Donaldson, Stuart Blair  
Doughty, Stephen  
Dowd, Jim  
Dowd, Peter  
Dromey, Jack  
Dugher, Michael  
Durkan, Mark  
Eagle, Ms Angela  
Eagle, Maria  
Edwards, Jonathan  
Efford, Clive  
Elliott, Julie  
Ellman, Mrs Louise  
Esterson, Bill  
Farrelly, Paul  
Fellows, Marion  
Fitzpatrick, Jim  
Fletcher, Colleen  
Flint, rh Caroline  
Flynn, Paul  
Fovargue, Yvonne  
Gardiner, Barry  
Gethins, Stephen  
Gibson, Patricia  
Glass, Pat  
Glindon, Mary  
Goodman, Helen  
Grady, Patrick  
Grant, Peter  
Green, Kate  
Greenwood, Lilian  
Greenwood, Margaret  
Griffith, Nia  
Gwynne, Andrew  
Haigh, Louise  
Hamilton, Fabian  
Hanson, rh Mr David  
Harris, Carolyn  
Hayes, Helen  
Hayman, Sue  
Healey, rh John  
Hendrick, Mr Mark  
Hendry, Drew  
Hepburn, Mr Stephen  
Hermon, Lady  
Hodgson, Mrs Sharon  
Hollern, Kate  
Hopkins, Kelvin  
Hosie, Stewart  
Howarth, rh Mr George  
Huq, Dr Rupa  
Hussain, Imran  
Irranca-Davies, Huw  
Jarvis, Dan  
Johnson, Diana

Jones, Gerald  
Jones, Helen  
Jones, Susan Elan  
Kaufman, rh Sir Gerald  
Kealey, Barbara  
Kendall, Liz  
Kerevan, George  
Kinnock, Stephen  
Kyle, Peter  
Lamb, rh Norman  
Lammy, rh Mr David  
Lavery, Ian  
Lewell-Buck, Mrs Emma  
Lewis, Clive  
Lewis, Mr Ivan  
Long Bailey, Rebecca  
Lucas, Caroline  
Lucas, Ian C.  
Lynch, Holly  
MacNeil, Mr Angus Brendan  
Mactaggart, rh Fiona  
Madders, Justin  
Mahmood, Mr Khalid  
Mahmood, Shabana  
Malhotra, Seema  
Mann, John  
Marris, Rob  
Marsden, Mr Gordon  
Maskell, Rachael  
Matheson, Christian  
Mc Nally, John  
McCabe, Steve  
McCaig, Callum  
McCarthy, Kerry  
McDonagh, Siobhain  
McDonald, Andy  
McDonald, Stewart Malcolm  
McDonald, Stuart C.  
McDonnell, John  
McFadden, rh Mr Pat  
McGarry, Natalie  
McGinn, Conor  
McGovern, Alison  
McInnes, Liz  
McKinnell, Catherine  
McMahon, Jim  
Meale, Sir Alan  
Mearns, Ian  
Miliband, rh Edward  
Monaghan, Dr Paul  
Moon, Mrs Madeleine  
Morden, Jessica  
Morris, Grahame M.  
Mulholland, Greg  
Mullin, Roger  
Murray, Ian  
Newlands, Gavin  
Nicolson, John  
O'Hara, Brendan  
Onn, Melanie  
Onwurah, Chi  
Osamor, Kate  
Oswald, Kirsten  
Owen, Albert  
Paterson, Steven  
Pearce, Teresa  
Pennycook, Matthew  
Perkins, Toby  
Phillips, Jess  
Pound, Stephen  
Powell, Lucy  
Pugh, John

Rayner, Angela  
Reed, Mr Jamie  
Reed, Mr Steve  
Rees, Christina  
Reeves, Rachel  
Reynolds, Jonathan  
Rimmer, Marie  
Ritchie, Ms Margaret  
Robinson, Gavin  
Robinson, Mr Geoffrey  
Rotheram, Steve  
Ryan, rh Joan  
Saville Roberts, Liz  
Shah, Naz  
Sharma, Mr Virendra  
Sheppard, Tommy  
Sherriff, Paula  
Shuker, Mr Gavin  
Siddiq, Tulip  
Skinner, Mr Dennis  
Slaughter, Andy  
Smeeth, Ruth  
Smith, rh Mr Andrew  
Smith, Angela  
Smith, Cat  
Smith, Nick  
Smith, Owen  
Smyth, Karin  
Spellar, rh Mr John  
Starmer, Keir  
Stephens, Chris  
Stevens, Jo  
Streeting, Wes

Stringer, Graham  
Stuart, rh Ms Gisela  
Tami, Mark  
Thewliss, Alison  
Thomas, Mr Gareth  
Thomson, Michelle  
Thornberry, Emily  
Timms, rh Stephen  
Trickett, Jon  
Turley, Anna  
Turner, Karl  
Twigg, Derek  
Twigg, Stephen  
Umunna, Mr Chuka  
Vaz, rh Keith  
Vaz, Valerie  
Weir, Mike  
Whiteford, Dr Eilidh  
Whitehead, Dr Alan  
Whitford, Dr Philippa  
Williams, Hywel  
Williams, Mr Mark  
Wilson, Corri  
Wilson, Sammy  
Winnick, Mr David  
Winterton, rh Dame Rosie  
Wishart, Pete  
Woodcock, John  
Wright, Mr Iain  
Zeichner, Daniel

**Tellers for the Noes:**  
**Jeff Smith and**  
**Vicky Foxcroft**

*Question accordingly agreed to.*

*Bill read a Second time.*

**BANK OF ENGLAND AND FINANCIAL  
SERVICES BILL [LORDS] (PROGRAMME)**

*Motion made, and Question put forthwith (Standing  
Order No. 83A(7)),*

That the following provisions shall apply to the Bank of  
England and Financial Services Bill [Lords]:

*Committal*

(1) The Bill shall be committed to a Public Bill Committee.

*Proceedings in Public Bill Committee*

(2) Proceedings in the Public Bill Committee shall (so far as  
not previously concluded) be brought to a conclusion on Tuesday  
23 February 2016.

(3) The Public Bill Committee shall have leave to sit twice on  
the first day on which it meets.

*Proceedings on Consideration and up to and including Third Reading*

(4) Proceedings on Consideration and any proceedings in  
Legislative Grand Committee shall (so far as not previously  
concluded) be brought to a conclusion one hour before the  
moment of interruption on the day on which proceedings on  
Consideration are commenced.

(5) Proceedings on Third Reading shall (so far as not previously  
concluded) be brought to a conclusion at the moment of interruption  
on that day.

(6) Standing Order No. 83B (Programming committees) shall  
not apply to proceedings on Consideration and up to and including  
Third Reading.

*Other proceedings*

(7) Any other proceedings on the Bill (including any proceedings  
on consideration of any message from the Lords) may be  
programmed.—(*Simon Kirby.*)

*Question agreed to.*

**BANK OF ENGLAND AND FINANCIAL  
SERVICES BILL [LORDS] (WAYS AND MEANS)**

*Motion made and Question put forthwith (Standing Order No. 52(1)(a)),*

That, for the purposes of any Act resulting from the Bank of England and Financial Services Bill [Lords], it is expedient to authorise:

(1) provision about the fiscal consequences of transferring property, rights and liabilities from the Prudential Regulation Authority to the Bank of England;

(2) the imposition of charges for the purpose of meeting expenses incurred in connection with action against illegal money lending;

(3) the payment of sums into the Consolidated Fund.—(*Simon Kirby.*)

*Question agreed to.*

**BANK OF ENGLAND AND FINANCIAL  
SERVICES BILL [LORDS] (MONEY)**

*Queen's recommendation signified.*

*Motion made and Question put forthwith (Standing Order No. 52(1)(a)),*

That, for the purposes of any Act resulting from the Bank of England and Financial Services Bill [Lords], it is expedient to authorise the payment out of money provided by Parliament of:

(1) any expenditure incurred under or by virtue of the Act by the Treasury; and

(2) any increase attributable to the Act in the sums payable under any other Act out of money so provided.—(*Simon Kirby.*)

*Question agreed to.*

## Backbench Business

### Financial Conduct Authority

**Mr Deputy Speaker (Mr Lindsay Hoyle):** I call Guto Bebb to move the motion. You have 10 to 15 minutes.

7.39 pm

**Guto Bebb (Aberconwy) (Con):** I beg to move,

That this House believes that the Financial Conduct Authority in its current form is not fit for purpose; and has no confidence in its existing structure and procedures.

It is four years since I first raised the issue of interest swap mis-selling in this Chamber. Since then, I have led three Back-Bench business debates on the issue; an Adjournment debate on the Connaught Income Fund, which is another example of financial mis-selling; and a debate on the global restructuring group. I have also contributed to an effort to secure a debate on the future of the Royal Bank of Scotland. It is clear that I have attempted to utilise this House to bring to the attention of Members and the wider public the issue of financial mismanagement and the lack of financial regulation in the marketplace.

Some people have argued that this debate and this motion are premature. Given the evidence and information that I will present, I argue that they are long overdue. We must remember that the Financial Conduct Authority has a clear and specific mission statement:

“We aim to make sure that financial markets work well so that consumers get a fair deal.”

It states:

“This means ensuring that the financial industry is run with integrity, firms provide consumers with appropriate products and services, and consumers can trust that firms have their best interests at heart”.

I believe that the five examples that I will give in my opening speech make it clear that the Financial Conduct Authority is failing against that mission statement.

I will highlight five areas. First, I will touch on the voluntary redress scheme for the mis-selling of interest rate swap products. When I am feeling positive, I think it is a glass-half-full redress scheme, but most of the time I believe that it is a glass-half-empty one. The fact that the glass is half empty after four years is something that I take quite personally.

**Heather Wheeler (South Derbyshire) (Con):** Does my hon. Friend agree that the glass being half full has been okay for some constituents, but that for those who are looking for consequential losses as well, the glass has been absolutely empty?

**Guto Bebb:** My hon. Friend makes an important point about one of the failures of the redress scheme. Too often, the FCA has hidden behind the argument that 80% of the people involved in the redress scheme have accepted their outcome. What it is not willing to admit is that people have accepted the outcome under duress because they needed to keep ahead and get their lives back on track.

The other four areas that I will talk about are the Connaught Income Fund, the FCA's involvement in the report on the failures of HBOS, the promised report on

the global restructuring group and the decision not to move ahead with the review of banking culture, which was communicated on new year's eve.

**Daniel Kawczynski** (Shrewsbury and Atcham) (Con): My hon. Friend is aware of the case of my constituents, Mr and Mrs Bennett from Dorrington, which I have shared with him. They have been treated appallingly by RBS and there has been a complete lack of interest from the FCA. I am grateful to him for taking this matter on and urge him to continue the campaign most vigorously.

**Guto Bebb:** I am grateful to my hon. Friend for those comments. I will touch on RBS's involvement in the redress scheme.

There are concerns about the way in which the interest rate redress scheme was put together. It was a voluntary agreement. One of my first questions, which I still have, was about the arbitrary way in which 10,000 businesses were excluded from the scheme for no apparent reason. Because of an arbitrary decision by the FCA, those businesses were excluded from any means of support under the redress scheme. That decision still is not fully understood. I have raised that issue before and would be more than happy to hear the Minister's comments on it.

Of more concern is the fact that, throughout the process, there has been a lack of willingness from the FCA to explain what they are doing. For two years, the redress scheme was in existence, but the FCA did not share the rules of the scheme. Businesses that had been declined redress within the scheme were appealing the decisions without knowing what the rules were.

**Sir Simon Burns** (Chelmsford) (Con): Does my hon. Friend accept that people such as my constituent, Larry Berkovitz, have been so frustrated by how long, drawn-out and time-consuming the process is that they feel as if they are hitting their head against a brick wall to try to get justice?

**Guto Bebb:** I sympathise fully. When I established the all-party parliamentary group on interest rate swap mis-selling, I expected it to be closed within a year. Four years later, I am still raising debates on the issue, so I share the concern that people are knocking their heads against a wall and getting nowhere.

The Treasury Committee intervened and the FCA finally published its rules in February 2015. Therefore, it can be argued that for two years, every appeal was being made in the dark. The release of the rules led to a further complication. It suddenly became apparent that the way in which the customers of RBS were being treated in the redress scheme was significantly different from the way in which the customers of other banks were being treated.

The APPG did a significant analysis of cases that had been through the redress scheme. It showed clearly that the chances of getting a swap for a swap outcome was much stronger for RBS customers than for customers of other banks. A swap for a swap outcome basically means that the redress to which someone is entitled is significantly less than it would otherwise be. The reason was that RBS appeared to be relying on a generic condition of lending that was not deemed significant by some banks within the review, but that, for some reason, was deemed sufficient for a swap for a swap outcome by RBS.

I met RBS with other members of the APPG to highlight the discrepancies. We were told that the rules that were released to the Treasury Committee were not rules, but principles. Although those principles had been established for the scheme, apparently 11 different methodologies were agreed with 11 different banks. It is arguable that the Treasury Committee was misled because when it asked for the rules, it is unclear whether it got rules or principles.

I ask again: if a business does not feel that it received an adequate offer from a bank, how can it challenge the decision if it does not know what the methodology was? I met the FCA, because RBS was perfectly happy about this issue. It said, "We have a methodology that we have agreed with the FCA and we are delivering on it." When I met the FCA, it confirmed that it had different methodologies within the scheme, but, again, it did not share those with me. If an RBS customer is unhappy with their outcome, it is difficult for them to argue their case, because they are not being provided with the information that they need to do so.

**Mr Nigel Evans** (Ribble Valley) (Con): Does my hon. Friend agree that the FCA ought to look at transparency, speed and fairness? It seems to me that the FCA has taken no regard of the fact that many of our constituents—probably running into the hundreds of thousands across the country—have lost tens of thousands of pounds. In many cases, these are elderly people who were relying on that money to keep them into their old age.

**Guto Bebb:** I endorse those comments completely.

Swap for swap outcomes are much more likely for RBS customers and the percentage of non-compliant sales that do not result in a tear-up of the agreement within RBS has gone from about 40% to about 60%, which is not in line with other examples. I would argue that the voluntary scheme that the FCA put together is not delivering and is not being monitored in accordance with the FCA's mission statement. I will leave that issue there because I have spoken at length about interest rate swap mis-selling in this Chamber and made my concerns known time and again.

When the voluntary redress scheme was announced, we thought that the inclusion of consequential losses was a pleasant surprise. I am afraid that we were being overly optimistic. Our analysis of the redress scheme showed that in 50% of the 3,104 cases that we looked at, no consequential losses were received, and in 85% of the cases that did receive consequential losses, they amounted to less than £10,000. I have personally seen dozens of well-argued cases in the redress scheme that have been rejected by the banks without an explanation. Even worse, the business is allowed one appeal against that decision without knowing the basis on which it has been rejected—it has one opportunity to challenge, and invariably that challenge fails. On consequential losses we are again failing businesses.

Time and again cases go to court. They are often settled outside court, where the settlement will be better than what was offered under the redress scheme, and that should be a cause of concern for the regulator. Of perhaps even more concern to Members of the House is the fact that time and again gagging orders are placed on those settlements by a taxpayer-funded bank on the back of taxpayers. I find that utterly unacceptable.

[Guto Bebb]

Let me move on to the Connaught Income Fund, which creates a real problem concerning regulation in this country. The regulator was informed not of mismanagement but of fraudulent behaviour, yet it took four months before it put a notice on its website to highlight its concerns and say that the fund in question was not as safe as a bank account, and a further year before that fund was wound up. In the meantime, between the whistleblower informing the regulator about the problem with Connaught and the winding up of the scheme, more than half the total investments into the Connaught income stream occurred. It could therefore be argued that the regulator was responsible for at least half the fund.

**Dame Angela Watkinson** (Hornchurch and Upminster) (Con): Dr Eric Saunderson is one of many constituents who made significant losses under the Connaught investment scheme. He is not just frustrated by the inordinate length of time that the FCA is taking to investigate that and decide what compensation might be payable, but he is still unclear as to whether that compensation—once decided—will be paid directly to investors or put into the suspended Connaught fund.

**Guto Bebb:** My hon. Friend makes an important point, and there is a lack of clarity on that issue. Only last week the FCA decided to publish on its website the fact that there has been a settlement between the liquidators and Capita. Interestingly, the decision to publish that statement on its website breached the confidentiality agreement. Therefore, the regulator was commenting on a settlement, but the parties to that settlement were not able to offer any advice because there is a confidentiality agreement. The FCA has a track record of being accused of breaching confidentiality, but to publish the fact that it is taking a degree of responsibility for the outcome is utterly unacceptable in view of the fact that the liquidators are stating categorically that they are not associating themselves in any way, shape or form with the statement, that they do not agree with aspects of that statement, and that the only reason they had to force a settlement was that the mediation that the FCA decided to try to arrange was not successful. Indeed, the decision to finish the mediation was made without consultation. For the regulator to make a statement on its website that is then categorically denied by the parties to the agreement is a matter of concern.

**Dr Tania Mathias** (Twickenham) (Con): Does my hon. Friend agree that with the Connaught inquiry the FCA has been too slow and not transparent enough for investors?

**Guto Bebb:** Of course I agree, and I will quickly run through my points about Connaught, because there are questions to ask the regulator. Will the settlement result in full compensation and a settlement for investors? Probably not. How is the settlement relevant to the FCA's ongoing investigation into the operators? We do not know. Is it correct to state that the FCA was involved, or is that simply because the litigators were in a situation where the failure to mediate the decision to hold an investigation took place without any consultation? Is this settlement better than what was almost agreed under the FCA's mediation process? If it is, why 18 months down the line have investors waited even longer for a settlement?

**Andrew Bingham** (High Peak) (Con): My hon. Friend has done a lot of work on this issue, including in the all-party group on interest rate mis-selling during the last Parliament. The problem is that we are still here and the FCA seems to be blundering around in the dark—we are talking about people's money and investments.

I have constituents—I will not mention their names because I do not have their permission—who are out of pocket by a large amount of money. They are struggling while the FCA plays around and does nothing about this issue. It should start doing what it was supposed to do in the first place.

**Guto Bebb:** The mood of the House is fairly clear. Indeed, every time we debate these issues the House has been clear, but I am afraid the regulator has not responded.

I am conscious of the time, Mr Deputy Speaker. I promised to touch on three other areas, but I will do so quickly. There is a real question mark about why the decision to cancel the review into banking culture was taken at short notice, with an announcement made on new year's eve—that was surprising in itself. Perhaps even more surprising is that the decision was made by FCA executives without consultation with the FCA board—the FCA itself has questioned governance within the organisation. If a decision of that importance is made without advance consultation with the board, the question of governance is important.

The review into banking culture was part and parcel of the business plan for the FCA, yet suddenly it disappeared. Even more importantly, in a public meeting on 22 July, the FCA stated categorically that that review was an essential part of the new management of the banking sector. When that was pointed out to the FCA when it announced its decision to curtail the inquiry, it denied to *The Financial Times* that the issue of a review had ever been raised at a public meeting. However, the minutes of that public meeting are clear, and the regulator was stating an untruth to our No. 1 financial paper. That does not give me any confidence in the regulator.

There are two other reasons why we need this banking review. First, a review of the report commissioned by the FCA into HBOS highlighted careless and selective use of evidence, factual inaccuracies and a lack of context, express and implied criticism of individuals that was not substantiated by the facts, undue reliance on the evidence of certain individuals, and delay—the report took three years to be produced.

Will we ever see the report into the Global Restructuring Group? Many hon. Members have come across GRG. A section 166 investigation was ordered by the FCA in 2014, but we are yet to see any evidence of it. The acting chief executive, Tracey McDermott, stated on 21 January that that investigation is in the pipeline, but I wonder whether we should have any confidence in that. After all, less than six months ago the review into banking culture was in the pipeline. I am concerned about the Global Restructuring Group and whether we will ever see the section 166 report.

In conclusion—I am rushing because of time—all those issues raise significant questions. Does the regulator have a sweetheart deal with RBS? That is a serious yet reasonable question to ask. Considering the way that the interest rate swap redress scheme has operated, there is a question mark over why RBS is being treated differently?



Has the FCA allowed the banks off the hook too easily? Is the regulator acting in a timely fashion? All those questions need to be responded to, and I argue that there is real doubt about them all.

The regulator must work with integrity and be independent to deliver in the interests of a healthy financial marketplace. It must ensure a system that treats customers fairly, but to do that it needs the confidence and respect of stakeholders. That respect and confidence has been lost in the outside world. Whether it has been lost in this Chamber remains to be seen, but when a regulator's integrity is being questioned to this extent, there are questions to be answered by that regulator and by the Treasury responsible for it.

I thank hon. Members for their time, and I hope that other speakers will raise other important issues about the way that the FCA is operating.

**Several hon. Members** *rose*—

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Order. I now introduce an eight-minute time limit.

7.58 pm

**John Mann** (Bassetlaw) (Lab): My constituent, Steven Jones, is a successful entrepreneur and businessman in my area, who was advised about and then sold an interest rate hedging product by RBS in 2009. RBS's own investigation showed that the cost of the swap was never mentioned at all, but instead a series of emails showed that a section of RBS was desperately keen for such products to be sold.

The evidence of mis-selling is provided by RBS and is done so without ambiguity. However, the FCA system allows RBS and other banks to run their own systems of redress. Mr Jones has lost a significant amount of money through no fault of his own. He was mis-sold and misled on the product and the RBS documents, explicitly annotated, show that that was the case. He is left only with the choice of going to court against a Government-owned major bank, something that in itself would be financially extremely difficult to do. That highlights and strengthens the case made by the hon. Member for Aberconwy (Guto Bebb). There are many such people: individual entrepreneurs who have not been dealt with properly because of the rules brought in by the FCA.

Let me highlight a second case in an entirely new area, which was brought to me by Helen Scott of Eris FX. When people buy a property or car abroad, payment will be needed in the national currency where the purchase is legally taking place. This means people will need to access the Forex markets. Generally, they cannot do that themselves and need to use a broker. This market is estimated to be worth £60 billion a year. Some of the biggest specialist brokers are methodically misleading consumers with currency converters in their adverts and on their websites, which supply a rate that will not actually be offered.

Ms Scott complained to the FCA, which refused to act. She also took the case to the Advertising Standards Authority, which, on 17 September, judged in her favour that the action was non-compliant with the Consumer Protection from Unfair Trading Regulations 2008. Those are precisely the regulations given to this sector by the Department for Business, Innovation and Skills in September

2012. This means that the companies have been non-compliant with the Committee of Advertising Practice code and, by definition, that is a condition of their authorisation by the FCA under the payment services directive 2009. Game, set and match, we might think. However, provided with all the evidence by the ASA that the companies are in breach of its rules and advised that it must act, the FCA says, "It is nothing whatever to do with us." It has knowingly failed Ms Scott and many others who are being unfairly kept out of business, and consumers who are going for a rate that has been advertised in a misleading fashion and that they will never get. There is a lack of consumer choice and those entrepreneurial businesses that could be competitive cannot expand, but the regulator—this is in the last three months—has refused to even look at the cases.

This is more than a passing problem. The FCA ought to be strengthened, but it would appear that it is being weakened. With its culture reviewed, dissipated and destroyed, it is being neutered. Two Treasury officials and two Treasury appointees decided on the appointment of the new chief executive. Everything is about "prudential risk" according to the Bank of England and the Treasury, so much so that the head of the Prudential Regulation Authority has now been appointed the head of the FCA. The consumer champions in the FCA have been systematically removed over the past four months, leaving none in place. One can only conclude that the rights of the individual, the rights of the entrepreneur and the rights of the consumer are being subsumed to the big brother of the Bank of England and the Treasury. This leads to a question: are the Government Members here listening to the debate really going to be on the side of big brother doing down the entrepreneur, doing down the individual and doing down the consumer, or will they be on the consumers' side? Big brother is taking over.

The two examples I gave highlight the depth of the problem. These are entrepreneurs seeking to make money legitimately by widening competition and wanting to give the consumer choice: in one case, wishing to borrow money to expand the business in my constituency; in the other case, wishing to allow people who want to buy property or to make other purchases abroad the ability to obtain a competitive rate of exchange. In a competitive economy, that ought to be what we and those on the Government Benches cherish, nourish and enthusiastically endorse, yet we have a Chancellor of the Exchequer, with his Treasury big brothers around him, and the old lady of Threadneedle Street treating the FCA like an uncle who is hidden away except when he is wheeled out at Christmas and family events. Consumer rights are being ripped away. This House should be standing up for the individual. This House should be standing up for competition. This House should be standing up against big brother. This House should be standing on the side of the entrepreneur. That is what this debate is about. I salute the hon. Member for Aberconwy for bringing it. I hope the House will endorse what he and I, and others, are saying.

8.6 pm

**Mark Garnier** (Wyre Forest) (Con): It is always a great pleasure to follow the hon. Member for Bassetlaw (John Mann). Some of my most entertaining afternoons on the Treasury Committee have been following him when he has been quizzing the Chancellor. Who can

[Mark Garnier]

possibly forget that wonderful moment when he asked the Chancellor whether he had ever visited a Greggs bakery, starting off what then became known as the “omnishambles Budget”? He works very hard.

It is a great pleasure to speak in yet another debate secured by my hon. Friend the Member for Aberconwy (Guto Bebb). He has been a truly extraordinary campaigner in this particular area. Without a shadow of a doubt, he certainly deserved the honour he received in Wales for being the Welsh MP of the year in 2013. He has devoted a huge amount of forensic energy to looking into this subject. I have certainly enjoyed very much the privilege of working with him on the huge area of interest rate hedging products and Connaught, and trying to hold the regulator to account. Without his forensic help, we would have had very dull Treasury Committee meetings. It was he who managed to get hold of the smoking gun about how the regulator has turned its focus possibly to being more supportive of banks than the consumer.

When we consider the content of the speeches in this debate, it is fair to say that the evidence presented to us illustrates that the regulator is not necessarily always entirely fair to the consumer. The evidence supports the perception that the regulator has a pro-bank stance. We heard about the GRG report. If one wants to know what a long-delayed report looks like, look at the HBOS report. We see the guillotine of the PPI claims coming through in the not-too-distant future. We have seen the reverse of the reverse burden of proof for senior managers—we spent a lot of time debating that in the previous debate—and we have seen a change in the terms of the thematic review. I argued that this was a wasted opportunity to change the banking culture.

I completely agree that this is all good evidence for how the regulator is not necessarily standing up for the consumer, but when we look at the motion of no confidence in the regulator, it is fair that we need to take a slightly more rounded view. Have we perhaps, on occasion, been guilty of what sports commentators do when a poor goalkeeper successfully saves many, many shots, but, when he lets through one crucial goal, is criticised by everybody for not being up to the job?

**Anna Turley (Redcar) (Lab/Co-op):** I share the hon. Gentleman’s concern about honing in only on the bad news, but that is cold comfort to the many constituents of ours facing these difficult problems. My constituent Mr Lilley and his family own a small glass and DIY business in the village Marske. They were mis-sold an interest rate hedging product by HSBC and are still owed thousands of pounds because of the difference in the premium. Is that not a perfect example of how the FCA is failing to investigate? This issue is of huge personal significance to our constituents—

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Order.

**Mark Garnier:** The hon. Lady speaks well, and should take as long as she can to make her point.

**Mr Deputy Speaker:** Order. I will make that decision. I do not want us mentioning football either, as I watch Bolton Wanderers. I also ask the hon. Gentleman to talk to the Chair, not the Chamber.

**Mark Garnier:** I apologise, Mr Deputy Speaker. I have been here for five years, so I should know to take this much more seriously.

The hon. Member for Redcar (Anna Turley) is absolutely right. Huge numbers of people have been badly let down by the redress scheme.

**Guto Bebb:** I am an Everton football supporter, and we have been patient with Tim Howard. It is not that he made one mistake and allowed one goal to be scored; he has conceded half a dozen such goals this season. It is the same with the regulator. It is not the one mistake that we complain about; it is a pattern of behaviour.

**Mark Garnier:** I am regretting using the footballing analogy. I am not actually a huge football fan myself.

We have to look across the piece. The FCA has undoubtedly got it completely wrong in many cases—on interest rate hedging products and other things—and it is right that Parliament holds it to account, including through bodies such as the Treasury Select Committee, as a member of which I have a different point of view. I do not share the frustrations of those needing these debates or trying to get appointments upheld by the regulator; I can go along and get stuck in, along with other Committee members. That is the right way to do it.

It is also important to consider the successes. The FCA has managed to bring substantial fines for foreign exchange and LIBOR rigging. It even managed to bring a case through the Serious Fraud Office that sadly resulted in no convictions last week, when six foreign exchangers, who allegedly tried to fiddle the fixings, were acquitted. None the less, to get it to court was quite a success. The FCA has taken over responsibility for consumer credit and debt management from the Office of Fair Trading. It has protected consumers by banning retail sales of contingent convertibles—a technical thing to do with the resolution of failing banks.

Last February, the regulator published a paper aimed at providing help for firms that wanted to look after vulnerable consumers. On encouraging competition in the banking industry, the regulator, along with the PRA, created a challenger bank unit in January to help challenger bank entrants by providing the best regulation and thereby encouraging competition in the banking market. It has also provided an innovation hub, specifically aimed at the “fin tech” area, to help new entrants into the financial services sector to navigate the authorisation process. The regulator is, therefore, trying to do a number of things, and we need to be careful not to throw the baby out with the bathwater.

People worry about several issues. There is a big question about whether the Government are interfering with the regulator. Have they been interfering directly and explicitly? Are they taking it easy on the banks? I suspect that the cancellation of the thematic review might be a red herring. Most banks, given the 8% increase on their corporation tax rate, would argue that the Government are not being lenient on them. The Government are levying a bank levy that will help to repay taxpayers for all the money used to bail out the banks.

The reverse burden of proof has been reversed, but the implementation of ring fencing by 2019 will come at a fantastic cost to the banks of several billion pounds,

in order to make sure that when the next financial crisis hits—there will definitely be another one—the collapsing banks do not take down other banks with them.

**Graham Stuart** (Beverley and Holderness) (Con): My hon. Friend is making a strong case for the role of the FCA in terms of systemic, high-level regulation, but does he think it is fit for purpose in protecting consumers, entrepreneurs and individuals who, from that high level, might not look so important?

**Mark Garnier:** That is obviously the whole point of the debate. The answer, overall, is yes, but I think the regulator gets it wrong on occasions, which is why we have the Treasury Committee and debates such as this—to hold its feet to the fire on specific issues, such as those raised by my hon. Friend the Member for Aberconwy.

It is important to remember that this is a conduct regulator for a global business. It is worth bearing in mind that 2.2 million people work in the industry. It represents about 12% of our GDP and generates about £65 billion a year in tax receipts. This industry is a global industry, and we should be careful about criticising it so vehemently by agreeing on a motion of no confidence. What message would it send to the rest of the world about our ability to regulate the huge amounts of international capital—running into trillions of pounds—that comes and finds a safe haven here in the UK with a regulator it can trust? If we say that the regulator is not fit for purpose, it will send a profound message to a significant part of our economy.

We need to cast an eye to the new chief executive. Andrew Bailey, who is coming from the PRA, has been in front of the Treasury Committee and the Banking Commission many times. I for one have found no reason not to think him an extraordinarily pragmatic, intelligent and wise regulator. Time will tell, and we will have to see how he gets on at the FCA, but it is important that he starts his career at the FCA with our good will, not with the feeling that the FCA is a problem to deal with.

Finally, I want to confront the big question about the possible interference of the Treasury. No matter how many times I ask people—either explicitly or by trying to get them drunk—I can find no evidence of any interference from the Treasury in the work of the regulator. There is possibly an implied interference, however, and one solution could be to give the Treasury Committee a power of veto over the hiring of the next chief executive.

8.17 pm

**Marion Fellows** (Motherwell and Wishaw) (SNP): My reason for speaking in this debate leads on from my Adjournment debate last Monday on the mis-selling of pensions, in advance of which I came up against the FCA for the first time. As a not very qualified and not very long-standing MP, and as someone who has never really had to deal with any of the regulatory bodies, I went to the Library for some background. I asked what turned out to be a very silly question. I asked for a list, going back to the 1990s, of regulators and what they were responsible for, only to be informed by the relevant expert in the Library that it was a huge piece of work and that he could not get it to me in time for this debate. I now perfectly understand that.

My point in telling everyone that and showing my complete ignorance is that normal, everyday people are in exactly the same boat. They do not always understand

where to go to get redress. We are debating the motion today, on the FCA, but that does not mean much to people in the street. They do understand, however, that they do not seem to be getting a very good deal. When I listen to more erudite and learned Members—I do not mean that in the legal sense—I understand even better how my normal, everyday constituents feel. This whole mess of regulation and responsibilities and the attempts to fix it by bringing forward other regulators dealing with yet something else has to stop.

**Daniel Kawczynski:** For some of my constituents—I have mentioned Mr and Mrs Bennett from Dorrington—the litigation costs are absolutely exorbitant, which prevents many constituents from pursuing that line. I echo the hon. Lady's sentiments that people have nowhere to go and no one to turn to in order to explain the appalling things that have happened to them.

**Marion Fellows:** I thank the hon. Gentleman for that intervention, which absolutely confirms what I think and what I said here last week. People cannot afford to go to litigation. Even when they do go, they do not get the satisfaction that they should get because of the mish-mash of regulators and mish-mash of regulations.

I shall sit down at this stage because I believe I have made my point quite clearly. Something needs to be done to take everything back to the stage where people trust regulators, trust banks and trust financial products.

8.20 pm

**Craig Tracey** (North Warwickshire) (Con): I am grateful to you, Mr Deputy Speaker, for the opportunity to speak in the debate. I congratulate my hon. Friend the Member for Aberconwy (Guto Bebb) on securing it.

I declare an interest: before coming here, following in the footsteps of my parents who ran their own insurance and financial advice business for 45 years, I ran my own regulated insurance brokerage for nearly 20 years. It is fair to say that I have seen first hand the evolution and revolution of the industry over quite a sustained period of time. I fear I might be one of the only Members tonight to stand in support of a particular sector of the industry.

I could talk about many issues, but I want to use my experience and understanding of this area to focus on the impact of regulation on the insurance industry, specifically the insurance broking sector. There is an understanding of the need for, and acceptance of, fair regulation by the insurance industry as a whole, but at the forefront of any such measures should always be the principle to protect the consumer not just from financial risk, but from professional negligence. To achieve that, a regulator should work in partnership with the profession to understand the service it provides and then to create an effective model that targets the key concerns. That regulatory solution should be delivered in a cost-effective and proportionate way that does not unjustly burden businesses of differing sizes and incomes.

Unfortunately, it has not been my experience, or that of many representatives of the insurance industry I regularly speak with, that that is currently the case with the FCA. General insurance brokers contribute 1% of GDP to the UK economy, arranging 54% of all general insurance and 78% of all commercial insurance business. In 2013, the British Insurance Brokers Association commissioned research, carried out by London Economics,

[Craig Tracey]

which found that the UK broking market is the most expensive on the planet in terms of the direct cost of regulation. The UK's cost is double that of its next global competitor, Singapore, and more than four times the cost of other major European markets with which it is supposed to be on a level playing field. Our regulators' approach to gold-plating has seen the UK become the butt of European jokes, with the recently retired European Commission head of insurance referring to UK gold-plating by the FCA as "Sauce Anglaise".

The FCA recently increased the minimum fee for the A19 general insurance intermediary fee block by 8.4%, with the largest UK brokers privately indicating that they pay "comfortably" over £1 million a year in fees to the regulator. Worryingly, in its response to BIBA following the rise, the FCA indicated that, if the increase had been in line with the annual funding requirement, the rise could have been even greater—46% over four years.

The FCA recently divulged the breakdown of the A19 fee block, which showed that £16.4 million, or 56.9%, of that block is used for "supervision". However, 75% of BIBA members are small firms with fewer than 10 members of staff and would not be subject to regular visits or in-depth inspections. Therefore, the proportion of the fee block that is used for supervision appears distorted and suggests that UK insurance brokers are paying for supervision of other, non-insurance broker entities. Furthermore, £1.8 million, or 6.3%, is used to pay for "markets", principally the UK Listing Authority. That is not an area of regulation that general insurance brokers would face, which further suggests they are cross-subsidising others' regulation.

In addition to the direct cost of regulation, there are also substantial indirect costs, which include the need to employ either in-house staff or consultants to ensure that the numerous regulations, thematic reviews, market studies, consultation papers and ad hoc requests for information are managed.

**Graham Stuart:** I wonder whether there has been a reduction in small companies. Heavy regulation often favours larger organisations, so it cuts out the entrepreneurial and small business in a market town in my constituency above a shop, while it favours the large companies, which then gouge the public for higher fees. Does my hon. Friend agree?

**Craig Tracey:** My hon. Friend is absolutely right, and that was indeed my experience. I was coming on to say how many firms have disappeared since regulation was introduced. To put it into context, in my final years as a broker, 80% of my time was spent working on compliance rather than being productive in my business. That was a small brokerage providing a valuable high street presence to people who needed access to somebody they knew and trusted. A clear case can be made that firms that abide by the rules should not be the ones that pay for the misbehaviours and increased regulation caused by other firms.

Another area that requires review is the Financial Services Compensation Scheme, which provides the compensation fund of last resort for customers of authorised financial services firms and rightly protects consumers of companies that have ceased trading.

Currently, insurance brokers are included in the same funding pot as credit intermediaries that mis-sold payment protection insurance cover, several of which have failed, resulting in claims on the FSCS. That has led to an increase in the levy that insurance brokers face. Indeed, insurance brokers contribute 72% of that particular funding pot, but have made only 2% of the claims made upon it—a gross distortion that the industry feels is both unfair and difficult to budget for owing to its volatile and unpredictable nature. I appreciate that the FCA is currently reviewing the funding structure of the FSCS, but ask the Minister to look into how that can be fair, equitable and manageable to the broking sector.

It would be prudent to note at this point that insurance brokers do not pose the same risks as banks or insurers, owing to the fact they do not hold client money and generally have risk-transfer agreements in place. With better understanding and a working relationship with the profession, especially with small firms, I believe the FCA would conclude that the insurance broking sector is low risk and would be compelled to regulate it as such, leaving its own resources free to pursue those financial services that pose the greatest threats to consumers and the UK economy.

To conclude, the insurance industry as a whole is a vital part of our economy, which is rightly proud of its long-standing tradition of being the best in the world, but the current regulatory system is potentially putting that in jeopardy. I do not believe it to be a coincidence that the number of brokers registered with the FCA fell by 32% between 2006 and 2014. The knock-on effect of that is the great danger of limiting the choice of our consumers—the very consumers whom the Financial Services Authority set out to protect—at a time when access to good, independent financial advice is needed more than ever.

As I have said, the insurance industry is not afraid of fair and proportionate regulation, and I appreciate that the FCA has moved a long way from its predecessor, but there is so much more that it can do to achieve its purpose while still promoting a thriving insurance industry. It can do that by concentrating its resources effectively on protecting the consumer and enhancing the reputation of the industry both at home and overseas, while also securing the long-term crucial and positive impact of the broking sector on the United Kingdom economy.

8.29 pm

**Mr Mark Williams (Ceredigion) (LD):** I pay tribute to the hon. Member for Aberconwy (Guto Bebb) for his persistence in pursuing this cause. I counted three debates that he had initiated with the support of the Backbench Business Committee, but he reminded us that there have now been four. I spoke in the first three, and I now speak again on behalf of my constituents who have been affected specifically by the mis-selling of interest rate swap products. Many of them have been denied justice, notably those who were sold tailored business loans or hidden swaps, largely by Clydesdale and Yorkshire bank, and who have been denied any semblance of justice.

I am compelled again to mention the case of my constituent Mr Mansel Beechey of the Hen Lew Du public house, which was well known to the hon. Member for Aberconwy in his student days. That excellent establishment is in the heart of my constituency. Mr Beechey first

complained about the sale of his tailored business loan—shamefully, an unregulated product—back in 2012. It took Clydesdale and Yorkshire six months to respond to that formal complaint, and even now the matter remains unresolved. Cynics would suggest that there is an expectation, or rather a hope, that it will be kicked into the long grass and disappear. The reality is that much of the bank's lending is done through TBLs, which fell outside the remit of the FCA review, with the result that sufficient redress has been avoided.

I remember when the hon. Member for Aberconwy first told those of us who were involved in his “bully banks” all-party group—the all-party parliamentary group on interest rate mis-selling—that a voluntary review was forthcoming. There was an acknowledgement that the glass was half-full, there was an expectation that it might well fill up, and there was a hope that the proverbial spotlight would be shone. With hindsight, however, and given the bitter experience of many of our constituents, we see that the process lacked transparency and rigour, was neither robust nor effective, and was significantly skewed in favour of lending institutions.

We looked to the FCA to sort that out. When the FSA morphed into the FCA, we were assured that the new organisation would enforce rules, punish breaches, and focus on the behaviour of financial professionals. That is why there was such huge disappointment in the decision, sneaked out around new year's eve, not to undertake a review of banking culture.

What concerns me most is that the redress scheme brokered by the FCA excluded a huge number of people, even before the process of drilling down and examining the inadequacies of the scheme. As the hon. Member for Aberconwy said in his opening remarks, it excluded many people through its definition of “sophistication”. It also allowed some commercial lending to remain unregulated. As it was so narrow and restricted, it did not deal with the reality of what went on. As it stands, it will not change or reform banking behaviour or compensate people properly.

If the FCA's review process was transparent and fair, why were customers not given a chance to view the evidence that the banks presented to the review panel, and, if necessary, given a chance to comment on it? Why does the FCA fail to see that there will always be suspicion and mistrust while the process is shrouded in secrecy, and customers are denied an opportunity to view the evidence of the banks' own review team? Why is the controversial issue of the offer of alternative products as part of the redress scheme not being addressed? Reviewers seem intent on suggesting that if my constituents had not taken out a particular type of hedging product, they would almost certainly have taken out something very similar. That is currently the position of my constituents Mr and Mrs Collier of Aberaeron, who were offered derisory compensation and another almost identical product. Is it really the case that providing customers with an alternative product as part of the redress is a widely established and accepted principle?

Until the faults of the current scheme are rectified or remedied, and until the FCA addresses these issues—including, critically, TBLs—I am minded to support the motion. We need a truly independent, comprehensive, forensic examination, and a comparison of a sample of sales of historic interest rate hedging products involving all banks, all product types, and a range of customer

profiles. We need a re-examination that relies not just on banks' records, but on customer testimony and a full review of documentary evidence.

In the meantime, I look at the landscape of my constituency, which has clearly been targeted by tailored business loan salesmen. At one point, my constituency office was working on 30 cases across Ceredigion involving asset-rich businesses, hoteliers and farmers. We even took out an advertisement in the local newspaper to glean whether there were more cases, and they were forthcoming. Many of those businesses have now gone; some are hanging on but have been unable to grow to their full potential. Those constituents have no trust in the banks and no trust in the FCA. We regard with disdain the abandonment over the new year of the review into banking culture, although perhaps it was not altogether surprising to my constituents, given their experiences. What an indictment of the FCA!

This pattern was repeated in every constituency in this country. Every one of the hon. Member for Aberconwy's debates on this subject has revealed a huge range of experiences. I think that we in this House all know that businesses have been targeted by the banks, but has that been acknowledged sufficiently by the regulator? It did nothing when the mis-selling was going on, despite an emerging pattern of complaints. There should be an obligation to investigate further when such a pattern emerges. Nevertheless, it continued to do nothing for seven years, and a decade on many businesses have still had no redress.

The regulatory response to mis-selling, from the FCA and the Financial Ombudsman Service, has focused on the wrong question. Instead of asking why the banks were trying to sell interest rate products at all—the culture question—the focus has been on what businesses would have done had they not picked the product they were offered. Let us take the example of Mansel and Sandra Beechey. Their product was not included in the FCA review despite the fact that fixed-rate loans were to all intents and purposes the same as a stand-alone product. The FCA continues to maintain, as have Ministers, that those products remain outside regulatory protection. There has been no compensation. Richard and Lee Collier's case was part of a review. They suggested that they would most definitely have taken an alternative product. That alternative product was two months shorter than the one they signed up to and with a base rate that was 0.12% lower. That is unacceptable. Huw and Jackie Roberts were denied the 8% interest on over £30,000 for their business. That too is unacceptable.

8.37 pm

**Mr Gary Streeter** (South West Devon) (Con): I congratulate my hon. Friend the Member for Aberconwy (Guto Bebb) on securing this debate and on his tenacity in pursuing this issue. I fully support the motion. I am not at all happy with the FCA's performance in resolving the swap issue. I have had experience of several constituency cases that have revealed a very slow process with insufficient redress, and the independent review process appears to be anything but independent. So I have no confidence at all in this FCA scheme.

This interest rate swap mis-selling scandal is one of the greatest scandals in recent decades, but because it is complicated and because it primarily affects businesses and not consumers, it has received insufficient attention

[Mr Gary Streeter]

from the Government and from the media. At the same time as this has been in play, the Government have been more concerned about the survival of the banking system in its entirety and about getting the nationalised banks ready for re-privatisation as quickly as possible. I can understand that, but it is perhaps for those reasons that they have not been robust enough with the FCA, whose oversight of this mis-selling has been weak, toothless and anaemic from the very beginning. This has been mis-selling on an industrial scale and we have hardly got to grips with it at all.

Several of our constituents have lost their livelihoods and businesses as a direct result of bank wrongdoing. I believe that many of the senior banking executives who were behind this scandal should now be doing time in prison, but sadly that is not the case. One of the major shortcomings of the FCA scheme is the exclusion of so-called sophisticated borrowers, based on the size of lending and the size of the company. That was always nonsense. The swaps became so complicated that even the people inflicting them on their customers did not understand them. A former colleague at my old law firm, Clifford Chance, confided in me a few years ago that these arrangements were so complicated that even the lawyers drafting them did not always understand them. Setting up a system that assumed that companies over a certain size, which were perhaps good at making and selling widgets or at providing commercial premises, could get their minds around some of these swaps is nonsense, especially as many swaps were sold with no paperwork at the time and were simply done over the phone or in meetings, and often under tremendous pressure.

As I mentioned to the House when we first discussed these issues, a company called London and Westcountry Estates Limited in my constituency was the victim of a swap mis-selling by the Royal Bank of Scotland, one of the worst perpetrators of this scandal. Matters went from bad to worse, as the company's debt was sold off by RBS to a third party company, Isobel, which then promptly placed the company into administration. I intend to raise that sorry saga with the House on a separate occasion; it goes beyond the scope of this debate, but, inch by inch, detail by detail, that story needs to be told, and it was all done with taxpayers' money.

The family behind that constituency company were brilliant at buying old commercial premises and converting them into small units to let on flexible terms to small businesses—the very thing we want to encourage in our economy—but they had no understanding of complex financial instruments. When they first asked me to help some years ago, it took me, with my brilliant first-class degree in law—I knew I should say that, as nobody else would—and 15 years' experience as a corporate lawyer, days to get my head around the swap they had been sold, which was completely inappropriate for their business. How on earth were they supposed to understand it? But because they were, ludicrously, deemed “sophisticated borrowers”, they were excluded from the FCA scheme and are having to resort to litigation to get justice. I believe they will win and win heavily, but it should not be necessary and it sickens me that RBS is defending this litigation with taxpayers' money—that just does not seem right at all. I also believe that the RBS executives responsible for selling these swaps and for

placing the company into administration, even though it never missed a monthly or quarterly debt repayment, should be prosecuted under criminal law and face whatever charge the criminal law throws at them. I intend to pursue that when the outcome of the court case is known next year and the full facts are exposed.

It is well known that I am a loyal supporter of this Government, as are you, Mr Deputy Speaker, I know. Who could not be?

**Daniel Kawczynski:** Does my hon. Friend agree that the swaps—the derivatives—were deliberately made to be so complicated that our constituents would have no opportunity to understand them?

**Mr Streeter:** I suspect that that is the case—

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Order. May I just remind everybody that the Chair certainly will not be favouring any Government, for or against?

**Mr Streeter:** We all knew that, Mr Deputy Speaker.

It is perfectly possible that the swaps were designed to be so complicated that they could not be understood. Primarily, they were designed in a way as to make the selling bank vast sums of commission, and it was all done in the name of commercial greed. Nobody minds a profit, but this went well beyond that. Although I am a loyal supporter of this Government, we have an FCA compensation scheme that is pitiful and, as a result, we are in danger of letting our constituents down. However, it is not too late for the Government to get a grip on the FCA and sort this matter out.

8.43 pm

**Ruth Cadbury (Brentford and Isleworth) (Lab):** First, I particularly wish to thank the hon. Member for Aberconwy (Guto Bebb) for securing this important debate on the future of the FCA, especially in the light of recent perceived failings, and for his work on the all-party group on the Connaught Income Fund series 1, which has done so much good work, without, sadly, getting this resolved so far.

It is because of the failings of the FCA that I am speaking today. The failure to act on warning signs in the Connaught Income Fund series 1 led to a scandal that cost investors about £130. That is an unacceptable loss on a supposedly low-risk investment. In 2011, a whistleblower from Connaught went to the then Financial Services Authority, and one would think that with such risky investments and large sums of money being involved, it would act swiftly to prevent further sums of money from being invested under misleading terms. But it took five months for it to act, and even then it did very little. The body's warning to consumers that the Connaught Income Fund material was misleading was simply not good enough. Indeed, the fund continued to receive investors until it was suspended in March 2012, by which time around £70 million of additional investment had occurred. What we saw here was a regulator failing in its duty to consumers and not using the appropriate powers it had.

The scandal did not stop there. Following the collapse of the scheme, the APPG, under the stewardship of the hon. Member for Aberconwy, worked with the FCA for

eight months or so, seemingly positively, before the FCA pulled out of talks without warning to do its own investigation “in the best interests of investors”. There was no explanation as to why, and there has been no transparency since.

Since then, the FCA has been unwilling to engage with parliamentarians and, instead, has insisted on carrying out its own investigation, leaving many of us, including our constituents who have been affected, wondering exactly what is going on.

Secondly, I am also speaking today to represent the interests of a constituent who has been unable to seek redress after they were mis-sold interest rate hedging products, despite being what the FCA would term an “unsophisticated partner”. They were a director of a company and borrowed £1.3 million from Nationwide in a fixed-rate loan. Embedded in the loan was an interest rate hedging product—an IRHP—which was supposed to protect the borrower against adverse interest rate changes. The use of such a product was common between 2006 and 2008; all major banks used it.

In reality, the IRHP exposed my constituent to a huge amount of risk, incurring fees to the bank, none of which was explained to them even though they were deemed “unsophisticated customers”. There was a break clause in the FRL agreement, but the breakage cost was ruinous and, in some cases, the fees amounted to up to half of the value of the loan. Break fees were not agreed on beforehand. It was only when the customer wanted to change the terms of the loan that those fees emerged.

After the crash in 2008, interest rates went to zero and have been low ever since, but, thanks to the break fees, constituents were stuck paying fixed rates with no chance of restructuring. The banks have since admitted that IRHPs were mis-sold, and a redress scheme was negotiated between the individual banks and the FCA, the subsequent regulator. Approximately £3 billion was set aside, though far less than that has so far been paid out. However, this scheme was for stand-alone IRHPs and not embedded IRHPs. In the latter, the IRHP is part of the loan contract itself, and repayment is made in one amount that accounts for the interest on the loan as well as the interest-rate protection. This places it outside of the remit of the FCA as it is classed as a “commercial” loan. Many of these loans were sold to small and medium-sized enterprises, such as that of my constituent, which had no more understanding of the complexity of hedging products than an average consumer. The Financial Ombudsman has refused to investigate the case, as our constituents do not meet its definition of “consumer”, which means that they have considerably fewer means of redress than people who were sold stand-alone products.

The inability of the FCA to act in this case, and in many others, has resulted in real problems. My constituent is stuck on a fixed-rate loan in a zero-interest economy with no ability to restructure their loan. I understand that the majority of what I have covered tonight involves banking jargon, but the bottom line is clear: the FCA is currently not operating in the full interests of consumers and its conduct in the Connaught Income Fund fiasco and the mis-sold IRHPs are just two examples of many.

Like many Members across the House, I expect the FCA, as a regulatory body, to do its job, which is to regulate and to protect consumers. I support the motion, as the FCA in its current form is not fit for purpose,

and I have no confidence in its existing structure and procedures. If the Government want the people of this country to have faith in the banking system, may I respectfully suggest that they act to address the sentiments of the wording of the motion tonight?

**Several hon. Members** *rose*—

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Order. We will have to drop to seven minutes to get everyone in on time.

8.49 pm

**William Wragg (Hazel Grove) (Con):** It is a pleasure to speak in this debate and, like many colleagues across the House, I wish to place on record my thanks to my hon. Friend the Member for Aberconwy (Guto Bebb) for his tenacity in the work he does and for securing this debate.

Speaking in this debate allows me to raise for the second time an important case in my constituency involving the FCA, which I fear may be typical of cases in other constituencies. I last mentioned this issue during the debate on the sale of the Government’s Royal Bank of Scotland shares on 5 November last year. At that time, my hon. Friend the Economic Secretary to the Treasury—the City Minister—responded to some of the points I raised and subsequently followed up in writing, and I want to place on record my thanks to her for that. For the benefit of Members who were not present in November, I shall briefly outline the case and the role of the FCA in dealing with its consequences.

The case relates to a business in my constituency, Pickup and Bradbury Ltd, which was owned by a constituent of mine, Mr Eric Topping. It was a medium-sized, family-owned construction firm operating out of Romiley. It engaged in many commercial construction contracts, with clients in both the private and public sectors. It was well regarded across Greater Manchester. However, in 1998 Mr Topping and Pickup and Bradbury Ltd allegedly fell victim to a set of actions and behaviours from RBS, the bank with whom Mr Topping had held his business accounts for many years, and specifically its turnaround division, the so-called Global Restructuring Group, which dealt with businesses in distress.

It is alleged that Pickup and Bradbury found itself in circumstances in which the bank unnecessarily engineered a default to move the business out of local management and into the turnaround division, in order to generate revenue through fees, increased margins and devalued assets. Pickup and Bradbury was forcibly moved by RBS into the Global Restructuring Group after the bank claimed the business owed it a significant debt in excess of £700,000. My constituent acknowledges that some debt was owed but that the business was perfectly capable of managing and servicing it. However, the crux of the case was that, although the business’s balance sheet at the time showed net assets of over £1 million, after being run through the process of the restructuring group, RBS placed a valuation on the business at negative £1.1 million, a discrepancy of over £2 million. Mr Topping and RBS are still in dispute over these figures to this day. The upshot was, however, that this led to the forced liquidation of Pickup and Bradbury, costing the jobs of all its employees and forcing Mr Topping to sell his home.

**Caroline Nokes** (Romsey and Southampton North) (Con): I, too, would like to pay tribute to my hon. Friend the Member for Aberconwy (Guto Bebb) for his hard work on this issue. Does my hon. Friend the Member for Hazel Grove (William Wragg) agree that the real tragedy of many of the scenarios that have been played out in constituencies up and down the country is that it is not simply businesses or individuals who suffer? The suffering is also felt by a whole range of employees, whose jobs have been liquidated in this way by the banks.

**William Wragg:** My hon. Friend is absolutely right to raise that point. Too often, perhaps, we focus on the concerns of businessmen, but we should also focus on the people they employ, and who keep the economy of this country going.

This is about people's businesses, jobs, homes and lives, so we must remember that while organisations such as the FCA deal with the regulation and supervision of complex financial institutions and products—subjects which most people may consider dry, and perhaps even dull—these matters have a real human cost, which my hon. Friend just alluded to, beyond just numbers on a balance sheet.

Colleagues will be aware of the report by the businessman Lawrence Tomlinson, which looked in depth at RBS's Global Restructuring Group. Tomlinson received large bodies of evidence on RBS practices, including from its business customers. The report found

“very concerning patterns of behaviour leading to the destruction of good and viable UK businesses”,

all for the sake of profit for RBS.

Just as RBS has failed to resolve the case of Pickup and Bradbury, I am sure the same can be said of many hundreds of cases across the country. The Tomlinson report suggests, in fact, that this was a widespread and systemic practice applied to many RBS customers.

Once placed in this division of the bank, these businesses were trapped with no ability to move or opportunity to trade out of the position. Good, honest, and otherwise successful, businesspeople were forced to stand by and watch as they were sunk by the decisions of the bank. The bank would then extract maximum revenue from the business, beyond what could be considered reasonable, and to such an extent that it was the key contributing factor to the business's financial deterioration.

The reported practices of the restructuring group, if accurate, were, on a generous interpretation, dubious and questionable, but it may be truer to say unethical and totally scandalous. It is therefore no wonder—indeed, it is proper—that, following the publication of the Tomlinson report in 2013, the Government invited the FCA to investigate the alleged actions and practices of RBS and other banks. The FCA and the Prudential Regulation Authority were established by Parliament with legal powers to investigate such a situation. I am aware also that two accountancy and consultancy firms were appointed to carry out a skilled person review of the allegations against the Royal Bank of Scotland.

However, more than two years on, we are still waiting for the FCA to present its findings. In the meantime my constituent, Mr Topping, and hundreds like him across the country are unable to move on with their lives or get closure on the matter. They are unable to seek compensation or even receive an apology.

**Richard Arkless** (Dumfries and Galloway) (SNP): The hon. Gentleman is making a compelling case and I echo his sentiments. My constituent, Victor Singh, owns a property company in exactly the same position. His fear is that the report is being delayed by RBS as a tactic to delay the litigation and reach a more favourable position for the bank. Does the hon. Gentleman agree that the House should use this debate to call on the FCA to publish that report as soon as possible so that the litigants can have a fair hearing?

**William Wragg:** I thank the hon. Gentleman for that timely intervention. I agree with him to the extent that I hope the voice of the House this evening will be heard loud and clear, and that the FCA will proceed with a degree of alacrity that it has so far not shown.

Madam Deputy—Mr Deputy Speaker. Forgive me—I have been thrown off course. I will not use a football analogy, I promise.

The FCA review is ongoing. We were promised it at the end of the year. Now we are told that it will be published as soon as possible. For the businesses and people who have suffered as a result of malpractice in the banks—the malpractice that the FCA is charged with investigating and putting a stop to—I think we owe them better than that. Although I am sure the FCA and its partner investigators are conducting a deep and thorough review, and there are no doubt many dozens of filing cabinets full of evidence through which to sift, two years should be long enough to present at least some preliminary findings. This two-year wait is compounded by the fact that these cases of forced liquidation and destruction of viable businesses were historic and often over a decade old. That is an awfully long time to wait for justice or closure, particularly for individuals who have had their livelihoods destroyed.

The FCA, and also the Government, should be aware of the negative impact this is having directly on the individuals involved, and also on the image and reputation of the FCA. Can the Government give an assurance today about when the FCA will conclude this review? What steps are they taking to ensure that it is delivered promptly?

In my closing remarks, I want to turn to the role the FCA has to play more widely in clean-up and reform of our banking sector. Notwithstanding the issue I have just discussed, I am not one of those who readily engage in the increasingly popular pastime of banker bashing. I believe instead that we should be proud and supportive of our financial sector, not just in the City of London, but in regional financial hubs, such as Bristol, Edinburgh, and of course Manchester, where many of my constituents work.

Our financial services sector, which leads the world in its success, innovation, and efficiency, should also lead the world in regulation, fairness and propriety. We need a sector with more competition to remove incentives to make short-term decisions purely in favour of bank profit, rather than in the interests of longer-term customer relationships. The Tomlinson report makes it clear that institutional attitude was one of the core reasons that RBS's restructuring group acted as it did, and that needs to change. The Financial Conduct Authority is responsible for ensuring that the top management of banks instil the right culture and standards of conduct in their



institutions and that this remains a priority. The FCA surely faces a difficult task in this regard, and it is a task that I do not envy, but I urge it to show its mettle.

**Several hon. Members** *rose*—

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Order. I am going to have to drop the time limit again because of the intervention. It will now be six minutes.

8.59 pm

**Kirsten Oswald** (East Renfrewshire) (SNP): I, too, congratulate the hon. Member for Aberconwy (Guto Bebb) on securing the debate and on the work he has done on this subject over a lengthy period.

Hon. Members have come to this place with a range of concerns. My engagement with this issue was prompted by the lack of protection and compensation available to investors in the Connaught Income Fund, including some in my constituency. The Connaught case demonstrates how dysfunctional the regulation of investment services in the UK still is. The FCA line appears to be, “We’ve closed the loophole exposed by Connaught. These things can’t happen again,” but that misses the point: the rewards available from financial services will simply make people look for another loophole.

Members will be familiar with what might be termed the Ronseal test. What happens if we apply that test to the situation faced by ordinary investors—those who are neither high net worth individuals nor sophisticated investors under the Financial Services and Markets Act 2000—caught out by the next loophole?

The Treasury paper on access to financial services describes the Government’s aim as

“to ensure the financial system enables people to access and manage their financial products with confidence and ease.”

The Government’s approach is to encourage people to prepare for their retirement and to manage their own finances, just as my constituent George Devon did. When looking for a secure investment for his funds, Mr Devon did as the Government suggest and approached an independent financial adviser for advice on investments that reflected his need to obtain an income with a low capacity for risk. He was advised to invest in the Connaught Income Fund, which was described as

“The Guaranteed Low Risk Income Fund”.

Helpfully, the information memorandum defined the risk level clearly. It also said that the document itself was not aimed at people such as Mr Devon, but at experienced or professional investors or at intermediaries such as Mr Devon’s adviser, who should have been able to provide sound advice on the investment’s suitability. However, in common with approximately 1,500 other investors, Mr Devon saw his funds disappear.

**James Berry** (Kingston and Surbiton) (Con): One of my constituents, who is a financial adviser, and a number of his clients have lost significant amounts from investing in the Connaught Income Fund. Is the hon. Lady aware that an investigation has not even been commenced into one of the main parties, even though key information was provided to the FCA as long ago as 2011?

**Kirsten Oswald:** The hon. Gentleman makes a valid point. The delays inherent in this case are making it difficult for people in all kinds of situations to have justice and clarity.

**Joanna Cherry** (Edinburgh South West) (SNP): The hon. Member for Kingston and Surbiton (James Berry) raised the case of an independent financial adviser. Does my hon. Friend share my concern that independent financial advisers, many of whom were also investors in the fund, risk continuing to be blamed for losses relating to it because of the FCA’s continuing failure to investigate within a reasonable timescale?

**Kirsten Oswald:** I agree with my hon. and learned Friend. The system regulated by the FCA, which the Chancellor wants people to rely on, continues to fail to provide all these investors with compensation, or even an explanation, for their loss.

Mr Devon and many others have been, and are being, misled. Even if an ordinary investor approaches the UK’s financial services sector through an independent financial adviser and asks for a secure, low-risk investment, their money can disappear, and their financial plans and their life can be turned upside down, while agencies that cost millions of pounds to run fail to deliver.

Mr Devon’s investment was in an unregulated collective investment scheme. That might sound highly technical, but it may not be so complicated. In workplaces all across the country, one or two people voluntarily run savings groups, or *ménages*, where colleagues regularly save money and take turns to receive a lump sum. Depending on the size of the workplace, the sums involved can be significant. That is such a simple operation that the phrase “couldn’t run a *ménage*” is a common description for someone who is a serial failure at even basic tasks.

Surely, in relation to the Connaught fund, a group such as Capita must be able to do a better job of running a collective financial operation than workmates who have run workplace *ménages* for years. On the contrary, Connaught became a warning that when players in the UK financial services sector go rogue, the systems for regulation, enforcement and restitution fail to protect our investors. When problems with Connaught emerged, Capita turned tail and ran. It has been allowed to continue evading its responsibility to investors through years of regulatory inertia and confusion.

The financial services sector in the UK has run foul of the law and lost millions—indeed, billions—of pounds too many times. The phrase “couldn’t run a *ménage*” seems an apt description of too many of the organisations and individuals who provide the sector with its leadership. Just like the regulators that oversaw the crash of 2008, the FCA, the Financial Ombudsman Service and the Financial Services Compensation Scheme seem to be part of the problem, rather than part of the solution. Even fighting a case all the way through the system may well leave an investor significantly out of pocket. This is definitely a system that does not do what it says on the tin.

I was not shocked to find that the Treasury grabs the regulatory fines, but should they really be grabbed from an industry where the cost of regulation, enforcement and compensation are borne by those in the industry and its customers? We need to look seriously at how we provide more effective regulation, enforcement and compensation, and we should also review the levies and fines. One of the gaps could be filled by giving the FOS a role in enforcing payment of compensation, removing the need for an additional set of fees and ensuring more

[Kirsten Oswald]

consistency in investors' ability to secure the compensation awarded. I have particular concerns about the operation of professional indemnity insurance in the IFA sector. When insurers exempt schemes known to be causing concerns, that undermines the reality of IFA protection and causes significant problems for them. The FCA needs to look at making significant changes to the insurance rules. It could perhaps examine the operation of the Scottish solicitors' "master policy" and the highly successful Association of British Travel Agents and ATOL—air travel organisers' licence—industry-wide indemnity schemes.

I want to conclude by commenting on the relationship between the Government and the FCA. It is interesting that in the week before this debate the FCA announced the appointment of a new chief executive, Andrew Bailey. It is widely reported that Mr Bailey was hand-picked for the post from the Bank of England by the Chancellor of the Exchequer. I find this surprising in the light of an exchange I had with the Economic Secretary during a recent debate on the Connaught fund. When I queried the fact that neither the Chancellor nor any other Treasury Minister held a single bilateral meeting with the FCA over a two-year period, she did not contradict me, and I have heard nothing to suggest that it is incorrect. I understand that the absence of such meetings may be intended to give an appearance that the FCA acts as an independent agency, but if the chief executive is hand-picked by the Chancellor, having not even applied for the post, what does that say about the FCA's independence? Of course there is regular correspondence and interaction between the Government and the FCA, so during a time of such pressure on the financial services sector, why was there not a single bilateral ministerial engagement with the FCA over such a long period? The absence of such meetings perhaps has more to do with protecting Ministers than protecting the independence of a body whose principal officers are headhunted at the Chancellor's bidding.

As someone steeped in the issues of banking governance and the recovery of the banking sector from the low points of recent years, Mr Bailey could demonstrate his independence very easily by signalling his desire to have the FCA reinstate the inquiry into banking culture. Failure to do so may be interpreted as the inquiry having been ditched to clear the way for him taking up his post. If that is the case, his tenure will not get off to a positive start, and questions over the independence and integrity of the FCA will continue to grow.

9.7 pm

**Mr Jacob Rees-Mogg** (North East Somerset) (Con): It is a pleasure to follow the hon. Member for East Renfrewshire (Kirsten Oswald) and to learn the phrase, "Couldn't run a ménage", which I hope will replace, "Couldn't run a whelk stall". I have always thought that was probably rather difficult anyway, so "ménage" is a better term.

I congratulate my hon. Friend the Member for Aberconwy (Guto Bebb) on bringing forward this debate and on his amazing achievement in getting some redress of grievance not only for his own constituents but for many of our constituents, mine included. The Hong Kong and Shanghai Banking Corporation behaved quite

disgracefully towards one of my constituents. It sold an interest rate swap that was larger than the loan outstanding—it was a condition of the loan taken out—and then, when interest rates fell, it revalued the loan to say that his loaned value was beneath the required level. It therefore put him in special measures and started to impose penal interest rates, and then when I got in touch, it said that under data protection it could not talk to me. The whole story was really quite disgraceful and not what one would expect of a major banking corporation. We are all very grateful for what has been done to get some redress for this.

I must refer to my declaration of interests. I am regulated by the FCA and have been for many years. I was regulated by its predecessor body, the FSA, and before that, going back to the mid-1990s, by IMRO—the Investment Management Regulatory Organisation. I do not think I have Stockholm syndrome, but I have to tell the House that I cannot support my hon. Friend's motion. That is not because I do not think there have been errors of regulation—there have. We know only too well that the tripartite system of regulation prior to the crash in 2008 was a failure—nobody knew precisely who was in charge of what aspect of regulation and how it was to be managed, and in the end nobody was doing it at all. The FCA, however, was only introduced in 2013 and a lot of the problems to which hon. Members have referred predate its creation. This House legislated in the previous Session to try to deal with the problem, so this motion has been tabled much too early, because the FCA has not had the chance to prove that it is different from the FSA. The FSA undoubtedly failed, which is why this House abolished it.

**Guto Bebb:** I appreciate the points my hon. Friend is making—they are entirely reasonable—but I think that the difference between the FSA and FCA is being over-emphasised. The people who were FSA officers when the all-party group on interest rate swap mis-selling was established were the same people as the FCA officers who attended our first meeting after the FCA was established. I think that the degree of change is being overstated.

**Mr Rees-Mogg:** I do not agree with my hon. Friend on this occasion. Inevitably, some employees remained the same. It would have been extraordinary if all the regulators at the FSA had been fired and sent off to the great regulatory house in the sky. The powers and the responsibilities of the FCA were changed and, indeed, it has carried out an investigation.

The FCA has to be judicious and bear in mind that some people took out swaps knowing full well what they were doing. Not every swap that was sold was mis-sold. Interest rate swaps are a very important safeguard for people who are uncertain of the direction of interest rates. Indeed, with interest rates at their current lows, many people may feel that it is prudent to protect themselves by taking out an interest rate swap. It would be wrong to so overtighten regulation or to be so sensitive to what happened in the past to make beneficial financial instruments unavailable because of historical mis-selling. Each case needs to be looked at on its merits.

When I first took out a mortgage, I did so at a fixed rate because I knew I could afford to pay that rate but was uncertain about whether I could pay a higher rate. That is a prudent and sensible thing for people to do

when engaging with the financial sector. The FCA had a big job of work to do in a quasi-judicial role. It could not just arbitrarily decide that all cases were mis-sellings and therefore they all had to be compensated for.

This House, too, needs to be judicious. The motion is really serious. It says that we have no confidence in an arm's length independent regulator that this House established just three years ago. If we really mean that, we ought to be legislating to create a new one. We should not simply pass a motion; we should say that the body has failed, that it will be abolished as of 1 April and that a new one will be created.

This motion represents an intermediate step whereby the House faces one of two risks. One is that it is passed this evening and, like many other Backbench Business motions, absolutely nothing follows from it. This House would then look foolish. It would look as if whatever we say makes no difference and we would have no future power to bring our authority to bear on independent regulators when things may be more serious.

The other risk is that the chairman of the FCA feels that he has to resign and take responsibility, because there is no chief executive of the moment, which makes this a very strange time to be holding this debate. If the chairman falls on his sword, what would we achieve? One person would go, but the organisation would remain intact because we have not legislated to replace it.

This House should be proud of its constitutional standing and recognise the extraordinary power it has. We can summon people to the Bar of the House if we are sufficiently annoyed with the way they conduct themselves. We can make them answer to Select Committees, and indeed we do. However, if we use that power without due consideration, without being certain and without having every fact at our fingertips that this body, not its predecessors, is the one in which we have no confidence, we undermine the standing of the House of Commons and its ability to do that in future when our case may be better founded.

**James Cartlidge** (South Suffolk) (Con): My hon. Friend is making a typically powerful speech and I agree with much of his argument, but does he not accept that we are here primarily to represent our constituents and that the reason so many Members are upset with the FCA is that it is not giving redress? The time it is taking is so frustrating and the motion puts pressure on it to provide redress.

**Mr Rees-Mogg**: I am grateful to my hon. Friend for that intervention, because I think there is a difficulty with time. Reference has been made to the HBOS report, which took a long time to come forward. Again, it started under the FSA, and the failures were of the FSA, not of the FCA. For a body that has been going for only three years, such a timespan is perhaps not that unreasonable, given that for two of those years it was making a specific investigation.

We have made huge progress, thanks to my hon. Friend the Member for Aberconwy, in achieving redress of grievance. That is enormously important, and it is right to do that. However, a vote of no confidence is the nuclear weapon of Parliament. It is something that brings Governments down. If we pass the motion, it ought to lead to fundamental change at the FCA and resignations, but I fear that we are trying to fire this gun

before we have loaded it with gunpowder, and that therefore it will misfire. In that respect, I hope that my hon. Friend will withdraw the motion, because I think it has had its effect through the debate.

**Mr Deputy Speaker (Mr Lindsay Hoyle)**: Order. I am sorry to say that we are now going down to five minutes, because of interventions. I call George Kerevan.

**George Kerevan** (East Lothian) (SNP) *indicated dissent*.

**Mr Deputy Speaker (Mr Lindsay Hoyle)**: In that case, we can still have six minutes. I call Michelle Thomson.

9.15 pm

**Michelle Thomson** (Edinburgh West) (Ind): Thank you, Mr Hoyle. I add my thanks to the hon. Member for Aberconwy (Guto Bebb) for the work that he has done through the all-party parliamentary group and more widely. People whom I knew in a previous life before I came to this place are very appreciative of that work. I will address my remarks primarily to the fact that the FCA process of redress simply does not work for businesses that are forced into insolvency as a result of being mis-sold interest rate hedging products. The concept of hedging is well understood to mitigate risk, but those products were structured to be a "heads I win, tails you lose" for the banks.

As many in the Chamber will be aware, mis-selling has caused many unnecessary insolvencies across the country, with simply devastating consequences for individuals and their families. Many companies are in administration, some have had all their assets sold and some have been liquidated, often with the banks still pursuing the directors for personal guarantees and their family homes. In England and Wales, the process under unregulated Law of Property Act receivership is similar, and many people have been made personally bankrupt as a direct result of the mis-selling. The situation should not have occurred in the first place.

Unfortunately, the review process instigated by the FCA is of little use to the individuals—our constituents—who lost their businesses, their homes and their life's work to the scandal. The first issue is that the process fundamentally does not address, or provide a solution for, insolvent businesses that have suffered from bank misconduct. The former Business Secretary stated in May 2013, after the FCA scheme had been launched, that there were

"unresolved issues surrounding the mis-selling scandal, including how businesses have been forced to close because of the products the banks sold in the first place.

This includes deciphering who will be able to help the businesses in administration, when their assets have been taken away from them, and who will be in charge of finding a solution for them."

It is clear from that statement that that was an acknowledged fatal flaw in the FCA review system from its inception. Where a business is forced into insolvency, the business owner loses control over the process. Even if the insolvency practitioner decides to pursue a claim against the bank, the redress goes to the bank. One quite simply could not make it up.

The second issue is how the redress process was administered. There has been a distinct lack of transparency about the details of the deals between banks and the FCA, and how the deals varied from bank to bank.

[Michelle Thomson]

How can fairness be guaranteed or trusted when different rules apply to different banks, none of which is transparent, and where gagging orders are commonplace? How can fair treatment be ensured for the 3,000 SMEs that won compensation from the banking review but received no benefit because they were already out of business?

As it stands, the FCA review allows the banks successfully to sidestep all responsibility for their actions, manipulating the system and using the process of insolvency to disregard the principle of the review. Rather than business people receiving redress for their loss, the banks can quite happily admit that they have mis-sold a product and pay the redress to insolvency practitioners. Insolvency practitioners do not have the tools to deal with the scenario. Their primary duty is to the creditors, which results in the lion's share of the redress going back to the bank. Directors, shareholders and unsecured creditors, including HMRC and local councils, bear the brunt of the pain. It is a paper exercise in which the only benefactors are the insolvency practitioners, who make a tidy sum in fees, and the bank, which is essentially allowed to pay itself back for its own misconduct.

Some, such as the banks and the FCA, may argue that the businesses would have been insolvent anyway. I am sure that that is true for some of them, but, as we know, cash flow is the lifeblood of any business. Sustained, extensive pressure to make high interest payments over several years is, without doubt, a major—indeed, often the sole—contributory factor in a business's success or failure. To dismiss it as otherwise is not only misleading, but insulting to the thousands of business owners who have lost their life's work to this scandal. Despite constant calls for engagement and dialogue, business owners who have lost everything are systematically ignored. It is important to acknowledge at this point that, fundamentally, this is not just about regulation or governance, but actually about people. The banks have admitted mis-selling and the business people have been exonerated, but those people still find themselves in a position of powerlessness and total frustration.

There are still difficulties. HMRC now treats owners differently, as they know that consequential losses are not paid out. These systemic issues need to be addressed. Those who have lost so much are often left with nothing more than the energy, drive and determination to fight this tooth and nail. Unfortunately, neither the regulator nor the law gives them the tools or even the voice to fight. On the contrary, their voices are stifled and their pleas for help are ignored. Would it not be more constructive to give them a fair deal in terms of compensation and recovery, so that the business people who have lost everything can use their energy and drive to rebuild their businesses, thereby doing their bit to contribute to our overall economic recovery? To do that, they need our support—the support of lawmakers and regulators—because the banks are not, simply on their own initiative, doing the right thing. With its decision to drop the inquiry into banking culture, the FCA is not doing the right thing either.

The third issue concerns the ability of individuals to take action; only private individuals can take such action. Although a bank may have breached its regulatory duties under the FCA regulations, it can be sued only for breach of contract, not for regulatory breaches—

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Order.

9.22 pm

**James Cartledge** (South Suffolk) (Con): I add my congratulations to my hon. Friend the Member for Aberconwy (Guto Bebb). He is a doughty fighter for financial justice not only for his constituents, but for all our constituents, and we owe him a great debt.

Like my hon. Friend the Member for North East Somerset (Mr Rees-Mogg), I wish to declare an interest in that I am the director of a small business regulated by the Financial Conduct Authority. Like him, I was also regulated by the Financial Services Authority, but unlike him, I do not go back as far as IMRO. I will come on to some of his points. Whereas most Members have focused on constituents' cases, he, uniquely, has pushed the debate wider—to the overall role of the FCA. If I have the time, I will come on to that.

I, too, want to mention my constituents' cases. The first case is that of Terence and Jean Gray of Holbrook in South Suffolk. They lost the £50,000 they invested in Connaught income fund series 3 plus the interest, as well as the interest on a further £50,000 in Connaught income fund series 1. Mr and Mrs Gray, who are now in their 70s, saved that money throughout their lives and planned to live off it following their retirement, but they fear they will never see the money again. Their primary concern is that the FCA is unable to provide a timeframe for when its investigations will be concluded. Several hon. Members have made that point, and I hope that the Minister, who I presume will speak soon, can give us an update on the timescale they face.

I have received correspondence not just from consumers, but from firms. In particular, I have heard from Steven Farrall of Chattisham in my constituency, who owns the Ipswich-based firm Williams Farrall Woodward, a financial planning and portfolio management business. His concern is about the retail distribution review and the new way in which we regulate commission and fee-charging on investments, although I do not want to go into the detail of it. He encapsulates the anger felt by many smaller businesses about the regulator. He specifically blames those rules for the loss of about 13,500 independent financial advisers. He says:

“My own opinion of the RDR is that at heart it is an assault on the property and employment rights of thousands of law abiding tax paying private citizens, effectively the employers of the FCA bureaucrats... It is an absolute disgrace in a free democratic society the bunch of self regarding and utterly unaccountable functionaries should have such power.”

That is perhaps a tad harsh, but it brings me to my own experience.

I started a mortgage brokerage in 2004. Of course, that did not come under the FCA, but my experience was that the FSA was always box-ticking, rather than looking at potential problems and doing something about them. I could give many examples of that. Every six months, we had to submit something called a capital adequacy return, despite being a relatively small business. We had a famous document called MCOB—the mortgage conduct of business rules—which was the size of a doorstep, and none of which made sense to anybody. I think it is the assumption of the regulator that small practitioners have armies of compliance officers, just like the banks. Of course, nothing could be further from the truth.

The most extreme example of the FSA being focused on bureaucracy, rather than dealing with the problems in the industry, came in 2010 at the height of the euro crisis, when many people doubted from day to day whether it would survive. On a day when the euro's survival was the top item on the news, I received an email for the directors of regulated firms. I opened it, expecting advice about the possible calamity we faced, only to find that it was a diversity survey. It was an extraordinary diversity survey that wanted to know, across all levels of management in my business, which was a very small business employing a handful of people, not only what percentage of staff were from each ethnicity, but what percentage were transsexual and even intersexual—a word I had never even heard before. The regulator, on that day of financial crisis, wanted to know how many of my staff were intersexual. A bit like the word poppers, I suspect that word will be new to many people—possibly even to people who are in the Chamber today.

I use that example to illustrate how the FSA was a tick-box regulator. That is why, despite all its work, it never noticed the basic thing, which was that our financial system was heading for an almighty crash and crisis. What we can say in favour of the FCA is that we have not had a credit crunch under it. We have had the successes that my hon. Friend the Member for Wyre Forest (Mark Garnier) talked about. There is one in particular that I will finish on.

What the FCA has done on mortgage rules and on the property market has been for the good. We need prudential borrowing. I am a conservative on financial services and think that we were far too reckless in the build-up to the crunch. If we want fairness, we must recognise that asking first-time buyers to be so heavily regulated, while a buy-to-let applicant for a mortgage faces no regulation and can take out an interest-only mortgage for a huge amount of money, without a key facts illustration that has to be advised, regulated and so on, is deeply unfair.

In conclusion, I agree with my hon. Friend the Member for North East Somerset that it is too early to pass judgment on the substantive work of the FCA, but we all feel that it needs to do greater work on the basic injustices that our constituents face in cases such as Connaught. I hope that the Minister will have some news on when people who have been affected by such cases can expect to hear substantive news about their rights.

9.28 pm

**Ian Blackford** (Ross, Skye and Lochaber) (SNP): I add my congratulations to the hon. Member for Aberconwy (Guto Bebb) on securing this debate. He has been careful in raising the excesses that his constituents have suffered from over the past couple of years. He is to be commended for the wide range of issues he raised in his speech, including interest rate swaps, which many Members have talked about; Connaught, which has affected many people in our constituencies; and, of course, the issue of banking culture, which in many ways sparked the debate that we are having.

The hon. Member for Bassetlaw (John Mann) made a wide-ranging speech in which he talked about entrepreneurialism and the importance of consumer protection. Again, he is to be commended for his speech.

The hon. Member for Wyre Forest (Mark Garnier) gave an interesting speech on the FCA and its duties. He also got on to the subject of football, which has been much discussed this evening. I cannot pass up the first opportunity I have had in this House to speak about the semi-finals of the league cup in Scotland this week. I am glad to say that the mighty Hibernian football club—the team that the term “sexy football” was meant for—managed to get through to the final in Glasgow on 13 March. As the Member of Parliament for Ross, Skye and Lochaber, that gives me a small problem, because the team Hibernian will face is Ross County—the small highland team from Dingwall that has done very well in the premier league over the past few years. In some respects I'll be a winner if Hibs win, but I'll still be a winner in the constituency if Ross County win.

My hon. Friend the Member for Motherwell and Wishaw (Marion Fellows) raised a number of important points about the complexities of financial regulation, and the difficulties faced by people in her constituency—indeed, in all our constituencies—in understanding how consumer protection should work under the FCA. We should pay much regard to that.

The hon. Member for North Warwickshire (Craig Tracey) made a good contribution about his personal experiences of running a business, and a number of Members expressed their frustration with the complexities of regulation that affect many small businesses. The hon. Member for Ceredigion (Mr Williams) spoke about banking culture and his continued lack of trust in the FCA. We should take that seriously, as should the FCA, because many people clearly feel that it is not discharging its obligations effectively. The hon. Member for South West Devon (Mr Streeter) spoke about swaps—again that issue is important to many people, and there is a lack of confidence in the FCA.

I will not go through every Member's speech because the themes were the same. The hon. Member for Hazel Grove (William Wragg) mentioned RBS, and in particular GRG. It is important to reflect on the fact that RBS was state-owned. I know that the Government cannot interfere in the operations of RBS, but is it not a disgrace that at a time when we as taxpayers owned that institution, it behaved as it did to many companies?

It was a pleasure to listen to my old friend the Member for North East Somerset (Mr Rees-Mogg). At one time, I was connected to him—indeed, he was a client of mine—and in the past I have also been regulated by IMRO, the FSA and the FCA. Having announced that he has been regulated, I cannot help but reflect that some of his colleagues might prefer it if he were more regulated in this Chamber, but that is another matter.

Some important points were raised by my hon. Friend the Member for Edinburgh West (Michelle Thomson) about redress for companies that have been pushed into insolvency, and we finished with the 13th and last speaker, the hon. Member for South Suffolk (James Cartlidge), who in some respects made the most important comments of the evening about the fact that the regulator and the Bank of England were asleep at the wheel when we had the financial crisis in 2007-08—the “almighty crash and crisis”, as he put it. It is worth reflecting on that, because the House should ensure that we have the architecture that stops us ever revisiting the kind of things that we faced in 2007-08. That, along with consumer protection, is the fundamental point. There should be

[*Ian Blackford*]

no room for complacency or hesitation when it comes to reforming the City, and the FCA must reinstate its long-awaited inquiry into banking culture.

Bang on time for this debate, a story is emerging today of a fine for a British bank, this time in North America. Barclays has been fined £70 million by US regulators for its US dark pool trading operations. Dark pool operations allow investors to trade large blocks of shares but keep the prices private. Barclays has admitted misleading investors and violating security law in the way that it operated the pool. The New York Attorney General and the Securities and Exchange Commission have both censured the bank for its misconduct. Ralph Silva, a banking analyst from Silva Research Network, told BBC News:

“The fines are a message, not a punishment. The levels are insignificant compared to the profits in this line of business... Regulators are telling the banks to close the vulnerabilities, something the banks have been reluctant to do because answers come with high operational price tags.”

That is a clear expression that the banks are still not getting it. Unacceptable behaviour is continuing, and we are probably not hearing the full scale of the malpractices that are going on. That is why the decision not to proceed with the review into banking culture is so wrong, and sends completely the wrong signal. I am concerned that the FCA's move to forsake the critical review into behaviour, pay and culture surrounding the UK's banking sector will have a detrimental impact on levels of consumer trust. The FCA must reinstate its long-awaited inquiry into banking culture.

We repeatedly hear legitimate concerns about the amount of time that it is taking for the Chilcot inquiry into the Iraq war, but we have not had a fundamental review into the banking crisis and behaviour. We ought to remember the devastating impact of the financial crisis. Dealing with the cultural issues that were at the heart of it, and which in some senses still remain, is crucial. That is why the removal of the banking culture review is wrong, and we have to seriously question the judgment and leadership of the FCA in not pursuing it.

Much is said about the change to the Basel rules and the enhancement of capital ratios of the banks. It would be my contention that we need not just to review culture in a vacuum, but to do further analysis and stress-testing critically to examine what kind of leverage is appropriate to ensure that, in any financial crisis and any kind of significant fall in asset values, we as a country are never exposed again to banking failure. It is in that context that banking culture must be seen. We are still in a situation where there is a perception that, in any kind of banking failure the state will still intervene. It means that for the bankers the upside potential is all for them and the downside protection is all for us. There needs to be an alignment with society's interests and that of the banks. We still have too much of a fixation with property assets and not enough with real assets, which can enhance our ability to deliver sustainable economic growth. These are all matters related to banking culture.

I have concerns that the FCA's move to forsake the critical review into behaviour, pay and culture surrounding the UK's banking sector will have a detrimental effect on consumer trust. Restoring consumer confidence in

banking integrity is imperative in the aftermath of the financial crisis, where we saw consumer confidence drop. Statistics show that some of the bad practices used before the 2008 crash are again being adopted in the banking sector. A recent study by the banking staff trade union Affinity surveyed staff at Lloyds Banking Group and TSB. It revealed that 55% believe that the banks are reverting to their old sales management techniques; 63% stated that the bank was more interested in the results they got and the objectives than in how they do our jobs; and 53% believe that the performance of TSB was just about sales. That is the view of the staff of those banks. Those statistics should be very worrying for all of us. They demonstrate the need for a robust review into banking culture.

A study conducted by KPMG showed that, between 2011 and 2014, Britain's banks handed over 60% of their profits in fines and customer remediation, for a total of £38.7 billion. Those figures suggest that there should be no room for complacency or hesitation when it comes to reforming the City. Only in the past few days, a landmark legal pursuit has contested the banks' £2 billion compensation scheme for inappropriate interest rate swaps. The hearing could have consequences for over 10,000 small and medium-sized enterprises that found themselves in the midst of the mis-selling scandal.

The appointment of Andrew Bailey as chief executive of the FCA raises legitimate questions about the FCA's independence from the PRA and its dedication to consumer protection. Bailey must be subject to a full and proper confirmation hearing. Prior to his appointment with the FCA, Bailey was the deputy governor for prudential regulation and chief executive officer of the Prudential Regulation Authority, supervised by the Bank of England. As a conduct regulator, the FCA's role is to protect consumers. Bailey's appointment therefore raises questions about the FCA's independence from the Prudential Regulatory Authority and its dedication to holding consumer protection at the heart of its aims and values.

In a speech to the Mansion House in June 2015, the Chancellor launched a “new settlement” with the banks, which was widely interpreted as a move away from the tougher measures put in place for the banks under Wheatley's leadership. The Chancellor has suppressed the reverse burden of proof and slashed the bank levy. The developments lead to questions as to whether the FCA is on the wrong side of the Chancellor's “new settlement”. The new chief executive of the FCA must be subject to a confirmation hearing, so his plans and views can be scrutinised in detail.

I am concerned that the FCA's move to forsake the critical review into behaviour, pay and culture surrounding the UK banking sector will have a detrimental impact on consumer trust. The FCA must reinstate its long-awaited inquiry into banking culture. The appointment of Andrew Bailey as chief executive of the FCA raises legitimate questions about the independence of the FCA that must be addressed. Bailey must be subject to a full and proper confirmation hearing.

9.39 pm

**Rebecca Long Bailey** (Salford and Eccles) (Lab): I congratulate the hon. Member for Aberconwy (Guto Bebb), my hon. Friend the Member for Bassetlaw (John Mann) and the hon. Member for East Renfrewshire (Kirsten Oswald) on securing such an important and

topical debate, and I thank them for their excellent contributions. It is also a delight to debate opposite the Minister for the first time.

We have had some fantastic contributions from hon. Members. Transparency seems to be the key theme running through the debate. Members referred numerous times to Connaught and interest rate hedging products, and we heard some interesting case studies from the hon. Member for North Warwickshire (Craig Tracey), who shared his experiences of running his own insurance firm and how regulation affected his business. The hon. Member for Wyre Forest (Mark Garnier) highlighted the positive things the FSA was doing—for example, in supporting innovation in FinTechs—and said that, although there were failings that needed to be addressed, it was important not to throw the baby out with the bathwater.

Operators in the finance sector, commentators, hon. Members and Members of the other place have recently expressed concern over the FSA's ability to carry out its operational objectives—consumer protection, integrity and competition. Sadly, these concerns overshadow some of the fantastic work the FSA has carried out to date in the finance sector.

Many argue that the Chancellor's Mansion House speech last year sent a clear message to the financial services sector that the UK was returning to business as usual. In outlining his new settlement for the finance industry, he stated that we must become

“the best place for European and global Bank HQs”.

That was widely interpreted by many in the finance industry to mean that there would be a softening of the FSA's approach to banks. In fact, as an ode to the Prime Minister's “hug a hoodie” period, which still tickles me when I think about it, I would suggest that many felt the Chancellor was entering his own love-in—the “hug a banker” period.

The bankers' Chancellor had finally got his mojo back, and what a mojo it was! A string of concessions was handed to the banks: changes to the bank levy that significantly benefited large international banks; watered-down proposals for implementing the ring fence between retail and investment banking; a time limit on claims relating to the mis-selling of payment protection insurance; and confirmation that banks would not be asked to hold significantly more capital.

In January, however, in a complete U-turn from the autumn statement and the “never had it so good” euphoria, the Chancellor warned us of the risks to the UK from the shaky global economy, citing a

“dangerous cocktail of new threats”

and highlighting the dangers of “creeping complacency”. He failed, however, to address his creeping return to business as usual in our finance sector and the FSA's role in dealing with the same.

Several factors have brought us here. The first is the feeling that the FSA's independence has been compromised and that its agenda is being set by political pressure from the Government. Such independence was called into question by a recent external review that said the FSA board's powers

“with respect to making independent decisions”

were limited and that external interventions

“can have dramatic effects on the organisation”.

This coincided with stories in the media that the Bank of England was directly involved in the highly criticised decision by the FSA to axe the review into the culture at some of the UK's biggest banks.

Then there is the Chancellor's influence over sacking or appointing chief executives to the FSA. [HON. MEMBERS: “FCA!”] I mean the FCA. Martin Wheatley, who had been hired by the Chancellor as a tough guy, and a key figure in pursuing misconduct in the financial sector, was removed and replaced by Andrew Bailey. Many are concerned that the Chancellor's new appointment, who is seen as more of a pragmatist, heralds a decisive shift towards greater leniency on the banking system.

I have no doubt that the new appointment seeks to be completely impervious to the Chancellor's charms, but as one Treasury Select Committee member eloquently stated recently,

“there is a subliminal desire if you like, to please the masters by taking some of these decisions where the inference has been that potentially if you do not play ball you will lose your job.”

I want to highlight to the Minister a few examples of where achieving transparency has been a struggle. The conclusion of the FCA's work on HSBC's Swiss bank tax evasion and the decision not to take action led many FCA critics to ponder whether this had come as music to HSBC's ears, given the bizarre coincidence that at the same time was considering whether it should relocate its headquarters outside London. Little detail was provided regarding the rationale for this decision and the FCA simply stated that such a major tax investigation was a matter for HMRC.

That highlighted two issues—transparency and the sharpness of the FCA's teeth as a regulator. Those issues aside, I would welcome the Minister's assurance that a thorough investigation will be carried out as a matter of urgency, that HSBC will pay the appropriate tax to the Treasury and that we will not see a repeat performance of last week's Google tax debacle. Perhaps the incident will encourage the Minister to consider a U-turn on the Government's proposed cuts to HMRC. If the FCA has no teeth in such situations, surely the Government must ensure that HMRC is adequately resourced—but I digress.

On the same theme of a lack of transparency, I must refer to the industry scandal surrounding the mis-selling of interest rate hedging products, as outlined by my hon. Friend the Member for Bassetlaw today. The FCA rightly launched a full review, resulting in the publishing of a set of rules. What remains worrying is that the FCA had to be pushed by the Treasury Select Committee to publish the rules at all; and, even now, we await details of the methodology agreed with each bank so that we can be satisfied that all banks are in fact complying.

Similar calls for more FCA transparency surrounded the review of the collapsed Connaught Income Funds, as highlighted by the hon. Member for Aberconwy. Here, the FCA faced criticism from the Under-Secretary of State for Wales, the hon. Member for Vale of Glamorgan (Alun Cairns), who set up the all-party parliamentary group on the Connaught Income Fund, and who cited a “generally defensive approach” from the FCA and lack of “transparency”.

Then there is the highly criticised scrapping of the review into banking culture. The Treasury Select Committee recently found that there was no FCA board consultation

[Rebecca Long Bailey]

on this issue. Even the Chairman was not privy to the decision. It is also important to note that no public statement was made regarding the decision—it was simply leaked. When pushed, the FCA commented that

“we decided that a traditional thematic review would not help us achieve our desired outcomes and we would therefore take forward our work on culture through other routes.”

That hardly explains the position at all, but essentially these “other routes” refer to “self-regulation” underpinned by the FCA’s new conduct rules, which centre largely on a presumption that those at the top simply do all that is “reasonable” to ensure good governance.

As we heard in the earlier debate on the Bank of England and Financial Services Bill, the removal of a reverse burden of proof further diminishes any legal recourse that could be pursued. The Chair of the Treasury Select Committee has himself warned that much of the responsibility for implementation is left to banks. He stated that

“the spirit is willing at the top, but the flesh is weak...The board may will the change and culture, but not enough happens lower down.”

Now the FCA’s new direction on this issue deserves close examination, but unfortunately we do not have the time to debate this today. The point is that such a radical step change away from what the public believed would be a root-and-branch banking culture review should arguably not have happened without—at the very least—board approval and transparent consultation.

In conclusion, although I applaud much of the FCA’s work and many of its achievements to date, the issues raised today ring some very loud alarm bells. I hope that the Minister realises that the British public are still paying the price for a financial crisis that they did not cause and that they require an FCA that truly holds the banking system to account—an FCA that ensures that financial productivity does not come with an immoral price tag that ignores the principles of fairness and fair play on which British society is built.

I look forward to hearing the Minister’s comments, and I hope she will confirm that my concerns will be addressed—otherwise, I am afraid that the so-called bankers’ Chancellor will be letting down the British public who bailed the banks out and sending out a clear signal of a return to “business as usual”.

**The Economic Secretary to the Treasury (Harriett Baldwin)** *rose—*

**Mr Speaker:** Order. Before the Minister speaks, let me make it clear that I intend to call the hon. Member for Aberconwy (Guto Bebb) at no later than 9.58.

9.48 pm

**The Economic Secretary to the Treasury (Harriett Baldwin):** I am left with very little time to cover such a wide-ranging debate. I congratulate the Backbench Business Committee and my hon. Friend the Member for Aberconwy (Guto Bebb) on securing this debate.

I think we can all agree that it is important that in the Financial Conduct Authority we have an organisation to keep financial markets honest for our constituents and for markets, which play a crucial role in our economy.

We all want financial services to be on the side of our constituents—the people who want to work hard, do the right thing and get on in life. It is therefore vital that financial services display and uphold the highest standards of behaviour and treat their customers fairly.

The House will no doubt be aware that most small business lending is not regulated. Obviously, when an independent regulator is involved, we need to ensure that the right people are doing the job. Last week the Chancellor announced a number of new appointments to the FCA board, including an excellent new chief executive. As the Chancellor said, Andrew Bailey was the outstanding candidate to be the next chief executive. He brings with him a wealth of experience of financial services regulation in the United Kingdom. He is simply the most respected, most experienced and most qualified person in the world to do the job. However, I want to put on record the Government’s gratitude to Tracey McDermott, the acting chief executive, for all her hard work over the past four months.

Last week we also appointed four new non-executive directors: Bradley Fried, Baroness Hogg, Ruth Kelly and Tom Wright. The new directors provide a balanced mix, on the gender front and in terms of their public and private sector experience and their experience of politics, as well as a wealth of knowledge of consumer issues and the financial services sector more generally, adding an invaluable independent challenge to the board. We believe that the new appointments will strengthen the organisation, and, by ensuring that it has the best possible leadership, will help the FCA to remain a strong, tough regulator that protects consumers and ensures that financial markets work for the benefit of the whole economy.

There are clearly still challenges ahead for the FCA, but it is worth remembering the positive steps that it has already taken. It is in the process of implementing the new senior managers and certification regime, which includes applying enforceable conduct rules to anyone who is involved in the financial services activity of a bank. It has introduced improved whistleblowing requirements, and a new remuneration code that will ensure that individuals are not rewarded for taking excessive risks. It has taken action to protect consumers, such as the regulation of consumer credit, which has included capping the cost of payday lending to protect consumers from unfair costs.

FCA regulation is already having a dramatic impact on the payday market. Indeed, the FCA found that the volume of payday loans had fallen by 35% in the first six months since it took over regulation in April 2014. There has been a new focus on competition in banking and other markets, such as excellent work on FinTech and the innovation hub. Last year the Treasury and the FCA jointly launched a financial advice market review, which is designed to make financial help more accessible and affordable for all our constituents. It is also worth highlighting the role of the Financial Ombudsman Service, to which Members may wish to refer their constituents when they have problems with financial services firms.

The Government are as keen as those who are present tonight to resolve the matters that have been raised by a range of Members. We heard from not only my hon. Friend the Member for Aberconwy, but the hon. Member for Bassetlaw (John Mann), my hon. Friend the Member for Wyre Forest (Mark Garnier), the hon. Member for



Motherwell and Wishaw (Marion Fellows), my hon. Friend the Member for North Warwickshire (Craig Tracey), the hon. Member for Ceredigion (Mr Williams), my hon. Friend the Member for South West Devon (Mr Streeter), the hon. Member for Brentford and Isleworth (Ruth Cadbury), my hon. Friend the Member for Hazel Grove (William Wragg), the hon. Member for East Renfrewshire (Kirsten Oswald), my hon. Friend the Member for North East Somerset (Mr Rees-Mogg), the hon. Member for Edinburgh West (Michelle Thomson), my hon. Friend the Member for South Suffolk (James Cartledge) and the hon. Member for Ross, Skye and Lochaber (Ian Blackford), as well as the hon. Member for Salford and Eccles (Rebecca Long Bailey).

A number of points have been raised, and I shall deal with them in turn. The issue of the banking culture review was raised by the hon. Member for Salford and Eccles, my hon. Friend the Member for Aberconwy, and the hon. Member for Bassetlaw. The first time I personally heard about the FCA's decision to discontinue the review was when the story broke in the media on new year's eve. We have made it abundantly clear to the House that no Treasury Minister or official was involved in the FCA's decision, and the FCA has made it clear that it did not inform the Treasury before the decision was made public.

**Kirsten Oswald:** Will the Minister give way?

**Harriett Baldwin:** I would love to, but I do not have time.

**Mr Steve Baker (Wycombe) (Con):** Will my hon. Friend give way?

**Harriett Baldwin:** No, because my hon. Friend was not even present for the debate.

The hon. Member for Edinburgh West, my hon. Friend the Member for Aberconwy, the hon. Member for Ceredigion, my hon. Friend the Member for South West Devon and the hon. Member for Brentford and Isleworth also mentioned interest rate hedging products and businesses that were suffering as a result of interest rates that were lower than expected. The Government have made it clear from the beginning that the mis-selling of financial products is unacceptable, and that businesses affected by it should be compensated. The FCA has established a redress scheme for small businesses that were mis-sold interest rate hedging products to ensure that eligible businesses are compensated. So far the scheme has paid out on 18,000 cases, and more than £2 billion has been paid in redress, including £464 million to deal with consequential losses.<sup>1</sup>

As we have heard tonight, there are still some cases outstanding. As at year end, these include 700 cases in which full refunds have yet to be accepted. Businesses that are considered larger and more sophisticated are not covered by the redress scheme, but they can of course take advantage of the first-class brains in our legal profession. The FCA considers that there is merit in holding a review of how the scheme has worked when these legal cases have been concluded.

The question of Connaught was raised by the hon. Member for Motherwell and Wishaw, my hon. Friend the Member for Aberconwy, the hon. Member for East Renfrewshire and my hon. Friend the Member for

South Suffolk. The Government and the FCA understand the serious financial difficulty and distress that this issue has caused to many investors. As hon. Members might be aware, the FCA published an update to investors on its website this week on Connaught Income Fund series 1. The update highlights that a settlement agreement has been reached between the liquidators of the fund and Capita Financial Managers Ltd. The FCA has asked the liquidators of the fund to distribute the settlement sum to investors as soon as possible. The investigation that the FCA is pursuing will continue independently of the settlement.

The Global Restructuring Group was mentioned by the hon. Member for Edinburgh West and my hon. Friend the Member for Hazel Grove. Let me reassure the House that I expect to see the conclusions of the FCA's investigation into this matter in the first quarter of the year. On the point made by the hon. Member for Ross, Skye and Lochaber and my hon. Friend the Member for Wyre Forest on Treasury Select Committee scrutiny of FCA appointments, we have agreed that the Committee will be able to carry out a pre-commencement hearing before the new CEO starts at the FCA.

A number of questions have been raised about FCA independence. The FCA is of course operationally independent of the Government. We appoint the chief executive and the board, and the FCA's objectives and duties were voted into statute during the last Parliament. I firmly believe in the independence of the FCA. It is vital that consumers and firms know that regulatory decisions are being taken in an objective and impartial way. Contrary to what the hon. Member for East Renfrewshire seems to think, I have met the acting chief executive of the FCA and her predecessor from time to time. I regret the fact that the hon. Lady has formed a different impression.

The hon. Member for Salford and Eccles raised the question of operational matters. I am afraid that she cannot have this both ways. If she wants the Treasury to interfere in operational decisions at the FCA, she is asking for something that completely contradicts the spirit of independent regulation that I have supported this evening. No one is denying that the FCA has a tough job ahead. That is why it is essential that it is well prepared, well staffed and well equipped to do that job, and that it has the best leadership possible. I am confident that the FCA has the right mandate and team.

Like my hon. Friend the Member for North East Somerset, I believe that today's motion is neither well founded nor well timed, given that a new chief executive and a new team are in place. I strongly urge hon. Members to ignore the motion before us tonight.

9.58 pm

**Guto Bebb:** On behalf of myself, the hon. Member for Bassetlaw (John Mann) and the hon. Member for East Renfrewshire (Kirsten Oswald), I have to say that I think we were rumbled by my hon. Friend the Member for North East Somerset (Mr Rees-Mogg). The purpose of having this debate on the Floor of the House was to highlight the very real concerns of hon. Members from all parties and from all parts of the United Kingdom about the way in which the Financial Conduct Authority is performing its duties in relation to far too many issues. People have real concerns about the interest rate swaps issue, about the way in which the Connaught

1. [Official Report, 4 February 2016, Vol. 605, c. 8MC.]

[Guto Bebb]

scheme has been dealt with, and about the decision not to move ahead with the banking review, which was part and parcel of the need to deal with the banking culture. By bringing this debate to the Chamber, we have certainly made it clear that the FCA is living on borrowed time.

My hon. Friend the Member for North East Somerset said that the debate was premature, and he is potentially correct. However, I hope that in any future debates on this subject, he will support taking further action. He talked about the danger of passing a motion that would subsequently be ignored by the Government, and that highlights some real concerns about the way in which we deal with Back-Bench business. The Backbench Business Committee was a big and important development in the last Parliament, and it is a shame that passing a motion might result in this House not being taken seriously in relation to an important motion such as this. The House should reflect on the fact that we heard 13 Back-Bench speeches but only two were mildly supportive of how the FCA is operating. There is an important message in that point: the FCA does need to reform. Although we all hope that the new chief executive will be a fresh brush within the FCA, he should be aware that he has a lot of work to do to rebuild confidence in the regulator, as it—

10 pm

*Motion lapsed (Standing Order No. 9(3)).*

## Business without Debate

### DELEGATED LEGISLATION

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

### SENIOR COURTS OF ENGLAND AND WALES

That the draft Civil Proceedings, Family Proceedings and Upper Tribunal Fees (Amendment) Order 2016, which was laid before this House on 17 December 2015, be approved.—(*Kris Hopkins.*)

*Question agreed to.*

### COMMITTEES

**Mr Speaker:** With the leave of the House, we will take motions 7 to 12 together. The proposition is to be moved by no less a figure, who should not be walked past as he undertakes his official business, than the Chairman of the Committee of Selection.

*Ordered,*

### BUSINESS, INNOVATION AND SKILLS

That Jo Stevens be discharged from the Business, Innovation and Skills Committee and Jonathan Reynolds be added.

### EDUCATION

That Kate Hollern and Kate Osamor be discharged from the Education Committee and Catherine McKinnell and Stephen Timms be added.

### NORTHERN IRELAND

That Mr David Anderson be discharged from the Northern Ireland Affairs Committee and Tom Blenkinsop be added.

### PROCEDURE

That Helen Goodman and Holly Lynch be members of the Procedure Committee.

### WELSH AFFAIRS

That Christina Rees be discharged from the Welsh Affairs Committee and Stephen Kinnock be added.

### WORK AND PENSIONS

That Mrs Emma Lewell-Buck be discharged from the Work and Pensions Committee and Neil Coyle be added.—(*Bill Wiggin, on behalf of the Committee of Selection.*)

## Deaths of Journalists: Conflict Zones

*Motion made, and Question proposed, That this House do now adjourn.—(Kris Hopkins.)*

10.1 pm

**Nusrat Ghani** (Wealden) (Con): Marie Colvin was a *The Sunday Times* journalist killed in Syria in 2012, while reporting from the siege of Homs. She passionately believed that through her work she could be the voice of all those experiencing conflict, from whatever perspective. During the latter part of her life, her determination to be that voice had a physical manifestation: an eye patch, the result of injuries sustained in Sri Lanka, where she was hit by shrapnel as she tried to cross the front line.

Following her death, the columnist Peter Osborne wrote:

“Society urgently requires men and women with courage, passion and integrity to discover the facts that those in authority want to suppress.”

Marie Colvin herself said:

“In an age of 24/7 rolling news, blogs and Twitter, we are on constant call wherever we are. But war reporting is still essentially the same—someone has to go there and see what is happening. You can’t get that information without going to places where people are being shot at, and others are shooting at you.”

The relationship between Members of this House and the fourth estate—our friends up in the Press Gallery—is complicated, but although much of modern-day politics could often be described as a conflict zone, we do not daily put our lives on the line in our place of work. When a member of our armed forces is killed in a conflict zone, the Prime Minister rightly takes a moment at the beginning of Prime Minister’s questions to remind the nation of the sacrifice that that brave serviceman or woman has made. But with the notable exception of people such as Marie Colvin, we do not hear anywhere near as much about the sacrifices made by a large number of professional and citizen journalists every year in the name of newsgathering.

The Committee to Protect Journalists, which I want to thank on the record for its assistance in preparation for this debate, has recorded that 98 journalists were killed last year. It has been definitively confirmed that 71 of them were murdered in direct reprisal for their work; were killed in crossfire during combat situations; or were killed while carrying out a dangerous assignment, such as covering a street protest.

**Jim Shannon** (Strangford) (DUP): I sought the hon. Lady’s permission last week to intervene. Statistics from the International Federation of Journalists show that 2,297 journalists and media professionals were killed in the past quarter of a century. That is an enormous number. They were standing up for the freedom of speech that we take for granted in this country. Does she agree that the United Kingdom and other liberal democracies should be promoting free speech and liberty across the globe, through the media and through journalism?

**Nusrat Ghani:** The hon. Gentleman makes an important point: the numbers are vast in the past 50 years or so. I hope that the Minister will respond on that, and I will ask him to do so towards the end of my speech. The International Federation of Journalists puts the number even higher than the CPJ, saying that at least 112 were killed last year.

Professional journalists in conflict zones, such as those working for the BBC and Sky, are fortunate to have extensive support from their employers. Employees of those organisations undergo hostile environment training in preparation for travelling to conflict zones to check that they are adequately prepared for the dangers that they will face.

Recently, a member of staff working for a major British media outlet in the middle east was approached by a man who verbally abused him, accusing him of being a traitor and a collaborator. His companions intervened, but another eight people arrived on the scene carrying batons and knives. The journalist ran away and took refuge in a nearby shop. However, two of his companions were heavily beaten up and received hospital treatment for the injuries they sustained.

The incident was reported by the staff member to the high risk team, which subsequently deployed a security adviser to the country to conduct a security review for that individual, and put additional security measures in place to support the staff. However, increasingly, our news comes not just from professional journalists, whose names, faces and employers we recognise, but from stringers and citizen journalists. Stringers are unattached freelance journalists and citizen journalists are members of the public—*independent voices*.

The ability of citizen journalists to share stories has an effect on professional journalists. The pressure to go deeper into conflict zones is greater. One of the defining features of a war reporter these days is that they are embedded in the conflict. Today, they are on the frontline, or in enemy territory.

Increasingly, we understand that many of the world’s conflicts today are conflicts of narrative. In the middle east, Daesh wants to control what the conflict looks like. It wants a monopoly over stories and images. More than ever, the narrative is what people are fighting over. Daesh wants to recruit with images, and the reality disseminated by journalists challenges that propaganda. Any citizen journalist can break the propaganda machine. Anyone with a phone is an opponent.

Daesh sees journalists as spies. It sees them as western actors who seek to disrupt the Daesh narrative by reporting on its weaknesses and failures, and that makes them a target. The philosopher Walter Benjamin said:

“History is written by the victors.”

That remains true, but the victors, and the course of the fight, are now a consequence of what is written, and that is even more the case now than it was in Benjamin’s time. That makes it even more important that we protect and honour those journalists, whether professional or citizen.

The BBC’s Lyse Doucet said last year:

“We often say that journalists are no longer on the frontline. But we are the frontline... We are targeted in a way we never have been before... now journalists are seen as bounty and as having propaganda value.”

Journalists in conflict zones are not ordinary members of the public. They tell the stories that allow us to understand what is truly going on in the confusion and propaganda of warfare, and they carry out a vital public service.

**Nigel Huddleston** (Mid Worcestershire) (Con): I thank my hon. Friend for giving way and I congratulate her on securing this very important debate. Does she agree that

[Nigel Huddleston]

the pace of news in the modern age means that we can no longer wait for dispatches to be informed about what is going on in conflict zones? Journalists are best positioned to give us this real-time accurate information of what is really going on.

**Nusrat Ghani:** I absolutely agree with my hon. Friend. Conflict is changing incredibly quickly. Lots of chaotic terrorism acts are happening all over the world, and, quite often, we rely on journalists to be our eyes and ears on the ground.

My discussions with journalists and their employers in recent days have highlighted what I consider to be a gap in the service provided by the Foreign Office to those taking risks to bring truth and to hold people to account. Will the Foreign Office consider making it the policy of British embassies and consuls abroad to hold a register of journalists working in conflict zones within the relevant country at any one time? At the moment this process is ad hoc. On registration, the embassy would and should provide a security briefing on the situation in that country or the neighbouring country if it is in conflict, increasing the ability of journalists to protect themselves, and their employer's ability to ensure that they are acting according to legitimate and expert advice.

The role of foreign Governments in the protection of journalists is an important one. Will the Minister outline what expectations the Foreign Office currently has of foreign Governments to do everything they can to protect journalists who are British, or working for British-based media outlets, and to challenge them to extend that protection to their own local journalists? Will he consider making it a requirement for negotiations with foreign Governments, especially when embarking on diplomatic relations with emerging democracies, that the protection of journalists is an issue on the table?

The British Government have rightly identified Bangladesh and Pakistan as critical countries in the region and we have partnered with them as a result. Yet in Bangladesh, for example, bloggers are killed by al-Qaeda and others because of what they write. Last year, over 40% of journalists killed in Bangladesh were killed by Islamic extremists because they just disagreed with the words that were written.

In Pakistan in 2006, it is documented that the Government prepared a list of 33 columnists, writers and reporters in the English and Urdu print media and tried to neutralise the "negativism" of these writers by making them "soft and friendly", and one could interpret that as going a bit beyond a friendly chat. I have more up-to-date testimonies, but the journalists concerned were reluctant for me to raise that on the Floor of the House today. Will the Foreign Office consider making it a requirement that countries that we are partnered with show clear intent to protect the rights of journalists, both professional and citizen? We must not flinch from exporting our proud British values of freedom of the media and of expression.

I will finish by talking about Ruqia Hassan, a citizen journalist in Syria who used her Facebook page to describe the atrocities of daily life in Raqqa, until she went silent in July last year. It has been reported that her last words were:

"I'm in Raqqa and I received death threats, and when Isis [arrests] me and kills me it's ok because they will cut my head and I have dignity it's better than I live in humiliation with Isis."

It has been speculated that her Facebook page was kept open for months so that other citizen journalists could be lured in and so that they too, in turn, could be silenced.

Naji Jerf, a 38-year-old activist who reported for the website "Raqqa Is Being Slaughtered Silently", was also murdered late last year following his final work, "Islamic State in Aleppo", which exposed human rights violations in the city. His murderers disagreed with him that anyone should hear about those violations. I believe he is the fourth person from "Raqqa is Being Slaughtered Silently" to have been murdered so far.

Individuals such as these are part of conflict, and through our consumption of news we are complicit in their participation, but they take the risks. We must honour their bravery, and their pride in what they were, and still are, doing, by highlighting their contribution not only to our understanding of what is going on in conflict zones, but also their contribution to ending conflict by shedding light on it, and we must do all we can to defend their right to do what they do, and protect them as they go about it.

10.12 pm

**The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (James Duddridge):** I am grateful to my hon. Friend the Member for Wealden (Nusrat Ghani) for highlighting the dangers faced by journalists. She brings a wealth of experience as a campaigner on health and education issues from her time working in conflict zones, and it has been demonstrated today that the House is all the richer because of the knowledge that she brings.

We often disagree with what journalists say about us, but we must defend their freedom to say it. Without journalists in conflict zones, and, indeed, domestically, we risk the deterioration of our society and of the essential checks and balances that hold our societies and democracies together.

I begin by reflecting on the specific issue of the deaths of journalists in conflict zones, and also by paying tribute to journalists such as Marie Colvin, who was a fine example of someone who chooses to put themselves in harm's way to reveal and report the truth. This is essential for the work of journalism, and I also commend Marie Colvin for her advocacy for other journalists.

It is of course true that journalists have often displayed exceptional bravery in reporting from war zones, all too frequently paying for their vocation with their lives. However, my hon. Friend is right to highlight a chilling trend of journalists increasingly being seen as the enemy—being, as she put it, on the frontline. This is nowhere more evident than under the barbaric repression of Daesh and other extremist groups. Last year 28 journalists were killed by these groups. As execution has become an almost inevitable consequence of capture, journalists have been increasingly constrained as to where they can stay safely. Yet the reality of life under Daesh has continued to get out, as citizen journalists have filled the space with their own reports of repression and depravity. Now these stringers—citizen journalists—like the professional reporters who went before them, are being seen as the enemy. The cycle goes on.

According to Reporters Without Borders, 110 journalists were killed last year and many more were injured, captured or imprisoned. It is right that this Government

and Members of this House put on record our admiration for those who are willing to risk everything in pursuit of reporting the truth. My hon. Friend urges me, as did the hon. Member for Strangford (Jim Shannon), to pick a number of those affected. I shall resist the temptation. I have seen many numbers in reports from the UN, the Organisation for Security and Co-operation in Europe and Reporters Without Borders, but they cover different regions and different periods and largely report deaths, rather than those injured or otherwise affected. One death is one too many, so rather than putting an exact number on it, we should say just that—one death is too many. The actual number is certainly much larger and the problem is increasing, not diminishing.

My hon. Friend spoke eloquently about the importance of a free press, and highlighted that, in many parts of the world, the media are restricted in their ability to challenge authority, promote new ways of thinking or root out corruption. Media freedom is vital. Without a free press, corruption goes unchecked, individuals cannot flourish and economies are constrained. This Government make that point to all our international partners, regardless of where they are around the world.

I applaud the work of many organisations dedicated to promoting media freedom and to supporting and protecting journalists. The OSCE does vital, courageous work, including promoting the free media internationally. I pay particular tribute to Dunja Mijatovic for her remarkable work on press freedom. The UK is working closely with that organisation to find a suitable successor. It must find someone of equivalent stature, given the dangers and pressures faced by journalists—pressures that we know, sadly, will increase.

Last year this Government worked with UN Security Council partners to put the issue further into the international spotlight. Resolution 2222 sets out very clearly the obligations of member states to protect journalists and to punish those who threaten or kill them. During that debate our representative at the UN, Matthew Rycroft, highlighted the risks that journalists face. In his remarks he recognised, as did my hon. Friend, the changing shape of journalism in the digital age, and the role played by stringers, citizen journalists and bloggers. That debate was another opportunity to draw attention to the appalling impunity that often accompanies crimes against journalists.

The UN has reported that worldwide over 90% of the killings of journalists go unpunished. That is a shocking statistic. Governments have the primary responsibility to protect journalists. When other Governments fail to live up to this responsibility, the UK will continue to make our concerns known to them through our normal dialogue and regular bilateral relationships, raising these issues at the highest level of Government both bilaterally and in multilateral forums.

We are also prepared to raise these issues in countries where we have good relationships. For example, I recently did so with a good development partner in Rwanda that has a troubled relationship with the media—a less open relationship than we would hope to see. Last week I was

in South Sudan, where I made a point of speaking at some length on local radio, which reached over 75% of South Sudan, where the newspapers would not reach and where they would be more constrained in their reporting.

We are frequently reminded that journalists do not have to be in a conflict zone or a repressive state to be in danger. My hon. Friend the Member for Wealden mentioned Bangladesh, where we have seen the same struggle for the right to freedom of expression as we have seen in conflict zones. In the past three years, five bloggers have been murdered for openly stating their atheist views. Islamic extremists have drawn up hit lists and incited violence and murder, and when added to the targeted killings, such actions create a chilling effect, making it harder for anyone to express their personal views.

My hon. Friend talked of what more we could do through embassies and high commissions. As part of the daily routine, one would certainly expect high commissioners and their staff to engage with journalists. I was quite surprised to find out that the last Labour Government instituted a more comprehensive basis for registering British citizens in-country. I intuitively thought that that would be very successful, relying heavily on the internet and making it easy to register people. Actually, the evidence was that it was not particularly successful, and I do not think there is a good formula for registering everybody in-country, whether journalists or not. In many ways, though, journalists are for obvious reasons better known to our embassies than other people passing through a country. However, I am more than happy to speak to my hon. Friend if she has any ideas on how we can act more effectively.

Just over a year ago, eight journalists from *Charlie Hebdo* were murdered in their offices in central Paris, in an attack that also claimed four other lives. It was a stark and horrific reminder of the risks that journalists face in the normal course of their jobs. Yet, the public response in Paris, as in many parts of the world, was testament to the importance that citizens around the world give to media freedoms.

In protecting journalists, therefore, we are not seeking to defend what they say, but, crucially, their right to say it. Freedom of expression should be protected, respected and cherished, because it is fundamental to a healthy democracy to encourage debate and to promote free and innovative thinking. As opinion formers, information sources and challengers of received wisdom, journalists play a crucial role. Whether they are bringing news from war zones or elsewhere, the Government will stand up for their right to operate freely and safely. I am sure that Members on both sides of the House will agree with that sentiment, and that we should thank journalists from the bottom of our hearts for their continued good works.

*Question put and agreed to.*

10.22 pm

*House adjourned.*



# House of Commons

*Tuesday 2 February 2016*

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

## PRAYERS

[MR SPEAKER *in the Chair*]

## BUSINESS BEFORE QUESTIONS

CITY OF LONDON CORPORATION (OPEN SPACES) BILL  
*Bill read a Second time and committed.*

## Oral Answers to Questions

### BUSINESS, INNOVATION AND SKILLS

*The Secretary of State was asked—*

#### **Automotive Industry: Evolving Technologies**

1. **John Pugh** (Southport) (LD): What steps the Government are taking to ensure that the British automotive industry is able to develop and benefit from evolving technologies. [903369]

**The Secretary of State for Business, Innovation and Skills and President of the Board of Trade (Sajid Javid):** The UK automotive industry is already a great success, but we want to make sure that it stays at the cutting edge. We are committing almost £1 billion to help develop next-generation technologies. This will make the UK the go-to location for connected and autonomous vehicles, for example, and it will facilitate automotive research and development.

**John Pugh:** I thank the Secretary of State for his response. We read yesterday of his enthusiasm for driverless cars, but what specific encouragement and incentive will he provide for the more mature and greener technology of hydrogen fuel cells?

**Sajid Javid:** I am glad that the hon. Gentleman has raised the issue of driverless cars. Britain already leads in that area, and yesterday I announced some £20 million of awards. Green energy and greener cars are also important. That is why, in the spending review recently, we announced more funding for research from Government.

20. [903390] **Mr Philip Hollobone** (Kettering) (Con): Will the Secretary of State confirm that since 2013, when the Prime Minister announced his intention to hold a referendum on our EU membership, foreign direct investment in the British automotive industry and new technologies has been at record levels, because foreign companies are confident that British cars will be well made, whether we are in the EU or outside?

**Sajid Javid:** Actually, I can confirm to my hon. Friend that not only has foreign investment continued across British industry, including the car industry, but that the auto industry has just had a record year, with more than £64 billion of turnover and 80% of cars being exported. [Interruption.]

**Mr Speaker:** Order. Dr Hunt, you were not taught to behave like that at your very expensive public school.

**Geraint Davies** (Swansea West) (Lab/Co-op): That was a very funny joke, Mr Speaker.

The Environmental Protection Agency in America is suing Volkswagen for installing defeat devices that cheat emissions testing in millions of cars. What work is the Secretary of State doing with manufacturers in Britain to ensure that such devices are not installed, so that we can look forward to a future of greener cars where all cars are properly tested at MOT and the public are safe in the knowledge that more and more people will not die unnecessarily from pollution?

**Sajid Javid:** That is a good question. It should be very clear to all companies that if they engage in such cheating or bad practices, the Government will crack down hard on them. We will work with our colleagues in the European Commission and elsewhere to make sure that all rules are applied. We in the Department for Business, Innovation and Skills are working on introducing real emissions testing, with the Department for Transport and colleagues in the European Union.

**Michael Fabricant** (Lichfield) (Con): In the mid-'90s, I stood up in this Chamber and said that some day, there would be self-drive cars, and everyone thought I was mad. I am reliably told that by 2020, autonomous-drive cars will be available in the United Kingdom and elsewhere. Much of that work is being undertaken in Paddington by Nissan. When will my right hon. Friend visit Nissan and other British manufacturers, such as Jaguar Land Rover and Toyota, if he has not already done so, to talk to them about autonomous-drive cars?

**Sajid Javid:** I have had a lot of thoughts about my hon. Friend, but madness was not one of them.

I agree with my hon. Friend about the new technology of driverless cars, in which Britain is a world leader. Yesterday at MIRA, a world-class facility in Nuneaton, we announced £20 million of funding. That will fund some eight research and development projects in areas across the country, including in the midlands, and 14 feasibility studies. With work like that, his dream of a driverless car to carry him wherever he wants to go will come true by 2020.

#### **Floods: Effect on Businesses**

2. **Rachael Maskell** (York Central) (Lab/Co-op): What assessment he has made of the effect on businesses of the recent floods. [903370]

**The Secretary of State for Business, Innovation and Skills and President of the Board of Trade (Sajid Javid):** We have made £50 million available to support flood recovery across the north of England following Storms Desmond and Eva, and we have already allocated £11 million to local authorities to support the

4,500 businesses impacted. Local areas also have the discretion to provide grants to any local businesses that have been affected.

**Rachael Maskell:** Floods have an impact on the entire local business community, which is calling for more support. At my business flood meeting in York, it called for a business recovery package, including help to maintain a customer base and to trade expediently. Will the Secretary of State look into that, and will he attend a round-table with flood victims so that a full business recovery package can be put in place for the entire business community, not just businesses that were flooded?

**Sajid Javid:** The hon. Lady is right to raise this matter. Many businesses have been affected, and when something like this happens it affects the whole community. We are already looking into that. She will know that the money already made available can be used to support businesses in creative ways. On top of that, there is a £2,500 grant to help all businesses affected, and they can apply for a further £5,000.

**John Stevenson** (Carlisle) (Con): A large number of businesses in Carlisle were affected by the floods. However, they affected not just businesses but the rugby club, the squash club, the tennis club and the cricket club in my constituency. Will the Secretary of State look at providing support for those organisations as well as for businesses?

**Sajid Javid:** My hon. Friend makes an important point about how such a disaster can affect the whole community, and he gives some excellent examples of that. Money has been made available to local authorities to provide such support for both businesses and others, and I will look further at the suggestions he makes.

**Bill Esterson** (Sefton Central) (Lab): The Association of British Insurers puts the average cost of flood damage at £50,000 per business property, yet the average pay-out under the repair and review scheme has been just £1,666. That is well down on the £5,000 promised, with many businesses yet to receive a penny. In an Adjournment debate last week, we heard about the damage caused in Leeds during the last Parliament and the promises that have not been kept in relation to that. Will the Secretary of State make sure that the Prime Minister keeps his word that “money is no object” when it comes to support for businesses that have been hit hard by the recent floods?

**Sajid Javid:** Of course the Prime Minister will keep his word. It is partly for that reason that the Chancellor of the Duchy of Lancaster recently met the Association of British Insurers to discuss this issue, understand the scale of the problem and find out what more can be done. BIS officials have also met the ABI, which will make a difference. The hon. Gentleman may also be interested to know that, in the Enterprise Bill, we will bring forward measures later today to make sure that all businesses are paid on time by insurance companies.

**Nigel Adams** (Selby and Ainsty) (Con): Many of the businesses in my constituency that were flooded are lessees and do not own their own property. They would like to avail themselves of the generous support available from the Government, but landlords may not want to

engage with that system. I know one particular landlord who is not interested in Government support. What support can the Government offer to lessee businesses that are looking to them for such help?

**Sajid Javid:** My hon. Friend is right. In such circumstances, those businesses should of course be helped as well. We know that many of them are already applying directly to councils, to which we have provided funding. They are eligible for the £2,500 grant, and they can apply for the further grant of £5,000. They will also benefit from the three-month business rate holiday.

### Businesses: Support

3. **Fiona Bruce** (Congleton) (Con): What steps his Department is taking to support people who want to start their own business. [903371]

**The Minister for Small Business, Industry and Enterprise** (**Anna Soubry**): In particular, our start-up loans scheme has provided more than 35,000 loans, worth over £192 million, and we are now putting support into growth hubs. Those are just two of the many things we are doing to encourage small businesses and give them the support they need.

**Fiona Bruce:** I thank the Minister for that reply. What help can business people in my constituency expect from local growth hubs?

**Anna Soubry:** We all take the very firm view that the 39 growth hubs we have created are a really good way of making sure that small businesses get the support they need at the local level. We also take the view that the people who know best how to advise and assist businesses are business people themselves. We think that is done much better the more locally it is done, rather than doing it all from Whitehall.

**Derek Twigg** (Halton) (Lab): Most of the lending from banks is going to medium-sized firms, but a lot of smaller firms—particularly those with fewer than 50 employees, which include start-up firms—are struggling to get long-term loans. What discussions will the Minister have, or has she had, with banks to ensure that we get better lending for small businesses?

**Anna Soubry:** Under our terms, any business that employs fewer than 250 people is a small business, but that does not matter, because the hon. Gentleman makes a good point. Obviously, we meet the banks and encourage them. One interesting thing is the number of businesses that are looking at alternative sources of funding, such as crowdfunding and angels. Those sources are growing as businesses begin to see the benefits of them.

**Antoinette Sandbach** (Eddisbury) (Con): Small businesses in my constituency very often start up in rural areas. What steps is the Minister taking to co-ordinate with the Department for Culture, Media and Sport on broadband connections, particularly in rural areas, which allow businesses to market themselves online?

**Anna Soubry:** I very much agree that this is a big problem, and not just in rural areas. The lack of superfast connectivity concerns many businesses. It has been raised



by the Federation of Small Businesses, and properly so. We have put aside £1 billion to assist the programme, but I absolutely agree that more can be done. My hon. Friend can be sure that this matter is at the top of Business Ministers' priorities. We are working hard to ensure that every business quickly gets access to superfast broadband.

**Dr Lisa Cameron** (East Kilbride, Strathaven and Lesmahagow) (SNP): What additional funding and support will be made available to encourage persons with disabilities to start small business enterprises? Will the Minister meet the all-party parliamentary group for disability to discuss the matter?

**Anna Soubry**: The short answer is yes, absolutely. I very much look forward to doing so, because I have no doubt that there are better things and more things that we can do. I am very happy to have those discussions.

**Kit Malthouse** (North West Hampshire) (Con): Is the Minister aware that one of the biggest sources of capital for start-up businesses is the bank of mum and dad? Given that, will she seek in her Budget submission to have the restrictions on family investment in companies under the enterprise investment scheme and the seed enterprise investment scheme lifted?

**Anna Soubry**: Goodness me, it would be very dangerous for me to promise that I could deliver on that, but my hon. Friend certainly makes a very good point. Many people would not be able to start up small businesses without support not just from their parents, but from other members of the family. He makes a good point, and we are very happy to take it up.

**Alison McGovern** (Wirral South) (Lab): A lot of start-up businesses in Merseyside are either in manufacturing or use buildings on former manufacturing sites, which are very large. I rarely visit such a start-up without it mentioning business rates. What representations has the Minister made to the Treasury in that regard ahead of the Budget? Will we see some relief for all the start-ups in Merseyside that are working hard in manufacturing?

**Anna Soubry**: As the hon. Lady knows, a full review of business rates is being undertaken. She can be absolutely assured that I and other Ministers make the case for businesses. My views are very much on the record—I think that we really do need to look at investment in plant and machinery. Everybody can be absolutely assured that we do not hesitate in putting forward our very strong views about business rates on behalf of all businesses.

### Steel Industry

4. **Angela Smith** (Penistone and Stocksbridge) (Lab): What recent steps he has taken to support the steel industry. [903372]

8. **Stephen Doughty** (Cardiff South and Penarth) (Lab/Co-op): What recent steps he has taken to support the steel industry. [903377]

**The Secretary of State for Business, Innovation and Skills and President of the Board of Trade (Sajid Javid)**: We are taking clear action to help the steel industry. We are cutting electricity costs, tackling unfair trade, updating procurement guidance, introducing flexibility in emissions regulations and reviewing business rates. That is what the steel industry has asked for and what we are delivering.

**Angela Smith**: I thank the Secretary of State for that answer. The Foreign Secretary said of China the other week in this Chamber that

“it is through the prism of steel that their claims to be treated as a market economy are likely to be judged in the European Union.”—*[Official Report, 12 January 2016; Vol. 604, c. 694.]*

Equally, the Ministry of Defence has recognised the strategic importance of the steel industry with the support that it has given to Sheffield Forgemasters. When will the Secretary of State follow suit? In particular, when will he pull his finger out and start battling for British steel with companies such as EDF?

**Sajid Javid**: The hon. Lady may be interested to know that it was the Secretary of State who asked for an emergency meeting of the European Council to discuss this issue of unfair trade for the first time and to make sure that when the EU takes action, it does so appropriately and in a speedy fashion. The EU is considering the issue of market economy status. When it puts forward a proposal, we will take a careful look at it. Even if a country does have market economy status, that does not stop the EU taking action, as is shown by the examples of Russia and the US.

**Stephen Doughty**: As you are aware, Mr Speaker, I have concerns about a written answer that I received last week from the Ministry of Defence. It stated that

“the Ministry of Defence (MOD) does not hold a complete, centralised record of steel procurement for projects and equipment, either in terms of quantity or country of origin, over the past six years.”

Why on earth should we believe the Government's promises on procurement when they do not even keep records in the Ministry of Defence, and what will the Secretary of State do about it?

**Sajid Javid**: We are the first country in the EU to take advantage of new procurement rules. When it comes to defence needs and other infrastructure projects, we should use British steel whenever we can. For example, the Queen Elizabeth-class aircraft carriers are 94% British steel—that is 77,000 tonnes. Last week I visited Crossrail, the biggest infrastructure project in Europe, and almost all of it is British steel.

22. [903392] **David T. C. Davies** (Monmouth) (Con): Under current rules, steel companies pay the highest energy taxes in Europe. Those taxes are then used to subsidise wind farms, which are made from cheap imported steel. Does the Minister agree that our policy needs to change?

**Sajid Javid**: I agree about the importance of energy costs, and that is an issue that the steel industry has raised time and again. We had previously announced a system of compensating for part of the cost, but we

went further after listening to the industry. We needed to make a change, and we have made a change, which is a full exemption.

**Mr Iain Wright** (Hartlepool) (Lab): In her letter to me about procurement associated with Hinkley Point C, the Minister said that

“there are few companies globally that have the capacity to make the ultra-large forgings required for nuclear power plants. It is widely understood and accepted in the nuclear industries that the UK does not have the capacity.”

Given that Sheffield Forgemasters says that it does have that capacity, and that it has supplied such forgings to nuclear plants elsewhere in the world, has the Secretary of State asked the Minister what evidence was used to make that statement? Does he think it appropriate to scrutinise the rationale behind such a sweeping statement that dismisses world-class British steel manufacturers?

**Sajid Javid:** I do not think the hon. Gentleman is up to date on his information, and if he were to speak to Forgemasters—I am sure it would be more than happy to speak to the Chair of the Business, Innovation and Skills Committee—it would admit that it has challenges meeting all orders for different types of steel. The important point that we all agree on is that wherever possible, when steel can be supplied by British companies, that is exactly what we should use.

**Hannah Bardell** (Livingston) (SNP): Last year we became aware of Tata Steel's intentions to mothball two of its sites in Scotland at Dalzell and Clydebridge, with the loss of hundreds of jobs. Those two sites have a proud history and they are far from being, as the Small Business Minister shamefully described them, “bits and bobs”. Further job losses have recently been announced at Texas Instruments, and at every opportunity I and my SNP colleagues have pressed the Government to produce a coherent strategy for an industrial plan. Once more I ask the Secretary of State to bring that strategy for our manufacturing sector before Parliament.

**Sajid Javid:** As the hon. Lady will know, we work with many industries. I attend industry and sector councils, and we have strategies, including the metal strategy, of which I am sure she is aware. She will also be aware of the actions that we have taken, such as cutting energy costs, providing flexibility on EU emissions regulations, changing procurement guidance and looking at business rates, all of which will help the steel industry across the United Kingdom.

**Kevin Brennan** (Cardiff West) (Lab): If the Small Business Minister is right about Sheffield Forgemasters, why was it so furious about her words? Why did it make clear that it could supply 80% of the components necessary for Hinkley Point C? Should she apologise to the House, or can the Secretary of State do that on her behalf? What explains the answer that she gave to Parliament—ignorance, or lack of faith in UK steel?

**Sajid Javid:** The Small Business Minister has absolutely nothing to apologise for, and she was accurate in her statement. As I did with the hon. Member for Hartlepool (Mr Wright), I encourage the hon. Gentleman to speak to Forgemasters himself. As I am sure he agrees, whenever we can use British steel for defence purposes, it is important that we do.

## Adult Learners

5. **Mr Jim Cunningham** (Coventry South) (Lab): What estimate he has made of the likely change in the number of adult learners between 2016 and 2020. [903373]

**The Minister for Skills (Nick Boles):** Overall funding for adult learners will increase by 30% in real terms between 2016 and 2020. As a result, we expect to see many more adults taking advantage of the opportunities presented by apprenticeships and further education courses.

**Mr Cunningham:** I have received a number of representations from local colleges in Coventry worried about their future because of budget cuts. What assurances can the Minister give them that funding will be maintained?

**Nick Boles:** I am delighted to be able to reassure the hon. Gentleman that, while concerns were indeed expressed to us in a debate in this House about the possible threat of such cuts, the Chancellor did not cut funding for adult learners in the spending review. In fact, he increased it. As I said, by the end of this Parliament, it will be 30% higher in real terms and at its highest level in cash terms ever in our history.

**Kevin Foster** (Torbay) (Con): Does the Minister agree that we need to understand local needs, particularly industry needs such as photonics and tourism in my constituency, to ensure that adult learners have the best opportunities to get the skills they need for employment in them?

**Nick Boles:** I do. I had an excellent meeting with my hon. Friend and the leaders of his local college. Their plans are very exciting. We very much want to make a move towards greater local involvement in the commissioning of adult skills provision, so that local industries can be supported.

**Steve McCabe** (Birmingham, Selly Oak) (Lab): Is the Minister planning any particular response to the Government-commissioned Foresight report of 2014 on lifelong learning and continuous training by Dr Martin Hyde and Professor Chris Phillipson? If so, when are we likely to see that response?

**Nick Boles:** All our policies are a response to that report and many other reports that have rightly highlighted the need for continuing investment in adult education through people's long and ever-changing working lives. One of the most significant measures we are taking is the introduction of an apprenticeship levy to double the funding for apprenticeships—apprenticeships that are available to adults in their 30s, 40s and 50s, not just to young people.

**Mr Gordon Marsden** (Blackpool South) (Lab): The 30% increase the Minister refers to covers quite a lot of apprenticeships, but the position for non-apprenticeships in higher education and further education is not looking good. He has not been able to give any detail for those estimates over the next four years. In the past four years, however, very large numbers of adult learners in HE—part-timers—are down 42%. The equality impact assessment shows that scrapping maintenance grants will impact

badly on them. Research from the Department for Business, Innovation and Skills shows that adult learners are often highly debt-averse, which my own experience as an Open University tutor confirms. We welcome the measures for part-time student loans for 2018-19, but why has nothing concrete been done to address the decline in the meantime? May I ask the Universities Minister, through the Skills Minister, about the "Higher Education" Green Paper, which is currently a blank canvas on adult learners' needs? Please make it good by addressing them and the economic benefits they will bring.

**Nick Boles:** That was a strange question, because the hon. Gentleman had to admit that there were a lot of things he welcomed to try to sneak in a question. It was a little puzzling that he seemed to dismiss our investment in apprenticeships as if it did not provide opportunities for adult learners. The truth is that apprenticeships provide the best opportunity for adult learners, better than any alternative, and we are also extending the possibility of student finance to part-time learners. I hope he welcomes that.

### Higher Education: STEM Subjects

6. **Stephen Metcalfe** (South Basildon and East Thurrock) (Con): What steps he is taking to increase the participation rate in STEM subjects in higher education. [903374]

11. **Matt Warman** (Boston and Skegness) (Con): What steps he is taking to increase the participation rate in STEM subjects in higher education. [903380]

**The Minister for Universities and Science (Joseph Johnson):** Record numbers of students secured places on science, technology, engineering and maths courses this year at our universities, and thanks to the decision we have taken to end student number controls, there is no longer any cap on the number of people wishing to study STEM subjects. The number of full-time students accepted to study STEM subjects in England is up 17% since 2010.

**Stephen Metcalfe:** Will my hon. Friend join me in celebrating the work and role science and discovery centres play in inspiring young scientists and engineers? Will he tell the House what plans he has to improve their reach, raise awareness of their existence and support their important work?

**Joseph Johnson:** I certainly will. Our science centres do a fantastic job engaging with over 20 million people each year. That complements the work we are doing to boost STEM subjects in schools. Last week I was delighted to announce a £30 million Inspiring Science capital fund in partnership with the Wellcome Trust. It will allow science centres to make big investments in cutting edge exhibitions and education spaces, and reach all sorts of people who think science is not for them.

**Matt Warman:** Many small businesses in my constituency need STEM graduates. What are the Government doing to connect them with small businesses, and to encourage them to start their own businesses as well?

**Joseph Johnson:** The Government's productivity plan set out their agenda for even greater collaboration between universities and business, and we are supporting degree apprenticeships, the first of which were in STEM occupations, such as aerospace and automotive engineering. Small businesses are essential to this agenda. In 2015, the National Centre for Universities and Business reported that 60% of work placements for students on STEM courses were in small businesses.

**Debbie Abrahams** (Oldham East and Saddleworth) (Lab): Not content with cutting social security support for disabled people, including those in work, the Government have moved on to cuts to the disabled student's allowance. What is the estimate of the reduction in the number of disabled students doing STEM subjects and the impact on the disability employment gap as a result of that?

**Joseph Johnson:** The disabled student's allowance continues to exist, and is available to all students who need it. Universities must step up to their obligations under the Equality Act 2010 to make their learning environments fit for disabled students, and that will continue to be the case.

**Yvonne Fovargue** (Makerfield) (Lab): The Migration Advisory Committee recently proposed that employers pay an annual charge of £1,000 for every skilled worker brought into the UK from outside Europe. Given that recent figures show a 40,000 annual shortfall in STEM skilled workers, has the Minister considered what effect the proposal would have on the science community and high-tech businesses?

**Joseph Johnson:** We are, of course, considering the Migration Advisory Council's recommendations, and will come forward shortly with our response, but through our tier 1 exceptional talent visa, we provide many opportunities to highly talented scientists to work in the UK and contribute to our economy.

### Apprenticeship Levy

7. **Carol Monaghan** (Glasgow North West) (SNP): What discussions he has had with the Scottish Government on implementation of the apprenticeship levy. [903375]

**The Minister for Skills (Nick Boles):** Last October, my right hon. Friend the Chief Secretary to the Treasury set up a working group with Scottish Finance Ministers to plan the implementation of the apprenticeship levy, and I am going to Edinburgh this Thursday to meet Roseanna Cunningham and Ministers from the other devolved Administrations.

**Carol Monaghan:** The apprenticeship levy will apply to businesses across the UK, including Scotland. Will the Minister clarify the means by which Scotland's share of the funds raised will be calculated?

**Nick Boles:** That is, of course, a matter for the Treasury, but the hon. Lady will be aware that the system of Barnett consequential will ensure that Scotland, as well as the other devolved Administrations, receives

a share of the tax raised across the UK to support apprenticeships—I hope—and any other policy the Scottish Government want.

**Stephen Timms** (East Ham) (Lab): The Minister has underlined the advantages of apprenticeships for older people, but it is striking that the number of younger people taking them up was less last year than three years previously. What is he doing to draw young people's attention to the attractions of apprenticeships?

**Nick Boles:** The right hon. Gentleman is absolutely right that apprenticeships offer a fantastic opportunity to young people, but we should not get hung up on whether people are doing one at 16 or 17, or at 18, 19 or 20. We want them to do one when it is best for them, in terms of the impact on their skills and future earnings, and also best for their employer—remember that apprenticeships are jobs, and not all employers feel comfortable taking on a 16-year-old to do some jobs. We want to ensure that young people get an education in college that enables them to make the best of an apprenticeship whenever they do one.

**Ms Margaret Ritchie** (South Down) (SDLP): The all-party group on the visitor economy is currently taking evidence on apprenticeships in the catering industry. We have discovered a dearth of apprenticeships in that area. How will the apprenticeship levy assist the recruitment of chefs and others in the catering industry and help to pump-prime apprenticeships and training?

**Nick Boles:** Obviously, larger employers in the catering industry will be paying the levy, and will therefore have a direct incentive to spend the money in their digital accounts on apprenticeships. Issues with seasonal work in this and other industries mean that employers cannot always commit to an apprentice for a full 12 months, so we are considering piloting an apprenticeship that could last 12 months out of, say, 15 or 16 months to make it more accessible to the seasonal industries.

**Hannah Bardell** (Livingston) (SNP): In December I asked the Secretary of State about the concerns of the oil and gas industry about the apprenticeship levy and the fact that it might mean that there is a double charge, given that some are already paying levies to training bodies. I am grateful that the Minister will meet me and representatives in March, but in the meantime what research has he done and what meetings has he had with industry bodies about this, and will he commit to a date to produce that information?

**Nick Boles:** I am constantly having meetings with all sorts of business groups, large and small. I know that representatives from major oil and gas companies have been in those meetings. I would be happy to meet the hon. Lady and the industry, and to carry on meeting any industry, to reassure them that the apprenticeship levy is an opportunity not a threat.

### Regional Growth: Midlands Engine

9. **Christopher Pincher** (Tamworth) (Con): What recent steps he has taken to (a) promote regional growth and (b) create a midlands engine. [903378]

**The Secretary of State for Business, Innovation and Skills and President of the Board of Trade (Sajid Javid):** I was delighted to help launch the midlands engine prospectus in December, setting out our programme of action to deliver our long-term economic plan, which aims to add an extra £34 billion to the midlands economy by 2030.

**Christopher Pincher:** I am grateful to my right hon. Friend for his commitment. Excellent universities, a history of manufacturing and some world-class businesses make the midlands a great place to set up a business, but those businesses need to export more. Will he say what he is doing to help businesses—particularly manufacturing businesses, such as Invotec in my constituency—to do better business abroad?

**Sajid Javid:** In my hon. Friend's constituency, UK Trade & Investment has provided support for some 250 businesses in the past years, including for companies such as Invotec, which have been given support to help export to India, Russia, Japan and other places. He will know that my noble Friend Lord Maude made a statement in the other place last week, which talked about the new whole-of-government approach to exports. My hon. Friend may also be interested to know that, later this year, I will lead the first-ever midlands business trade delegation overseas.

**Tristram Hunt** (Stoke-on-Trent Central) (Lab): A key driver of any midlands engine will be Goodwin Engineering in my constituency. This is a world-class steel foundry business hit hard by the Government's massive incompetence over steel policy. It is very keen for a swift decision to be made on the Swansea bay tidal lagoon. Can we have news on that decision and, more broadly, something approaching an industrial policy?

**Sajid Javid:** The hon. Gentleman can have news—but not today. These are the sort of decisions that we need to consider carefully. When it comes to major infrastructure, he will be pleased to know that the Government's infrastructure plan involves over £90 billion and that we are going ahead with it.

**Edward Argar** (Charnwood) (Con): One of the key drivers of regional growth in the midlands has been the success of new small businesses, which rely on getting access to telecommunications as swiftly as possible. Does my right hon. Friend share my concern about the potential impact on midlands growth owing to the length of time some businesses have to wait for telecoms companies to connect them? Will he press those companies to sharpen up and speed up their act?

**Sajid Javid:** I agree wholeheartedly with my hon. Friend. As a midlands MP myself, I have met many businesses from my own constituency that have experienced the same problem. It is something that both BIS and the Department for Culture, Media and Sport have discussed with BT and others. Although there are examples of improvement, a lot more needs to be done.

**Valerie Vaz** (Walsall South) (Lab): One hundred and twenty thousand companies in the west midlands are linked to the steel industry. Will the right hon. Gentleman say what steps he is taking to preserve those skills for future growth?

**Sajid Javid:** The hon. Lady is right to raise the issue of skills in that industry. The first thing is to do everything we can to help it. Of course, the crisis has inevitably led to job losses, but the measures I referred to earlier will help to protect some of those jobs. We are also talking to a number of companies in the supply chain to see what we can do with skills training to ensure that those skills are transferable.

**Andrew Bridgen** (North West Leicestershire) (Con): I can assure the House that the midlands engine is firing on all cylinders, but it does need fuel in the tank. Will the Secretary of State confirm that more than £2 billion was raised in venture capital in the UK last year, which was up 50% on the year before?

**Sajid Javid:** My hon. Friend talks about venture capital and the importance of attracting more and more investment across the nation, and of course in the midlands, too. I am sure he would be interested to know that over the last four years, the gross value added of the midlands region has increased by 15% or £27 billion, while the number of jobs has increased by almost 300,000.

**Rob Marris** (Wolverhampton South West) (Lab): The hon. Member for Tamworth (Christopher Pincher) asked about the creation of a midlands engine. I can assure the Minister that thousands of such engines are being built by Jaguar Land Rover in Wolverhampton, just outside my constituency.

The apprenticeship levy is very welcome, although there are still some kinks to be ironed out. Will the Secretary of State say a little more about how the Government will encourage the establishment of proper apprenticeships in the manufacturing industry?

**Mr Speaker:** In the west midlands!

**Sajid Javid:** Yes, Mr Speaker, in the west midlands the levy will lead to significant new investment in apprenticeships. Companies such as Jaguar Land Rover have welcomed that initiative, and intend to pursue it with gusto. We are also setting up a new standards board, which will be led by the industry. I think that is important, because it will ensure that everyone takes part and we secure the right skills outcome.

**Mr Speaker:** The east midlands have also been accommodated, as colleagues will have noticed.

### Start-up Manufacturing Businesses

12. **Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): What steps he is taking to support start-up manufacturing businesses. [903382]

**The Parliamentary Under-Secretary of State for Life Sciences** (**George Freeman**): As my right hon. Friend the Chancellor has made clear, the Government continue to turn around the historical decline in manufacturing that took place under the last Labour Government. In the autumn statement and in the speech that my right hon. Friend is making today, we are setting out our commitment to manufacturing. There will be £300 million for the high-value manufacturing catapult centre—[*Interruption.*]

Perhaps Labour Members would listen. That £300 million programme will benefit the seven catapult centres in the United Kingdom.

We have doubled capital allowances for manufacturing companies, and we have put £1 billion into the aerospace and automotive industries at the Advanced Propulsion Centre, which includes a range of measures for small businesses. That is probably why the all-party parliamentary manufacturing group, which is chaired by the hon. and distinguished Gentleman, has said:

“British manufacturing is currently enjoying a resurgence, together with a reinvigorated interest in industrial policy.”

**Mr Sheerman:** That report was published before the last Budget. In fact, the manufacturing sector is astonished at the way in which this Secretary of State has waved the white flag at the Chancellor of the Exchequer. He has sneaked out the abolition of the Business Growth Service, sneaked out the abolition of the Manufacturing Advisory Service, and sneaked out the end of the Growth Accelerator programme. Where is the industrial policy of this country, and what happened to the march of the makers?

**George Freeman:** I can tell the hon. Gentleman that the march of the makers is working. That is why we are leading the fastest-growing economy in Europe; it is why, interestingly, unemployment in the hon. Gentleman's constituency is down by 60% and youth unemployment is down by 10%; it is why we continue to finance small businesses, which have received £2.5 billion through the British Business Bank and £35,000 in loans; and it is why we have doubled small business rate relief. From now on, 405,000 businesses will pay no rates at all. It is for those reasons that our economy is growing fastest—and that comes after 13 years during which manufacturing, under a Labour Government, fell to an historic low.

**Sammy Wilson** (East Antrim) (DUP): Many barriers, including energy costs and regulatory burdens, prevent manufacturing businesses from starting up. What discussions has the Minister had with the Chancellor about his policy of requiring businesses to return information about taxes to Her Majesty's Revenue and Customs four times a year? Does he share my fear that that will increase the costs of businesses, impose extra work on them, and divert them from their job of actually manufacturing things?

**George Freeman:** I assure the hon. Gentleman that my right hon. Friends the Chancellor and the Business Secretary, and this ministerial team, take the need to reduce small business regulation very seriously. Indeed, my right hon. Friend the Business Secretary is giving a speech to the Federation of Small Businesses today on precisely that subject.

The Government's track record in this regard is incredibly strong. We have increased small business rate relief, we have taken £10 billion-worth of red tape from small businesses through the Enterprise Bill, and we are raising the rates of finance for small businesses. That is why we had a record 5.4 million new businesses in 2015, which means that 25% more businesses have been created since we came to power.

### Apprenticeships

13. **Jack Lopresti** (Filton and Bradley Stoke) (Con): What steps he is taking to raise the status of apprenticeships among employers. [R] [903383]

**The Minister for Skills (Nick Boles):** We are giving employers the opportunity to design high-quality apprenticeships that meet their needs, and more than 1,300 employers are already involved. We are also establishing the employer-led Institute for Apprenticeships to improve standards and safeguard quality.

**Jack Lopresti:** Businesses have, on the whole, welcomed the apprenticeship levy, but many are worried about how it will be implemented. Is my hon. Friend considering any sort of pilot scheme, involving a small number of businesses of all sizes, to ensure that when it is rolled out, it is rolled out smoothly and efficiently?

**Nick Boles:** I thank my hon. Friend for organising one of the best attended and most interesting meetings of the all-party parliamentary group on this subject. I am doing many meetings of that kind both privately and, like that one, publicly to discuss the implementation of the levy. We will be publishing later in the spring the details of how the levy will work. There are all sorts of thorny questions, but we are talking to business about all of them.

**Several hon. Members** *rose*—

**Mr Speaker:** It is timely for me to accommodate, on this question, the hon. Member for Kingston and Surbiton (James Berry).

14. [903384] **James Berry** (Kingston and Surbiton) (Con): Thank you, Mr Speaker. Does my hon. Friend the Minister welcome the 2,580 apprentices that have been started in my constituency since 2015, and will he join me in welcoming the “100 in 100” campaign of my hon. Friend the Member for Stratford-on-Avon (Nadhim Zahawi), which encourages MPs to go out to their employers in their constituencies and get them to take on apprentices?

**Nick Boles:** I do welcome that; all the work of my hon. Friend the Member for Stratford-on-Avon (Nadhim Zahawi) is marvellous, but this is a particularly marvellous aspect of his work. I say to all Members on both sides of the House that it is a simple scheme about going out and encouraging employers in their constituencies to create 100 apprenticeships in 100 days. I urge all Members of all parties to take it up, and we will do everything we can to help.

**Several hon. Members** *rose*—

**Mr Speaker:** Mr Mann, we will accommodate you on this question as well; get in there.

15. [903385] **Scott Mann** (North Cornwall) (Con): Thank you, Mr Speaker. The six Cornish MPs are also leading on this and my hon. Friend the Member for Truro and Falmouth (Sarah Newton) will be launching the “100 in 100” campaign in Cornwall. I thank my hon. Friend the Member for Stratford-on-Avon (Nadhim Zahawi) for establishing that, and may I ask the Minister to pledge his support to Cornish campaigning for apprenticeships?

**Nick Boles:** I certainly will, and I look forward to visiting Cornwall during national apprenticeship week to celebrate that. In my hon. Friend’s constituency there

were 82.5% more apprenticeship starts in 2014-15 than in 2009-10, and I am sure he will be able to go on and double that.

**Rishi Sunak** (Richmond (Yorks)) (Con): In my constituency I am working with UCAS to launch a “UCAS for apprenticeships” pilot. This new portal will make it easy for local small and medium-sized businesses to take on a school-leaver, and end the divide between those applying to university and those looking for an apprenticeship. Will my hon. Friend join me in supporting this exciting local initiative backing the aspirations of north Yorkshire’s young people?

**Nick Boles:** Many of the best policies are designed by Back-Bench Members and piloted in their constituencies, and I want to salute my hon. Friend for creating this scheme so soon after arriving in this place. We will watch it very carefully and look to see whether we can roll it out across the country.

**Mr Speaker:** I am sure the hon. Member for Richmond (Yorks) (Rishi Sunak) feels a warm glow.

### Sunday Trading Laws

16. **Carolyn Harris** (Swansea East) (Lab): What recent discussions he has had with shop workers and their representatives on Sunday trading laws. [903386]

**The Minister for Small Business, Industry and Enterprise (Anna Soubry):** Officials met USDAW, the TUC and the GMB back in August, and I am very much in favour of the policy of devolving down to local authorities the powers to extend Sunday trading laws if they wish, and if it suits their local area. We may hear more about this from the Secretary of State later when introducing the Enterprise Bill; I hope so.

**Carolyn Harris:** I take it from that that we can expect an announcement on Sunday trading very soon, but with small traders worried that their only advantage over the supermarkets is the ability to have convenient store Sunday hours and over 91% of USDAW shop-floor workers saying they do not want to work longer hours on a Sunday, just who is going to benefit from these changes?

**Anna Soubry:** What has been really interesting in the consultation that was carried out was the large number of local authorities who welcomed the ability for them to have powers to see what would suit their area. So if a local authority took the view that an extension of Sunday trading hours was not right for it for whatever reason, it would not have to do it. That is the beauty of this policy. It devolves the powers down to local authorities so they decide what is best for them in their areas, and I can assure the hon. Lady that a number of Labour councils welcome such a devolution of powers.

**Mr Speaker:** Last but not least, Mr David Nuttall.

**Mr David Nuttall** (Bury North) (Con): Thank you, Mr Speaker. Given that the Sunday trading laws were relaxed in the run-up to the Olympics, and given that

the sky has not fallen in in Scotland where there are no restrictions, will the Government please crack on and relax the Sunday trading laws as quickly as possible?

**Anna Soubry:** I have made my position clear, but the ideal is that this is not about the Government imposing this on anybody. It is about giving local authorities the power to decide what is best in their area for all their shops, of whatever size, and of course for their shoppers and their consumers. If they do not want to do it, it would not be mandatory, but they have the choice because we take the view that they know best.

### Topical Questions

T1. [903394] **Alex Cunningham** (Stockton North) (Lab): If he will make a statement on his departmental responsibilities.

**The Secretary of State for Business, Innovation and Skills and President of the Board of Trade (Sajid Javid):** Britain's high-end manufacturing continues to lead the world, and 2015 was the most successful year ever for our aircraft industry, with delivery numbers up 44% since 2010. Jaguar Land Rover is now Britain's biggest car maker; it produced nearly 500,000 cars last year, which was three times as many as in 2009. And just yesterday, the latest figures showed that manufacturing output grew once again in January. Britain's high-end factories are working, more Britons are working than ever before and this Government's long-term economic plan is working too.

**Alex Cunningham:** We are hearing that Lord Heseltine has a big plan for the redundant SSI steelworks site on Teesside. If so, what is it?

**Sajid Javid:** It is absolutely right that we look at all options to generate more employment in that area, and that is exactly what Lord Heseltine has been working on. He has been working with businesses and local business leaders, and I am sure that the hon. Gentleman would welcome that. I notice that his own constituency has seen a sharp fall in unemployment of more than 40% in the past five years under this Government, and it is those kinds of policies that we will continue.

T2. [903395] **Dr Andrew Murrison** (South West Wiltshire) (Con): Despite progress having been made, many small businesses, particularly those in rural areas, are struggling because of poor broadband speeds. Does my right hon. Friend think that the time has come for Ofcom to consider splitting BT and Openreach or, if it feels that it cannot do that, refer the matter to the Competition and Markets Authority?

**Sajid Javid:** Many individuals and businesses share my hon. Friend's frustrations and the concerns that he has raised about BT's perceived lack of investment and that perceived conflict of interest. I take these issues very seriously indeed. It is of course right that independent regulators should look at this issue, but let me assure him that I have discussed this directly with the head of Ofcom. I will be looking very carefully at the findings of its review and if we need to take action, we will.

**Ms Angela Eagle** (Wallasey) (Lab): Does the Business Secretary believe that the Google tax deal reached by his right hon. Friend the Chancellor is fair and proportionate?

**Sajid Javid:** I think it was a very important deal, not least because it leads to a change in behaviour. It sends out a message that if you do not pay your taxes properly and according to the rules, action will be taken.

**Ms Eagle:** Well, I am not sure from that answer whether the Business Secretary thought it was fair and proportionate, but at the weekend he said that it "wasn't a glorious moment", even though the Chancellor had hailed it as a success. Which is it? It cannot be both. Does the Secretary of State not understand how unfair this cosy sweetheart deal with a company that seems to regard paying its fair share of taxes as a voluntary activity must seem to Britain's millions of small businesses that are now expected to do their tax returns quarterly and have no opportunity to meet Ministers 24 times to negotiate their own private little tax deals?

**Sajid Javid:** When the hon. Lady's party was last in office, some companies were regularly getting away with 0% tax rates, but Labour took no action whatever. Since the change in Government in 2010, we have closed 40 of Labour's tax loopholes, which has helped to generate an additional £12 billion in taxation.

T6. [903399] **Byron Davies** (Gower) (Con): I know that the Secretary of State and his Department are working hard to support our vital steel industry, but may I ask him what specific steps the Government are taking to ensure the future sustainability of the Tata Steel plant at Port Talbot and to ensure that Welsh steel is used in Government projects and procurement?

**The Minister for Small Business, Industry and Enterprise (Anna Soubry):** I pay tribute to the great work that my hon. Friend is doing to support the workers in his constituency who have been affected by last week's unfortunate announcement of redundancies at Port Talbot. However, as the Secretary of State has already outlined, we have delivered on four of the five asks by the industry and we continue to work with Tata. When the consultants have finished their work at Port Talbot, Tata will come to us and we will continue our discussions. We will do all we can to ensure that steel continues to be produced not just at Scunthorpe but at Port Talbot.

T3. [903396] **Catherine McKinnell** (Newcastle upon Tyne North) (Lab): The Government have set a target of trebling exports by 2020. Can the Secretary of State explain how delaying a decision on UK airport capacity supports that aim?

**Sajid Javid:** It is absolutely right that we make a decision on aviation capacity in the south-east, and the Government were right to appoint an independent panel to look at this. It has come back with its findings. It is right that we look carefully at those and we recently made a statement on that. There is no doubt that when the decision is made, it will be one of the contributory factors that will help us to achieve that target.

**Several hon. Members** *rose*—

**Mr Speaker:** I call Mark Menzies.

**Mark Menzies** (Fylde) (Con): Question 7, Mr Speaker.

**Mr Speaker:** No, it is topical questions. Get in there, your moment has arrived!

T7. [903400] **Mark Menzies:** You caught me off guard there, Mr Speaker, and I apologise.

**Ms Angela Eagle:** Pay attention.

**Mark Menzies:** I apologise to the Labour Front Benchers, too.

The backbone of the north-west economy is built around small and medium-sized enterprises, so will the Secretary of State outline what help his Department is giving to small businesses across the north-west?

**Sajid Javid:** My hon. Friend is right to talk about SMEs being the lifeblood of the economy in terms of the employment and growth that they produce. We have taken a number of measures, including cuts to tax and to regulation. Later on today, I will be opening the Second Reading debate on the Enterprise Bill, when we will announce a number of new measures.

T4. [903397] **Nic Dakin** (Scunthorpe) (Lab): The welcome new procurement guidelines for steel are worthless unless they have an impact on procurement practice. What are the Government going to do to ensure that this is delivered properly? How will they ensure that all Departments and government contractors follow these guidelines? How will the Government assess their impact?

**Anna Soubry:** The hon. Gentleman makes a good point, and he will of course know that 98% of Network Rail's tracks are made in his constituency. He can be assured that we will make sure there is real delivery on those procurement changes. May I just pay tribute to the councils of Corby, Sheffield, Powys, Cardiff, Rotherham and his own in North Lincolnshire, all of which have signed up to the new agreement to make sure that in their procurement they use sustainable and brilliant British steel?

T10. [903403] **Suella Fernandes** (Fareham) (Con): More than 4,000 people have started an apprenticeship since 2010 in Fareham, which is great news for people who want to learn new skills and for productivity. Will the Secretary of State join me in congratulating my hon. Friend the Member for Stratford-on-Avon (Nadhim Zahawi) on his work in this area and in encouraging people from Fareham to attend my apprenticeships fair on 12 February at Fareham College?

**The Minister for Skills (Nick Boles):** If I could, I would spend every day at an apprenticeships fair in one of my hon. Friends' constituencies—or, indeed, in an Opposition Member's constituency. I was in Carlisle last week with my hon. Friend the Member for Carlisle (John Stevenson) at his fantastic skills show, and I urge everyone in Fareham to attend the one set up by my hon. Friend the Member for Fareham (Suella Fernandes).

T5. [903398] **Carolyn Harris** (Swansea East) (Lab): Tidal lagoons present a

“crucial industrial opportunity for the Northern Powerhouse”, so writes Yorkshire's Allerton Steel. Port Talbot's Fairwood Fabrications Ltd says that

“rare opportunities to redeploy skills should be seized with both hands before being lost to the region altogether”.

Does the Minister agree that when the British steel industry identifies a new market around which it could build a recovery, it is time the Government sat up and listened?

**Anna Soubry:** As we said, we have been listening. Five asks were made and we have delivered on four of those, with the fifth being the subject of a review—I hope we will see delivery on that in due course. We are doing absolutely everything we can do to ensure that steel continues to be produced at both Scunthorpe and Port Talbot. I have to say that more jobs were lost under Labour Administrations than have been lost under Conservative Governments.

**Oliver Dowden** (Hertsmere) (Con): The proposed tube strike this weekend will add misery to the Monday morning commute of many of my constituents, yet the strike will be conducted on the basis of a mandate dating from June 2015. Does the Minister agree that such disruptive action should be undertaken only on the basis of a fresh mandate from union members?

**Nick Boles:** Conservative Members are very clear that it should not be possible to call a strike on the basis of an out-of-date mandate, and we are legislating to stop that. We are clear and our candidate to be Mayor of London is clear on that, but Labour wants to oppose this measure and support tube strikes that will prevent people who are paid a lot less than tube drivers from getting to work over the weekend.

T8. [903401] **Chris Stephens** (Glasgow South West) (SNP): Will Ministers confirm what recent meetings they have had with devolved Administrations, local authorities and other public bodies on their proposed anti-Trade Union Bill? Can they confirm that the proposals, particularly those on facility time and check-off, have no support across the public sector? Is it not time to dump those proposals?

**Nick Boles:** No. I am simply sorry to see yet another party of opposition standing up for illegitimate strikes that cause huge disruption for people who are trying to work hard, trying to get their kids to school and trying to get to work on time. I am glad to say that the Conservatives will be standing up for working people, not trade union bosses.

**Richard Fuller** (Bedford) (Con): Despite the Government's excellent record on apprentices, disabled people still face significant barriers. The Alliance for Inclusive Education has raised specific concerns about the requirements for maths and English. Will my hon. Friend the Minister review those concerns and write to the alliance and me to assure us that he is taking all steps to ensure that disabled people can take advantage of apprenticeship opportunities?



**Nick Boles:** This is such an important issue that I hope that I can go one better and invite my hon. Friend to come and meet me, along with the people who have such concerns. I have had other such meetings, not least with my hon. Friend the Member for Milton Keynes South (Iain Stewart), on similar issues. It is very important that we get this right.

T9. [903402] **Andrew Gwynne** (Denton and Reddish) (Lab): Has the Secretary of State read the report from the Centre for Cities, which shows that a large number of Britain's towns and cities are low-skill, low-wage economies? What is he doing to ensure that there is joined-up thinking across Government to ensure that we tackle not just education and skills but the transport links to access those new jobs?

**Sajid Javid:** I have not seen that particular report, but now that the hon. Gentleman mentions it I will be pleased to take a look. He is right to identify skills as a key issue in helping to create jobs and increase productivity. That is why, for example, we have introduced the apprenticeship levy and are putting forward plans for that. It will make just the kind of difference that he is looking for.

**Nadhim Zahawi** (Stratford-on-Avon) (Con): I thank the Minister for Skills for supporting the apprenticeship awards at Grosvenor House last week. We gave out awards to small and large businesses and to brilliant apprentices, as well. Would it not be great if next year we had awards for the public sector, with all the permanent secretaries at next year's awards, after today's Bill goes through the House, and if we saw the public sector really getting behind apprenticeships?

**Nick Boles:** Mr Speaker, you will have noticed that my hon. Friend has a badge shaped like a capital A on his lapel. I am sure that we could all think of many things that that could stand for, but in his case it stands for apprenticeship ambassador. He is a fantastic ambassador for apprenticeships and I am sure that, during next year's awards, the public sector will be able to show itself as a supporter of apprenticeships.

**David Simpson** (Upper Bann) (DUP): Does the Minister agree that the practice of cash retention, especially within the construction industry, should cease?

**Anna Soubry:** It was a great pleasure to take part in last week's debate, in which the hon. Gentleman made some very important points. We are having a review, but it is a lengthy one, and he knows that I have undertaken to do everything I can to bring that forward and see that we ensure that we take a modern look at an outdated practice.

**Robert Jenrick** (Newark) (Con): With the US presidential elections exciting audiences on both sides of the Atlantic, it is looking increasingly unlikely that the transatlantic free trade deal will be signed under the Obama Administration. This year, however, we might be able to sign a free trade deal between the EU and India.

Will the Minister welcome the resumption of talks two weeks ago, after they were stalled for two years, and do everything he can to secure a deal this year?

**The Parliamentary Under-Secretary of State for Life Sciences (George Freeman):** My hon. Friend makes an excellent point. The TTIP deal is worth £10 billion to this economy, and it is surprising that the Opposition are not supporting it more loudly. We are driving exports with India. As the Leader of the Opposition is in the Chamber, it might be interesting to ask whether the shadow Chancellor still actively campaigns for the overthrow of capitalism.

**Tom Blenkinsop** (Middlesbrough South and East Cleveland) (Lab): With Hartlepool Tata, Hartlepool Caparo, Air Products, Johnson Matthey, SSI Redcar, Boulby Potash and oil and gas industry job losses, Teesside is being hit hard. May I ask the Minister to meet me and other Tees MPs to discuss the future of the SSI site? May I also tell the Minister for Small Business, Industry and Enterprise that between 1987 and 1992, in Redcar alone, the Tory party sacked 20,000 steel workers?

**Sajid Javid:** I am more than happy to meet the hon. Gentleman and any colleagues, and I have met him before to discuss this important issue. He will know of all the action we have taken, and are taking, to help the steel industry. However, he makes it sound as if, when Labour were last in office—over 13 years—they actually helped the industry. Production halved, and the number of employees fell by thousands—that is Labour's record. It is left to this Government to actually support the steel industry.

**Several hon. Members** *rose*—

**Mr Speaker:** Order. I am sorry, but we are running out of time. Last but not least, Louise Haigh.

**Louise Haigh** (Sheffield, Heeley) (Lab): Will the Secretary of State confirm that, in a briefing on Friday to Department for Business, Innovation and Skills workers whose jobs are at risk in Sheffield, one of the main reasons given for closing their office was:

“because phones and computers don't work”?

Is the Secretary of State, who is responsible for innovation, seriously saying that the Department responsible for sending people to space cannot find a way to communicate properly with an office 150 miles up the road? Will he now reflect on the way this farcical announcement was made and on the lack of empathy shown to those workers?

**Sajid Javid:** No one takes these decisions lightly. Of course, a number of people and their families are affected, and we need to do everything we possibly can to help. However, we have an obligation to taxpayers to make sure that we spend their money wisely, and that means making sure that all Government Departments are run efficiently and effectively. Even after this change, my Department will have more people—the vast majority of people—outside London, and that is the right thing.

## UK's Relationship with the EU

12.36 pm

**Jeremy Corbyn** (Islington North) (Lab) (*Urgent Question*): To ask the Prime Minister if he will make a statement on the proposal for discussion of the United Kingdom's relationship with the European Union, to be published later today by the President of the European Council, Donald Tusk.

**The Minister for Europe (Mr David Lidington)**: At about 11.35 this morning, the President of the European Council, Mr Donald Tusk, published a set of draft texts about the United Kingdom's renegotiation. He has now sent those to all European Union Governments for them to consider ahead of the February European Council. This is a complex and detailed set of documents, which right hon. and hon. Members will, understandably, wish to read and study in detail. With that in mind, and subject to your agreement, Mr Speaker, my right hon. Friend the Prime Minister will offer an oral statement tomorrow, following Prime Minister's questions, to allow Members of the House to question him, having first had a chance to digest the detail of the papers that have been issued within the last hour.

The Government have been clear that the European Union needs to be reformed if it is to meet the challenges of the 21st century. The British people have very reasonable concerns about the UK's membership of the European Union, and the Prime Minister is determined to address those. He believes that the reforms that Britain is seeking will benefit not just Britain, but the European Union as a whole. Therefore, our approach in Government has been one of reform, renegotiation and then a referendum. We are working together with other countries to discuss and agree reforms, many of which will benefit the entire European Union, before holding a referendum to ensure that the British people have the final and decisive say about our membership.

The House will recall that my right hon. Friend the Prime Minister made a statement after the December meeting of the European Council. At that meeting, leaders agreed to work together to find mutually satisfactory solutions in all the four areas at the European Council meeting on 18 and 19 February. My right hon. Friend's meetings in Brussels on 29 January, and his dinner with President Tusk on 31 January, were steps in that negotiation process.

We are in the middle of a live negotiation and are now entering a particularly crucial phase. The Government have been clear throughout that they cannot provide a running commentary on the renegotiations. However, I am able to say that much progress has been made in recent days, and it appears that a deal is within sight. The publication of the texts by President Tusk this morning is another step in that process, but I would stress to the House that there is still a lot of work to be done.

If the texts tabled today are agreed by all member states, they will deliver significant reforms in each of the four areas of greatest concern to the British people: economic governance, competitiveness, sovereignty and immigration. On sovereignty, the texts show significant advances towards securing a United Kingdom carve-out from ever closer union.

On the relations between euro "ins" and "outs", the documents offer steps towards significant safeguards for countries outside the eurozone as euro members integrate further. On competitiveness, we are seeing a greater commitment by the entire Union to completing the single market for trade and cutting job-destroying regulations on business.

On free movement, there are important ideas in President Tusk's drafts on reducing the pull factor of our welfare system and on action to address the abuse of freedom of movement of persons.

We believe that real progress has been made, but I would stress that there is more work still to be done and more detail to be nailed down before we are able to say that a satisfactory deal has been secured.

**Jeremy Corbyn**: First, Mr Speaker, may I thank you for allowing this urgent question to be placed before the House today?

It is rather strange that the Prime Minister is not here and that only two of his Cabinet colleagues appear to be in attendance. The Prime Minister—I should be pleased about this, I suppose—seems to think that he should be in Chippenham, paying homage to the town where I was born, making a speech about negotiations with the European Union, rather than first, as is his duty, reporting to this House, to which he is accountable as Prime Minister.

The Minister says that the Prime Minister does not wish to give a running commentary on the negotiations, but that is exactly what he is doing. He has gone to a selected audience in Chippenham this morning to give a commentary on the negotiations but cannot come here to report to this House. He is trumpeting the sovereignty of national Parliaments as part of the renegotiations, but does not seem to respect the sovereignty of this Parliament in coming here today to make the statement he should have done. Also conspicuous by his absence is the Chancellor of the Exchequer. Where is he this morning? He is across the road making a speech there, but cannot come here to this House—to this Parliament.

Additionally, it appears that journalists were given a very heavy briefing and copies of the document earlier this morning, if not yesterday. No Member of this House received it before them; they were given the briefing. Once again: no process of coming to Parliament, and every process about engagement with the media rather than this House.

If the Prime Minister has an unbreakable commitment in Chippenham—it is a wonderful town and I hope he enjoys his visit there—he could get back to London in about an hour by train and give a statement here later today. Why cannot he do that?

The truth of the matter is that this whole process conducted by the Prime Minister is not about engaging with Parliament and not about engaging with the necessary questioning by MPs—it is about managing the problems within the Conservative party. I believe, Mr Speaker, that this indicates a lack of respect for the democratic process and this House. I hope that the Minister will be able to assure us that the Prime Minister will come here tomorrow, will take questions, and will in future come to this House first rather than going to selected audiences to say what people want to hear.

**Mr Lidington:** What my right hon. Friend the Prime Minister is seeking through these negotiations is to secure a better deal for the United Kingdom in Europe and to secure agreement to measures that will make the whole of Europe better at creating jobs, growth and prosperity than it has been in recent years. The British people will then be given their say over our future in Europe, which they were denied for 13 years while the right hon. Gentleman's party was in government, despite three different treaties being enacted in those years which transferred further powers from this House to the institutions of the European Union.

It has always been my right hon. Friend's intention to make a statement, subject to permission, after Prime Minister's questions tomorrow. The timing of the release of the documents was in the hands of the President of the European Council. The draft text of those documents has been changing over the weekend, and as recently as yesterday. Clearly, until President Tusk published, we could not come to the House to answer questions on them.

I have been at debates and in evidence sessions before Select Committees when I have listened to complaints from Members from all parts the House that they were being given insufficient time to look at the detail before they had the opportunity to question Ministers about it, so the Prime Minister's approach has been deliberately to give that opportunity to right hon. and hon. Members and then make himself available to answer questions. The fact that the right hon. Gentleman focused entirely on the choreography of this morning and asked not one question on the substance makes that point for me.

**Mr Kenneth Clarke (Rushcliffe) (Con):** My constituency office has been able to obtain a copy of a letter sent by President Donald Tusk to Members of the European Parliament, which the Leader of the Opposition does not seem to have been able to obtain. It sets out the broad description that my right hon. Friend the Minister for Europe has just given.

Does my right hon. Friend agree that the encouraging progress on issues such as Britain's possible opt-out in future from ever closer union, the relationship between eurozone members and non-eurozone members, and the ability of national Parliaments to veto proposals from the Commission to member states, are crucial questions that have a big bearing on Britain's future changed relationship with the European Union? Does he accept that the big issue of how far the British tax and benefits system should be enabled to discriminate against foreigners working alongside British workers in this country—no doubt other member states would be entitled to discriminate against British workers working there—needs to be settled on a satisfactory basis, and then we can get back to the big issue of Britain's full relationship with the Union and the role Britain wants to play in the modern world?

**Mr Lidington:** My right hon. and learned Friend is right to say that the issues addressed in the drafts and which are a response to the four issues raised by the Prime Minister in his letter to President Tusk last December do tackle the very important issues that challenge every country in Europe and which are of the greatest concern to the British people. The one area where I would differ

from my right hon. and learned Friend is that in the eyes of the people whom we are sent here to represent, the question of the abuse of free movement and access to our welfare systems is a very important one, and it is right that that is part of the renegotiations.

**Angus Robertson (Moray) (SNP):** We in the Scottish National party support remaining within the European Union and look forward to making the positive case for the EU. Yes, it is about the largest single market in the world. Yes, it is about being able to make and influence laws that affect us, but crucially, it is also about a social Europe with rights and freedoms for citizens and for workers. These questions are much, much bigger than the missed opportunities for genuine EU reform that the Prime Minister has been pursuing. He has palpably not delivered anything near Tory promises of treaty reform.

The big questions about remaining in the EU are far bigger than his negotiations and they need full consideration by the electorate. However, we know that there are important elections in May to the Scottish Parliament, the Welsh National Assembly and the Northern Ireland Assembly, and for the London Mayor and the London Assembly. It cannot be right for these elections and a referendum campaign to clash with a June polling day on remaining in the EU or Brexit. Will the Government now take the opportunity to confirm that they will respect the electorates in Scotland, Wales, Northern Ireland and London by not announcing a June referendum date? Will the Government confirm that there are still no safeguards in place that would stop Scotland being taken out of the European Union against the will of the Scottish electorate?

**Mr Lidington:** As the right hon. Gentleman knows, the referendum Bill was amended in this House to make it impossible for the referendum to be held on the same day as the elections in Scotland, Wales, Northern Ireland and English local authorities. His right hon. Friend and foreign affairs spokesman, the Member for Gordon (Alex Salmond), has been pressing in this House recently for a six-week quarantine period between the Scottish election date and a referendum being held. Clearly, we take seriously the right hon. Gentleman's views as the SNP's official spokesman on foreign affairs, but no decision has been taken about a referendum date, not least because we do not yet have a deal and we will not know whether we do have one until, at the earliest, the February European Council. At the end of the day, it will be a decision for the House, because the referendum date will be set by statutory instrument subject to affirmative resolution.

**Sir William Cash (Stone) (Con):** Of course, for all his fulminations, the Leader of the Opposition voted against the Maastricht treaty. Having said that, how can the Minister justify this pint-sized package as a fundamental change in the relationship between the United Kingdom and the European Union, with real democracy for this Parliament, which represents the voters to whom he has himself just referred? Given that there is no treaty change on offer, what guarantee can my right hon. Friend give that, before the votes are cast in the referendum, this package will be not only legally binding but irreversible, which a decision by Heads of State, as proposed by

[*Sir William Cash*]

Mr Tusk in the letter to which my right hon. and learned Friend the Member for Rushcliffe (Mr Clarke) has referred, cannot possibly achieve?

**Mr Lidington:** As I am sure my hon. Friend will be the first to accept, the central document in the set issued by President Tusk today is a draft international law decision by the Heads of State and Government meeting at the European Council. That, if it is agreed, will be binding in international law and it could be revoked or amended only with the agreement of all signatories, including the Government of the United Kingdom, so it is, indeed, legally binding. When my hon. Friend has had the chance to explore the documents in more detail, I hope he will accept that, although people have for years said that we could not get a carve-out from ever closer union, a mechanism for addressing the issue of access to in-work benefits or safeguards for non-euro countries as the eurozone integrates, significant steps towards achieving those objectives are all in the documents. Just as my right hon. Friend the Prime Minister defeated expectations in securing a cut to the EU's budget, I believe he will defeat some of the more pessimistic expectations of one or two of my hon. Friends.

**Mr Ben Bradshaw** (Exeter) (Lab): May I, through the Minister, wish the British negotiating team very well in what he has rightly pointed out is an ongoing negotiation? Does he agree that the great challenges that Britain faces, whether from international terrorism, the refugee crisis, climate change or tax avoidance, can be tackled only by us working with our close neighbours, not relegating ourselves to a position of impotent isolation?

**Mr Lidington:** As my right hon. Friend the Prime Minister has consistently said, continued full membership of a reformed European Union is a win-win for the people of the United Kingdom, because when Europe works together effectively, it can, indeed, do more for the citizens of all countries than any one country acting on its own.

**Dr Liam Fox** (North Somerset) (Con): In what areas of policy are the Government seeking exemption for the UK from the jurisdiction of the European Court, because without such exemption we cannot be free from the concept of ever closer union?

**Mr Lidington:** The documents do point to areas where very clear exemptions would be made. Clearly, the Court is there to ensure that the treaties are observed by all member states and by the institutions, but if the drafts we have received today are agreed by everybody, and if they take the form of international law decisions and European Council declarations, they will have not just political but legal significance, which the Court will take into account when it frames its response to any particular case brought to it.

**Ms Gisela Stuart** (Birmingham, Edgbaston) (Lab): When we first negotiated the concept of a red card back in 2003—it is hardly a new concept—one of the stumbling blocks was the mechanism by which national Parliaments would come together to form a collective opinion in order for it to be effective. Is the Minister now saying that he will advocate the creation of a new European

institution to allow that to happen? If not, how does he think national Parliaments will co-ordinate without the presence of Members of the European Parliament?

**Mr Lidington:** I do not think that needs the creation of a new European institution. I think that national Parliaments—perhaps this would also involve the strengthening of the COSAC secretariat—need to get more adept at the habit of working closely together so that, as a matter of routine, they co-ordinate in a similar way to how Foreign Ministers across Europe co-ordinate, week by week, on foreign policy issues.

**Crispin Blunt** (Reigate) (Con): While noting Mr Tusk's language about the United Kingdom, in the light of its "special situation under the Treaties,"

not being committed to "further political integration" in the European Union, does not the Minister agree that, if we are going to stay in the EU, we need to commit to making its institutions work better, which means addressing the democratic deficit?

**Mr Lidington:** Yes, I agree. That is why we tabled proposals to strengthen the role of national Parliaments as part of the system of checks and balances within the European Union. The drafts include a red card measure, which has never existed before and which many people told us was impossible.

**Tim Farron** (Westmorland and Lonsdale) (LD): The Prime Minister's commitment to the sovereignty of this Parliament does not seem to stretch to actually being in Parliament on the day this question is being raised. I welcome the publication of the draft proposals, but, given that Britain's membership of the European Union is about our continued economic prosperity, about whether we are going to protect our security in these troubled times and about whether we are an outward-looking or insular country, is it not bizarre that the Prime Minister claims that this massive decision is down to such narrow and arbitrary demands? However, if he is successful in getting those demands met, will he politely ignore the calls from UKIP and the SNP to delay the referendum beyond the summer, given that that would further destabilise our economy?

**Mr Lidington:** The Prime Minister has rightly focused on those proposed reforms that will make the greatest difference to increased prosperity and job creation in Europe, and that also address the chief concerns of the British people about the current terms of membership. As I said a little while ago, the date of the referendum is ultimately in the hands of Parliament, because it is Parliament that must approve the regulations to set that date.

**Mr Steve Baker** (Wycombe) (Con): This in-at-all-costs deal looks and smells funny. It might be superficially shiny on the outside, but poke it and it is soft in the middle. Will my right hon. Friend admit to the House that he has been reduced to polishing poo?

**Mr Lidington:** No, and I rather suspect that, whatever kind of statement or response to a question that I or any of my colleagues delivered from the Dispatch Box, my hon. Friend was polishing that particular question many days ago.

**Mr Pat McFadden** (Wolverhampton South East) (Lab): It is important to remember that the question on the ballot paper in the referendum will be the basic question of whether to leave or remain—with all that entails for jobs, trade and Britain's place in the world—not the specific contents of this renegotiation, the terms of which could never satisfy the desperate-to-be-disappointed Members on the Conservative Benches.

On the specifics and the substance, the document released by the President of the European Council states that

“conditions may be imposed in relation to certain benefits to ensure that there is a real and effective degree of connection between the person concerned and the labour market of the host Member State.”

What exactly does that mean, and does the Minister agree that the vast majority of people who come here from elsewhere come to work hard, pay their taxes and make a positive contribution to our country?

**Mr Lidington:** I completely agree with the right hon. Gentleman's last comment. It is very important that, when we talk about the public's understandable concerns about levels of migration into this country, we do not get drawn into stigmatising those individuals, wherever they come from in the world, who are working hard, abiding by the law and doing their very best as residents in the United Kingdom.

As I said earlier, the texts received today are drafts. We do not yet know the response of the other 27 Governments, so we will have to see at the end of the negotiation what the final deal—if there is a deal—may be. I agree with the right hon. Gentleman that, when the referendum comes, people will be voting not only on the package that the Prime Minister has negotiated, but on the broad issues of the pros and cons of membership, over which hon. Members on both sides of the House have argued and disagreed in good faith over many years.

**Damian Green** (Ashford) (Con): Speaking as a member of the European Scrutiny Committee, I welcome the proposal for a red card system that would give groups of national Parliaments the capacity to turn down Commission proposals. Does my right hon. Friend agree that those, on both sides of the European debate, who have called for many years for Parliaments to have more power to address the democratic deficit should particularly welcome that aspect of the proposals?

**Mr Lidington:** My right hon. Friend is spot on in his remarks.

**Mary Creagh** (Wakefield) (Lab): Labour Members are united in our desire to remain in a reformed European Union. Does the Minister agree that, were we to leave, we would put British jobs, investment, prosperity and security at risk? Does he also agree that, were we to leave and remain in the single market, we would still have to pay into the EU budget and accept the free of movement of people, but we would lose our ability to negotiate over the sorts of things that are on the table from the European Council President today?

**Mr Lidington:** I have to tell the hon. Lady that, in my experience of debates in the House and the European Scrutiny Committee, I have found members of her party who differ from her on the question of EU membership, as well as those who share her views. She

makes an important point. Norway and Switzerland show us that it is not possible to have all the things we like about EU membership—free trade and open markets—but none of the things that we might rather do without. Those are among the issues that the British people will have to weigh up when they make their choice.

**Mr Bernard Jenkin** (Harwich and North Essex) (Con): May I helpfully read a comment from the paper that the Government have distributed to Conservative Back Benchers, which states that

“this package could mark the high water-mark of EU integration for the UK”?

I remind my right hon. Friend that that is exactly what the then Conservative Government said about the Maastricht treaty. We did not believe them then, and we do not believe him now.

**Mr Lidington:** My hon. Friend has been consistent, at least, in his opposition to British membership of the European Union for many years, regardless of the terms that Ministers suggested for such membership. I believe that he is wrong, because the kinds of institutional and legal changes proposed in these texts indicate a very different approach to the European Union—an approach that is much more grown up and accepting of the diversity of the Union today than ever before.

**Mr Nigel Dodds** (Belfast North) (DUP): On several occasions so far, the Minister has referred to the process being ongoing. He has talked about taking another step and said that we have not reached the end yet, that the negotiations continue and that there is hard work to be done. Can he outline the areas in which Her Majesty's Government are pressing for more? Are they asking for any more, or is this it as far as the British Government are concerned, and we are just waiting for others to respond?

**Mr Lidington:** The scope for the renegotiation was set out in the Prime Minister's letter to President Tusk last December, and the document that we have today is a working set of negotiating texts. When the right hon. Gentleman examines them in detail, he will see that various passages are square bracketed, where there is an indication that no agreement has yet been reached. There is work still to be done on those areas.

**Sir Oliver Heald** (North East Hertfordshire) (Con): May I pay tribute to my right hon. Friend the Prime Minister and our negotiators for the tireless work that they have done in trying to go forward and create a reformed EU? Does the Minister agree that the issues that we are talking about—sovereignty, whether we have to have ever closer union, competitiveness for our trade and protection for vast sectors such as the City of London—are major ones? The detail is vital, and I commend him for working so hard on it. We want effective agreements and effective mechanisms, and I think the work is going well.

**Mr Lidington:** I am grateful to my hon. and learned Friend for his comments. I agree with him about the importance of securing these improvements for the

[Mr Lidington]

British people, and about the benefits to the British people that can be obtained through a successful renegotiation.

**Caroline Lucas** (Brighton, Pavilion) (Green): Those of us who believe that Britain's future is better in Europe still want an ongoing process of reform beyond the referendum to tackle the democratic deficit. If democracy is a genuine priority for the Government, will the Minister join me in calling for more powers for the European Parliament, the Members of which are elected directly and proportionally, to ensure that the most democratic institution in the EU gets greater powers over the Commission, the Council and the European Central Bank?

**Mr Lidington:** The European Parliament plays an important role in European legislation, and I have met MEPs from pretty well all political families who take their responsibilities as legislators seriously. If the European Parliament were the answer to the democratic deficit, however, we would not see the depth of public discontent with, and mistrust of, European institutions that we see in many different member states. One of the problems, which can be measured in the low turnouts in European Parliament elections in pretty well every member state, is that people do not see the European Parliament as accountable or close to their concerns.

Several hon. Members *rose*—

**Mr Speaker:** Ah! Let us hear from one of the three musketeers at the back, Mr Christopher Chope.

**Mr Christopher Chope** (Christchurch) (Con): May I ask my right hon. Friend whether the draft texts incorporate the precise and clear manifesto promises on which Conservative MPs were elected last May to restrict the payment of in-work benefits and child benefit to foreigners? Yes or no?

**Mr Lidington:** We will have to see what deal emerges, if we get a deal at the February European Council. I think my hon. Friend would acknowledge that manifestos tend to be written in rather less technical language than do legal texts from the European Union. If he wants the language of any deal to effect changes in how the law is applied and how institutions work, we have to use technical language to describe those changes. I believe that the content and outcome of those reforms will, if we are successful, be significant, in line with what my right hon. Friend the Prime Minister has sought.

**Ms Tasmina Ahmed-Sheikh** (Ochil and South Perthshire) (SNP): What plans does the Minister have to meet the Scottish Government to discuss the proposals in advance of any discussion of a final deal at the EU summit at the end of the month?

**Mr Lidington:** I have already sent copies of the Tusk drafts to all three of the devolved Governments. I did so immediately after they were released in Brussels this morning. I am making myself available for an early conversation with the relevant Ministers in the Scottish Government, and in the Welsh and Northern Ireland Governments, and I am perfectly willing to discuss with them the possibility of a face-to-face meeting as well.

**Mr Philip Hollobone** (Kettering) (Con): The Prime Minister and others who are campaigning for Britain to remain in the European Union have been trumpeting the myth that Britain's security is dependent on our continued membership of the European Union. However, the handout circulated by the Government Whips Office to Conservative Members just before this urgent question states that the Tusk texts apparently clarify

“that national security is the responsibility of member states, and that the EU has no business in getting involved in this most basic of national issues.”

Who is correct, the Prime Minister or the Government Whips Office?

**Mr Lidington:** My hon. Friend is reading in contradictions where no such contradiction exists. The treaties are clear that, as a matter of policy and legal competence, national security remains the responsibility of national Governments in the member states. The Prime Minister, the Home Secretary and the Foreign Secretary have frequently spoken about how, through effective co-operation within Europe on selected justice and home affairs measures, and through effective co-operation in counter-terrorist work and foreign policy work to deal with organised crime, terrorism and people trafficking elsewhere in the world, we can amplify the efforts that we make on our own and do better at securing objectives that matter to the British people than we could if we acted on our own.

**Toby Perkins** (Chesterfield) (Lab): The deal laid out by Mr Tusk is a good deal better than many Conservative Members may have expected. It will not make a difference to me—I will support Britain staying within the EU—and I suppose it will not make any difference to many Members sitting behind the Minister, as they would not countenance Britain staying in the EU under any circumstances. Ultimately, however, I hope that the deal, however it is arrived at, will be enough to persuade people who were undecided to come on board and back the campaign to remain within the EU, and to put Britain's jobs and best interests first.

**Mr Lidington:** I am grateful to the hon. Gentleman for what he has said. I do not want to jump fences ahead of the European Council later in February. We are not yet at the stage when we can say that a deal has been achieved. If a deal is achieved, then I think we can deliver the win-win outcome for the British people that the Prime Minister has been seeking.

**Mr David Nuttall** (Bury North) (Con): We are going to hear an awful lot about the proposed red card scheme in the coming weeks, but given that the so-called yellow card system, which required only one third of national Parliaments to agree, has only ever been used twice and only once successfully, how likely does my right hon. Friend think it is that the proposed red card system, which requires a much higher threshold of 55% of national Parliaments to agree, will ever be used? Is it not the case that the only way for this country to regain control of its own affairs is to vote to leave?

**Mr Lidington:** The red card, if one is finally agreed, would, for one thing, be quite an effective deterrent against measures being brought forward that the institutions thought did not command democratic support in the

Parliaments of member states. One of the lessons national Parliaments should draw from the experience of the yellow card system so far is that they could be more energetic than they have been in bringing forward reasoned opinions under that procedure. I would be delighted if the House of Commons matched the record of the Swedish Parliament or the Polish Parliament in bringing forward reasoned opinions and deploying the yellow card.

**Geraint Davies** (Swansea West) (Lab/Co-op): Does the Minister agree that the central issue is that if, whether we are in or out, we want lasting influence over the social, environmental and economic future of Europe, we need to stay in? This candyfloss negotiation—it is not possible to ratify it legally in a treaty, but it is welcome—may be sweet to taste, but appears much bigger than it in fact is and will not have a lasting impact unless we stay in the Union to see it through.

**Mr Lidington:** I really do not think that the hon. Gentleman should be so dismissive of issues that the Prime Minister has put on the table and which matter a great deal to the people whom both the hon. Gentleman and I represent in this House. There are very significant advantages to our national interest in remaining part of a reformed European Union, but opinions in the House have differed on the subject, quite honourably and openly, for many years and it is right that the people have the final say.

**Mr Jacob Rees-Mogg** (North East Somerset) (Con): I am not convinced by my right hon. Friend's explanation of the Prime Minister's delay, which is that we need to study the document, because although it is characteristically long on words, it is short on substance. May I draw his attention to page 15, where it notes that the emergency brake in relation to immigration will operate on a proposal from the Commission, and to the draft legislation relating to the euro outs, which says that, if there is opposition to the Council adopting something by qualified majority, the Council shall discuss the issue? Well, that is an enormous difference from what we currently have. I just wonder whether the next 24 hours will allow Downing Street the opportunity to try to make bricks without straw.

**Mr Lidington:** As I have said, this is an ongoing negotiation and we have not reached agreement on all aspects of what is in the Tusk drafts. I would just point out to my hon. Friend that the document also includes a very clear statement by the European Commission that it believes the conditions already exist in the United Kingdom for the emergency brake on welfare access to be triggered.

**Stephen Doughty** (Cardiff South and Penarth) (Lab/Co-op): Whatever welcome progress the Prime Minister makes on important parts of this negotiation, will the Minister make it absolutely clear to the House and the country that this is about fundamental issues that go beyond the negotiation, not least our co-operation on such matters as tackling cross-border crime and terrorism? Fundamentally, the referendum will be a choice about whether we are stronger, safer and better off inside or outside the European Union.

**Mr Lidington:** That puts it very well. That is the choice that the British people will have to make. I am confident that the campaigns on both sides of the argument will strive to express their views along the lines that the hon. Gentleman suggests.

**Mrs Anne Main** (St Albans) (Con): The big question that is going to be asked in relation to the referendum is about our right to self-determination. People tell me that they like the rules to be made by this Parliament, based on policies decided by this Government. Will my right hon. Friend confirm that the brake will be operational only at the will of the Commission, not at the will of this Parliament, and that the red card system will operate only with the permission of 19 other countries, not at the behest of this Parliament?

**Mr Lidington:** There would be a danger in having a unilateral red card for every single national Parliament. I can remember when the EU institutions forced France to lift its ban on the import of British beef. A unilateral power of veto would have enabled the *Assemblée Nationale* to continue the ban, irrespective of the scientific evidence.

My hon. Friend makes a fair point about people wanting to feel that we make our own rules, but the experience of countries that are not in the European Union, such as Norway and Switzerland, is that they have to implement the EU's rules in order to access its markets, but do not have any say or vote in making those rules. That is part of the assessment that the public will have to make.

**Debbie Abrahams** (Oldham East and Saddleworth) (Lab): Will the Minister explain why it is acceptable for the media to have sight of the draft EU plan before this House? Does that not yet again show this Government's contempt for our democracy, and where their priorities lie?

**Mr Lidington:** I have no idea what individual journalists saw or think they saw. What I know is that the documents were only published by President Tusk at about 11.35 this morning. As soon as that happened, I gave instructions to send copies to the Library of the House, the Vote Office, the Chairs of the Commons and Lords scrutiny Committees and the Chair of the House of Commons Foreign Affairs Committee.

**Mr David Jones** (Clwyd West) (Con): I fully understand my right hon. Friend's desire not to engage in a running commentary on the progress of the negotiations, but will he say whether he has yet received any indication of how well the proposals on freedom of movement have been received in Warsaw, Sofia and Bucharest?

**Mr Lidington:** At Head of Government level, as well as at both official and ministerial level, we have had conversations for several months with Governments in central Europe about our entire agenda, and particularly about this issue, which, as we have always acknowledged, is a very sensitive one for them. Those conversations have been constructive. We now have to wait to see their response to the documents that the President of the European Council has published today.

**Peter Grant** (Glenrothes) (SNP): Ten weeks before the date of the referendum, the Government will be required to publish information including their opinion on the outcome of the negotiations. If they go for 23 June, that information will hit the doorsteps three weeks before elections that are vital to almost 20 million people on these islands and will quite possibly arrive at the same time as people's postal ballot papers. Will the Minister give an absolute undertaking that that would be unacceptable and that it will not happen?

**Mr Lidington:** We are certainly aware of our statutory obligations. As I have said, no decision has been taken by the Government about the date of the referendum and no decision can be brought to Parliament for approval until a deal has been secured.

**Stephen Hammond** (Wimbledon) (Con): Does my right hon. Friend agree that the details that have been negotiated, and not the emotions, should determine the analysis of what the Prime Minister has done? Will my right hon. Friend confirm that under paragraph 5 of the economic governance section, the institutions of the EU will be sovereign over the eurozone, which will be a powerful tool for the economic future of this country?

**Mr Lidington:** It is in the interests of the United Kingdom that our partners and friends who have committed themselves to the single currency should be able to ensure that the currency union is stable and that it creates the conditions for economic growth and higher employment. That will benefit us, so we will not stand in the way of their integration if that is what they wish for. However, we want to ensure that any such eurozone integration does not take place at a financial or political cost to countries like ours that have decided to stay out of the currency union. The principles that are set out in the Tusk drafts today take us a long way towards securing that objective.

**Andrew Gwynne** (Denton and Reddish) (Lab): It is not good co-ordination when Members of the European Parliament, the devolved Administrations and others have had sight of this deal before Members of this House have done so and been able to discuss it thoroughly. On the specifics, the Minister implied in his main response to the urgent question that the deal would include removing unnecessary burdens on business. For me, that is code for reducing workers' rights. Will he say whether part of the discussion has been about watering down the social chapter or workers' rights?

**Mr Lidington:** The hon. Gentleman might not have heard what I said a few moments ago, but as soon as the documents were released in Brussels, I instructed that copies be sent straight away to the Vote Office, the Library of the House and the Chairs of the Committees of this House that are most directly involved in the scrutiny of European matters.

On the hon. Gentleman's second point, there is no contradiction here in supporting good and effective rights for employees at work. Few have been more committed to parental leave arrangements than my right hon. Friend the Prime Minister. The Government have a very good track record on those matters. I am

afraid that the hon. Gentleman is very out of touch if he thinks that significant reductions could not be made to the complexity and the burden that are placed on businesses, particularly small and medium-sized enterprises, by regulation at both the national and European levels. I am disappointed that he does not recognise that and support our objective.

**Mr Andrew Turner** (Isle of Wight) (Con): Can the Minister explain why Iceland can have a two-way agreement with China, while the UK does not?

**Mr Lidington:** I think that if my hon. Friend looks at the detail of the Iceland-China agreement, he will see that it provides more political opportunities for China to develop the relationship with Iceland, rather than any opportunities for Iceland to sell goods or services on the Chinese market. When negotiating trade access with a country of 1.3 billion or 1.4 billion people, we get more leverage as part of a market of 500 million people than as a single country of 65 million. That is the message we get from global trading partners such as China and the United States.

**Tom Elliott** (Fermanagh and South Tyrone) (UUP): Will the Minister confirm whether there are any proposals in the current negotiations to change the relationship between the United Kingdom courts and the European Court of Human Rights?

**Mr Lidington:** The straight answer is no, because the European Court of Human Rights is not part of the European Union. My right hon. Friend the Lord Chancellor is working on proposals to deliver the Conservative manifesto commitment to a British Bill of Rights. I am sure that he will make an announcement in due course.

**Nick Herbert** (Arundel and South Downs) (Con): Is it not significant that the proposals to give us a legally binding exemption from ever closer union and to protect the UK from deeper integration within the eurozone that might discriminate against us would, if implemented, give us the best of both worlds? We would be outside the eurozone but able to access the single market, and we would retain the advantages of being outside Schengen, such as maintaining our borders, but still have access to the world's largest market of 500 million people. Would it not be unwise of us to throw away those unique advantages for an alternative that is unknown and risky?

**Mr Lidington:** I agree completely with my right hon. Friend.

**Mark Durkan** (Foyle) (SDLP): Does the Minister recognise that if and when a referendum happens on the basis of a deal that is still to be concluded, many of us will see the debate as being about the bigger issues, challenges and reasons, which point to staying in the EU, rather than about the issues in this package, which many of his hon. Friends are determined to belittle as something between a figment and a fig leaf?

**Mr Lidington:** What is in the renegotiated package, assuming that we achieve it, will be an important element in the referendum debate, but it will not be the sole



element. There are broader issues too. I agree with the hon. Gentleman that those are matters that both the major campaign groups will want to focus on.

**Ben Howlett (Bath) (Con):** While the House digests the full details of the letter from the President of the European Council, 6.8 million 18 to 25-year-olds in the UK will be asking what impact this letter will have on them. What assessment has the Minister made of the impact of the renegotiation on young people? After all, it is their future that will be affected the most.

**Mr Lidington:** One of the biggest challenges facing young people these days is the uncertainty about how to get a rewarding job and career in European countries, many of which have appallingly high levels of youth unemployment, although thankfully not the United Kingdom. Career patterns will inevitably be disrupted by global competition and the impact of digital technology. The commitments to deepening the single market, particularly in digital and services; to forging new trade links with other countries in the world; and to cutting regulatory costs, which will benefit small businesses and self-employed people in particular, seem to me to send a powerful message to young people that we are all committing ourselves to securing greater prosperity and greater opportunity for them.

**Cat Smith (Lancaster and Fleetwood) (Lab):** It is abundantly clear that I am not the only Member who is, to put it mildly, miffed that the Prime Minister can afford the time to give a running commentary to the media, but not to Members of this House. On the specifics, I do not believe that the Minister answered the question posed by my hon. Friend the Member for Denton and Reddish (Andrew Gwynne), so perhaps he can be a bit clearer now. At any point, have the Government tried to negotiate away or water down British workers' rights?

**Mr Lidington:** We have always said that we support decent rights for workers. Indeed, we have upheld them in policy both under the coalition Government and since the 2015 election. Nobody is talking about sending little children to sweep chimneys these days. The commitment in the drafts to cut the regulatory costs on business to spur job creation and economic growth is perfectly compatible with decent rights at work for men and women.

**Jake Berry (Rossendale and Darwen) (Con):** I confirm that my constituents in Lancashire are in no way "miffed" by the fantastic progress that has been made in these negotiations. If Britain votes to remain in the European Union, what role will the referendum lock that was passed in the last Parliament continue to play in protecting our national interest?

**Mr Lidington:** My hon. Friend makes a good point. The referendum lock embodied in the European Union Act 2011 remains in force, and it will mean that on a range of important issues, new powers cannot be transferred to the European Union from this country without a referendum in the United Kingdom. There will be a referendum lock on any future treaty change under any Government who try to transfer additional powers from Westminster to the European Union.

**Stephen Gethins (North East Fife) (SNP):** Does the Minister agree with me and Members from every party in the House—including the Conservative party—that a June referendum would be disrespectful, and that a quick referendum would create a missed opportunity for a full, comprehensive debate on the UK's membership of the EU, and the best way to keep us in the European Union?

**Mr Lidington:** I always take seriously the need for fairness for people in all parts of the United Kingdom when it comes to setting the referendum date. As I said earlier, we listened closely and took on board the comments made by the Scottish National party's official foreign affairs spokesman, who said that there should be a six-week interval between the Scottish elections and any referendum. No decision has yet been, or can be, taken, at least pending the February European Council. Only then can we decide what date to nominate, and what statutory instrument to bring forward to the House.

**Mr Stewart Jackson (Peterborough) (Con):** When I introduced the European Union Free Movement Directive 2004 (Disapplication) ten-minute rule Bill in October 2012, I hoped that it would culminate in a debate that would lead to fundamental reform and renegotiation, based on parliamentary sovereignty and control of our own borders. On that basis—I believed that the Prime Minister thought that, too—I have kept my counsel, but what the Minister has offered today on free movement is "important ideas" from Mr Tusk. Surely the Minister can understand the sense of a missed opportunity, regret and disappointment at this suboptimal draft agreement.

**Mr Lidington:** I hope that when my hon. Friend has the chance to look at the text in greater detail, he will see that—if agreed—it will mark a significant change in the direction in which he wished to go. Clearly, it will need the agreement of 27 other Heads of Government at the European Council, and I cannot stand here and take that for granted. He should also bear in mind the fact that the precedents of Norway and Switzerland suggest that part of the price of access to the European market and free trade has been an acceptance of the principle of free movement of workers.

**Barry Gardiner (Brent North) (Lab):** Does the Minister agree that some of our most foundational environmental legislation lies in the EU habitats and birds directives, the clean air directive and the water framework directive? Those things can only, and must, be agreed at supranational level. What would happen if we were to leave the EU and try to renegotiate such foundational environmental legislation *ab initio*?

**Mr Lidington:** The hon. Gentleman makes a reasonable point, but when dealing with environmental legislation, it is important that the principles of proportionality and subsidiarity are rigorously applied. Sometimes it is right to agree on an environmental objective at European level, but to leave a considerable amount of flexibility for individual member states with different circumstances as to how precisely those objectives should be reached.

**Craig Whittaker** (Calder Valley) (Con): Will my right hon. Friend join me in welcoming the clear commitment by the EU to tackle issues of competitiveness, including a clear set of targets to reduce the burden of regulation on businesses?

**Mr Lidington:** I completely agree with my hon. Friend, and if we can get agreement from the other 27 states on that explicit target for burden reduction, that will be a first for the European Union.

**Patrick Grady** (Glasgow North) (SNP): We have still had no assurance that Scotland will not be forced to leave the European Union against its will. If a majority in Scotland, Wales and Northern Ireland who wish to stay in the EU outvote a narrow majority in England to leave it, will the Minister and his musketeers on the Back Benches accept that result?

**Mr Lidington:** I am in no doubt about my position and that of the Prime Minister: we will accept the verdict of the people of the United Kingdom as a whole, and we will regard that as binding.

**James Cartlidge** (South Suffolk) (Con): Does my right hon. Friend agree that there is something completely absurd about the Leader of the Opposition using his entire remarks to criticise the absence of a Prime Minister to deliver a statement on a renegotiation that will lead to a referendum, none of which would have taken place had there been a Labour Government?

**Mr Lidington:** I think it was a pity that the questions from the Opposition Dispatch Box were about today's process rather than about the substance of European matters, but the Opposition will have another chance tomorrow.

**Huw Irranca-Davies** (Ogmore) (Lab): I thoroughly welcome the news that under the Conservative Government no children will be sent up chimneys.

Why, after delivering a speech to a group including journalists, was the Prime Minister answering questions from the British Broadcasting Corporation on this very subject at 13.20 Greenwich mean time? Was that not a running commentary?

**Mr Lidington:** The Prime Minister wanted to ensure that Members of Parliament got the opportunity to consider the detail of the document before they questioned him about it. Had he simply come to the Chamber within an hour of the technical documents being published, there would have been all sorts of protests that he had not given people sufficient time. I fear that the hon. Gentleman is trying to have it both ways.

**Kevin Foster** (Torbay) (Con): Will the Minister join me in welcoming the parts of the letter that talk about safeguarding our rights and those of other non-euro nations in terms of further integration in the euro area? Does he agree that it has been interesting to hear comments about not listening from people who did not want to listen to the British people about this issue, and from those who seem keen on holding a referendum on one Union but not on any others?

**Mr Lidington:** I agree with my hon. Friend, and agreement on a sensible design for European co-operation that respects the right of those in the currency union to integrate further, but which equally safeguards the single market—including in financial services—and the interests of euro-outs, is an important step forward. I hope that we can nail that down at the February European Council.

**Tom Brake** (Carshalton and Wallington) (LD): Will the Minister say whether the Prime Minister's negotiations have progressed to the point where it is clear what the impact of Brexit would be on the 2 million UK citizens who live in the EU, and the 2 million EU citizens who live in the UK?

**Mr Lidington:** The fate of British citizens currently living and working in other EU countries under freedom of movement should certainly be taken into account during the forthcoming referendum campaign. The straight answer to the right hon. Gentleman's question is that it all depends on what "out" actually means. In my experience, there are a number of different ideas about what kind of relationship outside the EU it might be possible for the United Kingdom to negotiate.

**Chris Heaton-Harris** (Daventry) (Con): I know there are a couple of weeks left to tidy up the details of the letter sent by the President of the European Council, but I find one passage, which the Minister has touched on, a tiny bit concerning. It states that we will refrain from measures that could jeopardise the attainment of the objectives of economic and monetary union for our European partners. In the past that debate has been about levels of corporation tax and other taxes set in the European Union, as well as a whole host of other economic factors. Will the Minister ensure that that part of the agreement is tidied up and defined tightly before we move forward?

**Mr Lidington:** There is certainly still work to be done on the element of the text dealing with the relationship between euro-ins and euro-outs, as well as on other aspects of the text. On my hon. Friend's initial comment, while we hope it is possible to get a deal in February, the Prime Minister's position remains that the substance of any agreement will determine the timing of the referendum. If it were to take longer than February to get the right deal, then so be it.

**Sammy Wilson** (East Antrim) (DUP): How can the Minister continue to argue that the proposals meet the Prime Minister's promise that he wishes to restore sovereignty to this Parliament, when, to exercise a veto over laws we do not like or to put a brake on benefits to immigrants, we will still have to go cap in hand to other European Parliaments or the European Commission? Does he not see that this is the kind of deal that even Del Boy would have been embarrassed to be associated with?

**Mr Lidington:** The hon. Gentleman has always been, quite openly, an opponent of British membership of the European Union. If the United Kingdom were to have a unilateral veto on everything, that would have to be the case for every other member state as well. We would certainly find some of the trading and single market

measures that bring huge benefit to the people of Northern Ireland at risk from a veto by a more protectionist-minded Government elsewhere in Europe.

**Dr Liam Fox** (North Somerset) (Con): On a point of order, Mr Speaker.

**Mr Speaker:** I will, exceptionally, take a point of order now, as I understand it to relate to the matters of which we have just treated. Ordinarily, of course, it would come after the second urgent question.

**Dr Fox:** I am most grateful, Mr Speaker, and I seek your guidance. As far as I can understand it from the proposals that have been set out this morning, the red card system would give a vote to both the House of Commons and the House of Lords, as parliamentary Chambers. That would open up the possibility of the unelected upper house voting with other European Parliaments to impose European legislation on the elected House of Commons. When you have had a chance to examine this, Mr Speaker, along with your officials, would it be possible to get some guidance on the constitutional implications for this House of such a proposal?

**Mr Speaker:** I am very grateful to the right hon. Gentleman both for his point of order and for advance notice of it. My initial reaction is as follows: it is not a matter for the Chair to seek to interpret the proposals, especially prior to their agreement being put forward by President Tusk, whatever temptation I might feel to seek to do so. However, I would hint to the right hon. Gentleman that if he wants to have a sense of how the process might work, he should probably consult article 7(1) of protocol 2. I feel sure he will find that reading and study experience instructive and possibly stimulating. We may return to these matters. I rather suspect that we shall.

## Zika Virus

1.43 pm

**Ms Diane Abbott** (Hackney North and Stoke Newington) (Lab) (*Urgent Question*): To ask the Secretary of State for International Development if she will make a statement on what measures her Department will put in place to support countries worst affected by the very serious Zika virus, which has now been declared by the World Health Organisation as a public health emergency, and if she will outline any plans to work with other Departments to mitigate the risks to British travellers.

**The Parliamentary Under-Secretary of State for International Development (Mr Nick Hurd):** Mr Speaker, the Secretary of State is travelling and it therefore falls to me to do my best to answer the hon. Lady's question. She raises an issue that is of great concern to many of our constituents.

The World Health Organisation is working with the Governments of the countries worst affected to lead the response to the Zika virus. We welcome the recommendations of the WHO emergency committee on Zika, and the UK Government are assessing our response. The hon. Lady will be aware that the UK has been at the forefront of global efforts to ensure that the WHO has the funding, expertise and systems to respond to emerging disease threats such as Zika. As the second-largest national funder of the WHO, the Department of Health met the UK's £15 million commitment to WHO core funding in 2015, alongside political and technical support to strengthen the organisation and its preparedness. In addition, the Department for International Development made a discretionary contribution of £14.5 million in 2015. As part of the UK effort to strengthen global health security, DFID contributed an additional £6.2 million to the WHO's contingency fund for emergencies, which can be used for the management of Zika.

In response to the hon. Lady's question about the risk to the British public, the first thing to say is that the risk to the UK population from Zika remains extremely low. We have already taken a number of steps to ensure that the UK public are protected, but of course we are not complacent. In the light of the WHO's decision, we will review our approach both to action to mitigate the risk to the UK and to considering what additional support the UK could offer to the countries and regions affected. DFID is working with the Department of Health and colleagues across Government on our response at the highest level.

**Ms Abbott:** The Minister will be aware that money alone is not the issue. In the past four months alone, Brazil has recorded more than 4,000 cases of microcephaly—babies born with deformed small heads. The Minister will also be aware that the Olympic games will be in less than 200 days. More than 1 million tourists are expected to descend on Rio.

Does the Minister agree that research is a high priority? We urgently need proof of a causative link between the Zika infection and microcephaly, and then to know how the virus damages the brain of the growing foetus. Developing countries will need support for the mothers of the thousands of deformed babies to be able to take

[Ms Abbott]

their family life forward. Does the Minister also agree that diagnostics, antiviral drugs and, above all, a Zika vaccine are essential?

**Mr Hurd:** I entirely agree with the hon. Lady that research is very important. We do not know enough about this disease, particularly the links to microcephaly and the other consequences to which she alludes. The UK stands ready to play a full part in upgrading our knowledge. Specifically, we recently announced a £400,000 Newton Fund Zika research project between Glasgow University and Fiocruz in Pernambuco, the hotspot of the outbreak. Scientists from the London School of Hygiene and Tropical Medicine arrived in Recife last week. We are currently looking at what additional interventions are required to reduce the spread of the disease and its impact on developing countries, particularly countries where DFID is extremely active and where there may be a risk of crossover.

**Mr Philip Hollobone (Kettering) (Con):** My constituents would like to know whether the risk to human health from the Zika virus is as prevalent as that from Ebola. If it is, should our response not be on the same scale? If it is not, why is it not?

**Mr Hurd:** I think I can reassure my hon. Friend's constituents—and mine—that we are talking about a very different disease. That is not in any way to understate our concern, and the concern of the international community, about the spread of the virus, and in particular the links to congenital abnormalities, which we have discussed. I hope he can also take some reassurance from the relative speed that the WHO has shown in declaring an emergency, with the international response that triggers, which to my mind looks very vigorous and on it.

**Patrick Grady (Glasgow North) (SNP):** I particularly welcome the announcement of funding for the University of Glasgow, which is in my constituency. Over a month ago, its specialists were highlighting the risk of a rapid expansion of the spread of the Zika virus. The International Development Committee report on the Ebola response recommended early engagement with local communities and recognised the role that local and faith leaders can play in spreading public health information and good practice. What role does the Department see for local and community-based organisations in responding to the Zika outbreak, and what support will the Department provide?

Given that much of the outbreak is in Latin America, where many countries are now classified as middle-income, does the Minister recognise the role for his Department and others in supporting such countries in continuing to develop and strengthen their infrastructure, not least because such shocks to the system could put development gains at risk?

**Mr Hurd:** I note the hon. Gentleman's constituency interest. He is entirely right that community-level support is fundamental to the strengthening of health systems, which he and I have debated in the past, and to DFID's development work. The response of Brazil—a country I know relatively well, having lived there for five years—has

been impressive. It appears to be well supported, not least by the Americans, and we have made it clear to it that we are here to help on the ground. DFID does not have a footprint in Brazil, but we are greatly concerned about the risk of this disease spreading to countries where we, on behalf of the UK taxpayer, have a big exposure. Our primary concern is assisting those countries to alert their health systems, which we actively support, and to anticipate, manage and mitigate future risk.

**Dr Tania Mathias (Twickenham) (Con):** In the light of the Ebola crisis, how are the Government scrutinising and supporting the WHO leadership, which was severely criticised during that crisis, while the UK response was greatly praised?

**Mr Hurd:** My hon. Friend is entirely right. Concerns were expressed on the Floor of the House about the capacity of the WHO and the pace of its response to the Ebola situation. My right hon. Friend the Secretary of State has made it clear that the UK, as the second-largest donor, is far from complacent about the need for reform, including monitoring reform. The chief scientific adviser and colleagues at the Department of Health are working together closely to ensure that the WHO is up to the mark, and colleagues will note that the latter has moved more quickly this time. We are in regular dialogue with it to ensure that its systems are as agile and responsive as they can be.

**Mary Creagh (Wakefield) (Lab):** It is predicted that 16,000 children will be affected by microcephaly this year in Latin America, so the world's community is in a race against time with this horrible virus. Last week, the Chancellor announced funding of £500 million a year to the Ross Fund at Liverpool University to fight malaria. Compared with that, the announcement of £400,000 for Glasgow, which the Minister has just mentioned, pales into insignificance. Through him, may I urge the Prime Minister and the Chancellor to consider all resources to tackle the outbreak of this virus, for which there is no test, cure or vaccine? Any vaccine would require the application of careful moral and ethical standards to its testing on pregnant women, but it is necessary to save a generation of women and their children from disability and poverty.

**Mr Hurd:** The hon. Lady is entirely right. I thank her for reminding the House of the Chancellor's major commitment to fighting malaria. The Government's commitments to the Ross Fund and the UK vaccines network make it clear that we stand ready to play a leading role in the development of a vaccination, though it would take time to come through. In the short term, however, I would not lose sight of the sensible steps we can take to educate people about how to mitigate the risk to themselves—by reviewing their travel plans and seeking medical advice before a journey—and to make the medical system in this country better informed about the risks.

**Chloe Smith (Norwich North) (Con):** If we are now talking about an international response, what assessment have the Government made of the threat in other parts of the world? What precautions should British travellers make if they are going to parts of the world where mosquitoes are present, such as Africa and Asia?

**Mr Hurd:** I know that will be a concern for many of my hon. Friend's constituents and mine. I suggest that she entreat her constituents to access the Foreign Office travel advice for countries and territories where there is an ongoing outbreak and direct travellers to the advice issued by the National Travel Health Network and Centre. That advice is constantly updated and can be relied on.

**Diana Johnson** (Kingston upon Hull North) (Lab): Are there any plans to screen passengers coming to the UK from the areas affected?

**Mr Hurd:** As the hon. Lady might expect, we are not remotely complacent, given the concerns, although the public health risk in the UK is extremely low, as I have emphasised. Colleagues across Government—this is being led at the highest level—are having an active and live conversation about all the measures we can take, particularly in response to the WHO's recommendations.

**Maggie Throup** (Erewash) (Con): I welcome the commitment to ensure that there is research into the virus, but that is for the long term; we also need short-term measures. If the virus is being transmitted by mosquitoes, might there be a role for DFID to divert funds into practical measures, such as the provision of mosquito nets, which have been effective against malaria in the past?

**Mr Hurd:** I thank my hon. Friend for placing on the record her respect for DFID's work in leading an extraordinarily successful global effort to reduce malaria. In the current context, we are talking about a different type of mosquito and risk, but, as she hints, the countries most directly affected, such as Brazil, can still do a great deal to control and manage the risk on the ground, through the control of stagnant water, spraying and other common-sense measures. Such things require a big logistical effort, but so far Brazil seems to have risen impressively to that challenge. As I have stressed, we have made it clear that this country stands ready to help in any way we can.

**Andrew Gwynne** (Denton and Reddish) (Lab): The Minister is right that the risk of an outbreak in the UK is low, but what steps have the Government taken to ensure that NHS staff can spot the signs and symptoms of the Zika virus? Working with his colleague, the public health Minister, will he keep under review the option of a public health education programme?

**Mr Hurd:** It is not for nothing that the public health Minister is sitting alongside me. I am satisfied that colleagues are working with professional groups to develop information and guidance on Zika for clinicians—it is not a condition we have grown up with—and this advice can be accessed through the Public Health England website and has been cascaded by organisations such as the Royal College of Obstetricians and Gynaecologists. This advice includes background and travel-related guidance on Zika, and from tomorrow it will include guidance, developed jointly with the royal college, on the management of pregnant women. PHE plans to provide guidance and information specifically targeted at primary care, which we anticipate will be available shortly.

**Kevin Foster** (Torbay) (Con): To defeat such horrible illnesses, we need to tackle them at their source, as we saw with the Ebola crisis and outbreak. Given the success of Operation Gritrock in Sierra Leone in fighting Ebola, has DFID had any discussion with the Ministry of Defence about potentially supporting any operations, if the virus moves into countries less able than Brazil to mount a major attack against it?

**Mr Hurd:** I would be the first to acknowledge the enormously important role the MOD and our armed forces played in Sierra Leone and the success story that was the battle against Ebola. The current situation is different. I am not aware of such conversations, but I know that colleagues at the top of the relevant Departments are working closely together to keep on top of the options for helping the international community fight this alarming condition.

**Dr Philippa Whitford** (Central Ayrshire) (SNP): I welcome the statement and echo the fact that there is no direct threat to people here in Britain. I would have thought that the biggest threat is from spectators and competitors returning from the Rio Olympics to other hot countries, such as sub-Saharan or north African countries. Do we not therefore need to support having a massive campaign before the Olympics to reduce the impact of these mosquitoes? If this travels and these people are not identifiable and not testable, and do not even know they are unwell, we could end up with this virus getting established in north Africa, and many pregnant women go on holiday to southern Europe.

**Mr Hurd:** I thank the hon. Lady for making that extremely important point. I have a huge amount of empathy with it, not least because I have ministerial responsibility for sub-Saharan Africa. To reassure her, Public Health England has been in contact with the International Olympic Committee regarding travel advice for the Rio Olympics. That organising committee is working with the Ministry of Health in Brazil to develop travel advice for Olympic visitors and is currently looking at all the potential risks before circulating guidance. On the specific point about African countries and other countries in which DFID has a large stake, we will obviously review intensively what we can do to work with our partners in countries that face risks, not least in respect of improving and strengthening the resilience of their health systems so that they can educate and communicate with their citizens effectively.

**Steve Rotheram** (Liverpool, Walton) (Lab): The Minister mentioned two excellent facilities in London and Glasgow, but forgot to mention the Liverpool School of Tropical Medicine, which receives Gates money because of the expertise based in the facility. Will he ensure that there is greater collaboration between the different institutions within the UK, which have such great expertise, to ensure that we find a vaccine as soon as it is reasonably practicable to do so?

**Mr Hurd:** The hon. Gentleman raises a poignant point, and I congratulate him on putting Liverpool back on the map. Of course, that was where the Chancellor announced the Government's major new commitment on dealing with malaria. When it comes to the science and research—the importance of that has been stressed—

[Mr Hurd]

the UK has an incredibly important role to play. It is crucial that this work is co-ordinated effectively. I have been reassured that the chief medical officer and the chief scientific adviser are playing their role in co-ordinating British expertise in this area.

**Stephen Doughty** (Cardiff South and Penarth) (Lab/Co-op): The ability of countries to cope with global infectious disease outbreaks, whether it be Zika, Ebola or HIV/AIDS, is often contingent on the strength, resilience and capacity of their national health systems—the core health systems in those countries. Will the Minister say a little about what DFID is doing to support health system strengthening in countries that are either directly affected by Zika or at risk of being affected by it in the near future?

**Mr Hurd:** The hon. Gentleman's general point is incredibly important. DFID places a huge amount of emphasis on the work that we do to stop people dying and to prevent diseases. Core to that is the work that we do with others to strengthen countries' health systems, as well as the international system, as we discussed. It is about reform and investment in new tools and technologies—drugs, vaccines, diagnostics and tackling microbial resistance. Looking to the future, a key part of that is the investment in research of which this country should be proud.

**Barry Gardiner** (Brent North) (Lab): Given that the eggs of this mosquito are reported to be able to survive in dry conditions for many days, what is the geographical extent of the spread of this virus within south and central America? What steps are being taken to manage the trade routes on which the eggs of those mosquitoes may be carried?

**Mr Hurd:** The mapping of south and central America is relatively well advanced, and I believe we have reasonably good information on that. The American authorities are alive to the risk and absolutely on it. To be honest with the hon. Gentleman, I am more concerned from a DFID perspective about the need to map and model the risks for other parts of the world, not least sub-Saharan Africa.

**Tom Brake** (Carshalton and Wallington) (LD): The Australians have already allowed two virologists to go to Brazil. What work has the Minister done on analysing what expertise the UK has, and would he be prepared to release it to Brazil if the country requested it?

**Mr Hurd:** I can reassure the right hon. Gentleman that when it comes to research, science and medicine, this country has an extremely strong relationship with Brazil, which has developed over many years. As part of our response to the situation, connections have been made in that context, and I referred to the announcement of a £400,000 Newton Fund Zika research project between Glasgow University and Fiocruz in Pernambuco. British scientists and experts have already made it quite clear that we are prepared to help, and those connections are alive and well.

**Liz McInnes** (Heywood and Middleton) (Lab): What advice will the UK Government give to the blood transfusion service about travel histories for prospective blood donors? Will there be any retrospective screening of donations already made?

**Mr Hurd:** I am informed by the public health Minister that a 28-day deferral notice has already been communicated, and that she will correspond directly to the hon. Lady on the point she has raised.

**Jim Shannon** (Strangford) (DUP): I, too, thank the Minister for the statement. Given the arrangements whereby British nationals can enter Brazil without a visa and the ever-expanding tourism industry in the country, does the Minister agree that we need a highly publicised advice campaign on travelling to Brazil so that precautions can be taken in regard to the Zika virus before travel to that country actually takes place?

**Mr Hurd:** We keep the situation under review, as it is an important part of the British Government's responsibility to our citizens. As I said, Foreign Office advice on travel is regularly reviewed in the light of evidence. I encourage the hon. Gentleman to point his constituents to it.

**Ms Margaret Ritchie** (South Down) (SDLP): I understand that there was an outbreak of the Zika virus in the Indian sub-continent in the past. What further representations have the UK Government made to the WHO about a further potential outbreak in south-east Asia?

**Mr Hurd:** Clearly, there is a risk of the virus spreading. It is present in a large number of countries already, so part of our contribution to the global international response is to work with the WHO and others to model the risks as they relate to areas about which we do not have enough evidence on prevalence. Such modelling is part of the British contribution.

**Grahame M. Morris** (Easington) (Lab): It is incredibly difficult to control mosquito-borne diseases, but we do need a long-term public health plan. I pay tribute to the valuable work that DFID has done in tackling the malarial mosquito in sub-Saharan Africa. What role is the UK playing in helping to develop and research a vaccine for the Zika virus?

**Mr Hurd:** I thank the hon. Gentleman for paying tribute to DFID's work on malaria, which is incredibly important given that it is estimated that a child dies of malaria every minute. I refer him to my previous answer on research through the Ross Fund and to other pots of funding created, which means that this country is in a position to show genuine leadership on the issue.

**Huw Irranca-Davies** (Ogmore) (Lab): I simply seek the Minister's assurance that he is working hand in glove with Ministers in the devolved Administrations, not least the Welsh Government, so that there is a fully co-ordinated response.

**Mr Hurd:** Yes, that is incredibly important, and I can reassure the hon. Gentleman that the advice has been shared. In fact, calls are in place to follow it up this very afternoon.

## Mobile Telecommunications Network Coverage (Contractual Obligations)

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

2.9 pm

**Mr Alistair Carmichael** (Orkney and Shetland) (LD): I beg to move,

That leave be given to bring in a Bill to make provision about the disclosure of the quality of mobile telecommunications network coverage by providers and establish penalties for non-compliance; to provide recourse for consumers who enter contracts for such services that do not perform as advertised; and for connected purposes.

Many years ago, during the 1987 general election campaign, my now wife and I hosted a house meeting in our flat in the west end of Glasgow in support of the late Roy Jenkins, then MP for Glasgow Hillhead and resisting—unsuccessfully, as it turned out—the challenge of one George Galloway. It was an exciting occasion for all who attended. For me, as something of a political geek, it was exciting because it allowed me to do my bit to support the efforts of a man who, then as now, was a political inspiration to me. For most of my friends who attended, who were then in their early twenties, it is more likely to have been exciting because Roy's bag carrier brought with him an item of genuine curiosity: a mobile phone.

To call what we saw then a “mobile phone” is to use the term very loosely. It was only mobile if you were fit enough to lug the somewhat chunky phone and its rather weighty battery up the three flights of stairs to our top-floor flat, and it was only a phone if you happened to be in one of the few places in the country where you could get a signal in order to use it. Despite that, however, we were all excited to have had a small glimpse of what we thought the future held.

In fact, we did not know the half of it. From that time until now, the pace of change in mobile telephony has been phenomenal. Mobile phones are no longer the designer accessory of the moneyed few; they are now an essential part of everyday life for us all. Making calls is the very least of what they can do. They offer opportunities for social interaction and family connection, and they have been, and continue to be, a driver for improved productivity in many businesses, especially small and medium-sized enterprises.

Many of the communities that I represent are those which, because of the size of their populations and their distance from larger centres of population, could derive the most benefit from good connectivity. Unfortunately, they are always the last to see any improvement. Whether one speaks to the doctors, health visitors, vets and other professionals serving those communities, to the farmers, fish farmers and people running their businesses from home, or to the families struggling to raise a young child with complex medical needs or care for elderly relatives, they will all say the same: social and economic development in some of our most fragile communities is being hampered by the lack of mobile connectivity.

I can offer a positive example of a mobile company doing good. I remember attending the switch-on by Vodafone of a femtocell in Walls, on the west side of Shetland. I was told by a constituent, Michael Tait,

about the difference that having mobile reception would make to his ability to run his business as a mussel farmer. For him, it meant having the same access as that enjoyed by his competitors to real-time information about market prices, laboratory test results, and much more. In short, it meant that a business grown in one of our most economically fragile communities could continue to grow there.

Mobile connectivity has produced a new divide in our communities. We now have a new class of haves and have nots: those who have a signal and those who do not. Like the other great digital divide, in the roll-out of superfast broadband, this divide is often between rural and urban communities, but that is not always so. The service is often just as poor in our towns and cities as it is in the areas that surround them.

Ideally, we would look to the market to provide its solutions, and in the early days competition did drive growth and improvement, but it has been clear for some time that a market dominated by a small number of big players is prepared to settle for what, in their view, is adequate, rather than striving for what is best. As a result, while some communities drive ahead with 3G and 4G coverage and now look to what 5G may mean, many of my constituents are left balancing their mobile phones on window ledges in order to get a 2G signal, because that is the only place in the house where even the weakest of signals can be found. The present situation cannot and must not be allowed to continue.

The coalition Government recognised the problem. The solution that we pursued was the mobile infrastructure project. We sought to use public money for the building of masts to eliminate the so-called “not spots”, but, for a variety of reasons, that did not achieve the progress that we needed. In 2014, agreement was sought with the mobile phone operators to improve coverage, with the threat of compulsory roaming in the background. Promises were made, and the Shangri-La of connectivity was just over the horizon—or so we thought. It would appear, unfortunately, to have been another false dawn. Now, in 2016, the problem is just as bad, and is showing little sign of improvement.

The root cause of the problem is the imbalance of power between the big corporate providers and the consumers. For the consumer, information is power. It is, to my mind, quite remarkable that, in a regulated market such as this, mobile phone companies have no obligation to spell out to would-be customers just what coverage they can provide and where they can provide it. In fact, my experience as a constituency MP suggests that the companies themselves often have no reliable information. My next-door neighbour in Orkney and I were reduced to helpless laughter recently when he was told quite solemnly by Vodafone that the mast serving our homes from Burgar Hill, just over a mile up the road, provided a signal for 99.8% of the time. He and I know that the situation is very different.

My Bill would place on mobile phone companies an obligation to give detailed information on coverage to their customers, and would allow customers to break their contracts if that service was not provided. It would allow us all, as consumers, to make an informed choice when selecting a service provider. It could reinject into the market a little of the competition that might drive some of the necessary improvements. At the very least,

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it would ensure that the information that the companies provide reflects the service that they actually provide, and not the service that they think they provide.

I am often wary when Members speak about using legislation to send a signal. As we all know, that approach often has unintended consequences. My Bill, however, is a signal to the mobile phone operators that customers throughout the country—especially those in our rural communities, remote from the large centres of population—need, expect and deserve a better service than the one that they are receiving. That is the signal I want the House to send to the mobile operators today, and, unlike the signal with which they provide us, it could not be clearer.

*Question put and agreed to.*

*Ordered,*

That Mr Alistair Carmichael, Tim Farron, Norman Lamb, Mr Mark Williams, Albert Owen, Graham Stuart, Nick Smith, Mr Charles Walker, Ms Margaret Ritchie and Glyn Davies present the Bill.

Mr Alistair Carmichael accordingly presented the Bill.

*Bill read the First time; to be read a Second time on Friday 4 March and to be printed (Bill 126).*

## **Enterprise Bill [Lords]**

[*Relevant document: Second Report from the Environmental Audit Committee, on The Future of the Green Investment Bank, HC 536.*]

*Second Reading*

2.19 pm

**The Secretary of State for Business, Innovation and Skills and President of the Board of Trade (Sajid Javid):** I beg to move, That the Bill be now read a Second time.

On my Christmas reading list was a book by Labour's policy adviser, Andrew Fisher. I am not going to throw a copy at the hon. Member for Wallasey (Ms Eagle), because I am sure that she already has a copy of her own.

**Ms Angela Eagle** (Wallasey) (Lab): It is very good.

**Sajid Javid:** I wonder, then, whether the hon. Lady agreed with one of the comments that Andrew Fisher made in his book:

“The sole focus of economic debate today seems to be about what leads to economic growth.”

“Why”, he asks,

“are we so obsessed with economic growth?”

In the blurb, the shadow Chancellor called it the best thing he has read in years. On the Government Benches we know why sensible people are obsessed with economic growth: it means more jobs, it means prosperity, it lifts people out of poverty, it pays for our health service and our schools, and it allows us to invest in the future of our nation.

We know that growth is not created by politicians or by civil servants. It is not delivered by Whitehall diktat, or by printing money, or by creating an ever-expanding public sector. Economic growth comes from one thing, and one thing alone: successful private businesses.

The role of Government is to create an environment in which businesses can thrive. So, while Labour's policy chief dreams of handing taxpayers' money to trade unions so they can buy out companies, this Government are taking action to back British business.

**Margaret Greenwood** (Wirral West) (Lab): In November of last year the Green Investment Bank announced it had raised £10 billion in Green Infrastructure Investment in the last three years. At the time the Secretary of State said:

“As this milestone shows, the Green Investment Bank is going from strength to strength and is having a major impact supporting renewable energy projects across the whole of the UK.”

This, at the moment, is not a private company—

**Madam Deputy Speaker (Natascha Engel):** Order. Lots of Members wish to speak. If the hon. Lady would like me to put her name at the end of my list of those wishing to speak, I will do that, but otherwise interventions must be short, as must the responses.

**Margaret Greenwood** *rose*—

**Madam Deputy Speaker:** Order. We have heard what we need.



**Sajid Javid:** I have got the hon. Lady's point, Madam Deputy Speaker. I will come on to the Green Investment Bank, and she will see that, because I agree with her main point—I want to see it raise more money—we are setting it free.

We have cut corporation tax and red tape. We are devolving the power to cut business rates and have doubled small business rate relief. We have lifted nearly half a million employers out of national insurance contributions. We have supported more than 30,000 companies with start-up loans. And we have launched a five-year programme to help British businesses make the most of export opportunities around the world.

All this work is paying off. In 2016, Britain is home to more private businesses than at any point in its history—almost 5.5 million of them. Over the past eight years more than 600,000 people have made the courageous decision to become self-employed, many in highly skilled professions, but I want to do more.

**Fiona Bruce (Congleton) (Con):** The Secretary of State is making a powerful speech about this Government's support for the creation of businesses, particularly small businesses, which of course requires not only the energy of the individual entrepreneur, but the support of their family. Will the Secretary of State outline how the family impact test has been applied in developing this Bill?

**Sajid Javid:** My hon. Friend makes an important point about the support offered to successful businessmen and women by their families. Whenever we develop any of these policies, we will carefully consider the impact on families, and I hope my hon. Friend will see that that is indeed the case as I progress through my speech and we release more detail on the Bill.

As I was saying, 600,000 people have become self-employed over the past eight years, but we want to do more, because, for my sins, I am obsessed with economic growth. That is why I am proud to have introduced the Bill before the House today.

The Enterprise Bill will strengthen the UK's position as one of the best places in the world to start and grow a business. It will cut the red tape that too often strangles growth. It will support investment in the skills that British businesses need to be competitive now and in the future. And it will help deliver the economic growth and security that benefits every single one of us in this country.

**Toby Perkins (Chesterfield) (Lab):** For someone who is obsessed about supporting small business growth, the Secretary of State's Bill shows very little ambition. Will he say a little more about business rates, because the level of business rates is one of the major barriers to small businesses? It also impacts on manufacturing firms and retailers. Will he tell us more about what he will do to reduce the business rate bill of small businesses?

**Sajid Javid:** The hon. Gentleman will know that we have already done a lot to cap business rates and slow their growth. We have an ongoing review of business rates at the moment, and there will be more information at the next Budget.

It sounds to me as if the hon. Gentleman does not agree with his own leader, who has proposed

“adding 2% to corporation tax—“*[Interruption.]*

Yes, it is a quote, and the quote continues: he wants to do that to fund a “lifelong learning service”. On top of this, he proposes

“increasing corporation tax...to fund maintenance grants.”

So perhaps the hon. Gentleman agrees with his leader, who wants to see business taxes increase.

Let me turn to deregulation. According to the British Chambers of Commerce, regulations introduced by the last Labour Government cost British businesses almost £90 billion. No doubt this contributed to Labour's great recession, destroying thousands and thousands of jobs across the country. That is a staggering burden for any employer, but it is a particular problem for Britain's millions of small businesses, because when people are running their own company they do not just have one job: they have to be a manager; they have to be an accountant; they are in charge of human resources and procurement; they have to issue and chase invoices, source new suppliers and arrange marketing and advertising. All that on top of the day job. There are not enough hours in the day as it is, and the last thing they need is the Government on their back, weighing them down with petty rules and regulations.

**Caroline Flint (Don Valley) (Lab):** The Secretary of State talked about how this Bill will contribute to greater growth. Can he be a bit more specific? Will he itemise under the different clauses just how much growth he expects to see as a result of these proposals?

**Sajid Javid:** I respect the right hon. Lady, but I hope she understands how growth is generated by the private sector. The Government deregulate, cut taxes, get out of the way of businesses and set entrepreneurs free. She has to understand that we cannot just pass a law that will grow businesses. Perhaps she agrees with the leader of her party when he says he wants to restore clause IV to Labour's constitution; perhaps she thinks that is the way to help growth and help businesses?

One way in which we certainly do help businesses is through further deregulation. That is why in the last Parliament we scrapped £10 billion of Labour's red tape. We have already committed to scrapping another £10 billion between now and 2020. But business owners have told us that the actions of regulators are just as important as the content of regulations. So this Bill will extend the deregulation target to include statutory regulators, and it will increase transparency with a new annual reporting requirement for regulators subject to the growth duty and regulators' code. It will also extend the hugely successful primary authority scheme to give more businesses access to reliable, consistent regulatory advice. This will save them money, and give them the confidence they need to invest and grow.

The Enterprise Bill will also end the “Whitehall knows best” approach to the regulation of Sunday trading. We are a one nation Government and we want to see the benefits of economic growth being felt in every corner of our country. But no two parts of our great nation are identical. The needs and wants of a small rural community in the south-west may be very different from those of a bustling city in, say, the north-east. The people living and working in those communities understand them far better than any Minister or civil servant sitting in a comfy London office. So we will introduce amendments

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in this Bill to allow local authorities to decide whether to extend shopping hours in their areas. Central Government will not be dictating how to use this power. The decision will be entirely local, reflecting local preferences, shopping habits and economic conditions. If the people of Bromsgrove or Barking say they want to see longer Sunday opening hours, who are we here in Westminster to stand in their way?

**Louise Haigh** (Sheffield, Heeley) (Lab): It is fantastic to hear that the Government's policy is that Whitehall does not just know best, which is indeed what I thought the Government's policy was before. Why then is the Secretary of State closing the BIS office in Sheffield and moving it to central London where, by default, decisions on investment will be much narrower and much more focused to central London, away from the so-called northern powerhouse?

**Sajid Javid:** First, the hon. Lady will know that no one makes this kind of decision lightly. The Government have a duty to spend taxpayers' money wisely, and that is what we do with every single penny. She is quite wrong in her accusation that this will centralise decision making in London. Once the Department has completed its restructuring by 2020, there will be fewer people in London and the vast majority of officials who work for BIS will be outside London.

**Ms Angela Eagle:** The Secretary of State has just effectively announced that there will be changes to the Sunday trading rules. Why on earth did he not put them in the Bill? Why is he introducing them at this late stage?

**Sajid Javid:** The hon. Lady will know that we talked last year about our plans to change the Sunday trading rules, and we had a consultation, to which I am sure she has contributed. The Government's intentions have been clear. It is a question of finding the right vehicle to make those changes, and they will be in this Bill by way of an amendment.

**Andrew Griffiths** (Burton) (Con): May I draw the Secretary of State's attention to a letter that I received from the owners of the Octagon Centre in Burton? The businesses in that centre are urging me to support this important initiative from the Government because they say that it will help their businesses and that they would employ more people as a result.

**Sajid Javid:** My hon. Friend is right to point out the economic impact of this measure. As I have said, it might not be right for every area but it is surely correct for each local authority to decide what is best for its area, and if that leads to more jobs and growth locally, that is exactly why we should follow through on this policy.

If any of our friends in the Press Gallery have spent time freelancing, they will be all too aware of the problem of late payments—[*Interruption.*] There are friends up there. If they are not up there, they are listening somewhere else. I have heard of one writer, who may well be listening now, who says that he still has not been paid for copy that was filed two years ago. The most shocking aspect of this problem is just how common

it is. In my six years as the Member of Parliament for Bromsgrove, I have been contacted by many dozens of local business owners who have been pushed to the brink by one thing: the failure of large corporations to pay up on time.

**Toby Perkins:** May I just take the Secretary of State back to the point about Sunday trading? I cannot remember a similar situation in which a Secretary of State has stood up and made a speech about a provision that is not even in his Bill but that he wished was in it. People are going to be voting tonight on the Bill's Second Reading, and he is announcing measures that they are going to be asked to approve but which they might well be against, and which are not even in the Bill. Is not this entirely the wrong way to legislate?

**Sajid Javid:** We get this every day from those on the Labour Benches. They are obsessed by process. They do not want to focus on the substance at all. They have no respect for the substance.

**Ms Angela Eagle:** The right hon. Gentleman is asking us to vote on Second Reading tonight on the substance of a Bill which, at the moment, does not contain anything about Sunday trading. We have not seen the response to the consultation; it has not been published. We do not know whether the Government are going to table an amendment or a new clause. He is expecting us to comment on something that we have not even seen, and that shows contempt for this House.

**Sajid Javid:** The hon. Lady has had plenty of time to consider the issue of Sunday trading and whether she supports the principle or not. There will be plenty of time to discuss that in the House. It will also be discussed and voted on in Committee, so there will be plenty of time for input. It would be far better if she and her party focused on the substance of the issues rather than on process after process.

**Kevin Brennan** (Cardiff West) (Lab): On a point of order, Madam Deputy Speaker. Is it in order for the Secretary of State to come to the House in the full knowledge that he intends to amend the Bill and to ask Members of this House to vote on Second Reading on clauses that have not even been published? Is not that a gross abuse of power?

**Madam Deputy Speaker (Natascha Engel):** As the hon. Gentleman knows, it is perfectly in order to do so—[*Interruption.*] Order. This is the Second Reading of a Bill, and if we listen to the Minister, this information might come at later stages. It is in order. The Second Reading of a Bill can be wide ranging. The Secretary of State can mention these things but he does not have to do so, and what happens in the later stages of the Bill is a matter for those later stages.

**Kevin Brennan:** Further to that point of order, Madam Deputy Speaker. I am grateful for your ruling—[*Interruption.*] I am sorry, do hon. Members have something to say? Further to that point of order, would it be in order for the Secretary of State to ask his officials now to go away and publish the new clauses that he intends to insert into the Bill, so that Members

taking part in the Second Reading debate today can go to the Library to get that information and incorporate it into their remarks?

**Madam Deputy Speaker:** I think I have got the gist of the hon. Gentleman's point of order—[*Interruption.*] Order. Of course it is in order for the Secretary of State to ask his officials to do that, but that is up to him. I think that we really ought to move on. This is a Second Reading debate and 28 Members are seeking to catch my eye—[*Interruption.*] Order. Let us move on.

**Sajid Javid:** Thank you, Madam Deputy Speaker.

When it comes to late payments, my Department leads by example. We pay more than 95% of invoices within five days, and more than 99% within 30 days. But many organisations are less scrupulous, including some in the public sector. The average British small business is owed almost £32,000 in overdue invoices. That is a huge sum, and for many it can mean the difference between success and failure and between keeping going for another year and throwing in the towel. However, it is not easy for a small business or sole trader to challenge a larger firm. They might not be happy, but they need that contract. They cannot afford to bite the hand that feeds them. That is not right, and it is not fair, and this Bill will do something about it.

**Melanie Onn** (Great Grimsby) (Lab): On that point, is the Minister confident that none of those late payments is being made by the Government or any of their subcontractors to small businesses, some of which might be waiting for payment for 60 days or longer?

**Sajid Javid:** I am confident that, over the past five years, the Government have done a huge amount of work to ensure that central Government and parts of the public sector pay more promptly, but I also think that more work is required. That is one of the reasons that we are establishing a small business commissioner with a remit to handle complaints by small businesses about payment-related issues with larger businesses. The commissioner will also have the resources to give general advice and information to assist small businesses with supply relationships and direct them to mediation services.

It is not just the late payment of invoices that is a problem. As we have seen all too graphically with the recent flooding, it is vital that insurance companies also pay out quickly. Doing so helps small businesses to help themselves and gets them back on their feet, but it does not always happen. Unnecessary delays by insurers can spell the end for vulnerable small companies, which hits employees, suppliers, the wider community and the economy. The Bill will create a legal obligation on insurers to pay up within a reasonable timeframe.

Insurance can protect many of a business's assets from floods, theft, or fire, but at any company, the most precious asset is not the bricks and mortar or the stock in the warehouse. It is not even money in the bank. It is the skilled, dedicated workforce without which no business can succeed. Developing and growing our skills base is the key to unlocking increased productivity. It is the key to raising living standards and driving that all-important economic growth. That is why the Government have committed to 3 million new apprenticeships by 2020.

We have also introduced a new apprenticeship levy on the very largest employers to help to pay for them. The Enterprise Bill will build on that success. It will introduce apprenticeship targets for public sector bodies in England. It will protect the apprenticeship brand. Unscrupulous providers will not be allowed to offer shoddy training, undermining businesses and letting down apprentices.

I am proud to say that the Bill will also create an institute for apprenticeships. An independent employer-led body, the institute will regulate the quality of apprenticeships and see that standards are driven by the needs of employers. As well as quality assurance and approval functions, the institute will have an advisory role on some funding allocations for apprenticeship standards. We will also be introducing amendments to give employers genuine control of apprenticeship funding through digital accounts as part of the digital apprenticeship service. Together, those measures will make it easier than ever for young people to access vocational training and, just as importantly, for businesses of all sizes to develop the skilled workforce they need to innovate, compete and grow in the years ahead.

Of course, it is much easier to achieve that growth if the taxman is not hovering over people's every turn. I have already talked about how we have slashed corporation tax, ending years of punishing entrepreneurs for their success, but that is not the only tax issue facing Britain's high streets. It is often said that small business owners are working for themselves, but because of flaws in the business rates system entrepreneurs can sometimes feel as though they are working for their local authority. We have started to tackle that by capping business rate rises. We know the appeals system also needs reform, so we are working with ratepayers to develop a modern, business-focused approach to local taxation. The Bill will further reduce the burden on businesses by applying the Government's "tell us once" policy to business rates, and it will put in place provisions to pave the way for better information sharing between local government and the valuation office.

I am sure we all agree that local businesses are the heart of the communities they serve, and nowhere is that truer than in the great British pub. I assume that is one type of business that all right hon. and hon. Members are familiar with—if they are not, they can always visit The Little Ale House in Bromsgrove, which I highly recommend. The Small Business, Enterprise and Employment Act 2015 required the creation of a pubs code. When enacted, the pubs code regulations will make life a little fairer for more than 12,000 tied pub tenants across England and Wales. We have just completed a consultation on those regulations and will publish the final version in time for the code to be in place from the end of May.

Many responses to the consultation raised an issue concerning the market rent only option—the MRO. Specifically, they said that the eligibility of a tenant to choose the MRO at the point of rent assessment should not be contingent on the rent being increased. Good government is all about listening and responding positively. Clearly, that proposal would have had an effect we did not intend, so I am happy to announce that we will be accepting the argument regarding the MRO. Members in the other place tabled amendments to the Bill on that issue. Obviously, we now accept their intent, and we will be tidying them up in Committee.

**Charlotte Leslie** (Bristol North West) (Con): I am sure that, if my right hon. Friend is getting the rounds in, we will be very happy to join him at his local pub. As he knows, I have been a strong advocate for a pubs code and pub company regulation, which are very long overdue. I therefore welcome the MRO extension and urge him to continue working with our pubs, which are the enterprise heart of our country, to see how that affects them and to make sure they keep their place as that heart.

**Sajid Javid:** My hon. Friend rightly says we should always look to see what more we can do to help the pubs in our community. Perhaps we can welcome this measure in The Mouse in her constituency, which is a very fine pub.

**Andrew Griffiths:** As somebody who opposed the initial proposal for the MRO legislation, I welcome the constructive way in which the Minister and the Government have worked with all sides to find a solution. The key to pubs' futures is investment in their estates, so I welcome the Government's recognition that that is most important.

**Sajid Javid:** My hon. Friend is correct about that. We want to see more and more investment in our local pubs, and I hope that these measures, taken together, will help to achieve just that. Let me also take this opportunity to commend him for the work he has done for pubs ever since he joined this House, not just on this code, but the huge amount of work he did to get the first cut in beer duty in almost 50 years.

**Lady Hermon** (North Down) (Ind): The Secretary of State began with the words, which I endorse, about being a one nation Government. The Wetherspoon chain, whose interiors I am not familiar with, has 10 pubs in Northern Ireland and also believes that the United Kingdom is one nation. Does he believe that the pubs code should extend to Northern Ireland, where that chain operates pubs?

**Sajid Javid:** The hon. Lady raises an important point about the pubs code, specifically wanting to know whether we can apply it to Northern Ireland. I will discuss that with my Northern Ireland counterparts to see what can be done and to review what is being done to see whether there is any way we can assist.

The Opposition have a renewed enthusiasm for seizing control of the means of production, distribution and exchange. I think it is fair to say that Conservative Members do not share that enthusiasm, but we are committed to delivering the best possible value for money from those assets where the taxpayer retains an interest.

Last May, the Chancellor announced plans for a new company, UK Government Investments Limited, to better manage taxpayer stakes in businesses across the economy. This Bill contains a provision on UKGI, ensuring that the necessary funding powers are in place so it can carry out its vital work. That will include overseeing the sale of government assets in a way that will benefit the taxpayer—that will include the sale of the UK Green Investment Bank.

Established in the previous Parliament to address a failure in the market, the GIB has demonstrated to the wider world that investment in green projects makes good business sense. In fact, that bank has proved so

successful that it has outgrown the need to be financed by the taxpayer. Moving the bank into private ownership will give it access to a much greater volume of capital, mobilising more investment and getting more green projects financed. The Bill contains provisions that will ensure that that move to the private sector can take place effectively and transparently. That will mean the GIB can continue to go from strength to strength, delivering its ambitious green business plan. It is that expertise and that green business plan that private investors will be buying into. As the name suggests, green investment is what the Green Investment Bank does—it is what has made the bank such a success. No sensible investor would look to change that.

**Melanie Onn:** Investor confidence in the UK renewables industry is at a record low. Does the Minister really think that selling off the GIB sends any signal other than that the Government are stepping away even further from the renewables industry?

**Sajid Javid:** I will come on to one of the measures we will put in place to make sure that the GIB keeps its mission—something the bank itself has come forward with—but I do really think this move will mean more green investment, because the bank is restricted by being on the Government's balance sheet. If we can take it off that, it will have its own freedoms and ability to raise capital, whether equity or debt, and that will lead to more investment.

**Huw Irranca-Davies** (Ogmore) (Lab): I wish to ask the Minister a legal and technical point. Did he and other Ministers challenge the advice they received about retaining even a minority share? Would that approach in any way compromise the bank's ability not only to retain its green credentials, but to borrow openly and thrive and prosper, as we all want? Have they just accepted the one piece of advice they have been given, or have they challenged it, asking whether they could retain a minority stake?

**Sajid Javid:** The hon. Gentleman raises an important issue, and what I am about to come on to perhaps addresses some of the concerns. Similar concerns were raised in the other place, as I am sure he was aware. The GIB will create a special share, which will ensure that its green mission is guarded by an independent party once the bank is sold, and that share will be put in place without legislation. Mandating that in legislation is entirely unnecessary and it is unlikely to work, but the GIB has assured us that that will happen.

**Ms Angela Eagle:** The Minister will know that a new clause in the other place tried to mandate the green target and focus of the bank. Is he saying in what he has announced today that the Government will be taking that clause out of the Bill and replacing it with something else?

**Sajid Javid:** I am well aware of that clause, but what I am saying is that it is no longer necessary as the same objective can be achieved if the GIB puts in place a special share that will guard its mission, and that share will be held by an independent party.

**Ms Eagle:** I thank the Secretary of State for giving way again, and this is an inevitably technical bit of the Bill. Has the Office for National Statistics approved this

change and will it accept it for the purposes that the Government intend? In other words, will the GIB's assets be on or off the Government balance sheet?

**Sajid Javid:** The ONS does not need to approve anything that the Government do, but I am comfortable that the structure I have just mentioned allows the Government to meet their objectives for the GIB.

**Huw Irranca-Davies:** I thank the Secretary of State for his generosity in giving way and regret that I will not be able to speak at length today. It will be interesting when the Bill goes to Committee. The cross-party Environmental Audit Committee, which, until recently, I chaired, made several recommendations, the detail of which I cannot go into because of the time constraints. One was:

“The Government should provide an evaluation of whether a ‘phased approach’ involving alternative recapitalisation options would be possible. This could allow for greater consultation, transparency and market testing on the form of any eventual privatisation.”

Is the Secretary of State open to alternative options being proposed in Committee or not?

**Sajid Javid:** I am aware of the Committee's recommendation. Some of the work that I have just announced that will be done by GIB will help to meet some of those concerns. I will not pretend that all the Environmental Audit Committee's recommendations will be met, but I hope that the hon. Gentleman is reassured that we have considered them carefully and that as we proceed with the Bill we will take many of those issues into account.

**Jim Shannon** (Strangford) (DUP) *rose*—

**Michelle Thomson** (Edinburgh West) (Ind) *rose*—

**Sajid Javid:** I need to plough on, because a number of hon. Members wish to speak.

Finally, the Bill will bring the public sector into line with private sector best practice on exit payments. Too many public sector fat cats are handed six figure pay-offs when they leave a job, which are often little more than a reward for failure. That is an insult to the hard-working taxpayers and business owners who finance them. The Enterprise Bill will end that practice.

**Jim Shannon:** I apologise that I was not in the Chamber when the Secretary of State referred to Sunday trading and the hours that workers would have to work. I understand that, according to a Populus poll, 66% of the British public said that they were against any changes to Sunday trading and 91% of people who work in shops do not want any change either. Will the Government assure us today that there will not be any changes in the Bill to Sunday opening times?

**Sajid Javid:** I can clarify that the Government will not mandate any part of the UK to extend Sunday trading hours. We will devolve the power to local authorities so that they can make that decision on behalf of their local community.

When Napoleon called Britain a nation of shopkeepers, he—[*Interruption.*]

**Several hon. Members** *rose*—

**Madam Deputy Speaker (Natascha Engel):** Order. Members are starting to make points of order again on this one issue—

**Toby Perkins:** On a point of order, Madam Deputy Speaker.

**Madam Deputy Speaker:** Is this a point of order on Sunday trading?

**Toby Perkins:** Yes, it is, but—

**Madam Deputy Speaker:** Order. We have had points of order on Sunday trading and if the hon. Gentleman wants to make a point of order at the end of the debate, I am perfectly happy for him to do so, but for now we must move on with the debate. We are getting bogged down in this one issue. The hon. Gentleman has his name down to speak, and I will happily call him, and he can also make an intervention, if the Secretary of State wants to take it, but these are not points of order.

**Sajid Javid:** When Napoleon called Britain a nation of shopkeepers, he meant it as an insult, but I see it as a badge of honour. I grew up above the family shop and I saw for myself how hard my parents worked day and night, seven days a week, to make their business a success. It takes a special kind of dedication to build something like that from scratch and to keep it going for 30 years or more. Before becoming an MP, I spent two decades at the other end of the business spectrum, working for some of the world's largest multinational companies. For as long as I can remember, I have been surrounded by people who have created, managed and grown successful private businesses. When they create businesses, they create jobs. They create prosperity. They create opportunity.

Businessmen and women are the heroes of Britain's economic recovery and whether they are running an international corporation from Canary Wharf or a one-woman start-up from a kitchen table, they deserve our respect and our support. The Enterprise Bill gives them all that and more and I commend it to the House.

2.55 pm

**Ms Angela Eagle** (Wallasey) (Lab): I compliment the Business Secretary on one thing at least, and that is the title of this Bill. Just listen to how it sounds when you say it aloud, Madam Deputy Speaker: the Enterprise Bill. It sounds important, dynamic, even exciting. To me, that is the title of a Bill that should be heralding a huge change in how we do business in this country. In time, it ought to be one of those Acts of Parliament that historians will look back on and describe as the most important of the age. After all, it is clear that the world is now on the cusp of the fourth industrial revolution, and if we are not ready for the wave coming toward us, we will miss it. I want us to take advantage of what will be an age of rapidly advancing digitalisation, and an age of robotics and big data that is expected to transform our lives out of all recognition—and to do so much more quickly than we might expect. It will be an age

[Ms Angela Eagle]

that confronts us with profound questions about how to generate and share prosperity and fight for a fairer outcome for everyone in our society.

As the first industrial nation, we need to react to that challenge if we are to mould it to our advantage. To guarantee our future prosperity and to earn our way in this rapidly changing and competitive world, we must be ready to seize the opportunities. So, do we have a Government who realise the importance of change and transformation at this particular time and who are willing to legislate accordingly for a more active, enabling and agile state? Do we have a Government who will rise to the challenge? On the basis of the contents of the Bill, we do not. We cannot fault their high-flying rhetoric, however. According to the Government, the Bill is meant to be about creating an open, enterprising economy, transforming Britain's business culture. It is supposed to

“reward entrepreneurship, generate jobs and higher wages for all, and offer people opportunity at every stage of their lives”.

In the other place, Baroness Brady even claimed it was “an exciting attempt” to improve the business ecosystem. All I can say is that she gets excited pretty easily. We have before us a Bill that has been variously described in the other place as a curate's egg, a hotch-potch of minor measures, a legislative herbaceous border, a dog's breakfast and even

“a big legal pudding made up of all sorts of ingredients”.—[*Official Report, House of Lords*, 12 October 2015; Vol. 765, c. 43.]

The last was from someone who supported the Bill.

We have a hugely ambitious title hiding a collection of worthy but minor and underwhelming measures that it is hard for anyone to oppose in principle—that is, in the Bill as written, although we have heard about new things that might change our minds. What we do not have is a piece of legislation that remotely meets the challenges that we know are ahead. We do not even have a Bill that matches the ambition of the Government's own rhetoric.

**Nadhim Zahawi** (Stratford-on-Avon) (Con): Despite all the hon. Lady's flowery words, I must tell her that small businesses being paid on time will make a huge difference, that 3 million apprenticeships that give people a real opportunity in life and that are good for business will make a real difference, and that curtailing the big payments to fat cats which were the norm under Labour will make a huge difference. She should be embarrassed by her speech and I advise her to rethink her opening remarks.

**Ms Eagle:** I am now rather embarrassed that I gave way to the hon. Gentleman.

Hon. Members should make no mistake: our economy faces huge challenges. We have a current account deficit made up primarily of the country's deficit of imports in relation to exports. That now stands at 5.1% of GDP, which is higher than at any point in peacetime since 1830. We also have an export target that the Government are set to miss by a third. Rather than taking action in the Bill, the Government are moving to get their excuses in early, with the Trade Minister recently describing that target as a “big stretch”.

We see no sign of the rebalancing the Chancellor promised six years ago, let alone of the march of the makers that he promised would be carrying us all aloft by now. British manufacturing has been in recession since last year, and output is still falling short of where it was in 2008. A complacent attitude to the UK steel industry is just one symptom of the Government's neglect of manufacturing and our industrial base.

Just six weeks after presenting an optimistic comprehensive spending review, the Chancellor abruptly changed his mind. He turned up in Cardiff, warning ominously that our economy was suddenly facing a “cocktail” of threats in January that he had apparently failed to perceive in November. Instead of presenting radical action to deal with those threats, the Bill bears all the hallmarks of a frantic search by officials around the far-flung recesses of Whitehall for things to put in it. As a result, it has nine parts—mostly unrelated—dealing with issues ranging from the creation of a small business commissioner with little statutory power to the requirement that insurance pay-outs are made in a timely fashion and that regulators should be mindful of their effect on small business.

There is a welcome extension of the primary authority scheme, which was introduced by the last Labour Government, and which has been a great success. The Bill allows Ministers to set targets for apprenticeship numbers in the public sector, but without explaining where the money to pay for that will come from. It also puts a cap on exit payments, which may have unintended consequences for public sector reform.

**The Minister for Skills (Nick Boles):** The apprenticeship levy.

**Ms Eagle:** The hon. Gentleman mentions the apprenticeship levy, but it will have to be paid by the public sector, which is being squeezed very hard by Government cuts, so there is no explanation of where the money will come from—if the hon. Gentleman has one, he can stand up and give it to the House now. [*Interruption.*] Well, the Bill amends the Industrial Development Act 1982 in an entirely sensible but minor way, and it tinkers at the edges of non-domestic rates, when what we probably need is major reform of the workings of the valuation office and, indeed, of the entire business rates system.

**Richard Fuller** (Bedford) (Con): I am intrigued by what the hon. Lady has said about the IDA change, which will allow the Government to increase the amount they can spend without parliamentary oversight from £10 million to £30 million. Does she think this is a good time, with public spending under control, to give that authority to the Government without parliamentary scrutiny?

**Ms Eagle:** This is a minor change, which Opposition Members will support, simply because it updates the Act. It does not actually allow the Government to spend any more in real terms than the Act did—it just updates the Act to reflect inflation since the Act was passed. If it went a lot further, Parliament would, of course, want to keep a closer eye on this, but this is such a minor change, although it is welcome, that Opposition Members do not feel we need to oppose it.

**Richard Fuller:** I am interested in the hon. Lady's comment about the inflation increase. She indicated that the Opposition would favour a more substantial increase in the Government's opportunities to use money under the IDA. Will she explain a bit further what the Labour party's position on that would be? If she describes what the Government are doing as minor, what does she have in mind?

**Ms Eagle:** The changes to the Act are minor, simply because they restore in real terms the original import of the Act—that minor change merely brings the Act up to date. There is no reason why any Opposition Member should worry about that change. It is aimed at a part of the rural broadband roll-out that is very important for a lot of people in rural areas, so it is wholly acceptable, certainly to the Opposition, although I am not sure whether the hon. Gentleman is opposing his own Front Benchers on this issue.

**The Minister for Small Business, Industry and Enterprise (Anna Soubry):** We are trying to find out what you would do.

**Ms Eagle:** I am saying what we will do. We support this part of the Bill, because it makes a minor extension that just restores the intention of the original Act.

There are many modest measures in the Bill with which we agree; indeed, the Government resisted many of them during the passage of the Deregulation Act 2015, the Consumer Rights Act 2015 and the Enterprise and Regulatory Reform Act 2013 in the previous Parliament, and we welcome the fact that the Government appear to have come round and accepted them now.

However, there are a number of measures in the Bill with which we are not in agreement.

**Richard Graham** (Gloucester) (Con) *rose*—

**Lucy Frazer** (South East Cambridgeshire) (Con) *rose*—

**Ms Eagle:** Let me just get on with this section, and then I will be happy to give way.

The Opposition will be working hard to secure assurances on amendments on some of the issues I have mentioned as the Bill goes through the Commons. I commend the hard work of Labour colleagues in the Lords, who successfully won some welcome concessions and clarifications as the Bill went through the other place.

**Richard Graham:** There are two ways of looking at the apprenticeship levy. One is that it is a threat to the public sector, but the other is that it is an opportunity for the public sector to hire more apprentices. Does the hon. Lady not see that as a real opportunity in the Bill?

**Ms Eagle:** The Opposition are in favour of the apprenticeship levy in principle, but we are taking a very close look at how it will be introduced in practice, and we have an idea that the devil will be in the detail. We will therefore be keeping a close eye on how the levy is introduced and particularly on how it impacts on companies that are charged far more in the apprenticeship levy on their payroll tax than they can actually have in terms of apprentices. What then happens to that money? Can it be driven into the sector's supply chain, for

example? There are issues about how this will impact on public sector spending, and we need to keep an eye on those. As the Opposition, even though we agree in principle with an apprenticeship levy, it is our role to hold this Government—the hon. Gentleman's Government—to account on the detail as it becomes clear.

**Catherine McKinnell** (Newcastle upon Tyne North) (Lab): My hon. Friend is raising some very valid concerns about the Bill and particularly about the apprenticeship levy. A lot of confusion is being expressed out there to Members of the House about how the levy will work. Ultimately, 90% of apprenticeships are provided in small and medium-sized enterprises that will not be paying the levy, and it is not clear how they will receive any support for apprenticeships. Much greater clarity from the Government is required.

**Ms Eagle:** I agree with my hon. Friend about the worries she has raised.

**Nick Boles:** Why didn't you raise them with me? I don't know.

**Ms Eagle:** Well, we are waiting for the Government to come forward with more detail about how the apprenticeship levy will work. The hon. Gentleman loves being in meetings. He told us that earlier in the day. He was waxing lyrical about how excited he was being in vast numbers of meetings every day. He made even the most banal meetings sound fantastically interesting. I am glad that he enjoys his job. The Opposition would certainly be more than happy to embroil him in even more meetings.

**Catherine McKinnell:** My hon. Friend is doing a marvellous job. The Minister for Skills, who is chuntering from a sedentary position, had the opportunity to provide much greater clarity on this issue in a debate with MPs from the north-east, but he absolutely and categorically failed to do so.

**Ms Eagle:** I think another meeting is in order—

**Nick Boles** *rose*—

**Ms Eagle:** And I think we are going to hear something from the Minister now.

**Nick Boles:** I just want to clarify that the debate that the hon. Member for Newcastle upon Tyne North (Catherine McKinnell) mentioned, which lasted for an hour and a half and in which she spoke very well, was on further education colleges in the north-east. "Apprenticeships" was nowhere in its title, and so I am not even sure whether it would have been in order for me to discuss these issues. However, I am happy for her to come and see me with any questions she likes, as often as she likes.

**Ms Eagle:** Once it gets around that the hon. Gentleman is so free with his diary, I am sure he will be very, very busy.

I would like to speak about a number of areas in what Lord Patten has called this "pudding" of a Bill.

**Lucy Frazer:** The hon. Lady suggested that these provisions are minor. I am surprised that she does so in circumstances where R3, the body that represents insolvency practitioners, says that some of its members feel that late payments contribute to 25% to 50% of small company insolvencies. Does she think that the difference between solvency and insolvency is a minor issue for many of our small companies?

**Ms Eagle:** No, I do not, but I think the hon. and learned Lady should read the Government's own impact assessment. The provision on the small business commissioner that the Bill proposes is so minor that the Government's own impact assessment says that they will be able to deal with only 500 cases a year, and yet we know that late payment is a huge issue. I am not saying that the issue of late payments is trivial; I am saying that in dealing with it, the Government's response is far too limited and very disappointing.

**Toby Perkins:** As a former small business owner, I entirely endorse what my hon. Friend says. The problem with the Government's proposal is not that they are attempting to tackle late payments but that it is an utterly inadequate attempt to tackle one of the great scourges of all business, but particularly small businesses—late payments.

**Ms Eagle:** I could not agree more with my hon. Friend's words.

Part 1—clauses 1 to 13—deals with the small business commissioner, so let me come on to the Opposition's view on this. In the previous Parliament, Labour argued for the establishment of a small business administration that would be specifically tailored to focus on the very specific needs of small businesses.

**Lucy Frazer:** Will the hon. Lady give way?

**Ms Eagle:** No, because I have given way to the hon. and learned Lady.

This Bill contains a much more modest aim in seeking to establish a small business commissioner to assist in late payment disputes and signpost advice services for small businesses. The Opposition will support this, but we are disappointed by its small scale and its very limited remit. Indeed, the small business commissioner's budget is to be a modest £1.3 million a year, and only because of an Opposition amendment accepted in the Lords will the commissioner be independent and able to appoint their own staff. Moreover, the Government intended to allow the role to be abolished by ministerial order without parliamentary scrutiny—a situation that was changed by another Lords amendment. We support the idea of a small business commissioner, but it remains to be seen whether such a modest proposal can really counter the huge imbalances of market power that exist, especially between huge companies and their much smaller suppliers. I certainly wish the new commissioner, whoever they are to be, well in the work ahead, not least because figures showing that the amount owed to small and medium-sized enterprises in outstanding invoices has increased by more than 70% in two years and that almost a third of small businesses are expecting things to get worse this year.

**Lucy Frazer:** Will the hon. Lady give way?

**Ms Eagle:** No. I have given way to the hon. and learned Lady and I do not intend to do so again, because I am getting on to other aspects of the Bill.

Part 4—clauses 20 and 21—deals with apprenticeships. This Government are presiding over what employers have described as a “skills emergency”, and productivity in the economy continues to be revised down year by year. The Bill contains welcome measures that aim to strengthen the quality of apprenticeships and to give statutory protection to the term itself. Labour Members have consistently supported the drive to deliver more high quality apprenticeships, but we worry about imposing an arbitrary numerical target, not least because it could militate against high-value, high-quality provision. We note that the Bill gives Ministers the power to set targets for apprenticeships in the public sector but is silent on how these targets will be met when the round of savage public sector cost-cutting continues unabated and further education provision is being decimated.

Clauses 30 to 32, in part 7, deal with the UK Green Investment Bank. The bank has only just been established and the Government are now seeking to flog it off—or, as I think the Secretary of State said, “set it free”. In the light of the Paris climate conference, where Governments, investors and businesses across the world agreed to accelerate the transition to a low carbon economy, it is absolutely extraordinary that he has allowed the Chancellor to sell off the bank, setting back efforts to build a greener low carbon economy.

**Michelle Thomson:** The hon. Lady may have noticed that the Chancellor said:

“With the turbulent conditions we see in financial markets, I hope you agree with me that now is not the right time for that share offer.”

Does she agree that if it is not the right time for Lloyds, why is it the right time for GIB?

**Ms Eagle:** My view is that the Chancellor should have allowed the Green Investment Bank time to establish itself and certainly not have considered virtually privatising it as soon as it was established. The hon. Lady will know that we are now in a tussle to see whether we can preserve the focus of the bank on sustainable development and a low carbon economy. That is where the battle has been raging in the other place as the Bill went through its stages there.

Even more extraordinarily, under the Bill as introduced in the Lords, there was a real risk that the bank's focus on green investment would be completely destroyed. Fortunately my Labour colleagues in the Lords were able to come up with a formula that safeguards its green focus even if it is sold, but we have heard today from the Secretary of State that their amendment is going to be removed. I promise him that in Committee we will look very closely at what he intends to replace it with and whether it actually does the job of safeguarding the bank's green focus. We will also focus, in a non-green way, on ensuring that the proposals that the Government come up with are fit for purpose.

Clauses 33 and 34, also in part 7, deal with pubs reform. In January, when it was clear that there was a majority in the Lords for ensuring a fairer deal for the landlords of tied pubs, Ministers forestalled a vote that they would have certainly lost by promising to legislate for a fair market rent only option. Their promise was



taken in good faith, but they then abandoned their previous commitment, causing uproar in the other place. If it is possible to believe that the other place is capable of uproar, this particular event caused it. Yet another U-turn was inevitable, and it was duly announced, much to the relief of us all. The Government must stick to the promises they made to pub tenants and stop dragging their feet. They should legislate on the promises they have made. It is clear that a rent assessment and a market rent only option at rent renewal are the bare minimum that would be required to make good on those promises. This would create a fairer system for pub tenants and pub companies, and it has widespread support from businesses and beer drinkers alike. Again, we will take a close look at what the Government come forward with in Committee.

Clause 35, in part 8, deals with public sector exit payments. Labour Members are concerned that this measure will have unintended consequences.

**Liz Saville Roberts** (Dwyfor Meirionnydd) (PC): I think we would all agree that nuclear decommissioning is both essential and highly specialist, yet this Bill will undermine workforce confidence and human resource planning at Magnox sites. Does the hon. Lady agree that the unique skill sets of this workforce should be safeguarded from the effects of the Bill?

**Ms Eagle:** That is another example of where something being sold as an attack on what the Secretary of State somewhat insultingly called “public sector fat cats” has a direct effect on private sector workers doing some of the most difficult and dangerous work, which we need to ensure can be carried out properly.

**Sammy Wilson** (East Antrim) (DUP): I may take a different view from the hon. Lady on the point that she is making, but unfortunately this provision will not apply to Northern Ireland because, despite the financial problems there, Ministers and the Assembly have decided that Northern Ireland should not be covered by the Bill. Does she share my concern that the serial payers of huge pay-offs are exempted from the provisions? For example, the BBC, which seems to hand out public money hand over fist to directors, heads of religion and so on, will not be covered by it.

**Ms Eagle:** The Bill has a particular phrase attached to it—public sector fat cats—and when we look more closely at it, we see that it applies to non-public sector workers and non-fat cats. We will be taking a close look at that.

**Chris Stephens** (Glasgow South West) (SNP): The term “public sector fat cats” surely does not apply to a civil servant who earns less than £25,000 a year, whose length of service may be 30 years or more. The unintended consequence of the policy is that it will impact on the longest-serving employees.

**Ms Eagle:** There are what I have rather politely and generously, in my view, referred to as unintended consequences of the cap, and I noted with some distaste the Secretary of State’s use of a pejorative term such as “public sector fat cats” to justify the existence of the proposed cap. It is clear that the cap could impact, as the hon. Gentleman says, on those on moderate and

even lower pay with long service, and it could impact on pension “strain” payments for workers, rather than on those on the highest salaries with much shorter service.

The Cabinet Office has confirmed that some civil servants earning less than £25,000 a year could be affected by the cap because they have long service. Surely this was not the intention. Again, the Opposition will explore some of the consequences. We have even heard that essential restructuring in some public services is being held up by the unintended consequences of this crude measure.

**Dr Julian Lewis** (New Forest East) (Con): I am conscious of the fact that I was not present for the Minister’s opening speech so I may have missed something, but I am aware of concerns raised not only by the Prospect union but by one of my constituents about the fact that as someone who has always earned less than £28,000 a year, he may, as a result of early retirement, be unintentionally caught by this provision. I hope we will get some assurance from the Government Front Bench either that that will not happen, or that an amendment will be accepted to make sure it does not happen.

**Ms Eagle:** The right hon. Gentleman raises precisely the kind of case that has no doubt been raised with other hon. Members in all parts of the House. The only thing he missed was his own Secretary of State calling everyone who worked in the public sector, presumably including his constituent who would be affected by this cap, a fat cat. We will wish to give the provision particular scrutiny in Committee.

I turn to a subject which is not currently on the face of the Bill, but on which the Secretary of State has chosen to make announcements today. It is important that the Government publish their Sunday trading consultation response, along with all submissions. I was rather hoping that it might turn up while we were speaking today so that we could look at it before we vote on Second Reading. The Government must publish it in full and immediately, and tell us what form amendments to the Bill or new clauses relating to the deregulation of Sunday trading will take.

We all await all the details, but it is deplorable that at this late stage in the Bill’s passage through Parliament—after the Bill has gone through the House of Lords—the Government have seen fit to introduce these changes.

**Toby Perkins:** My hon. Friend will be aware that a huge number of Members are not present in the Chamber. They may well have read the Bill and may be coming at 7 o’clock to vote on it. We know that a number of Government Members feel very strongly that, for Christian reasons, they do not wish to support further extensions to Sunday trading. They may well unwittingly vote for the Bill, not knowing what has been announced from the Government Dispatch Box.

**Ms Eagle:** That is right, but God does move in mysterious ways Her wonders to perform, so perhaps between now and 7 o’clock those with an interest in the matter will realise what is going to be in the Bill, or the Secretary of State might even do the decent thing and publish the paper and the changes that he is proposing so that we can have a look at it before all of us go through the Lobby tonight.

[Ms Angela Eagle]

Let me remind the House that this is a policy that was not in the Conservative manifesto, which the Government tried suddenly to crow-bar into the Cities and Local Government Devolution Bill, but which they wisely abandoned at the last minute in the face of widespread opposition, not least from their own Back Benchers. The current arrangements were legislated for separately in a stand-alone Bill which received Royal Assent on 5 July 1994. I should know, because I served on the Bill Committee. The current arrangements work well and mean that retailers can trade, customers can shop, and shop workers can spend time with their families on Sundays.

**Catherine McKinnell:** I apologise for interrupting my hon. Friend's flow. Does she share my concern that the Government's approach appears to be either underhand or incompetent? Will she seek reassurance from the Government that it is neither of those?

**Ms Eagle:** The Government have spoken. They keep acting as though we know what the changes are, when we do not. They have chosen not to give us any warning that they were going to be in the Bill, not even a private tip-off, so we have to react completely in the dark. Other than what was said from the Dispatch Box, we have no idea what will be in the Bill. [Interruption.] The Minister for Small Business, Industry and Enterprise chunters away from the Front Bench, saying that these changes are minor, but we do not know whether they are minor until she publishes them and we read them. If she would like to publish them now, we can have a five-minute break, go out and read them and check whether she is telling us the truth.

**Anna Soubry:** The hon. Lady was obviously present during BIS orals, so she heard me say, for example, that this is about devolving power down to a local level. [Interruption.] Hang on! Chill out! Calm down! It therefore gives local authorities the power to decide whether they will extend Sunday opening hours to a very small number of shops. That is what it is about. It is not some huge, major measure. I would be the first to say that this is about the devolution of power. I think the hon. Lady has a problem with letting people at a local level make the decisions in the interests of local people.

**Ms Eagle:** I have no problem whatsoever with letting people decide locally, but it is not for a Government Minister to tell the Opposition what their attitude to something should be before we have actually seen what the proposed clauses say. The Government are asserting, even as we speak, that the public sector exit payments are all about fat cat public sector pay-offs, but we have discovered—because this has actually been printed in the Bill—that those fat cat payments apply to people on £25,000 a year. The right hon. Lady's view of reality may not be the same as that of the Opposition. As a Minister, she should realise that, if she wants the Opposition to take a view on something, she should publish it.

**Anna Soubry:** Does the hon. Lady accept that the exit payments will apply to only some 5% of workers, because we are talking about a redundancy payment of £94,000?

**Ms Eagle:** The provisions will affect people who earn £25,000, but who are being labelled as fat cats.

**Anna Soubry:** By you!

**Ms Eagle:** By the Secretary of State! They earn as little as £25,000 and have given their lives to long public service. We know that because the clauses have been printed. The right hon. Lady should publish her Sunday trading clauses. The Government should have published them a lot sooner, if they were going to put them in the Bill.

I can only assume that the Government chose to introduce the changes to Sunday trading at such short notice in the hope that they can bounce them through the House with minimum opposition and scrutiny. This is yet another example of them governing from the shadows. It treats the House of Commons with the utmost disrespect, and it treats the House of Lords with contempt. Given that the Cities and Local Government Devolution Bill was subject to scrutiny by a Committee of the whole House, will the Secretary of State do the same for the Sunday trading amendments that the Government will table to the Enterprise Bill? That is the least he can do in the circumstances.

Unless something else comes to light, we do not intend to oppose the Bill's Second Reading, but we are disappointed at this legislative pudding. We are even more disappointed at the developments on Sunday trading, and we will hold this Government to account as the Bill goes through Committee.

3.31 pm

**Mr Jonathan Djanogly (Huntingdon) (Con):** I declare my interests as stated in the Register of Members' Financial Interest.

I am always happy to welcome Conservative-proposed legislation that is aimed at assisting the conduct of business, particularly small business, not least because I represent a constituency with one of the largest proportions of small business ownership in the country.

I want to address the role of the small business commissioner proposed by part 1 of the Bill. I am not concerned about the concept of the new role per se—I thoroughly welcome it—but I want to explore its scope and interaction with existing schemes.

On capacity, the new £1.1 million SBC website should handle 390,000 disputes from 70,000 businesses, yet the SBC will deal with only 500 complaints a year. That gives rise to the question of what will happen with the rest of the disputes and what the real impact of the proposal will be. Could the site cope with the workload of significant numbers qualifying for assistance? That remains unclear.

I am also concerned that the background papers are light in identifying what is currently being done to give advice and information to small firms. In other words, is this going to be a consolidation of various existing advice givers, or will it be something new, delivered in a new way?

The law already forces large companies to report payment practices on a six-monthly basis. Likewise, the prompt payment code has been strengthened to start a 60-day maximum payment period. Importantly, the Government have been leading the way by imposing

strict payment terms on themselves. All that is very good, but it would be helpful to further assess whether those issues are working and where the remaining gaps are. I am surprised that the remit of the SBC covers only large private organisations, not public sector ones. I am not sure why that is.

There is also a regime for statutory interest on late payments where there is no contractual provision. Should we not be asking why that has not worked? Can we assume that to be the case, given this proposed legislation? If so, should we not be getting rid of the old fixed interest legislation? Indeed, where it applies, is it simply being ignored by large firms that might be threatening small firms that try to enforce it?

It is impressive that we have a Small Business Minister—the role in itself is a statement of this Conservative Government's support for small business—and she is doing an excellent job. However, it would be interesting to hear a little more about how the Minister and the commissioner will interact and divide their jobs.

That leads us on to examining what the SBC will actually do. The SBC will take a non-legislative approach and will not give legal advice. There are no proposals to change court rules, and nor do we propose to go down the statutory route for enforced interest or penalties. That is my position, but it would be helpful to hear further justification for discounting the alternatives.

What has been proposed is more mediation and general advice, the complaints procedure and a statutory means for the SBC to make recommendations to the Secretary of State about the publication or provision of advice and information to small businesses. The question is whether the SBC should offer mediation, and the Government are saying no. My concern is that both parties need to agree to mediation, so if the late payer sees that mediation will remain as the low-cost option after a debt summons has been issued against it, why would it bother settling early, especially if one has to pay for mediation recommended by the SBC? I think the position might need to be reviewed. If the position is maintained, it might be smarter to have some kind of penalty or cost implication if one party has refused to attempt mediation before court.

I am also slightly unsure how the SBC will be encouraged to engage in signposting help at an early stage. We will need to tread carefully so as not to allow signposting to become legal advice. On the other hand, the SBC will be able to consider complaints by small companies at an early stage, and that could provide room for conflict. When it comes to providing advice, will that be generic or relevant to the sector in which a company operates, where, for instance, invoice payment times may vary significantly?

The notes focus on late payment advice, but that is only one aspect on which small businesses need help. For instance, a small business may well not have the resources or manpower to check the environmental or child labour practices of a large foreign supplier. Will the SBC help on such an issue? A lot of such signposting activity is currently carried out by business organisations, such as the Federation of Small Businesses and chambers of commerce. Will the SBC be expected to work closely with such organisations?

On the complaints side, the SBC can demand and order little. For example, the commissioner will not be able to order the production of documents from a

company that has been complained about. Given the lack of hard powers for the SBC, the question is how effective they will be. I think that a big part of the answer will be the SBC's ability to name and shame. Will the Minister explain how that will be carried out and publicised? The other key issue will be to have a charismatic leader, who will not be overwhelmed by the number of businesses involved or the lack of powers that go with the job.

That leads to the broader question of what the SBC should be about. In the other place, there was a description of the broader powers of the Australian SBC, and the Minister, Baroness Neville-Rolfe, responded that despite the success of the position in Australia, the Government had deliberately decided not to give our SBC as wide a remit. However, she did not really explain why that was the case, and an explanation would be helpful. Are there, or will there be, provisions in the Bill that will allow the role to be adapted, as is likely to be required? I know that the FSB wants there to be an advisory panel for ongoing consultation. Will that be provided?

Of course, it is not only Australia that has a champion for small businesses. The United States has had a Small Business Administration since 1953, and I once had the pleasure of visiting it in Washington DC. With more than 3,000 staff and a series of forthright commissioners who happily make a huge fuss about proposed Government regulations on business, it is pretty formidable. It has many other roles. Importantly, it leads on efforts to deliver 23% of prime federal contracts to small businesses, and it provides loan guarantees of up to 90% to small businesses. Although I am not saying that we should necessarily copy those foreign small business commissioners, will the legislation enable an ongoing review of what is required for the SBC to ease the way through the difficulties and regulation that we know hinder all small business?

**Several hon. Members** *rose*—

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Order. I advise Members, before the Front-Bench team come in, that there will be a seven-minute limit after Hannah Bardell.

3.37 pm

**Hannah Bardell (Livingston) (SNP):** I rise to speak for the SNP, and, unfortunately, against the Enterprise Bill, which contains the typical Tory agenda of the privatisation of public assets, and the penalisation of public sector workers. Although we support the long-overdue creation of a small business commissioner, the action to support small businesses does not go nearly far enough. The Bill is, in our view, a wasted opportunity to back small business, incentivise investment and innovation, and encourage entrepreneurship.

The ill-conceived and badly drafted nature of some aspects of the Bill are particularly disappointing. Our key concerns lie in three areas. First, we are concerned about the level of support for small business. We welcome the concept of a small business commissioner, and it is important that the office has real power and teeth to address critical issues facing small businesses. The picture on private sector late payments is getting worse, and the SNP will press for further protections for small and supply-chain businesses around late payments and

[*Hannah Bardell*]

retentions. The SNP Scottish Government have a proud record of supporting small and medium-sized businesses, and we want the UK to do all it can. Unfortunately, a commissioner with no powers of reprimand is of little value, and it comes at a significant cost to the taxpayer.

Secondly, we feel strongly that the UK Green Investment Bank has acted as a core investor in the UK's green economy, and it should continue to do so by sticking to its green objectives. The SNP opposes plans to privatise it, which would result in the loss of a significant public stake and of the bank's green objectives. The GIB is an established means of managing the pressing and vital transition towards a low carbon economy.

Sadly, the UK Government are not only failing to give the right support to our oil and gas sector, but simultaneously pulling the plug on renewable technology subsidies and projects, while also privatising the very bank set up to help the UK to meet its green objectives. That is a triple whammy of destruction for the future of our energy industries. The SNP support the Government maintaining a significant public stake in the GIB. Given the impact of devolved law, any privatisation of the GIB in part or in full will require a legislative consent motion in the Scottish Parliament.

Thirdly, one of the more poorly thought out and drafted parts of the Bill is the capping of exit payments for public sector employees. Despite the UK Government's rhetoric, that will affect many public servants on low and moderate salaries—midwives, nurses, librarians and social workers—who have given long service to the public sector, as we have already heard. Some parts of the Bill are so poorly drafted that they make little sense. The Bill does not properly reflect the results of the consultation undertaken by the Government or the initial plans drafted following the consultation.

**Chris Stephens:** Does my hon. Friend share my concern, and that of the Public and Commercial Services Union, that the consultation period did not follow the Cabinet Office consultation principles, under which there should be a 12-week consultation? The consultation on the exit payments lasted four weeks and took place during a peak holiday period for the civil servants involved.

**Hannah Bardell:** I share my hon. Friend's concern. If we are going to have consultations, we should let them run for the full period and take proper cognisance of their results.

The SNP opposes the Government's plans for caps on public sector exit payments. We note the specific concerns raised in the other place regarding the complete lack of an impact assessment alongside the Bill. That is regrettable, but not unsurprising, as this Government seem to lurch from one piece of disastrous legislation to another.

A small business commissioner may be a great idea on paper, and perhaps even in practice, although I am not entirely sure that, at a cost of about £1.1 million, we will get value for the price paid. If the commissioner has no powers to reprimand, how can decisions be enforced? In 2011, research by the Federation of Small Businesses found that 73% of small businesses had experienced late payment in the previous 12 months, with half having

outstanding invoices of £5,000 and a fifth of £20,000. The Department's own impact assessment sets out research by the payments service BACS, undertaken in January 2015, which shows that the average small business is waiting for £31,900 of overdue payments and that late payment is costing small and medium-sized businesses nearly £27 billion every year.

In Scotland, research released by the Bank of Scotland at the end of January 2016 showed that the amount the typical Scottish SME is owed has ballooned by about 60% in the past two years alone. The research found that the average amount owed to Scottish SMEs on invoices has increased from £50,000 in 2014 to £80,000 in 2016. Late payments were identified as the biggest challenge facing firms. FSB Scotland's Colin Borland has said:

“One in four smaller businesses will go bankrupt if the amount outstanding grows to £50,000.”

We need stronger and more stringent legislation in this area.

The picture on private sector late payments is therefore getting worse. As I have said, we welcome the Bill's creation of a small business commissioner, who would assist small businesses. However, the SBC does not have the necessary powers to do the job. We share the FSB's concerns that little detail has been provided about the exact powers and resources the commissioner will have at his or her disposal—for example, the powers to refer cases to the Competition and Markets Authority or to make legally binding rulings. The UK Government could do much more in the Bill to remedy problems in the private sector caused by moneys being withheld from the supply chain.

I recently met those involved with the Specialist Engineering Contractors Group, which represents 60,000 specialist engineering firms in the UK construction industry. They have called for the Bill to provide for a retention deposit scheme. They explained to me that withholding retentions is a common feature of construction contracts and the devastating impact that has on small and medium-sized businesses. At any one time, £3 billion is held in retentions, and £40 million was lost by UK construction firms in retentions in 2015 owing to the insolvency of the main contractor.

We believe that a retention deposit scheme could take the form of the project bank accounts piloted by the Scottish Government. I urge the Minister to engage with my colleague Fergus Ewing MSP, the Minister for Business, Energy and Tourism, to hear how well that scheme operates in Scotland. Our Deputy First Minister, John Swinney, announced in April 2013 that we intend to trial project bank accounts. Trials are taking place in NHS Lanarkshire, Transport Scotland's Inveramsay bridge project and the Scottish Borders Council's Galashiels transport hub project.

The Scottish Government have also taken action on prompt payment in public procurement. We implemented our prompt payment policy in 2009 by introducing a contract term for all public bodies to ensure that supply chain firms were paid within 30 days under all public contracts. We expect all public bodies in Scotland to follow our lead by implementing and enforcing prompt public payment policies that deal fairly and transparently with businesses, and to publish their results. We hope that they will follow suit and consider those points.

Our action on private sector late payments has been supported by the chief executive of the Scottish Chambers of Commerce, Liz Cameron, who said:

“In the current economic climate, businesses need the confidence to invest and grow. Late payments can hold this back and the culture must be tackled from the top down.”

The SNP Government will continue to support the small business bonus scheme, which is delivering rates reductions for more than 100,000 firms across Scotland. We heard earlier at Business, Innovation and Skills questions that there is pressure on the UK Government to look again at that issue. We know that they are considering it and we look forward to hearing the results.

Since its inception, the GIB has acted as a core investor in the UK’s green economy. The SNP wholeheartedly opposes the plans for yet more privatisation, which in the case of the GIB will result in the loss of a significant public stake and the bank’s green objectives. The UK Government must provide assurances that the bank will remain headquartered in Edinburgh and that the full £3.8 billion commitment to the bank will be carried through. We also seek assurances that the UK Government will remain committed to maintaining a significant public stake to ensure that the GIB retains its original purpose as a green bank.

Industry experts have warned that the move to privatise the GIB could deter private sector investment in the UK’s low carbon economy. Concerns have further been raised over the potential impact that it could have on the tension between the GIB’s longer-term, higher-value projects and the temptation to invest in projects that create short-term returns.

We are particularly conscious of the concerns raised by the Environmental Audit Committee in its 2015 report, which said that

“two key risks to GIB cannot be avoided merely by protecting its green purposes: first, the risk that GIB will move its focus away from novel and complex projects which struggle to find funding in favour of easier and less complex projects, and second, the risk that a privatised GIB could invest in areas which may damage its reputation and undermine its role and leadership in the green economy.”

If a Committee of this House is so concerned, why are the Government not concerned and why are they not taking action in this regard?

It is the firm view of the SNP that the Enterprise Bill’s removal of public sector controls on the GIB would require a legislative consent motion in the Scottish Parliament, given the impact on devolved law. That view is supported by Aileen McHarg, the professor of public law at Strathclyde University, who said it was “incontrovertible” that the green purposes included in the legislation related to devolved matters and that Scottish consent would be required for any change that might

“have implications for future investment in green technologies”.

I hope that the Minister and the Government heed that point and remember that we have devolution for a purpose, not just to mitigate the dire decisions of this UK Government and to pick up the pieces of Tory policy, as is so often the case.

A number of the bank’s investments are relevant to Scotland, including a £2 million investment in a sewage heat recovery system installation programme in locations across Scotland; nearly £30 million of equity investment

in the construction of Levenseat Renewable Energy Ltd’s energy waste recycling plant; and a £6.3 million loan to Glasgow City Council to enable the replacement of its streetlights with lower-energy lights. The list goes on. All those projects are significant to the local communities of Scotland and to Scotland as a whole. We do not want any of these opportunities to be lost to yet more privatisation.

Finally, I turn to the plans in the Bill to cap exit payments for public sector employees, which will, despite the UK Government’s rhetoric—and it has been poor rhetoric at that—affect many public servants on low to moderate salaries. The SNP shares the concerns of the union Unison, which opposes the Government’s plans for caps on public sector exit payments. The Cabinet Office has confirmed that some people who earn less than £25,000 a year could be affected because of their long service—that is, serving the public, often for salaries below those in the private sector.

The trade union Unison has pointed out that the proposed cap would affect redundancy payments for a wide range of NHS staff and would not be limited to groups that the public view as executives. Because, as we have heard, redundancy calculations are made on the basis of length of service and earnings, and because a significant number of NHS staff work unsocial hours, capping the payments could affect staff in band 6 and above. The jobs that fall into band 6 include nurses, midwives and paramedics. Are we really saying that those people are fat cats and that they do not deserve such payments at the end of very long, difficult and challenging careers?

In January 2015, the Minister for Employment promised an exemption for low-paid public sector workers. She said:

“This commitment, which will be included in our 2015 General Election manifesto, will cap payments for well-paid public sector workers... Crucially, those earning less than £27,000 will be exempted to protect the very small number of low earning, long-serving public servants”.

Unfortunately, the Bill does not reflect the promise made by the Conservative Government.

The Government’s plans have also failed to take account of inevitable inflation and earnings growth. If this cap is introduced, there must be a commitment to index-link the cap, to ensure that it meets its original intention without becoming more and more punitive over time. The Local Government Association has criticised the Government’s plans, stating:

“The consensus among the respondents to our consultation exercise felt that the policy as drafted with a cap set at £95,000, which includes strain on fund costs, unjustifiably penalises older, longer serving, junior to middle ranking employees in local authorities.”

Unison highlighted a particularly poorly drafted and concerning section of the Bill—well, perhaps it was intended. Under section 5, payments made in respect of death are outlined as exempt, but in the Government’s hurry to introduce those harsher regulations at the last possible moment before the Bill is enacted, they seem to have decided that dead people might be worried that their exit benefits might be affected if they decide to return to work in the public sector. That does not make sense, and it needs reviewing and proper thought.

The rhetoric of the Tory Government on the pay and conditions of our vital public servants stands in stark contrast to the record of the SNP Scottish Government.

[Hannah Bardell]

The Scottish Government introduced the living wage to the public sector pay policy in 2011, initially helping 6,000 public servants and benefiting around 3,000 workers each year. The living wage of £8.25 per hour is now paid wherever the Scottish Government control the pay bill.

In Scotland, the SNP Government highly value our NHS staff. We have not imposed the same unfair contractual changes on junior doctors that the Tories at Westminster are attempting to impose, and we have protected the nurses bursary, which the Tories have scrapped in England. We have maintained a no-compulsory-redundancy policy, while in NHS England there have been more than 17,000 compulsory redundancies since 2010. Overall, there may be some good intentions buried among some bad ideas in the Bill, but the SNP feels that it is a missed opportunity to back small business, incentivise investment and innovation, and encourage entrepreneurship. It is more “bits and bobs” than the bigger picture.

3.52 pm

**Chris White** (Warwick and Leamington) (Con): The Bill contains a wide range of measures, but I shall focus specifically on the Government’s further action on apprenticeships. The target of 3 million apprenticeship starts by 2020 is a welcome ambition, but we must ensure that they are of sufficient quality to equip those enrolling on an apprenticeship with the necessary skills, and to increase the flow of talented individuals into the workplace. Addressing the skills gap must be an absolute priority.

I have seen many examples in my constituency of the value of apprenticeships to all parties, and I am pleased to report that since 2010 there have been 3,450 apprenticeship starts, no doubt assisted by the demand created through the strengthening of our economy. Some 99.3% of businesses are SMEs, and it is therefore essential that we incentivise and encourage them to take on apprentices. I welcome the fact that the apprenticeship grant for small businesses has been extended for another year.

The Secretary of State wrote in *The Daily Telegraph* about an imminent fourth industrial revolution, and stated:

“We led the Industrial Revolution over 200 years ago when scientific leaps and technological innovations brought enormous economic benefits and improvements to living standards.”

Industry 4.0 refers to the fourth industrial revolution and the rapid advancement of technology that will change our economic landscape further. Such technology includes machinery that can improve efficiency and productivity. It is therefore vital that our workforce are sufficiently skilled to use that new innovation.

Warwickshire College, in my constituency, is doing its bit to equip young people with the skills necessary to succeed. It has recently opened an engineering block, with provision for a further 285 advanced apprenticeships and 253 higher apprenticeships. As I mentioned in a debate last year on vocational qualifications, we must work harder to achieve parity of esteem between academic and vocational courses.

**Melanie Onn**: I fully support apprenticeships; indeed, I am taking on an apprentice in my office, which I hope exemplifies the point. Government data published this week show that young people from low-income households

in north-east Lincolnshire are less likely to receive post-16 qualifications than those in other areas of the country, even though they are more likely to get good GCSEs. My concern is that there is an over-emphasis on apprenticeships and insufficient support for other training opportunities, with apprenticeships being the only game in town. I am concerned that insufficient training is available for young people in post-16 education to meet the skills gap that so obviously exists.

**Chris White**: I appreciate the hon. Lady’s comments. We should ensure that each part of our society and all parts of our education system recognise what our young people need to succeed. The target of 3 million apprenticeships by 2020 is a major step towards achieving that, but we must recognise that there are other needs as well.

It is important to recognise that our young people need to see the benefits of earning and learning. The Government measure to protect the term “apprenticeship”, in the same way that the term “degree” is protected, is excellent. If the target of 3 million apprenticeships is reached, the achievement will, of course, be more significant if they are high quality. The move will add to the strengthening of the reputation of apprenticeships as a good way to start a career. It may be worth the Government investigating the possibility of allowing those who have completed an apprenticeship to use a suffix after their name, similar to the recognition given for achieving a degree. Coventry City Council offers the freedom of the city to those who have completed an apprenticeship. I understand that it is the only local authority in the country to do so. I see such initiatives as an excellent way to build prestige around apprenticeships. I encourage other local authorities to do the same.

The all-party group on manufacturing and industry leaders, in discussing the future of the sector, made it clear that we need to make a concerted effort to invest in skills to improve our productivity and competitiveness on the international stage. Apprenticeships can be instrumental in addressing the skills gap, which is absolutely vital for the future of the UK economy.

I welcome the measures in the Bill that allow the Secretary of State to set targets for public bodies in relation to the number of apprentices employed. Progress has been made, with a number of apprentices working across Whitehall, but the new powers will ensure that the public sector is a part of that ambition. I would like to touch on the use of the Public Services (Social Value) Act 2012 and the positive effect it can have on apprenticeship schemes. Partnerships between the public and private sectors to deliver projects have resulted in the commissioning of tenders that include an aspect of social value, such as the creation of additional apprenticeships.

We have come a long way since the concept of apprenticeships began in this country in the 12th century, but their value cannot be overstated. With 2.3 million apprenticeship starts in the previous Parliament, we have made great strides. The further Government target for 2020 is to be welcomed. I sense a tipping point with apprenticeships and I, for one, look forward to a new generation benefiting from these schemes and to how strongly the initiative will contribute to our economy.

3.59 pm

**Mr Iain Wright** (Hartlepool) (Lab): It is a pleasure to follow the hon. Member for Warwick and Leamington (Chris White), my colleague on the Business, Innovation and Skills Committee.

In the main, notwithstanding the concerning revelations about future unknown clauses relating to Sunday trading, this is not a bad Bill. There is a bold and lofty ambition to the rhetoric accompanying the Bill, which is, I would suggest, somewhat at odds with reality. I think even the Minister would have to accept that the impact of the Bill will be very marginal in promoting a step change to improve the productivity, profitability and competitiveness of firms.

It is excellent news that the number of UK business births has increased to 351,000—the highest number since comparable records began in 2000—and I am particularly pleased that the north-east has the highest proportion of new business starts, albeit from a smaller business base. The increase in the number of start-ups is a commendable achievement, and it would be churlish not to acknowledge the Government's positive role in helping to bring it about.

The Government hope that the Bill will continue that trend, stating that it

“will cement the UK's position as the best place in Europe to start and grow a business”.

I support that ambition, but I doubt it will be achieved. Although they have been successful in encouraging business start-ups, they have been less so in facilitating business survival and growth. It is difficult to see how the Bill will change that. In the same period as we saw a record number of business births, we also saw a marked increase in the number of business failures: the number of business deaths increased to 246,000, which was three times the rate of business births.

That could be seen as the natural churn of a dynamic economy—it is a function of a market that businesses are born and naturally die—but business survival rates are worrying. The UK does well on firms that survive their first year in business—the average of 93% is well above the EU average of 83%—but the more sustained survival rate for British enterprises is poor. Fewer than 40% of UK companies last more than five years. Only Latvia, Slovenia, Portugal and Lithuania fare worse. A failure to last for any length of time limits British companies' ability to scale up and become more resilient, innovative and outward-looking, thereby taking market share, winning export orders and employing more people.

Sherry Coutu's report on scale-ups showed that a 1% growth in the number of firms scaling up in Britain would create an additional 238,000 jobs and add £38 billion in gross value added to the UK economy. Similarly, the recent report by Octopus Investments on high-growth small businesses showed that a tiny number of firms—22,740, or just 0.43% of the business stock in the UK—accounted for an unbelievable one in three new jobs in 2014 and 20% of all growth in the UK economy. These firms have the potential to do so much more, yet one in four finds it difficult to get the funding it needs and three quarters say that lack of access to funding is a significant barrier to growth. The problem of access to finance remains a pertinent issue for firms, which is why the Select Committee has launched an inquiry into it. If the Bill's purpose is to make the UK the best place in

Europe to grow a business, why does it not tackle access to finance? If the Government are serious about ensuring growth, why does the Bill not put in place measures to facilitate an expansion of scale-ups to power employment and economic growth?

A recent report by the RSA said that the complexities of the UK tax system, a lack of bank lending and the cost of running a business were the top reasons for failure and early corporate death. That being the case, why do the Government consider tax changes to be out of the scope of the Bill's deregulatory activities? Given that complexity in the tax system is seen as a drag on economic and business growth, to the point of often fatally overwhelming firms, why is tax not considered part of the business impact targets? The Government propose to make small businesses file their tax returns on a quarterly basis. That will have an enormous impact on small firms and place a regulatory burden on business. Should that sort of thing not be within the scope of the Bill?

**Richard Fuller:** I thank the hon. Gentleman, a fellow member of the Select Committee, for giving way. His Front-Bench team talked about the Bill being more ambitious, and he is talking about cutting taxes and looking at ways to create more innovative financing. May I urge him to table his own amendments, from his own experience, so that the Government can come up with an even better Bill?

**Mr Wright:** I thank my colleague from the BIS Committee for his intervention. We share the same view about freeing businesses from unnecessary regulatory burdens. I want the Bill to be more ambitious and to bring about a step change. I mentioned the business impact target in clause 14. Is the Minister aware that, as drafted, the Bill imposes an additional cost on businesses? The accompanying impact assessment states that the best estimate of the cost of the business impact target is £10.5 million a year, with “no monetised benefits identified”. How can she justify that for a Bill that is intended to free up small businesses?

On taxation, small and medium-sized firms believe that the rules are applied rigidly against them, and that the larger and more powerful a company becomes, the more the payment of UK tax becomes almost an option—something like a casual thing to consider. That bullying and intimidation also applies to payment of suppliers by large companies. In that regard, the introduction in part 1 of the small business commissioner to handle complaints by small businesses about payment matters is a welcome step. I am pleased that the Government are establishing that.

As has already been said in the debate, the commissioner's powers are rather narrow. Part 1 grants the SBC the power to provide only “advice and information” to small firms, rather than enforcement powers. The commissioner has the capacity to consider in the region of only 500 cases a year. I question whether that is appropriate, given the huge, often endemic and structural problems certain sectors face with late payment. As the hon. Member for Huntingdon (Mr Djanogly) mentioned in a good speech, the commissioner could be too limited in scope; something akin to the Small Business Administration in the US may be more appropriate. For over 60 years, the SBA has been a consistent part of the small business support

[Mr Iain Wright]

ecosystem, providing funding, access to public procurement and mentoring to small businesses. Have the Government considered something similar here?

I shall finish with some comments about clause 21 and what can be defined as an apprenticeship. As the hon. Member for Warwick and Leamington, who sits on the Select Committee, said, this is a welcome step. Yesterday, we published our report on the Government's productivity plan, and we welcome that part of Government policy, although we are slightly more critical of other parts. However, there is a risk. The Minister will want to do all he can to ensure that the 3 million apprenticeships target will be met by 2020. In that context, there may be a temptation to double-count or rebadge apprentice numbers. Is that still possible under the Bill? Subsection (2) of new section A11 in clause 21 states that employers do not commit an offence if they describe a non-statutory apprenticeship as an apprenticeship. Will the Minister reassure me that only statutory apprenticeships will be included in the 3 million target?

In the main, this is not a bad Bill. It will help in some ways around the edges, but it will not provide the step change that small businesses need to scale up.

4.7 pm

**Alberto Costa** (South Leicestershire) (Con): Today the Government have brought before us an exciting and much-needed Bill that, if passed, will significantly and beneficially impact on enterprise in my constituency and, indeed, throughout our United Kingdom.

I would like to focus on the particular benefits brought by part 2 regulators and the business impact targets. This measure is an excellent way for the Conservative Government to help fulfil our manifesto commitments to our country by promoting a much better environment for business and enterprise to thrive.

As we have heard from my hon. Friends, Labour's record on regulation is appalling. When last in government, Labour oversaw the creation of six new regulations every working day, and that new red tape cost British businesses billions of pounds from 1998 onwards. Indeed, Labour Members do not understand the needs of businesses—and, worse still, on the basis of what we have heard from the Opposition Benches today they appear not to want to understand those needs. Under the last Labour Government, taxes on businesses were too high, and by all accounts, Labour planned to increase the rates of national insurance.

Achieving £10 billion of regulatory savings for businesses over the course of this Parliament is a key manifesto commitment—I stood on it—of this Conservative Government. This will build on the success of the previous Government's deregulation agenda, which itself delivered £10 billion of deregulatory savings over the course of the last Parliament.

Businesses constantly tell me and, I am sure, many Members that the actions of regulators are as at least as important as the content of legislation in determining their experience of regulation. For example—and this was mentioned earlier—according to recent business perception surveys, 46% of businesses agreed that preparing for inspections or dealing with inspectors was burdensome, 49% considered that they did not receive good enough

advice from regulators to make confident investment decisions, and 73% of scale-ups thought that they would be able to grow faster if dealing with regulators were easier.

**David Rutley** (Macclesfield) (Con): My hon. Friend is making a very considered speech. I agree that cutting red tape is a huge priority. We made progress in that respect during the last Parliament, and we intend to cover much further ground by means of the Bill. Does my hon. Friend agree, however, that it is also vital for us to push back regulation from the European Union, and that the European Union could learn from us? Does not Tusk's latest announcement show that even the EU is now learning from what we are doing in this important area?

**Alberto Costa**: I welcome any measure that cuts inappropriate regulation, whatever the source of that regulation.

Considerable progress was made under the last Government through initiatives such as “one in, two out” to help businesses achieve regulatory compliance while not hindering growth. My own local enterprise partnership, covering Leicester and Leicestershire, served as a pilot in various initiatives to strengthen the relationship between businesses and regulators, which ranged from considering ways of improving information-sharing between regulators to working with groups such as the Federation of Small Businesses and chambers of commerce. That has been a priority, and we have seen some early successes which the Bill will undoubtedly further encourage.

According to the 2015 Leicester and Leicestershire business survey, 94% of employers saw regulators as professional and courteous, but just 49% felt that they were consulted by regulators when developing policies. [Interruption.] Opposition Members might want to listen to this. They might learn a few things about the importance of the Bill.

Those findings showed that there was considerable scope for further joint working and improvements that might be made by means of the Bill. [Interruption.] “Listen and learn” is the key today. [Interruption.] Opposition Members are more than welcome to intervene.

The Small Business, Enterprise and Employment Act 2015 commits future Governments to publishing, and then reporting on, their performance against a deregulation target, the business impact target. Little has been said about that by the Members who are now chuntering from a sedentary position.

**Mr Iain Wright**: I have just mentioned it.

**Alberto Costa**: The hon. Gentleman is more than welcome to intervene and comment on its benefits if he wishes to do so.

The Bill will extend the business impact target to include the actions of statutory regulators, and will ensure that they must carry out assessments of the economic impacts on business of any changes in their regulatory practices or policies. That will provide a wider focus for the Government to reduce regulatory burdens on businesses, thus enabling them to free up resources and boost productivity. It will ensure that there is even greater transparency in relation to the impact of regulation on business, as opposed to the opaqueness



that we saw during the 13 long years of Labour misrule. It will enable regulators to contribute to the Government's deregulation target of £10 billion of regulatory savings during the current Parliament, and—very importantly—it will give regulators more incentives to design and deliver policies that better meet the needs of British business.

Bringing the activities of regulators into the scope of the business impact target will ensure that the impact imposed on business by regulators is routinely measured and reported on—a move that was scorned by Opposition Members a matter of hours or even minutes ago. It will increase the clarity of the system, and give businesses greater assurance that any costs and benefits that are imposed on them will be thoroughly assessed. Legislating to extend the business impact target will most comprehensively achieve the increase in transparency that I have mentioned, and will bring about the reduction in burdens on businesses that Conservative Members wish to achieve. It represents not a small ambition, but a significant ambitious development of previous policies designed to improve the ways in which regulations are enforced.

This Bill will help to make sure that our United Kingdom is the best place in Europe to start and grow a business, and that people who work hard and start and run a business have the opportunity to succeed without inappropriate regulatory burdens suffocating their much-needed enterprise.

**Lady Hermon** (North Down) (Ind): Will the hon. Gentleman give way?

**Alberto Costa**: No, I am going to wind-up. *[Interruption.]* I did offer many Members on the other side of the House the opportunity to intervene, but they chose not to do so.

This Enterprise Bill will help to promote a real reduction in red tape, which the Members opposite simply do not seem to understand, and it will encourage businesses to expand and in so doing create more jobs and help people in our country thrive. That is the key to a successful Enterprise Bill. This Bill will allow British enterprise to flourish in my constituency of South Leicestershire as well as across our United Kingdom.

4.17 pm

**Caroline Flint** (Don Valley) (Lab): May I start by apologising for having to leave shortly after my contribution, but I am meeting the prisons Minister, the hon. Member for South West Bedfordshire (Andrew Selous), about enterprise in prisons and enterprising criminals—a debate about criminal entrepreneurs is for another day!

It is a pleasure to follow the hon. Member for South Leicestershire (Alberto Costa). He made quite a big deal about how Labour does not understand the needs of business. I gently remind him that it was his Government who announced the introduction of a new national living wage, and quite a lot of concern has been expressed by small businesses about how that is going to affect them, because there has been little consultation—*[Interruption]*—as my hon. Friend the Member for Great Grimsby (Melanie Onn) reminds me.

**Alberto Costa**: Will the right hon. Lady give way?

**Caroline Flint**: No, I am going to make some progress.

I have to say that I think it is quite fraudulent to call this an Enterprise Bill; it would fail under the Trade Descriptions Act. What do we actually have? We have the creation of a small business commissioner, and, as has been said, we are not against that, but the hon. Member for Huntingdon (Mr Djanogly), who has now left the Chamber, made it very clear that the danger in the creation of this post is that it will be meaningless—that the small business commissioner will not have the authority and power to do something about small businesses not being paid for their services in good time, which we have discussed so many times over so many years.

Also under this Bill, Ministers are considering how they can give regulators more responsibility for looking at the impact of anything they do on the businesses they regulate. I understand that as well; sometimes I think it would be simpler if we just put on every civil servant's screensaver the words, "Why am I doing this, and is this really necessary?" to nudge them into thinking about what they are doing and how it is affecting not only businesses but other areas of public policy.

As for regulation, however, we have been here many times before. When the last Government had a policy, they talked about "one in, one out". They advertised on websites for what regulations to scrap, but the problem was that they received many more suggestions for more regulations, not fewer, even from businesses themselves.

I would love to know the Government's regulation scorecard. The Secretary of State did not talk about the savings for business, but the truth is that many Governments often leave their term in office with more regulations in place than they inherited. For me, regulation has to be shown to have a purpose, and I have no problem with getting rid of regulations that are out of date or need updating, but they are important to make sure we keep products and people safe, and to ensure fair competition. If this Bill is hinting that the reason why enterprise in this country is not succeeding is purely down to centrally imposed regulation, I suggest that the Government do not understand what we need to do. I do not believe that the banking collapse, which affected people in this country and around the world as both consumers and businesses, was to do with over-regulation.

Let us look to the European Union in this regard as well, because the EU REFIT programme has already led to the withdrawal—*[Interruption]* I will thank my hon. Friend—*[Interruption.]* It would be great if the shadow Front-Bench spokesperson, my hon. Friend the Member for Cardiff West (Kevin Brennan), would let me finish my speech instead of taking interventions from those on the other side. As the House of Commons Library has confirmed, the EU REFIT programme has already led to the withdrawal of more than 400 proposals and to the repeal of some 6,000 legal measures in the past decade. That is good; that is what we want to see from the European Union.

To me, what is really important is the way in which Governments support and assist the development of foundation industries such as steel as well as the new emerging sectors in which businesses of all sizes have a stake. Truly, this Bill is disappointing in that regard. For those areas, it will be largely irrelevant. It could have done something to promote and protect responsible enterprise. It could also have brought in measures to

[Caroline Flint]

protect UK-based firms that pay fair and responsible taxes from being undercut by global firms that offshore their profits beyond the reach of HMRC.

The Bill is also disappointing on apprenticeships. I welcome apprenticeships. For too long, there has been an imbalance between the support for those who go to university and the support for those for whom the way into a good career and job prospects is through an apprenticeship. I have some questions, however. I welcome the clearer definition of an apprenticeship. There was concern in the last Parliament about too many arrangements being badged as apprenticeships and not quite meeting the test.

I also have some questions about the Minister's setting of targets for apprenticeships. The Bill appears to set out how the Government will meet their own apprenticeship target by creating obligations only on the public sector to provide those apprenticeships. If that is to be followed by specific targets for different public sector bodies, will she tell us what proportion of the Government's target of 3 million apprenticeships is to be created by the public sector rather than by private business? I, too, want the public sector to be model trainers, to grow the future workforce and to have model apprenticeships. We should be aware, however, that many local authorities will soon be less than two thirds the size they were in 2010. Many have been forced to shed thousands of experienced public sector staff. If they are now to take on more apprentices, this could appear to be a case of sacking experienced staff and backfilling with apprentices.

If public sector bodies are to be required to help to meet the apprenticeship targets, why does the Bill not extend the right of public bodies to require apprenticeship quotas in their public procurement contracts, in the way that the Government have done with centrally issued contracts over a value of £10 million? By imposing targets only on the public sector, the Government appear to have little confidence that the private sector will step up to deliver the apprenticeships that the Government and the country need.

The UK Green Investment Bank was intended to be a body that could make long-term investments in green and sustainable technologies, and I think it has done a good job. It worries me that it is being privatised just to get it off the balance sheet, but I hope the points that have been made about the special share situation will ensure that its green ambitions are protected.

I am looking forward to serving on the Bill Committee. I am sure that we will have further discussions about Sunday trading, and I hope we will be able to ensure that the Bill adds up to more than it does at the moment.

4.23 pm

**Nadhim Zahawi** (Stratford-on-Avon) (Con): I thank the right hon. Member for Don Valley (Caroline Flint) for at least being supportive of the apprenticeship agenda. Let us see whether she votes for the Bill tonight. I support the Bill and would like to congratulate the Minister for Skills on the excellent measures relating to apprenticeships. He took the time last week to speak at the national apprenticeship awards, which, as the Prime Minister's adviser on apprenticeships, I hosted. The Minister

showed the commitment of this Government to recognising the brilliant achievements of existing apprentices and the desire to spread those opportunities even more widely.

I start by mentioning the national apprenticeship awards because they are a perfect illustration of the success that apprentices can achieve, and this Bill will play a key part in expanding that success even further. The event was attended by more than 800 apprentices and business people, all of whom had come together to celebrate. It was a celebration of what an apprenticeship had done for them personally or for their business—even though the great and the good of Great Britain plc and the future stars of our economy had to sit through almost five hours of me co-hosting the event.

I can share with the House the fact that the overriding emotion of that evening was huge optimism. There was optimism about the great careers stretching out before those apprentices, the extent of which those young people were just starting to glimpse for themselves. There was optimism about the new, well-skilled workforce that are pushing businesses to the next level, and about the better products and greater services that those apprenticeships can help to create. It was a humbling moment standing in that room and seeing what apprenticeships can do for both apprentices and businesses. This Bill is all about extending these opportunities.

One nation Conservatism—compassionate Conservatism—has to be, at its root, about providing opportunity: an opportunity for everyone, wherever they have come from, whoever they are, whatever they dream of doing or being, to be provided with the resources they need to achieve that. Great Britain is a country of great opportunity. We sometimes forget that much too easily, but I know it so well, having come from Iraq to being a Member of this House. I want everyone—every single person in this country—to have the opportunities I had. This Bill provides the measures to ensure that the next generation can find opportunity in this country, through apprenticeships, a route often as good, if not much better, than a traditional university degree.

I am delighted by the measures in this Bill to expand apprenticeships in the public sector and protect the quality of the brand.

**Ian Paisley** (North Antrim) (DUP): I appreciate what the hon. Gentleman is saying about apprenticeships, but does he also accept that there must be a rebalancing and that that cannot be at the expense of public sector workers? It has to be done thoughtfully and in a fair way.

**Nadhim Zahawi**: The hon. Gentleman makes a good point, and I will address the public sector element of what I think is a very positive measure in a moment.

As someone who worked in marketing in a previous life, I know that when trying to sell something to someone, it is very important that the product is high quality. That is why I congratulate the Minister on adding legal protection to the term “apprenticeship”. It is vital that that is done; apprenticeships must be aspirational, and any misuse of this word on low-quality courses can be extremely damaging. Both the apprentice and the employer are let down by poor-quality courses, and have their time wasted. Even worse, it could mean that they are put off from being involved in the apprenticeships agenda ever again. Even a small minority

can damage the brand and detract from the majority of good news stories which should be shining through. In my work as the co-chair of the Apprenticeship Delivery Board, I have spent time speaking to many businesses, both small and large, and I have found that there is a real appetite to hire apprentices, bring younger people into the company and protect the skills base for years to come. We cannot let them down with poor quality and chip away at this good will.

The hon. Gentleman mentioned the public sector, and the 2.3% public sector apprenticeship target is equally important. As we move towards achieving 3 million apprenticeship starts, it is only right that the public sector delivers its fair share. The public sector employs 16% of England's workforce but lags behind on apprenticeships, and that is a real shame. There are many brilliant careers both in this country and on offer in our public sector. I am delighted that apprentices will be given a route into our civil service and have this great opportunity provided to them. But this is not just about providing opportunities for apprentices; I believe this provides a huge benefit to the civil service itself.

**David Simpson** (Upper Bann) (DUP): Does the hon. Gentleman agree that in order to achieve that higher level of apprenticeship and to create the apprenticeships themselves, there needs to be a working relationship between further education colleges, universities and the business community?

**Nadhim Zahawi:** That is absolutely right, and the hon. Gentleman raises a very important point. It is why we are organising a roadshow for FE colleges so that best practice can be shared. The Secretary of State has met all the universities, including the Russell Group ones, to explain to them the opportunity here, in both the public sector and the private sector. Degree apprenticeships are going to be a massive opportunity for our universities and for our public sectors. Employers have told me that they are likely to run graduate recruitment alongside apprenticeships, as a means of using the apprenticeship levy funds. That is a real opportunity for universities, because a lot of those employers will be looking for degree apprenticeships. They want to hire the best people as apprentices at a young age, getting them into their company earlier, so that they can develop their skills, build loyalty and enhance productivity. It would be a real shame if the public sector lost out on those talented men and women by not offering enough places and not competing for that talent. I am a firm believer that for any organisation, the most important resource is the human resource.

Good government requires excellent people. Apprenticeships are key to ensuring that that resource remains strong and that the public sector can compete for talent. We must remember that 3 million apprenticeship starts are 3 million chances—3 million opportunities to expand one's skills, to get a real job, to earn a wage, to contribute, to take part and to get on and do better. The measures in the Bill are vital in meeting that target and we must welcome them. I am delighted to support them tonight.

4.30 pm

**Albert Owen** (Ynys Môn) (Lab): It is a pleasure to follow the hon. Member for Stratford-on-Avon (Nadhim Zahawi). This is a big, clunky Bill that covers four

Departments, but today we have the captain of the ship, the Minister for Small Business, Industry and Enterprise, to take it through on her own. She is the sole survivor on the Government Front Bench. I hope that she will be a listening Minister, and will show that when she responds to the debate.

This is not an inspiring Bill, as many have said, but it does support apprentices, and I welcome that. The provisions in part 7 on industrial development will assist the roll-out of telecommunications and broadband to reflect the economic realities of the 21st century. My main issue is with part 8, which covers the restrictions on exit payments.

On apprentices, I am sure that we all agree that training and providing young people with skills and workplace experience is a good thing, but it is vital that we have real training for real apprentices, and that we have real skills for the future. We should not consider the targets alone; we should consider not just the quantity but the quality of apprenticeship schemes.

Part 4 applies mainly to apprenticeships in England, but some provisions apply to England and Wales. Indeed, the Employment and Training Act 1973 applies to Scotland, Northern Ireland and Wales. Contracts for apprenticeships are contracts for employment as defined in the Employment Rights Act 1996, so conditions for apprentices are UK-wide. English votes for English law might apply to the Bill, so I want clarification from the Minister on that point. I know that now is not the time to go over the anomalies of EVEL, but it is important that there is clarification because of the cross-border issues. People in Wales might have apprenticeships with companies in England, and such provisions would therefore apply to them. However, it is good that the Government are valuing apprenticeships and I support them on that.

The provisions on industrial development allow financial assistance of £10 million to £30 million to be given to projects under section 8 of the Industrial Development Act 1982 without a resolution from the House of Commons. As my hon. Friend the Member for Wallasey (Ms Eagle) said, that is a good thing, but a very small thing. Again, I want clarification from the Minister—who is concentrating, I am sure—that this applies to Welsh Ministers. If it is a UK project in Wales, will Welsh Ministers have the resources to roll out broadband in Wales?

I welcome these provisions, which are designed to get telecommunications rolled out across the United Kingdom. I have long been an advocate of universal broadband and I welcome the Prime Minister and the Government's U-turn on universal coverage. From time to time—[*Interruption.*] The Minister says “What?”, but if she had listened to Department for Culture, Media and Sport Ministers she would have known that they were dead against it up until Christmas, and that they have now changed their minds. I hope that roll-out will now happen. I would like a pilot scheme on the Isle of Anglesey. It is an ideal place to have it: an island community on the periphery of this country. If it works there, it can be rolled out across the rest of the United Kingdom.

The Bill will cap exit payments, and that is important. The proposal is designed for city hall chief executives, but the hon. Member for Stratford-on-Avon (Nadhim Zahawi) was wrong to say that it will apply just to fat

[Albert Owen]

cats. Nurses are not fat cats, and workers on nuclear installations in my constituency are not fat cats. We need to look at this issue.

The Treasury has the power to restrict the public sector workers covered by this measure. I would add to the list of exclusions, which already includes employees of the Royal Bank of Scotland, the Magnox employees in my constituency, who do difficult, dangerous nuclear decommissioning work. They have been caught up in this because the Office for National Statistics deems them to be in the public sector. The Secretary of State said, “We don’t listen to the ONS.” I would ask the Government to look at exemptions for Magnox workers. There are 23 constituencies that have Magnox estate, with Magnox workers, in them—14 are Conservative, five are Labour, three are Scottish National party and one is Plaid Cymru, so this is not a partisan trade union issue. This is indeed important.

These workers feel let down. One of the 120 constituents who have written to me said:

“To retain highly skilled workers in the nuclear sector, employees were promised that their contractual employment and pension arrangements would be safeguarded”.

If the Bill passes in its present form and does not exempt Magnox workers, they will be unfairly penalised. I think that that is an unintended consequence of the Bill, which is, as I said, intended to get the so-called fat cats. However, I am talking about decent, hard-working men and women on the Magnox estate who have been in the sector for a long time. When they negotiated their wages and their terms and conditions, they would often forgo wage increases to better their pension pots. They feel let down that the Government are looking to take away their conditions of service.

**Kevin Brennan:** Is it not also important to note not just that these workers should be classified by the ONS as being in the private sector, but that they are in fact private sector workers, yet they are being caught up in this Bill very unfairly?

**Albert Owen:** Yes, the Government recently put the estate out to tender, and it was won by a private company. Although, technically, these are Magnox workers, they work for various private companies in the decommissioning sector. I do think that this is an unintended consequence.

I ask the Minister to talk with her Treasury colleagues about this issue to get an exemption. Leaving this to mandarins in the Treasury is not good enough. Magnox workers feel let down by the Government, and the Government can and should act to exempt them from the Bill. I repeat: they are not fat cats, but decent workers.

If I had more time, I could talk about the Green Investment Bank, which I supported under the last Government. I worry about its privatisation, and my concerns about moving it to the private sector are very real.

I am surprised to see Sunday trading as part of this process. We should have a proper debate about the issue, and it should have been in the Bill so that we could see exactly what the proposals entail. The public do not want changes, although some businesses do, and I understand that. However, I think we have the balance right as it stands now on Sunday trading, and

that is why I oppose changes to leave decisions on Sunday trading to individual areas. We should keep Sunday special—that is what the House agreed when it had the opportunity to have a full debate, but it has been denied that opportunity now.

Let us get those exemptions for workers, let us support apprentices and let us roll out broadband through grants.

4.38 pm

**Andrew Griffiths (Burton) (Con):** I am delighted to be called so early to speak in the debate. It will not surprise colleagues that I want to talk about one specific element of the Bill: pubs. I should draw the attention of the House to my entry in the Register of Members’ Financial Interests, not just because I am the chairman of the all-party beer group, and I see lots of our members in the Chamber today, but because Burton is the home of not only beer and British brewing, but three of the country’s largest pubcos—Marston’s, Punch and Greene King. Obviously, therefore, the issues in the Bill are hugely important to not just my constituents and the people employed in those companies, but publicans and communities across the country.

**Graham Evans (Weaver Vale) (Con):** These days, pubs are not only competing with other pubs—they also have to compete with high street cafés such as Starbucks. Does my hon. Friend agree that it is therefore essential that we encourage investment in pub facilities?

**Andrew Griffiths:** I congratulate my hon. Friend on the work that he does to support pubs, not just in his constituency but in this Chamber, in standing up for British pubs and British brewing. He is absolutely right: this is a competitive business. Pubs are not just competing with each other for trade—for business—but with the likes of Starbucks. It is therefore absolutely essential that we allow them to invest in their estates. I will come on to that point later.

I have to admit that I was one of those who opposed the market rent only legislation when it first came in during the previous Parliament, because I was concerned about unintended consequences. We all want our pubs to thrive, our pub estate to grow, and our pubs to be successful and pay a good living to the publicans who run them, but we must also be aware of unintended consequences. I warned of repeating the mistakes we made with the beer orders. I know, Mr Deputy Speaker, that you are not old enough to remember the beer orders coming before this House, but that mistake, with the Government intervening in the marketplace and sticking their oar in, led to the break-up of the successful breweries and, indeed, to the pubcos that we have today. We have to be very careful.

The debate on this subject has been contentious; there has been a great deal of heat, and sometimes it has become somewhat unpleasant. I congratulate the Minister on the work that she has done in finding a way through this. She has not only shown an immense interest in the subject in talking to both sides and properly understanding the implications of what we do as a Government, but has not been shy in standing up to both sides. We know that there is a famous tradition of female Conservative MPs handbagging people around the table in order to get the best deal possible, and that is what the Minister has done to find a way forward. We must not forget

that pubs are not charities—they are businesses that employ 1 million people across our country and raise £21 billion for the Exchequer. We must therefore make sure that we have the right conditions to allow them to grow as businesses, and that is what the Minister is able to do.

My hon. Friend the Member for Weaver Vale (Graham Evans) mentioned investment. I am pleased that the Minister's proposals allow publicans to opt out of—to waive their right to—an MRO for the purpose of significant investment. It is absolutely right that our pubs need to be the best offering possible. They need to have good facilities, nice loos, and good heating. They need to be pleasant environments if people are going to go there and spend their money. He is absolutely right that they are competing with the likes of Starbucks. If we want people to pump money into our pubs, we have to give them security in making that investment. Why would the likes of Punch in my constituency invest a couple of hundred thousand pounds, perhaps even £300,000, in a pub to renovate it if it was likely to lose control of it in just 12 months' time? The simple answer is that it would not. The Minister's decision to allow the opt-out from—the waiving of the right to—an MRO will give some comfort to the industry and allow such important investment to go ahead.

I am concerned about red tape. The adjudicator, when introduced, could potentially have to deal with some 14,000 pub tenants. There is therefore a real risk that the adjudicator could be swamped with complaints. I hope that the Minister will be well aware of that when she brings forward the secondary legislation on how this thing will actually work. I am also concerned about the amount of red tape when somebody signs up for a pub tenancy.

**Toby Perkins:** Given how busy publicans are, they do not want to spend their time at the adjudicator. They want to be serving punters and getting on with running their business. What does the hon. Gentleman think it says about the way the industry is currently working if the setting up of an adjudicator creates the likelihood that it will be swamped because all those publicans are so unhappy?

**Andrew Griffiths:** I do not think creating an adjudicator does that at all. Very few tenants come forward with complaints under the current voluntary scheme. But as in any other sphere, when a new way to complain is advertised, people will undoubtedly come forward. Some of those complaints will be valid, but many will not be. We need to make sure that we do not ruin a perfectly workable system by allowing it to be flooded with the wrong kind of complaints.

The requirement first set out by the Government would have meant that a pubco had to provide more than 80 pieces of information to somebody who wanted to sign up for a tenancy, and those would all have had to be checked off and a receipt accepted. That compares with about 10 pieces of information that have to be provided to somebody signing a normal commercial lease. I agree that we should make sure that tenants walk into the arrangement with their eyes open and with all the information, a business plan, advice from a financial adviser and a clear understanding of what that business is currently doing and what their earning potential

is, but we should not make it impossible for a pubco to sign up a willing tenant who understands the business and understands what they are taking on.

On timescales, the suggestion is that the measure will come in at the end of May. Time is ticking and I hope the Minister will be attuned to the fact that this is a huge thing for tenants and pubcos to understand. Will she consider some interim measures to make sure that the measure can be introduced in a manageable way, and that the information does not swamp both tenants and pubcos?

Finally, I wholeheartedly support Sunday trading, as it would be good for the pub trade. The Association of Licensed Multiple Retailers and the British Beer and Pub Association say that encouraging people to come into our town centres on a Sunday to go shopping would also be good for our pubs. I entirely support that, but I remind the House of a letter that I received from Peter Hardingham, the manager of the Octagon shopping centre in Burton. Urging me to lobby for the important devolution to councils of Sunday trading regulation, he wrote: "Such a change in the law is critical to allow bricks and mortar retailers to compete with online retailers and to satisfy the customer demand that exists." That is absolutely right.

The legislation, devolving the power to local authorities, giving our local councillors control over what is best for their high streets, will allow our shops to compete with online retailers. We can order from the internet on our phone and get something delivered on a Sunday afternoon. How can our shops compete with those retailers? The measure is a great idea and I hope the House will get behind it. I thank the Minister for her work on pubs. Please listen to our concerns, and I will be in the Lobby supporting Sunday trading.

4.48 pm

**Michelle Thomson (Edinburgh West) (Ind):** I am grateful for the opportunity to contribute to the debate. In general terms, I have to describe the Bill as a missed opportunity. On the occasions that I have spoken in the House, I have reiterated my support for enterprise and how important I consider business to be, particularly small business, not just in creating wealth and jobs, but for the vital role it plays in our society and on our high street. In my maiden speech I commented that I will be "watching to see whether . . . an appropriate level of ambition and vision"

is in place, and I asked whether the Enterprise Bill would

"provide measures that really encourage and support small businesses?"

I added:

"Will it start to take steps to address the chronic lack of available liquidity for those businesses?"—[*Official Report*, 3 June 2015; Vol. 596, c. 630.]

I reiterate the comments of my fellow member of the Business, Innovation and Skills Committee, the hon. Member for Hartlepool (Mr Wright), that something must be done, and I am glad that BIS is taking that forward. The problem is not just liquidity, but tax. The hon. Member for Bedford (Richard Fuller), who is no longer in his place, talked about tax cuts. However, it is complexity and the regulations that still inhibit businesses with ambition that start to grow. Much, much more could have been done in that respect.

[Michelle Thomson]

Where are the measures to encourage research and development, by which I mean grants, not loans? Where are the measures for innovation, for emerging sectors such as technology, and for manufacturing, which still trails behind at 10%?

The Federation of Small Businesses is correct to ask what specific powers the small business commissioner will have. I and businesses are worried that it is this voluntary regime that will be trying to effect serious change. It is almost like Sergeant Wilson from “Dad’s Army” saying, “I wonder would you mind awfully if you could pay this bill at some point.” I do not think that that is going to work. I issue a challenge to the UK Government. The Scottish Government have had measures in place since 2009 whereby public sector bodies have to pay their supply chain after 30 days. How is it possible for us to do that, but not the UK Government?

My biggest concern is about the UK Green Investment Bank, which nestles on the border of my constituency and was one of the coalition Government’s few success stories. It was set up in November 2012 and has invested in the green economy in every nation in the UK. I understand that it was always planned to become an enduring institution that operated independently of Government, but I am concerned that that process is being rushed for political reasons and that its green focus and its headquarters in Edinburgh will be put at risk as a result.

The GIB has made a positive contribution. It has become the No. 1 investor in the green economy, taking a 50% share of the green investment market. Projects it has funded have removed millions of tonnes of waste from landfill; increased the amount of energy produced from renewables to power the equivalent of 3.9 million homes; and cut this country’s CO<sub>2</sub> emissions by more than 4 million tonnes.

More importantly, the bank is now making a profit, which could have been reinvested in any number of ways. As a state-owned institution, the money it makes could be of benefit to the taxpayer. Why do Government asset sales privatise profit and nationalise debt?

The green focus of the bank must be maintained. The Environmental Audit Committee has suggested that there is a

“risk that a privatised GIB could invest in areas which may damage its reputation and undermine its role and leadership in the green economy.”

That said, I welcome the amendments tabled by Lord Teverson, who suggested setting up a structure with a single special share owned by a charitable company, whose trustees would have to agree unanimously to any changes to the company objectives, with “no public input whatever”. That is absolutely vital.

Lord Kelvin has provided reassurances that he sees no need to move the bank away from Edinburgh, which was chosen as its headquarters, but that is not the point. During my lifetime in business, I have seen a steady drip of key functions that should be maintained at a headquarters being moved to London. That is what I am concerned about—not a wholesale, lock, stock and barrel move, but a dripping, corrosive effect that many areas of the UK have experienced to their detriment. The Scottish Government’s view is that a legislative consent motion could be required, because, if there is a

softening in the focus on the importance of green projects, that could impact on what the Scottish Government are trying to do.

In general, the Bill clearly has some positive elements, but it is nowhere near ambitious enough and nowhere near the sort of vision that I would personally like to see in supporting business, particularly small business.

4.54 pm

**Amanda Solloway** (Derby North) (Con): It is an honour to follow my fellow member of the Business, Innovation and Skills Committee, the hon. Member for Edinburgh West (Michelle Thomson).

The Bill will contribute to the UK continuing to be a leading nation in supporting businesses that show the initiative and courage to start up on their own. I want to touch on three provisions—those relating to late payments, late insurance payments and the capping of exit payments—all of which not only highlight the positive changes being made to business culture, but support the Government’s offer to businesses.

I have always believed that to ensure that the economy continues from strength to strength, we must start by repaying the contributions made to it by the smaller businesses in the UK. They employ more than 15 million people across the UK; that is 48% of our private sector employment. The provisions in the Bill aimed at making the UK a better place for them to go into business should create an encouraging environment in which they can carry out their day-to-day work and thrive at business.

The proposed small business commissioner will address many of the issues that smaller firms face when dealing with larger firms. Late payments are a problem that most small firms have to deal with regularly, and securing those payments can prove to be a costly and long-drawn-out process. I was shocked to read the numbers: SMEs in the UK collectively spend more than £10 billion a year on trying to recover late payments. That figure is simply unacceptable. I have first-hand knowledge of how late payments by larger businesses, which often have a late payment policy, can cripple small businesses.

In the current system, too often, payment disputes cannot be resolved without cases going to court. That process is limiting for small businesses, and the costs can spiral out of control, which makes it a barely viable option for SMEs. A recent study found that one in five businesses in the Derby region is the victim of late payments. Those late payments are a primary factor in a fifth of corporate insolvencies. That element of business culture must change. We must show smaller businesses that other options are available to them, that advice and support are on offer, and that we will not directly hit their business cash flow. Of course, large firms can, if they choose to, fund such procedures, but the expectation that SMEs will do so is unreasonable.

**Andrew Griffiths:** My hon. Friend is making an effective and strong case in support of small businesses, and in describing the problems that they face with late payments. Does she also find that small businesses are struggling with deferred payments, over longer terms? The fact that they are not being paid by bigger firms within 90 days, or even 180 days in some cases, is severely affecting their ability to survive.

**Amanda Solloway:** Absolutely, and the insolvency record proves that that is the case. We need to stop that awful practice.

It is important to maintain the ability of any business, large or small, to trade. Incidents sometimes unfold that are out of the control of the business owner, and they often necessitate insurance claims. The pay-out is often vital to the survival of the business but, as things stand, there is no legal obligation to pay valid insurance claims within a reasonable time. With no timeframe, businesses are often left in limbo about when they can realistically expect to start trading again, and the knock-on effects can be disastrous. I welcome the Government's commitment to combating unreasonably late payments.

Finally, I want to mention the six-figure exit payments to public sector workers. Such payments are required for a variety of reasons, such as voluntary or compulsory redundancies, and although I acknowledge that it is important that those payments be fair, we need to make sure that they are not disproportionate to the modern place of work. I reference Derby City Council, where a couple of redundancies led to payments of £140,000 and £180,000 respectively. It does not seem right to me that the taxpayer has to fund extortionate pay-offs for public sector workers.

I have no doubt that the Bill will contribute to a much more transparent, friendly and desirable business culture in the UK. It will create an environment that encourages more people to start a business here, and it will cement the UK's position as one of the world's leading nations in supporting business and enterprise.

4.59 pm

**Toby Perkins** (Chesterfield) (Lab): I start by drawing the attention of the House to my entry in the Register of Members' Financial Interests.

Whenever I hear the Secretary of State speak, I am struck by the fact that I am listening to someone who appears to believe that Government do not work very well, and that business always knows better than Government. Indeed, he has set out to prove that by bringing to us a Bill that does not even contain its most contentious element. I am very concerned about the Sunday trading legislation, both because the Government are heading in the wrong direction and because this is a really important democratic matter.

The hon. Member for Enfield, Southgate (Mr Burrowes)—he has not been with us today—is very passionately against any extension of Sunday trading. Having read all the briefings and the Bill, he may very well walk into the Lobby at 7 o'clock in support of the Bill, without realising that he is actually supporting an extension of Sunday trading, as he would have heard had he been in the Chamber. He may very well be contacted by people who had previously been in touch with him, saying, "Why did you vote for Sunday trading?" He would reply that he did not know that he was doing so. How the Government are dealing with Sunday trading is an important democratic matter.

**Melanie Onn:** Does my hon. Friend agree that the current Sunday trading laws represent a great British compromise? They allow retailers to trade, customers to shop and staff to work, while Sunday remains a special day, permitting shop workers to spend time with their family.

**Toby Perkins:** I absolutely agree. We had long and very passionate debates about that during the last Parliament, particularly in the run-up to the Olympics, when the Government made what they said at the time was a short-term change to the Sunday trading legislation.

I have an interest in this matter in that my son works at Morrisons and is often there on a Sunday. One thing that will happen—I have had very few representations in favour of this—is that the supermarkets, finding that the others are opening, will have to start to open. That will not add any extra business, but it will extend or spread out the shopping week. It will mean that people have to work very late on Sundays, and people wanting to work during the week will find there are fewer shifts available during the week. No more business will be created; it will just be spread over a longer period. The period after 4 o'clock on a Sunday is vital to the convenience store sector, which is under incredible pressure.

**Andrew Griffiths:** I am listening carefully to the hon. Gentleman and I understand his concerns, but why does he think that the workers in Sainsbury's and Tesco deserve to have their Sundays protected as special, but not the workers in Sainsbury's Local or Tesco Express? They work for the same business, but one set of workers gets protection and the other does not.

**Toby Perkins:** The hon. Gentleman asks a legitimate question. All those questions were debated at the time of the original legislation. As my hon. Friend the Member for Great Grimsby (Melanie Onn) said, a compromise was reached. The existing compromise is vital for the convenience store sector. The number employed in large Tesco, Morrisons or Sainsbury's stores far outweighs the number employed in those other stores. I will not say anything more about that matter, but the exchange between the hon. Member for Strangford (Jim Shannon) and the Secretary of State entirely exposes the fact that many people do not entirely understand what they are being asked to vote for today.

I come to this subject as someone who ran his own small business for five and half years before entering this place and who spent the previous 20 years working in a range of medium-sized businesses—I was once a human being. I have also had the opportunity, as a shadow Business Minister, to debate many of the issues.

I was struck by what the hon. Member for Derby North (Amanda Solloway) said about the impact of late payments on small businesses in particular. Late payments beget late payments: when someone receives payments late from their customers, they end up being late payers to their suppliers, and so it goes on. She is absolutely right to say that action needs to be taken. She may want to research the amendments that we tabled to the Small Business, Enterprise and Employment Bill during the last Parliament. Those were far more powerful proposals, and I may encourage my Front-Bench colleagues to dust them off and have another look at them. Those serious legislative proposals would have outlawed late payment and removed the incentive for late payment.

When discussing late payments, we must understand why they exist. Payments are made late because businesses like to keep the money in their account for the purposes of cash flow. There will be an opportunity for a small business to go off to the commissioner and report their customer, but in the course of that process the big

[Toby Perkins]

company may well have paid the small business. That will not get the small business paid any quicker; it just puts in place a bureaucratic process. The idea of a small business commissioner in itself is not a bad one—it may well deal with some of the disputes between suppliers—but the idea that it is the solution to late payments is entirely wrong. It will make very little difference to whether or not companies are paid late.

The hon. Member for Burton (Andrew Griffiths) spoke about major companies that are setting out with purchasing terms of 90 or 180 days. They are paying after 90 days and they are not even late. The Government may say that, if companies do not pay within 60 days, they cannot be classified as a prompt payer under the prompt payment code, but these are relatively small measures. They do not provide legislative protection against major firms in the way that the amendment I proposed in the last Parliament would have done. I urge the Government and all members of the Bill Committee to look at how we can strengthen the proposals, because this is a matter of real importance.

It always strikes me that the Secretary of State believes all regulation to be a bad thing. Recently, I met the UK Weighing Federation, which had a reception in Parliament. It said that the lack of policing of the regulations in the weighing industry leaves the UK market open to cheap foreign imports that are not compliant and that undercut good-quality British manufacturing.

I agree with my right hon. Friend the Member for Don Valley (Caroline Flint) that we do not want unnecessary burdens, but we do want a regulatory regime that protects not only the consumer, but British businesses that are doing things in the right way. A similar case was made by NAPIT recently in respect of the electrical competent persons register and the lack of policing of building regulations.

Part 7 includes measures on the pubs code. I was pleased to hear the Secretary of State say today that the Government have listened and learned from the discussions in another place, and that the four triggers that were originally put in place when the legislation passed in that famous defeat of the Government in the last Parliament will be retained in the pubs code. It is incredibly important that the code continues to operate in that way.

It is important to remind Members who were not here in the last Parliament why we decided to legislate for the pubs industry in a unique way; we have not used that for any other industry. There was a simple unfairness in the relationship between the major pub companies, with all the power they had, and the small individuals who owned a single pub, who often put their life savings into it, only to find that the information that they had going into the relationship was very misleading. As a result, those people often found that they were not in a position to get the deal that they thought they were signing up to. It was incredibly important that we came up with an arrangement where they had the opportunity, at certain trigger points, to say, “I don’t think this relationship is working for me. I’d like to take my chances on the open market and buy beers from wherever I can.”

**Greg Mulholland** (Leeds North West) (LD): Is the hon. Gentleman concerned that pubcos are misrepresenting their investments and seeking, via that loophole, to game the legislation and avoid the market rent only option?

**Toby Perkins:** I am very concerned about that and I think that we need to inspect it. We want to encourage investment into the industry, but it is wrong if publicans are being told that an investment that was basically just to tidy the place up means that they no longer have the MRO option.

In summary, the Bill will do very little harm but will not do anything like the amount of good it could do. We have an opportunity to make it a Bill that is transformational for small businesses by ending the scourge of late payments, having a regulatory framework that really supports British businesses, and ensuring that publicans are supported and that small businesses have a fair opportunity to compete. At the moment, the Government are missing that opportunity. I hope that they put that right.

**Several hon. Members** *rose*—

**Mr Speaker:** Order. I am afraid that the time limit for Back-Bench speeches has to be reduced to six minutes, with immediate effect.

5.8 pm

**Edward Argar** (Charnwood) (Con): The Bill contains a wide range of specific provisions that are diverse in their detail but united by a common thread: a belief in business, particularly small and medium-sized businesses, as the driver of growth and jobs, and a determination to support businesses and make this country the best place in Europe to start and grow a business. Indeed, there is a determination to make this country a place where those who strive and work hard have the opportunity to flourish—something that the Minister for Small Business, Industry and Enterprise is very committed to.

The past five years have seen the deficit halve, the number of jobs go up and growth go up. The economic recovery in this country has been driven by businesses and workers, and by those who have taken the brave decision to set up a new business. We should be in no doubt that businesses have done the heavy lifting of economic recovery, and it is they, not the Government, that have delivered growth. However, the legislative and regulatory environment plays a large role in their ability to do so, which is why I welcome the intent and content of the Bill. Before my election to this House I worked in businesses that ranged from small privately owned firms to FTSE-listed companies, so this is a subject close to my heart.

On the specifics of the Bill, I welcome the establishment of a small business commissioner. I know that in the other place some called for that role to be strengthened, and I agree with the comments of my hon. Friend the Member for Huntingdon (Mr Djanogly). None the less, I believe that the proposal represents a significant and important step forward in helping to redress the balance between small and large businesses in respect of late payment. As my hon. Friend the Member for Derby North (Amanda Solloway) set out, to a small business late payments are not some minor matter because they can have a huge effect on cash flow. A large business may be able to absorb late payments or use their lawyers to pursue payment, but for a small business it can be the difference between that company’s survival or collapse. I hope that further consideration will be given to the role of small business commissioner, and to extending its scope to include the public sector and possibly late



repayments by HMRC. Although HMRC is keen to be paid swiftly, it often repays rather less quickly. Similarly, the prompt payment code continues to play an important role, and I hope that its effectiveness will continue to be monitored and reinforced.

Another sphere in which late payments can be a problem is late insurance pay-outs. Following a flood, fire or similar event, getting a swift insurance pay-out can mean the difference between a business rising, phoenix-like, from the ashes, or not rising at all. Although concerns were raised by Lord Flight about the impact of the Bill's provisions on insurance markets, I welcome them. I hope, however—like all of us, I am sure—that insurers will seek to pay promptly, regardless of any legislative stick.

In my remaining minutes, I wish to touch briefly on other aspects of the Bill. First, this Government have an impressive record of increased apprentice numbers, and an ambitious but achievable target of many more. Apprenticeships are real jobs that teach real skills and help the long-term employment prospects of many people, and I believe that the public sector should play its part and welcome the skills of those talented young people. It is vital that apprenticeships do what they say on the tin, and that they are genuine apprenticeships in which everyone can have confidence. Like guilds in the middle ages and the original apprenticeships, the Bill seeks to protect that quality and the apprenticeship brand, which I welcome.

Finally, part 7 of the Bill increases the maximum amount of aid payable before parliamentary authorisation is needed from £10 million to £30 million, which is a sensible reflection of inflation and cost since the 1980s. I also welcome the extension of the provision to include broadband services. Broadband is increasingly a vital public service, and it is essential to businesses, especially SMEs in rural areas and places such as my constituency. I hope that such support ensures that a good deal is achieved for the customer and not just for telecommunication companies, and that public money does not inadvertently create or reinforce market share or quasi-monopolistic provision by particular telecoms providers, but instead fosters competition and drives a customer-focused service. That means not just coverage, but new firms being connected swiftly and not facing myriad delays, obstructions and a poor service when getting themselves up and running.

Britain is growing and jobs are increasing, and that success is down to the work of businesses and those who work in them in this country. I am proud to support a Government and Minister who are placing trust in business, and the creation of conditions in which it can thrive, at the heart of the Government's agenda. The Bill helps to deliver that and should be welcomed by businesses and workers alike, and indeed by all Members of the House.

5.14 pm

**Louise Haigh** (Sheffield, Heeley) (Lab): This debate is vital for our economy, particularly if the Government are ever to put any meat on the bones of the so-called northern powerhouse. In a week when jobs have been moved from Sheffield to central London, and amid rumours that the chief executive of Tech North has resigned because of attempts by Whitehall to centralise that company in London, Ministers should be increasingly worried about how they can justify such a lofty term.

The missed opportunities the Bill represents have been admirably expressed by hon. Members and by those in the other place, whether on improving finance to SMEs, a broadened scope and sharper teeth for a small business commissioner, or some real vision for our renewables industry rather than a further undermining of investor confidence and security.

The focus of my remarks today will be on the cap for exit payments for civil servants. Labour Members are all for the best possible use of taxpayers' money. We are well aware that the headlines that disguise the real impact of the measures—to clamp down on pay-outs for so-called fat cat civil servants—will be very appealing, particularly at a time when so many people are still struggling. The Government know all too well, however, that that is not the whole tale.

On the face of it, this is a wholly reasonable policy. There are, however, several issues relating to employer flexibility, the public purse, people suffering from ill health, whistleblowers and staff morale at a time of huge change. I hope they can be ironed out in Committee. The proposals come at a time when we are about to see changes to the rules on recovery of exit payments and a consultation on reducing redundancy terms across the civil service. The latest proposals unilaterally override recently revised terms and conditions, and undermine agreements made at the highest levels of the Government's own employer representative organisations.

The recent exit payment policy for the NHS was signed off by the Secretary of State in February last year, when NHS trade unions entered into an agreement with NHS Employers and the Department of Health to apply an absolute cap on exit payments. After extensive negotiations, it was agreed that section 16 redundancy payments would be set out by a formula that recognises length of service as its key element. This was implemented in only April last year and is on the back of Lord Maude telling civil servants in the previous Parliament that their settlements would be sustainable for a generation. We know from the Government's own survey work that morale in the civil service is at an all-time low, with workers feeling year on year that they do not trust their leadership. Is that any wonder, when the rug is constantly being pulled from under their feet?

**Toby Perkins:** My hon. Friend is making an incredibly important case. Does she agree that there is a bitter irony in a Secretary of State, who obviously does not believe in government, spending £200,000 on employing consultants to come up to the northern powerhouse, shut the Sheffield office and move all the jobs down to London?

**Louise Haigh:** I completely agree. That point was made forcefully in the urgent question last Friday. Department for Business, Innovation and Skills workers were watching and were horrified by the Minister's response to that question. It is not understandable that those people are concerned that their jobs are only secure for the time being, until the Government can force through weakened redundancy terms? Given the announcement last week, people across the civil service will understandably be further concerned.

On the specific issues, people who have given long service to the public sector—midwives, nurses, librarians, social workers; people whom we, on either side of the

[*Louise Haigh*]

House, could not describe as fat cats—have dedicated their lives to improving society. Is the Minister comfortable that these incredible workers will be impacted by the cap on exit payments? Why, when this policy was proposed last year by the Minister for Employment, the right hon. Member for Witham (Priti Patel), were people earning less than £27,000 explicitly exempted to

“protect the very small number of low earning, long-serving public servants”?

**Christian Matheson** (City of Chester) (Lab): Does my hon. Friend share my concern that, on the one hand, the Government are always ready to praise the work and contribution of public sector workers, in particular at the lower end of the scale, but that, on the other, it seems they are not ready to recognise that financially when those workers come to the end of their careers and face the difficult decisions that have to be taken by management?

**Louise Haigh**: Exactly. That is a really important point, given that this is a clear U-turn in Government policy following the announcement last year. There is absolutely no such exemption in the Bill. In the NHS, for example, even without the inclusion of pension strain payments, according to research by the union Unison, the proposed cap will affect nurses, midwives and paramedics with long service. These issues were the subject of very high level negotiations, where a higher level cap was set to mitigate against penalising long service in key front-line services. For this reason, will the Minister consider exempting people with salaries on or below average earnings?

On industrial relations, the exit payment cap will be implemented across a range of public service areas that already have fair, transparent and effective procedures in place which arise from collective agreements negotiated between employers and trade unions that are sensitive to the specific issues facing each sector. If we have anything to learn from the junior doctors action, it is that good industrial relations are vital and that we should not legislate haphazardly to weaken terms and conditions.

The Secretary of State said we should move away from the “Whitehall knows best” attitude—I could not agree more—but the Bill weakens that ambition by imposing an arbitrary cap across the civil service on exit payments and by restricting the freedom and flexibility that employers require to manage restructuring and redundancies effectively, at a time when public sector employers require it most. The public sector is in the middle of its most dramatic budget cuts in decades, and employers are having to restructure almost every aspect of public services to meet their new budgetary constraints. In moving the goalposts in the middle of an extended period of large-scale reorganisation, without an initial period of protection, particularly for staff over 50, the Government are further limiting the opportunity for employers fairly to reconsider strategic and operational decisions made in previous reorganisations and planned to be effected in stages on the assumption that current agreements and policies would apply. Will the Minister therefore consider a grace period for public sector employers undergoing reorganisation?

On the public purse, the Government seek to justify the cap solely on the basis of the cost of payments to staff in the public sector between 2011 and 2014. This is the only evidence provided in their consultation, but it fails to recognise that, during the same period, employment in the civil service fell by 107,350, under the current civil service compensation scheme arrangements. No evidence is provided to demonstrate that the cap will deliver value-for-money savings, as changes in the compensation payments naturally affect the number of staff willing to exit the public sector, which might engender higher costs elsewhere.

As for the coalition Government’s early conciliation scheme, which has actually worked quite well, the proposals could have a perverse impact by diverting people to tribunals, where settlements will not be capped, and avoiding settlements at this optimal stage. Ministers should therefore consider exempting such conciliation payments from the cap.

Finally, two more important exceptions should be considered: first, whistleblowers, and secondly, people retiring on ill-health grounds. Whistleblowing is a vital part of our democracy, and capping settlements in such cases could easily deter people from blowing the whistle, given that this often puts their livelihoods and reputations at risk. The Government have made clear their intention not to include those retiring on ill-health grounds and that this will be put in secondary legislation, so will the Minister take this opportunity to make it clear that this is the case and that such people will be explicitly exempted?

5.22 pm

**David Mackintosh** (Northampton South) (Con): I believe that, thanks to the Bill, small businesses will be able to achieve their goals. We are removing red tape and implementing policies that will let them get on with running their businesses and helping to grow our economy further, on both a national and, equally importantly, a local scale. I am sure that all colleagues would welcome that.

In my constituency, it is possible to see how enterprise has been able to flourish in recent years. Since 2010, some 5,800 new apprenticeships have been created, thanks to the Government’s long-term economic plan—that means over 5,000 more young people in my area in work and learning valuable skills that will help them to pursue a full-time career and get on in life. Every apprentice I have met when I have visited businesses in my constituency has been positive about the experience and their future plans. It is crucial, therefore, that the Government meet their goal of delivering 3 million apprenticeships and continue the great progress being made in constituencies such as mine.

Apprenticeships are crucial to allowing young people a valuable insight into industry and teaching them many valuable skills they could not have picked up in the classroom. We all acknowledge that university or college is not for everyone. Apprenticeships allow everyone an equal opportunity to enter the workplace. I saw just last week on a visit to the Royal Opera House in Covent Garden how important apprenticeships were to the performing arts industry. From set designers to costume makers and stage managers, apprentices are crucial to passing down knowledge from one generation to the next. Those skills benefit other industries, as apprentices

go on to work in other areas, such as fashion design, and secure the survival of the creative industries. I am sure that the award-winning theatre in my constituency, the Royal and Derngate, will also benefit.

For that reason, I fully support the Bill and its aim of protecting the term “apprenticeship” from misuse, so that it will be treated in the same way as a traditional university degree. I am sure there can be nothing more frustrating for students than to learn that an opportunity labelled as an apprenticeship is not quite the real thing, when they have tried hard to be accepted on the programme and then put in so many hours. This is a move that I hope will be welcomed across the House—one that will ensure that apprenticeships are here to stay. I hope this means that they are now respected as much as a degree is—they rightly deserve to be.

There is some debate in my constituency on the issue of Sunday trading, but I fully support the measures that would let this be decided at a local level. I support, too, the debate that would have to take place before my council could make any decision.

In a recent Centre for Cities report, Northampton was named the second-best place in the country, after London, for business start-ups. This is obviously great news and an amazing achievement by small businesses in Northampton. In the same period for 2013 and 2014, Northampton had the highest average increase in the number of businesses, at 9.9%, while it also had the UK’s second-highest rate of employment, at 78.6%.

I am pleased to have lobbied the Government for Northampton to receive an enterprise zone, which has played a vital role in the regeneration of the town, providing good-quality jobs and attracting high-calibre companies to Northampton. There are huge opportunities for businesses to grow there and to embrace the entrepreneurial spirit for which Northampton is rapidly becoming known. I know that this Bill will help the town’s businesses to continue to develop, and I know that its measures will be welcomed in my constituency and across the country.

5.26 pm

**Greg Mulholland** (Leeds North West) (LD): I share the view of other right hon. and hon. Members that this is a hotch-potch of a Bill that rather loses the focus on what it claims to be about in its title. In the limited time available, I shall rattle through a few key issues and spend a little time on the section that deals with pubs.

Let us remember that the Green Investment Bank has been a huge success. This bank, which was a direct result of Liberal Democrat policy, has invested £2.3 billion into the UK green economy, which then attracted a further £7 billion of private sector money. This means that it is already profitable. Considering that it was set up only in 2013 with a statutory purpose, the fact that it is being privatised now with such indecent haste really exposes the ideological decision making behind this rather than what the Green Investment Bank was set up to do. I pay tribute to my colleague in the other place, Lord Teverson, and congratulate him and other colleagues on inserting their clever initiative on special shares being looked after by green guardians. I ask Ministers to think about what message is being sent out by this Government’s record on hitting our climate change targets.

Small businesses are the driving force of our economy. There are 5.4 million private sector businesses and 99.3% of them are classified as small. However, there are not enough measures in the Bill, which is an opportunity wasted. I welcome the creation of the small business commissioner. It is vital for small businesses to have a champion with a statutory footing, but the reality is, unfortunately, that this commissioner has no teeth. Any recommendations for resolving complaints will not be legally binding. We believe that the commission should have real sanctions, particularly over late payments, where repeat complaints against the same larger companies should result in state-level sanctions or penalties.

There are a number of measures to widen the responsibilities of regulators and to ensure that decisions do not impact negatively on small businesses. Clearly, that is welcome, but the measures will have little real impact. Has any assessment been made of whether this will lead to a significant boost for small businesses, which is what we want to see? We also want to see greater use of the growth duty.

Apprenticeships, of course, were yet another Liberal Democrat flagship policy during the coalition Government. Conservative Members keep talking about “the Government” over the last five and a half years, but that is simply not honest. It was the Liberal Democrats who pushed the apprenticeship agenda, and it was the former Business Secretary Vince Cable who oversaw that policy and the creation of 2.4 million apprenticeships. We warmly welcome the decision to make it an offence to describe a programme as an apprenticeship scheme when it is not officially classified as one.

Late payment is clearly a huge issue for small businesses. In 2014 alone, £46.1 billion was owed in late payments, and that simply cannot continue. We need stronger measures to deal with it.

I agree with what has been said about public sector exit payments, but I should like to hear from the Minister why, given that local government workers, teachers, health workers, police officers and fire and rescue workers are included in the cap provisions, public financial institutions have been excluded. Fred Goodwin, former chief executive officer of the Royal Bank of Scotland, reportedly receives an annual pension of £342,500. The public will surely demand that banks that have been bailed out should be the first to be subjected to the cap.

In the limited time that remains to me, I want to say something about pubs. I declare an interest as chair of the British Pub Confederation. The confederation gives a new voice to pubs and publicans and enables them to stand up to the British Beer and Pub Association, which represents the interests of the pubcos. Its members include the Federation of Small Businesses and the Forum of Private Business, the two leading small business organisations. We warmly welcomed today’s announcement of a U-turn on the disgraceful clause 8.12 of the draft pubs code, which will not now go ahead. It should never have been there in the first place, and where it came from we can only surmise, but I think that it must have originated from pubcos or their supporters.

What concerns us most now is the current proposal for the pubs code to allow a waiver for investments before someone signs up to a tenancy. That would clearly enable the pubcos to game the position.

**Toby Perkins:** There is talk of substantial investment, but a substantial level of investment by a city-centre pub will be far greater than a substantial level of investment by a small pub on a street corner. Is it clear what the Government mean by substantial investment?

**Greg Mulholland:** It is not clear, and I do not believe that there is sufficient understanding of the reality of pub investment. I suggest that Ministers in the Department and other Members read an excellent article in *The Publican's Morning Advertiser* by Robert Sayles, published on 6 January 2015, which exposes part of the myth that has been created by pubcos and their supporters. For instance, in 2015 Enterprise Inns invested £66 million—which sounds a lot, but only amounts to £13,200 per pub across the estate—and, interestingly, made a loss of £66 million at the same time, which it can offset against tax. Who is really investing in its pubs?

BIS has said that it will look at ways of preventing the pubcos from gaming the position. However, I want to deal with another myth. The last Conservative Government were right to introduce the Beer Orders in order to bring about competition. The fact that they gave way to industry lobbying and provided a loophole to allow the creation of the stand-alone pub companies was the problem, not the Beer Orders themselves. The Government must not do the same thing again. We must have a market rent only option that is triggered in the way that was intended in the legislation, and there must be no opportunities for the pubcos to game that, including abuses of the investment waiver. I look forward to continuing to work with the Minister and her team to deliver that.

5.33 pm

**Amanda Milling (Cannock Chase) (Con):** I am incredibly grateful for the opportunity to speak, and to speak after fellow members of the Business, Innovation and Skills Committee. I shall focus on clauses 20 and 21 in part 4, both of which relate to apprenticeships.

Addressing the skills gap is a key component in improving our productivity, and it is an issue that is regularly raised by businesses in my constituency. The Government's target of 3 million apprenticeships in England by 2020 is a key policy, demonstrating their commitment to addressing that gap. It is right for our young people, our workforce, our businesses and the economy. While university is the right choice for some young people, apprenticeships will suit others better, and it is time we recognised that.

If we are to achieve the overall 3 million target, all employers in both the public and the private sector must play their part. While there are examples where public sector organisations are already employing apprentices, such as in my local fire service in Cannock Chase, the measures set out in clause 20 will set targets on the public sector to ensure that they all fulfil their duty.

For too long there has been inequality between degrees and apprenticeships. This is why I welcome the measures set out in clause 21 to protect the term “apprenticeship” and ensure only those courses that meet the statutory requirements can be described as an apprenticeship. The term “degree” is protected in legislation so it is absolutely right that the term “apprenticeship” is put on an equal footing and protected too.

To achieve our 3 million target we must engage young people, parents, schools and employers. To reach this figure, we must increase awareness and understanding of apprenticeships, and also, critically, ensure that they are valued. The measures in clause 21 will strengthen and protect the apprenticeship brand and provide the foundations for increasing awareness and understanding, and enhance their value.

I was particularly pleased to hear the Secretary of State for Education's announcement last week that will require schools to give access to apprenticeship providers and colleges to create a level playing field in terms of academic and vocational career options. To date, there has been an imbalance, and little incentive for schools to direct young people towards apprenticeships. In my experience, the best advocates are more often than not the apprentices themselves.

I ask the Minister, however, what other measures are being taken to promote apprenticeships. Exports are another Government priority and they are being promoted through the “Exporting is GREAT” campaign. May I suggest that we enter into a similar high-profile campaign to promote apprenticeships? I ask the Minister to update the House on whether such plans are being considered.

**Simon Hoare (North Dorset) (Con):** My hon. Friend mentioned schools, and does she agree that it might be helpful for Ofsted, when it inspects schools, to ascertain how many pupils have been put on to apprenticeship schemes as part of how it measures a school's success or failure? That could be a driver to encourage schools to engage more proactively with the apprenticeship scheme.

**Amanda Milling:** I agree that we need to do more, and there is a role for Ofsted in that, by promoting apprenticeships in schools.

I would like to draw the House's attention to a number of facts which I believe go to show the value of an apprenticeship. Some 96% of businesses which have taken on an apprentice believe their company has benefited, and 86% of those who did an apprenticeship stayed in work afterwards, 67% with the same employer. We should contrast that with data that show that 47% of recent graduates who were in employment in 2014 were in “non-graduate roles.” A report published by the Sutton Trust in October 2015 suggested that the earning potential of the best apprenticeships rivals that of degrees. For example, level 5 apprenticeships result in greater lifetime earnings than undergraduate degrees from non-Russell Group universities.

I realise that in reality the majority of apprenticeships are currently level 2, but I am concerned that some of the commentary regarding level 2 can be quite negative, which, in my view, is rather dangerous. Level 2 apprenticeships give young people the opportunity to develop their skills and are a gateway to advancing on to higher levels. If we are not careful, we may create a two-tier apprenticeship system, replicating the very problem we have faced and are trying to address in terms of the inequality of qualifications. I therefore ask the Minister what measures we are taking to encourage level 2 apprentices to go on to level 3 and beyond.

To conclude, I welcome clauses 20 and 21 and believe they will provide the foundations to build awareness and understanding of apprenticeships and also to build their perceived value.

5.39 pm

**Jim Shannon** (Strangford) (DUP): It is a pleasure to speak in the debate. I would like first to express my concern over the redundancy payments. Other Members have already done so, and I know that the Minister has taken note of their comments. I have been contacted by constituents who are civil servants, and they are greatly concerned that the commitment they were given on the capping of mobile exit payments has now, as they see it, been reneged on. Some of the employees that this will target earn less than £30,000 a year.

I welcome the Government's commitment on apprentices. It is excellent to see that, but the Bill reminds me of the curate's egg, in that it is good in parts. Unfortunately, not all its parts are good and some of its proposals are quite unpalatable. However, we are pleased with the Government's commitment on apprentices. I also want to see more young ladies and girls getting involved in the science, technology, engineering and maths—STEM—industries, and particularly in engineering, which has some fantastic opportunities in Northern Ireland. We want to encourage that participation as well.

I commend the Minister for the strong stance that she took in the debate in Westminster Hall last week on late payments by big stores to small businesses and their suppliers. She will know that a lot of those payments are delayed, and that there have also been delays in the invoicing of receipts. The groceries ombudsman took the decision to penalise Tesco stores in particular, although it was unfortunate that they were unable to enforce a fine because of the timescale involved. However, the Minister clearly stated that she was pleased to see that decision, and we as MPs are also pleased by it. I commend her for her strong stance on that issue.

It will come as no surprise to hon. Members that I am about to raise the matter of the impact of the Government's changes to the rules on Sunday shop opening. I want to talk about the effect that the changes could have on the staff who work in those shops. The Minister will know my stance on this issue. Pressure to make the changes will be placed on shops, mostly smaller ones, across the whole of the United Kingdom. I understand that this measure is England and Wales-oriented, but there will be an impact on the way in which the regional devolved Assemblies view the matter. There will be pressure from the big stores to ensure that the changes in Sunday opening also happen in those regions where this is a devolved matter.

The claim that the changes will help small businesses is simply not correct. Many people feel that extending the hours will simply mean an influx of shoppers to the big chain stores, with the small shops suffering as a result. Earlier in the debate, the Secretary of State mentioned the pluses for small businesses, but I am not convinced by his argument. Indeed, many Members here today and many people outside this Chamber are unconvinced. Let us look at the evidence. I remember asking a question about this when the hours were relaxed during the London 2012 Olympics, and I was told that the smaller shops had felt little difference.

In fact, many of them lost money. Let us look at the facts. They had to pay staff to work extra hours but they did not generate enough extra business.

In an earlier intervention on the Minister, I mentioned that polling conducted by Populus in September 2015 had found that more than two thirds of the general public supported leaving the existing Sunday trading hours alone. In other words, don't change them! There is no need to change them, and people do not want them to be changed. They want them to stay as they are. The same poll revealed that 91% of shop workers were against extending Sunday trading hours. Allowing large shops to open for longer hours will lead to a displacement of trade from the smaller stores.

**Victoria Borwick** (Kensington) (Con): Is the hon. Gentleman aware that staff in many garden centres across the country are already working longer hours because they go in to feed the animals? So for some shops, more flexibility around opening on Sundays would be beneficial. I have been asked to make this representation on behalf of garden centres.

**Jim Shannon:** I am sure the hon. Lady knows we may have a different opinion on this matter, but I understand her point and accept that. She has put her point clearly to the Minister and I appreciate the intervention.

It has been stated that convenience stores lost some £26 million in trade during the Olympics, when Sunday trading rules were abandoned for eight weeks, although many Members in the House asked questions at that time to ensure that things would not go the wrong way. Only large traders would benefit from this move and no matter how the Government put it, the change to allow local authorities to do their own thing will lead to unfair competition, angst among some of the workers and a mishmash of Sunday trading laws. The Government have indicated that this will be introduced on Report, but let me make a final quick point on devolution to councils. Let us imagine that Manchester's council changes the Sunday opening hours but Liverpool's does not, that Burnley's does but Blackburn's decides not to, that Bournemouth's changes but Portsmouth's says, "No, we are not going to do it" and that Darlington changes but Newcastle does not—how ludicrous is that? What a mishmash, dog's dinner of Sunday opening hours there would be across the United Kingdom. There would be no consistency—it would just be everyone for themselves.

**Kit Malthouse** (North West Hampshire) (Con): Does the hon. Gentleman accept that it is for businesses to decide whether they open on Sunday, so it is perfectly possible to have that mismatch already when business owners make that decision for themselves?

**Jim Shannon:** I thank the hon. Gentleman for the intervention, but we disagree on the matter—he probably knew that before he got to his feet.

Let me just say this: don't ignore 66% of the general public and 91% of the workers who say they do not want change. Whether you like or not, those are the facts and they have to be considered. On behalf of those with strong religious beliefs who want to keep Sunday special, those who have concerns about their family time being shattered and altered forever, and shop workers, whose opinions are being ignored, let me

[Jim Shannon]

say gently to the Government that many Conservative Members are not happy with these changes either. It is not for me to say, because Ministers know their Members better than I do, but I am aware of a certain number who could be the difference between this legislation going through or not. I respectfully suggest to the Government that when we look at this on Report they should consider the hon. Members for Congleton (Fiona Bruce) and for Enfield, Southgate (Mr Burrowes), who are not in their places, and many other Conservative Members who have concerns. I believe that if the Government pursue this legislative change on shop opening hours, there is every possibility of them being defeated. They should consider this legislation carefully before they go forward with it. Let us keep Sunday special. They should not ignore the general public and they should not ignore their workers.

5.47 pm

**Neil Carmichael** (Stroud) (Con): I am grateful to be called to speak at this time, Mr Speaker. This is a good Bill, because any Bill dealing with enterprise should be removing shackles and this one does so, to a large extent. I therefore welcome it, but some aspects need to be discussed in more detail, one of which is the small business commissioner. I welcome that role, because some small businesses in my constituency complain frequently about payment problems and this allows me to reassure them and, in particular, the Federation of Small Businesses, that meaningful action has been taken. The Bill says that the commissioner will be giving out advice, and that is a good thing. I am not sure about the scope of this “advice”, but it has to include encouraging small businesses to grow and advice on how that growth might take place. This should be within the context of an interesting speech made by Andy Haldane, the chief economist at the Bank of England, who has noted that we need to ensure that firms think about long-term planning and strategic investment, rather than just exit routes, dividend payments and so forth. The Government should be thinking about how this commissioner might start moving firms in that direction.

Let me pick up a point made by my fellow Select Committee Chair, the hon. Member for Hartlepool (Mr Wright), who compared this commissioner’s role with that of the Small Business Administration in America. That is a worthy comparison to make and we should be thinking about it. We need more long-term planning and more strategic investment, potentially encouraged by some form of advice through the small business commissioner, in line with the Bank of England’s thinking.

The second question we should be considering is that of apprenticeships. It is absolutely right that an apprenticeship should be saluted and should be a cast-iron position. We must ensure that all 3 million apprenticeships that we hope to have in the course of this Parliament have a quality hallmark beneath their name and are successful. That is imperative. As for the institute that will be created, which should be up and running in April 2017, we should ensure that it has the capacity to ensure that the apprenticeships are of cast-iron quality. I hope that the Minister will be able to tell us that that is the case. Although it will be an arm’s length institution, it should not lose sight of other organisations in the world of education. We must ensure that we think not

simply about universities and apprenticeships but about everything else that forms part of the process. It is all interlinked. I must put in a shout for the further education colleges, because they have an important role and we must ensure that that continues.

**Mrs Flick Drummond** (Portsmouth South) (Con) *rose*—

**Stephen Kinnock** (Aberavon) (Lab) *rose*—

**Neil Carmichael**: No, I cannot give way, as I am already pressed for time. I apologise.

We need to emphasise the importance of technical and professional apprenticeships. That is what we should be calling them. Everyone has a vocation—I have a vocation, a shopkeeper has a vocation—but the question is what we are doing about technical and professional apprenticeships. Some reassurance on that front from the Government would be helpful and encouraging.

Let me make one last point about the UK Green Investment Bank. In the last Parliament, the Environmental Audit Committee did some work welcoming the GIB but said that it needed to be able to raise capital. If the Bill moves the bank in the direction in which the Government want it to go, that will happen. An added advantage is that it will not be hampered by EU state aid rules, and that will be a great benefit for the future. We must ensure that it sticks to being green, being investment-oriented and being a bank. I am making a serious point, as those three things could all be at risk. We do not want to end up with the GIB as some kind of fund or something else that is not in its original job description. In short, the bank should be a driver for more green investment. We need to see some coverage for the changes to energy, for example, that have led some firms to think that the subsidy has been reduced a bit too quickly. I do not agree, but we need to demonstrate some commitment to investment in technology in how the GIB will deliver.

On the subject of the small business commissioner, I absolutely welcome the focus on late payments, but we must think of a way of making our small businesses feel easy about wanting to grow and to feel successful in that growth process. Ultimately, that will deliver more exports, higher pay and more job opportunities. As for apprenticeships, it is important to ensure that they stand up to scrutiny and have value. The institute will have a role to play in that process. In short, this Bill is a further step in rebalancing the economy towards enterprise, technical development, production, output and exports.

5.53 pm

**Alan Brown** (Kilmarnock and Loudoun) (SNP): As other SNP Members have said, the Bill is a typical Government effort. It claims to be ambitious, but does not do enough. It has too much of a scattergun approach and includes too many subjects, although it does allow the Tories to squeeze in old favourites, including privatisation and attacks on public sector workers.

Let me start with the Green Investment Bank—another supposed Better Together demonstration of the merits of Scotland’s staying in the UK, given the decision to site the bank in Edinburgh. Here we are a few years down the line, and it looks like that might go the way of the onshore renewables subsidies, which were also originally

provided on the UK Government's so-called broad shoulders. It beggars belief that a publicly owned green initiative should be deemed suitable for sell-off and privatisation. We therefore need to know what the Government's commitments are to environmentally beneficial projects and specifically to Edinburgh.

On public sector payments, I have been contacted by constituents who want me to oppose part 8. Those hard-working public sector workers see it as yet another attack on their terms and conditions. We have heard about fat cats, but I can almost bet that the so-called civil servant fat cats will be the ones who get the waivers and their big lump sums. Meanwhile, lower-paid public sector workers with long service will get no waivers, and their lump sums will be limited.

We have heard a lot recently about the Women Against State Pension Inequality campaign and women who took early retirement and who are now struggling to get back into the workplace and struggling financially. That demonstrates that we should not limit people's choices. Some women have just discovered that they need to work six years longer. They will be looking at the options, and at whether they can take early retirement and leave the workplace. The caps in the Bill could affect their choices.

**Chris Stephens:** My hon. Friend is emphasising the discrimination that could come from the exit payments. Does he agree with me and with trade unions such as Unison and the Public and Commercial Services Union that, before these changes are implemented, an equality impact assessment should be carried out?

**Alan Brown:** I fully agree with my hon. Friend. The Lords asked for an impact assessment to be undertaken, but that has not happened, so I hope the Minister will take note of that.

To finish on the public sector payment cap, what we need is good governance, not Whitehall-imposed caps. We heard earlier that this is all about devolving power to local government, and this issue is an example of where we could follow that through, rather than allowing Westminster to hit careworkers, teachers, nurses and emergency workers.

Let me turn to an issue that other Members have raised: prompt payments and their effect on small businesses. Once again, I would suggest that the UK Government could take a lead from the Scottish Government. The Scottish Government have commissioned a review on public sector procurement in the construction industry, where cash flow can be a major issue.

I am a civil engineer, so I am well aware of the problems late payments can cause, particularly when companies have to make large outlays on materials as part of a job specification. I have actually been a client and a consultant, so I have been at both ends—I have received begging phone calls from companies that are desperate for money, and I have had to go cap in hand to chase up money that a company needed for its cash flow.

That is why I welcome the Scottish Government's current project bank account trial for public sector procurement projects. Project bank accounts are ring-fenced and underpinned by legal trust status. They allow subcontractors to receive their money at the same time

as contractors, rather than having to wait for it to be channelled through the main contractor, which leads to delays and allows the main contractor to withhold moneys to have leverage over the subcontractor.

Another omission from the Bill, which was raised in the Lords, is cash retentions in the construction industry. For too long, that has been the elephant in the room. The Government have not wanted to talk about it, and that seems to have been the case again today. From my experience in the construction industry, I understand the need for a mechanism to deal with snagging at the end of a project or during the maintenance period. I know how difficult it can be to get a contractor back on site once they have moved on to the next job. Equally, however, no contractor should have to wait years to get their retention money back, because that hits cash flows. The 5% retention money is also often the contractor's profit margin on the job, which shows how important that money is to contractors. With up to £3 billion held in retentions at any one time, and with £40 million lost in 2015 alone owing to insolvencies, we can see how important cash retentions are in the construction industry.

The cash-flow problems that can be caused manifest themselves in different ways, such as an inability for companies to bid for other projects because the risk is too high, or borrowing from banks being impeded. Banks do not recognise retentions as a future income because of the uncertainty that goes with the release of retention moneys. That completely impedes companies' ability to invest in training and apprenticeships. That is counter-intuitive considering that, while one section of the Bill is about encouraging apprenticeships, it does not tackle the issue of cash retentions that stops companies taking on apprenticeships. It seems incredible that the Government recognise cash-flow issues in general, yet avoid dealing with retentions being paid years late.

We can also imagine the administration time that is wasted in chasing these retention moneys up. I mentioned main contractors using payments as leverage over subcontractors, and it is absolutely the same for retention moneys. Specialist engineering contractors have correctly observed that a scheme could be implemented without impeding the Government's ongoing review. That review is completely reactive in terms of amendments tabled to the Bill in the Lords, and not proactive. Again, that is indicative of the UK Government's approach.

The suggested model is a retention deposit scheme based on the tenancy deposit scheme. That seems logical, and it would easily align itself with the trial currently being operated by the Scottish Government. A constituent has said to me that he has given up on this issue being addressed in his lifetime. We can deal with it in this Bill.

6.1 pm

**Mrs Maria Miller (Basingstoke) (Con):** It is a great pleasure to follow the hon. Member for Kilmarnock and Loudoun (Alan Brown). I listened with interest to his points about cash retentions, particularly in relation to the construction industry. We have been looking at the issue in the all-party parliamentary group on the built environment, particularly the fact that such cash retentions do not apply to residential construction and whether that should be considered.

I rise to speak in support of the Bill because the most important thing that we can be doing at this time is talking about enterprise and how we further it. Let us

[Mrs Maria Miller]

all remember, however, that the best people to run British business are businessmen and businesswomen, and that while many of us in this House may well have run businesses ourselves in the past—I was a director of an advertising agency—that is not our role here today. That role, whether as Ministers such as my right hon. Friend the Minister for Small Business, Industry and Enterprise or as parliamentarians, is to make sure that we have the right environment for business to thrive.

The Bill has the credentials to suggest that the Government are doing exactly the right things to make sure that British business is thriving. They have cut corporation tax to 20%, and it is now the lowest in the G20. We have the fastest growing economy in the G7. We are building the sorts of trade links that unfortunately were neglected for too many years before this Government came to power. It is important that we acknowledge this up front, because our role is to make sure that we create the environments for businesses to succeed and that we have a Government who understand how best to do that. Our Government do have a good track record on that, and perhaps that is why we are best placed in Europe in terms of starting businesses or growing new businesses.

I urge the Minister to assure me in her closing remarks that the Government are continuing to work collaboratively not only with local authorities but with our local enterprise partnerships, because through such collaborative work my constituency is now enjoying some of the lowest levels of unemployment we have ever seen. We have secured, with the tenacity of our local enterprise partnership, designation for Basing View as an enterprise zone, with the opportunity to create thousands more new jobs through the sorts of targeted interventions that the Bill sets out. We are working with award-winning organisations such as SETSquared, which is a business accelerator helping, I hope, hundreds of new businesses to come to Basingstoke and—thinking about the comments of the hon. Member for Hartlepool (Mr Wright)—helping more businesses successfully to access finance.

There are two other aspects of the Bill that I want to talk about. The first is the importance of the Bill in supporting an even better environment for businesses to access the right people and the right practices to succeed. I applaud the measure in the Bill to further strengthen apprenticeships, and the commitment by the Government to support more than 3 million new apprenticeships. In my constituency in the past five years we have seen 4,000 people start apprenticeships. That is important because it will help to solve some of the productivity issues that we know we still have to resolve in Britain.

If this ambitious scale of apprenticeships is to be achieved, we need to ensure that the funding of apprenticeships works in the way that Ministers want it to do. I was pleased to hear the Secretary of State for Education say that she will do more to make sure that schools make children aware of the benefits of apprenticeships. I would like to hear more from the Minister about how we can ensure that, for organisations such as Basingstoke College of Technology in my constituency, which is seeing a 9% annual increase in the number of apprenticeships secured, the funding is available to support this dynamic growth in apprenticeships. There are at present more businesses wanting to place

apprentices than there are apprentices coming forward. We need a flexible way of ensuring the availability of funding to meet that increased demand and need.

The second aspect is the provision for establishing a small business commissioner—an interesting way of trying to overcome the problems that many hon. Members have talked about in relation to late payments. In Hampshire we have on average £109,000-worth of outstanding payments to small businesses—a figure supplied by the Federation of Small Businesses. Further measures in that area are to be welcomed. I urge the Minister to consider how we can ensure flexibility within these measures to adapt the role of the small business commissioner if we find that new and different ways could be used to support businesses struggling as a result of late payments.

There are many provisions in the Bill. It contains a further set of measures that will help support business, and I hope it secures the full support of the House tonight.

6.7 pm

**Ben Howlett (Bath) (Con):** As the grandson of a shopkeeper and as someone who ran a small haulier business, it will come as no surprise that I support the Bill. As the Secretary of State said earlier, although Napoleon used the phrase “a nation of shopkeepers” as an insult, the British public took the phrase under their wing and treated it with great affection. Small independent businesses have been the lifeblood of our country for centuries and we must do all we can to keep enterprise alive and well. It is enterprise that enables our country to grow, our small island to bat well above its weight on the international stage, and our young people to aspire to a brighter future.

In my constituency of Bath, independent small businesses keep our city alive. Without them, thousands would struggle to find employment and it would be a much less dynamic place to live. Given my own background in helping to start up a small business and having first-hand knowledge of the challenges that start-ups face on a daily basis, I was delighted to see that this Government are driving through an Enterprise Bill. We should be doing everything we can to ensure that enterprise is the driving force at the heart of our economy. That is why I am pleased to see the introduction of a small business commissioner and all the powers that come with it. Changes to late payment of insurance claims, the sale of Government shares in the Green Investment Bank, and grants or loans towards electronic communications facilities are welcome. All these changes will help Britain to continue to be the best place in Europe to do business. It is disappointing to see how few Labour MPs there are on the Opposition Benches. That shows that the Conservative party is the party of true enterprise.

As I have worked alongside the NHS and other public sector bodies for over seven years in my career before entering the House, I will concentrate in the short time available on last year’s announcement that the Government intend to end six-figure exit payments for public sector workers. Constituents will no doubt be shocked to hear that between 2011-12 and 2013-14 the cost of exit payments in the public sector was around £6.5 billion. More than £1 billion of that came as a result of exit payments costing more than £100,000. Indeed, according to the response to a freedom of



information request by the TaxPayers Alliance, Haringey Council in London spent £12.6 million on pay-offs in three years.

Six-figure exit payments that are far in excess of those available to most public sector workers and others in the wider economy are not fair and do not offer value for money for the taxpayers who fund them. I therefore welcome clause 35(1), which introduces a cap of £95,000 on the total value of exit payments. The scope, level and design of the cap has been out to consultation, and I look forward to hearing more from the Minister about the specific technicalities. I hope she will also update the House on the consultation regarding the calculation of compensation terms and employer-funded early retirement in circumstances of redundancy.

During the seven years that I worked alongside the public sector, I saw numerous examples of permanent employees being shifted to a new role and getting a double pay-off. That is why I am pleased that the Government are ensuring that exit payments do not exceed £95,000. However, although I am pleased that the Bill will cap public sector exit pay-offs at £95,000, is the Minister considering whether to prevent public sector workers who receive a pay-off from being able to set up a limited company, apply for an interim role within the same department, receive a large daily rate and thereby effectively circumnavigate the reduced exit payment scheme? If we are to keep a lid on public sector exit payments, I strongly suggest that that is considered in Committee.

At the general election, this Government promised to create 3 million new apprenticeships. The fact that 2.3 million were created in the previous Parliament is a fantastic achievement in itself. I pay tribute to the amazing work of my hon. Friend the Member for Stratford-on-Avon (Nadhim Zahawi), who is no longer in his place, in championing apprenticeships. When discussing apprenticeships, we often forget the superb benefits that they give to people's lives. Not only have they provided new skills; they have turned around the lives of many and given new opportunities to millions of young people in the UK.

**Mrs Drummond:** Does my hon. Friend agree that older people and people with disabilities should also be allowed to take up apprenticeships?

**Ben Howlett:** I completely agree with my hon. Friend, who makes her point well. Apprenticeships should be available to older people as well as younger people. I hope the Minister will address that in her summation.

Apprenticeships have delivered that deeply Conservative belief of aspiration—something that an entire generation lost when I was at school from 1997, just as Tony Blair took the leadership of the Labour party, to 2003.

**Simon Hoare:** Child!

**Ben Howlett:** Thank you.

Young people who once thought that they would be second-class citizens if they did not go to university now have a new nationally recognised and praised status. Apprentices are building Britain and driving our country forwards while others have stayed static. To those millions of people who have delivered that growth for us, we must say thank you—in particular, I thank those in my

constituency and Bath College for the work they have done—and we ought to do everything we can to deliver even more.

In order to do that, we must ensure that all sectors of our economy deliver. The private sector has taken the lead in creating apprenticeships. It has seen that they are hugely beneficial not only to ending skills shortages, but to productivity growth and future profitability. The same must be applied to the public sector if we are to hit our target of 3 million by 2020. I therefore welcome the amendment to the Apprenticeships, Skills, Children and Learning Act 2009.

As the Government look to increase the number of people who are able to access an apprenticeship, it would be very valuable if the Minister would consider the small number of older people taking on an apprenticeship, as mentioned by my hon. Friend the Member for Portsmouth South (Mrs Drummond). There is no statutory reason why older people cannot take on an apprenticeship, but there seems to be a stigma that prevents them from taking up such an opportunity. I hope the Minister will consider that issue in her summation.

In summary, this nation of shopkeepers has continued to grow while other nations have remained static or contracted. The British entrepreneurial spirit and tenacity for business and enterprise have created jobs and opportunity. The more we champion the sector, encourage more people to upskill, and create more opportunities for businesses to grow, the stronger Britain will become. I look forward to supporting the Bill later.

**Several hon. Members** *rose*—

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. Sadly, we are running out of time. This is such a popular Bill, so I have to reduce the time limit to five minutes.

6.14 pm

**Mr Alan Mak (Havant) (Con):** I draw the House's attention to my entry in the Register of Members' Financial Interests. Having founded two small businesses, I support the Bill because it tackles some of the biggest issues faced by business today and cements the UK's position as one of the best places in Europe to start and grow a business. This Enterprise Bill not only strengthens our enterprise nation but builds our opportunity society—a society where anyone can work hard and get on, whether in a high street shop such as the one my family ran, or in a start-up at the heart of our digital revolution.

The Bill's plans for a new small business commissioner, support for apprenticeships and deregulation complement the good actions the Government have taken during this Parliament to support small businesses, whether by cutting corporation tax, cutting red tape or supporting pro-business initiatives such as Small Business Saturday. Such actions have made the UK one of the best places in the world to do business.

I welcome the Bill's proposals for a small business commissioner. Receiving payment for work done or services supplied is fundamental to any business, especially a small business. Late payments hit cash flow, affect working capital and limit growth, jeopardising the future of our small businesses. The FSB last year estimated that 59% of small businesses were negatively affected by late payments. That is why I welcome clauses 1 to 13, which will create a new small business commissioner.

[Mr Alan Mak]

The role of the commissioner will be to consider complaints made by small businesses against suppliers and to signpost small businesses to appropriate resolution services, such as sector ombudsmen. That should result in positive outcomes. The commissioner will help small businesses to settle disputes quickly and cheaply, raise awareness among small businesses of alternative dispute resolution and encourage a long-term culture change whereby businesses treat each other with respect and fairness.

Getting slow-paying businesses off the backs of SMEs is vital, but so, too, is paring back the regulatory pressures that they face. That is why, last year, the Government's new business impact target focused Whitehall's mind on the economic impacts on businesses of new regulations that come into force during the Parliament. It is absolutely right that the Enterprise Bill extends that target and that duty to include the action of national regulators. Businesses consistently tell me that the actions of regulators are as important as the content of legislation when determining their experience of regulation. It is absolutely right that we get the regulator off the back of businesses and on their side—not just sitting back and regulating, but stepping up and supporting the economic growth that drives our country's prosperity.

Apprenticeships play a key role in helping people in every community represented in this House to build a more secure and prosperous future. The lifetime benefits associated with the acquisition of an apprenticeship at level 2 and level 3 are significant, and higher apprenticeships help our young people to achieve a higher level of income. It is good news that since May 2010, there have been more than 2.6 million new apprenticeship starts across England. Like my hon. Friend the Member for Bath (Ben Howlett), I pay tribute to my hon. Friend the Member for Stratford-on-Avon (Nadhim Zahawi), who is no longer in his place, for the great work that he has done on apprenticeships.

Members from all parts of the House who organise job and apprenticeship fairs know that the most enthusiastic supporters are often private sector employers. In my constituency, Innova Design, Fasset, Greggs the baker and Barratt Homes have jumped at the chance to help our young people on to a new path of success. The Bill will ensure that the public sector also plays its rightful role in apprenticeships. I welcome the fact that the Bill will impose a new target on public sector bodies to increase their recruitment of apprentices, to ensure that such bodies play their role at the heart of the Government's policy. That is not only strategically right, but economically right. Research from the Department for Business, Innovation and Skills suggests that apprenticeships have a high level of return on investment. The research indicated, for example, that adult apprenticeships at level 2 deliver £26 of economic benefit for each £1 of Government investment. Apprenticeships are incredibly good value for money.

In conclusion, the Bill reinforces the UK's place at the heart of the global economy as a great place to start, run and grow a business, and as a country that invests in its young people. The Bill helps every business, in every part of the country, to play an important role in our economy and to benefit from the success that the Government's long-term economic plan is delivering.

6.18 pm

**Wendy Morton** (Aldridge-Brownhills) (Con): It is a pleasure to follow my hon. Friend the Member for Havant (Mr Mak) in this debate. Before I entered this place, I spent most of my career working in the private sector, and I draw Members' attention to my entry in the Register of Members' Financial Interests. I have worked with and for small businesses, including our family manufacturing business, which we started thanks to the enterprise allowance scheme.

It is estimated that there are 5.4 million small businesses in the UK, and that they account for 48% of UK private sector employment. In my constituency, small and medium-sized businesses are the backbone of our local economy. Newer companies such as SHS, which manufactures stainless steel handles, work alongside longer-established and often larger firms such as Whitehouse Cox and Phoenix, echoing the industrial heritage of the west midlands.

I want education, skills and business to drive our economy and a culture of encouragement that nurtures and develops aspiration, builds confidence and supports enterprise. From my own experience and from speaking to local businesses, I know we need a business framework that supports, not hinders, and that works to reduce red tape and Government bureaucracy. That is why I welcome the measures in the Bill.

One of the biggest challenges facing any business is cash flow. It has been reported that 59% of UK small and medium-sized businesses have been impacted negatively by late payments, and that the average small business is waiting for £31,000 of overdue payments, which is a lot of money. That can cause huge challenges to a business, as well as being a distraction, when all it wants to do is to get on with doing business. The introduction of a small business commissioner is therefore a very welcome move. It will boost the resilience of small businesses by helping with unfair late payments and poor contractual processes. I look forward to our being able fully to assess the contribution and effectiveness of the commissioner in due course. Perhaps the Minister will say how that will happen.

Red tape is another challenge: it can stifle and swamp a business through the volume and the complexity of it all. The previous coalition Government's agenda delivered £10 billion of deregulatory savings during the last Parliament, and it makes absolute sense to continue to do that and to drive for greater deregulation by placing more bodies in the scope of deregulation.

There is much in the Bill to talk about and I do not have time to talk about it all, but I want to mention apprenticeships. Last week, I was able to host a meeting of local businesses, with my hon. Friend the Member for Stratford-on-Avon (Nadhim Zahawi). Sadly, he is not in his place at the moment. Since 2010, over 4,000 apprenticeships have been created in my constituency, which is allowing people to earn and learn, and to develop skills for the future of the workforce, our local businesses and the greater west midlands economy.

One of the messages I hear loud and clear is the need to focus on quantity and quality, so I welcome clause 21, which will protect the term "apprenticeship" in the same way that the term "degree" is protected in legislation. That will benefit apprentices, employers and training providers, and is a clear demonstration of the importance,

value and reputation of apprenticeships. Quality and reputation will equally be integral to that, and that should be embraced as a positive step. Apprenticeships should be a key part of developing key skills for today and for tomorrow, so that we can fill more jobs involving more skills locally and so that we can encourage local enterprise.

I am mindful of the clock ticking, so I will conclude by saying that there is much in the Bill to celebrate. It puts enterprise at the heart of this Government. I believe it demonstrates that this Government are backing business and that Britain is truly back in business.

6.23 pm

**Kit Malthouse** (North West Hampshire) (Con): I draw the House's attention to my entry in the Register of Members' Financial Interests, as the proud founder and owner of a small business, which, miraculously, has now been going for 20 years.

I am thrilled to speak in support of my right hon. Friend the Minister for Small Business, Industry and Enterprise in her mission. She is one of our most effective performers at the Dispatch Box. I see that she has been joined on the Front Bench by another two, the Minister for Skills and the Under-Secretary of State for Life Sciences—I had to get that in—and now by a fourth, the Minister for Universities and Science. Like me, she is an ardent capitalist who knows that a well-tempered economy requires a gentle hand from the state, not hobnailed, Government-sized boots stomping all over it. On that basis, the Bill has much to commend it.

First, on the small business commissioner, all Conservatives should be on the side of the little platoons over the big battalions. Anything that gives strength to David's arm as he takes on Goliath is to be welcomed, not least because the rise in county court costs is making it extremely difficult for small businesses to recover large sums from big businesses. The commissioner will help in that matter. I share the concerns of the hon. Member for Kilmarnock and Loudoun (Alan Brown) about the construction industry. I urge the Minister for Small Business, Industry and Enterprise to ask the commissioner to look at that sector, and at the food industry, about which many farmers in my constituency complain.

There is one other big bad beast in the jungle who is very bad at paying and to whom I urge the Minister to consider extending the commissioner's remit, and that is the Government. Only last week, I had a couple of businessmen in complaining about how long it was taking to get their VAT reclaim, albeit with a supplement. It was causing them all sorts of problems. It would be a good discipline for HMRC if the remit were extended to it. Frankly, it should also be extended to the EU. Any rural Members who are here will have received complaints from farmers about delays in the payment of the single farm payment. It would be great if the EU was on the bandwagon too.

Secondly, apprenticeships are vital for our young people and our higher-skills economy. Given the new imperatives that were placed on the private sector in the autumn statement and the Budget, it is only right that the public sector should play its part. I am very proud of the work I did at City Hall as deputy mayor for business and enterprise to drive apprenticeships forward

in London and to recruit many thousands of young people. Some of the difficulties that we saw in getting the public sector, not least Government Departments, to play ball will be solved by the Bill.

Thirdly, I have personal experience of insurance companies gaming the system, particularly in catastrophic situations. As my hon. Friend the Member for Charnwood (Edward Argar), who is not in his place, said, when a business is completely wiped out by an event, very often the insurance company will delay, hoping that the business will go bust before it has to pay, because that means that it will deal with a receiver or administrator who is more than willing to do a cheap deal on the claim. I have seen that again and again. The Bill will bring some discipline in that area.

Fourthly, the mysterious and exciting clause 28 on broadband, which is hidden away in the depths of the Bill, sounds very interesting to a Member like me who represents a constituency that is in the bottom 30% in the UK in terms of connectivity. Many businesses in North West Hampshire are literally screaming down the phone at me to get their connections put in, so the ability for the Minister and the Secretary of State to shower my constituency with grants and loans to dig up the drives and pathways up to the barns that have been converted into offices to put in high-speed broadband is fantastic.

Finally, I have a couple of disappointments. First, given the Minister's hunger for capitalism and her pledges after the election on red tape, I had hoped to see a long list of repeal clauses in the Bill, but they do not seem to be there. If Members suggest regulations that could be repealed during the passage of the Bill, I ask her to accept amendments on those repeals later on. There is still a huge thicket of regulations for us to go at and I know that she wants us to help her in her task.

Secondly, I am with the hon. Member for Hartlepool (Mr Wright) in wanting the regulator's regime to extend to HMRC. It is absolutely the case that the biggest brake on our economic growth is the sheer complexity of our tax system. It runs to 20,000 pages and comes in several volumes. As a chartered accountant, I have wrestled with it over the years and it is mind-boggling, even for me. I therefore urge the Minister to include the Revenue in her work.

6.28 pm

**Seema Kennedy** (South Ribble) (Con): I draw Members' attention to my entry in the Register of Members' Financial Interests.

To enable markets to function properly, businesses to thrive and jobs to be created, the Government have a regulatory role, but there is always a fine line between correcting market distortions and passing laws that stifle entrepreneurship. I believe that the Bill is on the right side of that line. It is wide-ranging, so I will limit my remarks to three of the proposals.

I very much welcome the appointment of the small business commissioner. I know from my own business the hours that are spent every week chasing late payments, and that is a medium-sized business with a bookkeeper. I can only imagine how acute the situation must be for those with no formal in-house accounting function and for sole traders. As many hon. Members have remarked, late payments have severe effects on a business's cash

[Seema Kennedy]

flow and, consequently, on its ability to pay its staff and, more crucially, to invest. It is estimated—we have already heard this figure—that small businesses are, on average, waiting for about £32,000 in late payments.

I note what hon. Members have said about the small business commissioner not having statutory enforcement powers and echo others in saying that whoever is appointed should have experience and authority. Does the Minister intend to lay down any criteria for recruitment in statutory legislation or guidance? Will there be any immunity or privilege for the small business commissioner's report, above the usual defences in law? I note that respondents have a right to make representations before publication, and I fear that that could be open season for defamation lawyers.

In my role as vice-chair of the all-party group for apprenticeships, I hear from schools, further education colleges and employers about their desire for the quality of apprenticeships to be paramount. They want to make apprenticeships a real alternative to degrees, and protecting the term will preserve and enhance that brand. We must encourage more of our constituents, of all ages and at different stages of their lives, to take up apprenticeships and to achieve the laudable aim of 3 million apprentices by 2020.

I am extremely happy with provisions in part 5 that deal with late payment of insurance claims and oblige insurance companies to pay within a reasonable time. A few weeks ago my right hon. Friend the Minister for Small Business, Industry and Enterprise visited Croston in my constituency, where businesses had been affected by the Boxing day floods. She and I talked to pub and restaurant owners about the need for prompt payment by insurers. Late payment can affect a business's ability to start trading again, and I welcome the clauses that clear up previous anomalies. There is only one way to increase productivity and the wealth of our nation, and that is enterprise. The Bill is part of the Government's pro-enterprise agenda, and I am happy to support it tonight.

6.31 pm

**Lucy Frazer** (South East Cambridgeshire) (Con): Small businesses are critical to our economy and make up 99% of businesses nationally, and the Bill is designed to assist them. I want to focus on the resolution of disputes and debt collection, and I refer to my entry in the Register of Members' Financial Interests. As a former barrister who specialised in business law, and insolvency in particular, I have seen at first hand the impact that uncollected debts can have on a company.

Sometimes the inability to collect debts can have a significant impact on a small company. The most obvious consequence is simply the customer's failure to pay, which means that their supplier is out of pocket. We know from BACS that an average small business has overdue payments of almost £32,000. However, it is not just the lack of cash flow, it is also the cost of collecting debts, and we know that £10 billion is spent per year in trying to recover overdue payments. It is not just the expense; it is also about management time, and in the end many small businesses simply give up. Indeed, the consequences can be even greater than that—sometimes

they mean a lack of survival. R3, the trade body for the insolvency profession, has said that late payment by customers for goods and services is often cited as a cause of insolvency.

**Andrew Bridgen** (North West Leicestershire) (Con): My hon. Friend is giving a great speech with her experience in insolvency. Does she agree that companies do not go bankrupt because they run out of profit; they go bankrupt because they run out of money, and late payment is part of that?

**Lucy Frazer:** That is absolutely right. Often, the cause is cash-flow insolvency, which is a test of insolvency, as well as the balance sheet.

The measures to introduce a small business commissioner to give free advice and information, and to operate a complaints scheme, are a welcome step in the right direction. Indeed, a similar scheme set up in Victoria Australia has had considerable success. The hon. Member for Wallasey (Ms Eagle) suggested that the Bill does not go far enough, but in 2014-15, with 704 mediation sessions, the Victoria scheme had an 80% success rate.

As my hon. Friends the Members for Huntingdon (Mr Djanogly) and for South Ribble (Seema Kennedy) mentioned, we must ensure the success of this scheme, and to do that, we must ensure that the small business commissioner has good identity, good awareness, and is effective.

We need to ensure that the person appointed has the gravitas to command the respect of businesses big and small. We need to ensure there is public awareness of the role. There are already a number of mechanisms to resolve disputes—there is already a free small claims mediation telephone service—but such schemes are successful only if the public know about them and so can use them. Finally, the small business commissioner will have to take full advantage of his or her powers to ensure speed, efficiency and an effective service.

The measures set out in the Bill are extremely welcome. The Government do not create jobs; businesses—often small businesses—do. It is our job to create the right environment for them to thrive in. This is a significant part of that process.

6.35 pm

**Kevin Brennan** (Cardiff West) (Lab): We have had a very good debate, with 25 speakers from the Back Benches. I congratulate everybody on their contributions. I will not go through them all because of the time available, but I will say it has been a very interesting debate.

A lot of Members have tried to categorise or describe the Bill. My hon. Friend the Member for Wallasey (Ms Eagle) said at the outset that it is easier to say what the Bill is not than to say what it is. Clearly, yet confusingly, it is not what it is called: it is not really the enterprise Bill. It is not a well-thought-through coherent visionary piece of proposed legislation that sets out a clear strategic industrial strategy to use every lever at the Government's disposal to promote British business and enterprise to ease the path for British exports—a real problem at the moment—and take on the underlying fundamental problems of the British economy.

Instead, the Bill is, to use yet another description, a bit of a lucky dip: stick a hand into the bran tub and we will not be quite sure what will come out. Long-serving, modestly paid workers in the public sector—in some cases, as we have heard, even in the private sector where workers, including those at Magnox, have been privatised—might want to remove their watches and rings before they put their hand into the bran tub. The Government are not just after top earners with their exit payments cap; they are drawing on those who have worked loyally for many years on modest pay. They are, as the Secretary of State would say, fat cats. That is what he called them in his opening remarks. He said this provision would capture fat cats. What a disgraceful thing to say about loyal public and private sector workers who will be caught by the provisions. The Government will have to think again and look very carefully at the effects of the provisions. We will scrutinise these parts of the Bill extremely closely in Committee to see if the people the Secretary of State talked about really will be caught by the provisions. Every single one of those individuals will be insulted by what the Secretary of State said earlier on.

We now hear that the Government are adding another little surprise to the bran tub. They are introducing changes to Sunday trading hours, having abandoned previous attempts and having studiously avoided putting the proposal in the Bill when it was introduced in the other place. We now hear they intend to table amendments to the Bill tomorrow. They were not prepared to let us have them today by putting them in the Library, as we asked for. There are, of course, bishops in the House of Lords. I wonder whether the Government were afraid to mention Sunday trading when the Bill was going through the Lords. I wonder whether that had anything to do with it.

How very convenient for the Government that the result of their consultation on Sunday trading should be published the day after Second Reading in this House and not when the Bill was going through the House of Lords. How very unfortunate for the House of Commons that the Government, with all the resources at their disposal, could not manage to publish the consultation before today's Second Reading, despite having had it for five months, or even manage to timetable the debate for a time after the consultation was ready to be published. How interesting that the Government are rushing into Committee next week, without leaving the customary two weekends between Second Reading and the Committee stage to allow this House enough time to prepare and table amendments. That was done without the usual indications when discussions were held. I will not go into what is said via the usual channels. It is enough to say that a whole new controversial proposal has been introduced into the Bill. That is typical of the Government's *modus operandi*—governing from the shadows and treating the House and proper democratic accountability with utter contempt.

The Government have no mandate in their manifesto to change the laws on Sunday trading, no compelling case or evidence of significant economic benefit, and no justification for the late addition to a Bill already more than halfway through its parliamentary scrutiny. It has been through First Reading, Second Reading, Committee, Report and Third Reading in the Lords, and now Second Reading in the Commons, without our having

seen the proposals. It is not in their manifesto or the Bill we are voting on tonight, and it is not even in the Library of the House of Commons, so extra time will have to be made available on Report to consider it. They will have to give way on that.

It is a lucky-dip Bill. We can pull out some nicely wrapped goodies, but, as so often with a lucky dip, on unwrapping and closer inspection, it might well leave us underwhelmed by our prize. We welcome the proposals for a small business commissioner, but the Government's proposal is a pale imitation of what is needed. There are more than 5 million small businesses in this country, but the Government anticipate that the small business commissioner will deal with just 500 cases per year. We know about Australia's experience, particularly of the small business commissioner in the state of Victoria, the splendidly named Mark Brennan—no relation as far as I know, so I do not have to declare an interest. We know from their experience, that for a small business commissioner to work, they must have the right roles and responsibilities. Our Labour colleagues in the other place have strengthened the small business commissioner proposal, but the Government's model does not live up to the best practice shown in Australia, or to the Small Business Administration in the USA.

We welcome other bits in the bran tub of the Bill, such as the extension of the primary authority scheme—the local authority one-stop shop for business regulation, which the last Labour Government introduced—and the emphasis on apprenticeships. We also acknowledge that the Government want to build on the achievements of the last Labour Government in rescuing apprenticeships from near oblivion and expanding their numbers considerably, but we need to know about their quality and how the Government will pay for their plans, as my hon. Friend the Member for Wallasey rightly indicated. We also need to know how it will impact on the proposed apprenticeship levy and public services.

We welcome the amendment to the Industrial Development Act 1982 and the extension to digital, but that needs to be set in the context of a proper industrial strategy for the country, not an anti-European, *laissez-faire* free-for-all that will lead to a race to the bottom for jobs, wages and productivity.

The clauses on late payments and non-domestic rates are welcome, but I want to mention two new items in our lucky dip introduced in the other place. The first are the provisions on the pubs code, which has been mentioned already. I recall as a Minister in the Department, back in 2009-10, clearing all the necessities before proceeding with the proposals for pub tenants. I went so far as to square them off with the Tory Opposition Front Benchers to ensure that they would proceed after the change of Government. Since then, the coalition and now this Government have had to be dragged reluctantly to do the right thing. As has been said, a market rent option at rent renewal was the minimum required for the Government to fulfil their commitments to tenants, so I welcome the Secretary of State's acceptance of Labour's amendments in the Lords. It is about time the Government stood up for local pubs, instead of just sucking up to the pubcos.

The other place introduced amendments relating to the UK Green Investment Bank. The proposed privatisation of the bank by the Government, deleting its statutory green purpose, has become even more pressing with

[Kevin Brennan]

the Chancellor's announcement about Lloyds bank. Do the Government accept that their privatisation proposals are a mess? They said that they would remove the changes made in the House of Lords to the Green Investment Bank, but do they have a mechanism that will satisfy the Office for National Statistics—my hon. Friend the Member for Wallasey asked for that—and guarantee the bank's green mission? If they do not satisfy the Office for National Statistics, how can they possibly proceed with the privatisation of the Green Investment Bank on those terms?

If it is the wrong time to sell Lloyds, why is it the right time to sell the GIB? Does the Minister agree with her colleague, the hon. Member for Waveney (Peter Aldous), about the privatisation of the GIB? At the Environmental Audit Committee on 26 November, he said to the Minister:

“Why now? The bank has just made £100K profit. Some people might accuse you of selling your turkey on August Bank Holiday and not Christmas Eve.”

The Minister answered:

“I think it is the right time to do it. The market is in a good place and clearly people are interested so let's get on with it and do it.”

Christmas eve has come and gone, and the Chancellor tells us the market is far from in a good place, so what is the rush to truss up the GIB and sell it at this point? Would it not be prudent, if the Government want to sell it off, to fatten it up first and sell it later rather than now—if indeed it is possible to privatise it without it losing its green purpose? I put that to the Minister.

In conclusion, my hon. Friend the Member for Wallasey commented on the smallness of this Bill's vision in comparison with the hyperbole of the Government's rhetoric. It lacks the ambition to set out a real strategy to meet the real challenges facing British business and industry. Some of its contents are helpful; some are likely to have unintended consequences and cause harm to the lower paid, pensioners and industrial relations. We will scrutinise it carefully in Committee and, if necessary, oppose the parts that are likely to cause harm. We shall not vote against Second Reading this evening, but there are issues in the Bill that we will undoubtedly have to divide on at a later stage. If this is a lucky dip Bill, it is one where the main prize—a proper strategy for UK enterprise and business—has been left out with the raffle.

6.47 pm

**The Minister for Small Business, Industry and Enterprise (Anna Soubry):** I congratulate everybody—and I mean everybody—who has contributed to what I believe has been a very good debate. I am going to look at the areas of contention and the particular topics in respect of which hon. Members have made good points and raised good concerns. I shall not go through all the clauses and topics in the Bill, but deal with it in the way I have suggested.

This may be a small Bill, but I think it is beautifully formed. Each part of it, each small piece, cog, wheel, nut and bolt is not perhaps in every instance beautifully and finely finished, but if we bring all of them together, it forms a wonderful small machine that is part of the

bigger engine—the role of business in our economy. That is indeed what provides jobs and prosperity, and in turn the money that allows us then to provide services for everyone throughout our nation. It is an important Bill.

I pay tribute to my right hon. Friend the Member for Basingstoke (Mrs Miller), who rightly said that it is all about creating the right environment for business. I believe that the Bill is part of that. It is interesting that, with the exception of the hon. Member for Chesterfield (Toby Perkins)—others will correct me if I am wrong—it is only from Conservative Members, such as my hon. Friends the Members for Aldridge-Brownhills (Wendy Morton) and for North West Hampshire (Kit Malthouse), that we have heard the voice of business from those who have actually run businesses themselves and who, frankly, know what they are talking about.

Let me deal first with apprenticeships. We heard some good contributions, including from my hon. Friends the Members for South Ribble (Seema Kennedy) and for Warwick and Leamington (Chris White) and from the right hon. Member for Don Valley (Caroline Flint). I am afraid I had too many enterprising criminals when I was working as a criminal barrister, but I look forward to the contribution that she will undoubtedly make in Committee. I pay particular tribute—[*Interruption.*] There is a lot of chuntering going on.

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. The right hon. Lady is right: there is a lot of chuntering, and if it gets any louder, I will have to stop it.

**Anna Soubry:** Thank you very much, Madam Deputy Speaker. We do not like chuntering, do we?

I stopped speaking because I wanted to pay a big tribute to my hon. Friend the Member for Stratford-on-Avon (Nadhim Zahawi) and my hon. Friend the Minister for Skills for their outstanding work on the advancement of apprenticeships, which will help us to go forward and achieve our goal. We are seeing a golden age of apprenticeships—a revolution in apprenticeships—and people will now appreciate their full worth. That is what the Bill seeks to achieve by enshrining the true value of apprenticeships in law.

I can tell my hon. Friend the Member for Cannock Chase (Amanda Milling) that there will be a national advertising campaign to promote apprenticeships in the next few months. That is just a part of the great work that has been done by my hon. Friends the Member for Stratford-on-Avon and the Minister for Skills.

In relation to public bodies, I pay tribute to my own borough council under Labour: a record number of apprenticeships were created in the borough. The number rose to 20 over two years, and now, under a Conservative administration, the target is 20 each year. If we can do that in Broxtowe, other local authorities can do it.

I pay tribute to the work of my hon. Friend the Member for Burton (Andrew Griffiths), and, indeed, that of the hon. Members for Leeds North West (Greg Mulholland) and for Chesterfield, in relation to the pubs code. All three made important points today. We must get the balance right between allowing pub companies to invest in our great pubs and securing fairness for tenants. That is what I want us to do, and I believe that we are well on the way to doing it.

Let me now deal with the issue of Sunday trading. I can tell the hon. Member for Strangford (Jim Shannon)—my friend—that we will introduce legislation to improve the terms and conditions of people who do not wish to work on Sundays. We think it important to protect those workers, so that will be part and parcel of our changes in Sunday trading laws. I must stress, however, that this is not mandatory. We want to give councils the power—a power that many Labour councils want—to make local decisions that are based on the needs of their own people and businesses. If a local authority does not consider such action suitable, it will not take it. As we heard from my hon. Friend the Member for Kensington (Victoria Borwick), an authority might want to extend the hours of a garden centre to suit that particular business. It is a question of fine-tuning.

Let me repeat to the hon. Member for Strangford that working on Sundays is not mandatory, any more than it is mandatory to go shopping. Sundays will still be special for those who want to keep them special.

**Toby Perkins:** Will the Minister give way?

**Anna Soubry:** I will give way briefly, but I will take no more interventions after that.

**Toby Perkins:** What the Minister is saying, and what she is setting out to do in regard to Sunday trading, is entirely wrong, but something even more important is happening here. For the first time ever, workers' rights are being devolved, and will become different in different areas.

**Anna Soubry:** They will not be devolved. Let me make that absolutely clear. We will introduce legislation for all work that will affect any worker working on a Sunday—

**Ms Angela Eagle:** On a point of order, Madam Deputy Speaker. The Minister is spending time talking about provisions that no one but her has seen, because they are not in the Bill. How can that be in order?

**Madam Deputy Speaker (Mrs Eleanor Laing):** The Minister can choose what she wants to talk about as long as it is related to the Bill. When it is not related to the Bill, I will stop her.

**Anna Soubry:** Thank you, Madam Deputy Speaker. I specifically wanted to deal with those points, because I think that the hon. Member for Strangford made them better than anyone else.

In the six minutes that remain, I want to talk about the small business commissioner. We heard an excellent speech from my hon. Friend the Member for Huntingdon (Mr Djanogly) and contributions from the hon. Member for Livingston (Hannah Bardell), my right hon. Friend the Member for Basingstoke, my hon. Friends the Members for Bath (Ben Howlett), for Havant (Mr Mak), for Aldridge-Brownhills and for South Ribble, my hon. and learned Friend the Member for South East Cambridgeshire (Lucy Frazer), my hon. Friend the Member for Derby North (Amanda Solloway), the hon. Member for Chesterfield, the right hon. Member for Don Valley, the hon. Member for Hartlepool (Mr Wright) and others.

I just want to say about the small business commissioner that many will say “Well, it sounds like a good idea, but he or she won't have the teeth and the powers.” It is important to understand that the many businesses that rightly complain about late payment already have a contract with the other party, so the late payment is a breach of that contract's terms and conditions and they do therefore have redress to law, as Members have outlined. However, the following good point was made: this is not just about the cost of going to litigation; it is also about the relationship between the smaller business and the other party and it not wanting to undermine that relationship. There is, therefore, a reluctance to go to court. Those people can go to the SBC to make their complaint, but it would be wrong to put that person in some quasi-judicial role given that there is an existing legal relationship between the two parties in that instance and they can go to law.

The other sort of case that we anticipate will interest the SBC is when a small business is in effect making a complaint before a contract has been signed about terms that are being put on them by the other party. They will be able to go to the SBC and raise that complaint.

What happens in Australia has been mentioned. I have spoken to the SBC in Australia and have learned a great deal from his wise words. He does not have any greater powers—[*Interruption.*] No, he doesn't—not in relation to late payments. What he does do, however, and what he has achieved by virtue of the huge credibility he brings to the post and the huge respect he has, is change the culture, and that at its heart is what we seek to do. We want to change the culture so those bigger businesses understand that this is no longer acceptable, regardless of whether they put it into their Ts and Cs or just in practice do not pay small businesses in a reasonable length of time. This is about changing culture. That is what we seek to achieve, and I am confident we can do that.

I just want to finish off by dealing with exit payments. I want to say a few words to the hon. Member for Ynys Môn (Albert Owen) and my hon. Friend the Member for Charnwood (Edward Argar). I say to the hon. Gentleman that Wales will get the benefit of the extra powers we intend to put in. I pay credit to him for the work he and the Secretary of State are going to do to make sure we extend superfast broadband throughout the whole of the UK—and to make sure everybody can get a proper mobile phone signal, too. That is absolutely critical.

On public sector exit payments, I want to say the following. On Magnox workers, I am more than happy to meet any Members to discuss this important issue in relation to them. On NHS workers, I specifically asked for that work to be done and my officials tell me that no NHS employee on £47,000 will be affected—[*Interruption.*] Opposition Members say that is not true; I do not know whether they have done the work on it, but my officials have. I am absolutely determined that we will look at these figures when we go into Committee. We will get that evidence and we will make sure that the figures are put to everybody so that we all know the real situation. What we do know is that there is a very small number of workers in the public sector on about £25,000 who could be caught by this—[HON. MEMBERS: “Ah!”] But those are extremely rare conditions. We will do this in Committee. I urge everybody to vote for the Bill.

*Question put.* That the Bill be now read a Second time.

*The House divided:* Ayes 300, Noes 62.

**Division No. 181]**

**[6.59 pm**

**AYES**

Adams, Nigel  
 Afriyie, Adam  
 Aldous, Peter  
 Allan, Lucy  
 Allen, Heidi  
 Andrew, Stuart  
 Ansell, Caroline  
 Argar, Edward  
 Atkins, Victoria  
 Bacon, Mr Richard  
 Baker, Mr Steve  
 Baldwin, Harriett  
 Baron, Mr John  
 Barwell, Gavin  
 Bebb, Guto  
 Bellingham, Sir Henry  
 Beresford, Sir Paul  
 Berry, Jake  
 Berry, James  
 Bingham, Andrew  
 Blunt, Crispin  
 Boles, Nick  
 Bone, Mr Peter  
 Borwick, Victoria  
 Bottomley, Sir Peter  
 Bradley, Karen  
 Brady, Mr Graham  
 Brake, rh Tom  
 Brazier, Mr Julian  
 Bridgen, Andrew  
 Brine, Steve  
 Brokenshire, rh James  
 Bruce, Fiona  
 Buckland, Robert  
 Burns, Conor  
 Burns, rh Sir Simon  
 Burrowes, Mr David  
 Burt, rh Alistair  
 Cairns, Alun  
 Carmichael, rh Mr Alistair  
 Carmichael, Neil  
 Carswell, Mr Douglas  
 Cartlidge, James  
 Cash, Sir William  
 Caulfield, Maria  
 Chalk, Alex  
 Chishti, Rehman  
 Chope, Mr Christopher  
 Churchill, Jo  
 Clark, rh Greg  
 Cleverly, James  
 Coffey, Dr Thérèse  
 Collins, Damian  
 Colvile, Oliver  
 Costa, Alberto  
 Cox, Mr Geoffrey  
 Crabb, rh Stephen  
 Davies, Byron  
 Davies, Chris  
 Davies, David T. C.  
 Davies, Glyn  
 Davies, Dr James  
 Davies, Mims  
 Davies, Philip  
 Davis, rh Mr David

Dinenage, Caroline  
 Djanogly, Mr Jonathan  
 Donelan, Michelle  
 Dorries, Nadine  
 Double, Steve  
 Dowden, Oliver  
 Doyle-Price, Jackie  
 Drax, Richard  
 Drummond, Mrs Flick  
 Duddridge, James  
 Duncan Smith, rh Mr Iain  
 Dunne, Mr Philip  
 Elliott, Tom  
 Ellis, Michael  
 Ellison, Jane  
 Elphicke, Charlie  
 Eustice, George  
 Evans, Graham  
 Evans, Mr Nigel  
 Evennett, rh Mr David  
 Fabricant, Michael  
 Fallon, rh Michael  
 Farron, Tim  
 Fernandes, Suella  
 Field, rh Mark  
 Foster, Kevin  
 Fox, rh Dr Liam  
 Frazer, Lucy  
 Freeman, George  
 Freer, Mike  
 Fuller, Richard  
 Fysh, Marcus  
 Gale, Sir Roger  
 Garnier, rh Sir Edward  
 Garnier, Mark  
 Gauke, Mr David  
 Ghani, Nusrat  
 Gibb, Mr Nick  
 Gillan, rh Mrs Cheryl  
 Goodwill, Mr Robert  
 Gove, rh Michael  
 Graham, Richard  
 Grant, Mrs Helen  
 Grayling, rh Chris  
 Green, Chris  
 Green, rh Damian  
 Greening, rh Justine  
 Grieve, rh Mr Dominic  
 Griffiths, Andrew  
 Gummer, Ben  
 Gyimah, Mr Sam  
 Halfon, rh Robert  
 Hall, Luke  
 Hammond, Stephen  
 Hancock, rh Matthew  
 Hands, rh Greg  
 Harper, rh Mr Mark  
 Harrington, Richard  
 Hart, Simon  
 Haselhurst, rh Sir Alan  
 Hayes, rh Mr John  
 Heald, Sir Oliver  
 Heapey, James  
 Heaton-Harris, Chris  
 Heaton-Jones, Peter

Henderson, Gordon  
 Herbert, rh Nick  
 Hinds, Damian  
 Hoare, Simon  
 Hollingbery, George  
 Hollobone, Mr Philip  
 Holloway, Mr Adam  
 Hopkins, Kris  
 Howarth, Sir Gerald  
 Howell, John  
 Howlett, Ben  
 Huddleston, Nigel  
 Hunt, rh Mr Jeremy  
 Hurd, Mr Nick  
 James, Margot  
 Javid, rh Sajid  
 Jayawardena, Mr Ranil  
 Jenkin, Mr Bernard  
 Jenkyns, Andrea  
 Johnson, Gareth  
 Johnson, Joseph  
 Jones, Andrew  
 Jones, rh Mr David  
 Jones, Mr Marcus  
 Kawczynski, Daniel  
 Kennedy, Seema  
 Kirby, Simon  
 Knight, rh Sir Greg  
 Knight, Julian  
 Kwarteng, Kwasi  
 Lancaster, Mark  
 Latham, Pauline  
 Leadsom, Andrea  
 Lefroy, Jeremy  
 Leigh, Sir Edward  
 Leslie, Charlotte  
 Letwin, rh Mr Oliver  
 Lewis, Brandon  
 Lewis, rh Dr Julian  
 Liddell-Grainger, Mr Ian  
 Liddington, rh Mr David  
 Lilley, rh Mr Peter  
 Lopresti, Jack  
 Lord, Jonathan  
 Loughton, Tim  
 Lumley, Karen  
 Mackinlay, Craig  
 Mackintosh, David  
 Main, Mrs Anne  
 Mak, Mr Alan  
 Malthouse, Kit  
 Mann, Scott  
 Mathias, Dr Tania  
 Maynard, Paul  
 McCartney, Jason  
 McCartney, Karl  
 McLoughlin, rh Mr Patrick  
 McPartland, Stephen  
 Menzies, Mark  
 Mercer, Johnny  
 Merriman, Huw  
 Metcalfe, Stephen  
 Miller, rh Mrs Maria  
 Milling, Amanda  
 Mills, Nigel  
 Milton, rh Anne  
 Mitchell, rh Mr Andrew  
 Mordaunt, Penny  
 Morgan, rh Nicky  
 Morris, Anne Marie  
 Morris, David  
 Morris, James

Morton, Wendy  
 Mowat, David  
 Murray, Mrs Sheryll  
 Murrison, Dr Andrew  
 Neill, Robert  
 Nokes, Caroline  
 Norman, Jesse  
 Nuttall, Mr David  
 Offord, Dr Matthew  
 Opperman, Guy  
 Parish, Neil  
 Pawsey, Mark  
 Penning, rh Mike  
 Penrose, John  
 Percy, Andrew  
 Perry, Claire  
 Philp, Chris  
 Pickles, rh Sir Eric  
 Pincher, Christopher  
 Prentis, Victoria  
 Prisk, Mr Mark  
 Pritchard, Mark  
 Pugh, John  
 Pursglove, Tom  
 Quin, Jeremy  
 Quince, Will  
 Raab, Mr Dominic  
 Redwood, rh John  
 Rees-Mogg, Mr Jacob  
 Robertson, Mr Laurence  
 Robinson, Mary  
 Rosindell, Andrew  
 Rudd, rh Amber  
 Rutley, David  
 Sandbach, Antoinette  
 Scully, Paul  
 Selous, Andrew  
 Shapps, rh Grant  
 Sharma, Alok  
 Shelbrooke, Alec  
 Skidmore, Chris  
 Smith, Chloe  
 Smith, Henry  
 Smith, Julian  
 Smith, Royston  
 Soames, rh Sir Nicholas  
 Solloway, Amanda  
 Soubry, rh Anna  
 Spelman, rh Mrs Caroline  
 Spencer, Mark  
 Stephenson, Andrew  
 Stevenson, John  
 Stewart, Bob  
 Stewart, Iain  
 Streeter, Mr Gary  
 Stride, Mel  
 Stuart, Graham  
 Sturdy, Julian  
 Sunak, Rishi  
 Swayne, rh Mr Desmond  
 Swire, rh Mr Hugo  
 Syms, Mr Robert  
 Thomas, Derek  
 Throup, Maggie  
 Timpson, Edward  
 Tolhurst, Kelly  
 Tomlinson, Justin  
 Tomlinson, Michael  
 Tracey, Craig  
 Trevelyan, Mrs Anne-Marie  
 Truss, rh Elizabeth  
 Tugendhat, Tom



Turner, Mr Andrew  
 Tyrie, Mr Andrew  
 Vaizey, Mr Edward  
 Vara, Mr Shailesh  
 Vickers, Martin  
 Villiers, Mrs Theresa  
 Walker, Mr Charles  
 Walker, Mr Robin  
 Wallace, Mr Ben  
 Warburton, David  
 Warman, Matt  
 Watkinson, Dame Angela  
 Wharton, James  
 Whately, Helen  
 Wheeler, Heather

White, Chris  
 Whittaker, Craig  
 Whittingdale, Mr John  
 Wigg, Bill  
 Williamson, Mr Gavin  
 Wilson, Mr Rob  
 Wollaston, Dr Sarah  
 Wood, Mike  
 Wragg, William  
 Wright, Mr Jeremy  
 Zahawi, Nadhim

**Tellers for the Ayes:**  
 Sarah Newton and  
 Stephen Barclay

#### NOES

Ahmed-Sheikh, Ms Tasmina  
 Arkless, Richard  
 Bardell, Hannah  
 Black, Mhairi  
 Blackford, Ian  
 Blackman, Kirsty  
 Boswell, Philip  
 Brock, Deidre  
 Brown, Alan  
 Cameron, Dr Lisa  
 Chapman, Douglas  
 Cherry, Joanna  
 Cowan, Ronnie  
 Crawley, Angela  
 Day, Martyn  
 Docherty, Martin John  
 Donaldson, Mr Jeffrey M.  
 Durkan, Mark  
 Edwards, Jonathan  
 Ferrier, Margaret  
 Gethins, Stephen  
 Gibson, Patricia  
 Grady, Patrick  
 Grant, Peter  
 Gray, Neil  
 Hendry, Drew  
 Hermon, Lady  
 Hosie, Stewart  
 Kerevan, George  
 Kerr, Calum  
 Law, Chris  
 Mc Nally, John  
 McCaig, Callum

McDonald, Stewart Malcolm  
 McDonald, Stuart C.  
 McDonnell, Dr Alasdair  
 McGarry, Natalie  
 McLaughlin, Anne  
 Monaghan, Carol  
 Monaghan, Dr Paul  
 Mullin, Roger  
 Newlands, Gavin  
 Nicolson, John  
 O'Hara, Brendan  
 Oswald, Kirsten  
 Paisley, Ian  
 Paterson, Steven  
 Ritchie, Ms Margaret  
 Robertson, Mr Angus  
 Robinson, Gavin  
 Saville Roberts, Liz  
 Shannon, Jim  
 Sheppard, Tommy  
 Simpson, David  
 Skinner, Mr Dennis  
 Stephens, Chris  
 Thewliss, Alison  
 Weir, Mike  
 Whiteford, Dr Eilidh  
 Williams, Hywel  
 Wilson, Corri  
 Wishart, Pete

**Tellers for the Noes:**  
 Marion Fellows and  
 Owen Thompson

*Question accordingly agreed to.*

*Bill read a Second time.*

#### ENTERPRISE BILL [LORDS] (PROGRAMME)

*Motion made, and Question put forthwith (Standing Order No. 83A(7)),*

That the following provisions shall apply to the Enterprise Bill [Lords]:

##### *Committal*

(1) The Bill shall be committed to a Public Bill Committee.

##### *Proceedings in Public Bill Committee*

(2) Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 25 February 2016.

(3) The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

*Proceedings on Consideration and up to and including Third Reading*

(4) Proceedings on Consideration and proceedings in legislative grand committee shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

(5) Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

(6) Standing Order No. 83B (Programming committees) shall not apply to proceedings on Consideration and up to and including Third Reading.

##### *Other proceedings*

(7) Any other proceedings on the Bill (including any proceedings on consideration of any message from the Lords) may be programmed.—(*Kris Hopkins.*)

*Question agreed to.*

#### ENTERPRISE BILL [LORDS] (MONEY)

*Queen's recommendation signified.*

*Motion made, and Question put forthwith (Standing Order No. 52(1)(a)),*

That, for the purposes of any Act resulting from the Enterprise Bill, it is expedient to authorise:

(1) the payment out of money provided by Parliament of:

(a) any expenditure incurred under or by virtue of the Act by the Treasury, any other Minister of the Crown or the Commissioners for Her Majesty's Revenue and Customs;

(b) any increase attributable to the Act in the sums payable under any other Act out of money so provided; and

(2) the payment of sums into the Consolidated Fund.—(*Kris Hopkins.*)

*Question agreed to.*

**Lady Hermon** (North Down) (Ind): On a point of order, Madam Deputy Speaker—[*Interruption.*]

**Madam Deputy Speaker** (Mrs Eleanor Laing): Order. The House must be quiet, as I am trying to hear a point of order.

**Lady Hermon:** I am most grateful to you, Madam Deputy Speaker, for accepting this important point of order. I think that this is the first time that this has arisen. I am in no way challenging the certification by the Speaker of provisions in this Bill as exclusively English or English and Welsh only. The guidance I seek relates to the Order Paper published for today's business, which on page 6, under the title "Enterprise Bill [Lords]: Second Reading", gives a note of Mr Speaker's certification. At the very end, it states:

"The Northern Ireland Assembly decided not to approve a Legislative Consent Motion in respect of this Bill."

That unfortunately gives the impression that the Northern Ireland Assembly has considered the whole Bill. Since we are in a three-month trial period, I wonder whether I might have some guidance.

I will stand corrected if this is wrong, but it is my understanding that as of this evening the only provision of the Bill that the Assembly actually considered was considered on 7 December 2015. In a letter dated 9 December, the Clerk to the Assembly wrote:

"I am writing to notify you"—

that is, the Clerk of the House of Commons—

[Lady Hermon]

“that...the Northern Ireland Assembly did not consent to the provisions dealing with public sector exit payments contained in the Enterprise Bill”.

To the best of my knowledge, the Assembly has not yet fixed a date to consider whether to pass a legislative consent motion on the rest of the Bill. I am simply looking for guidance on the notes that appear in the Order Paper.

**Madam Deputy Speaker:** I am grateful to the hon. Lady for drawing her concerns to the attention of the House and to my attention, and I will, of course, pass that on to Mr Speaker.

The hon. Lady is correct about the wording of page 6 of today’s Order Paper, and I appreciate what she says about what has actually occurred in the Northern Ireland Assembly, about which I have no information, but I will take it that the hon. Lady’s description is correct, in which case there might be a discrepancy between what has occurred in one place and what has occurred through this Order Paper in this place.

As the hon. Lady rightly said, we are still in the experimental stages of this type of consideration of legislation—[*Interruption.*] Order. The House must be quiet when I am dealing with a point of order. As I said, the hon. Lady is aware that we are still in an experimental period, and the point which the hon. Lady has made is one that ought to be taken into consideration, and it will be taken into consideration, first, I am sure, by Mr Speaker—I will draw his attention to it—and also, I am sure, by the Procedure Committee, when it looks at how this new procedure is working. I am grateful to the hon. Lady for drawing this matter to the attention of the House.

## House of Commons Commission (External Members)

7.18 pm

**The Deputy Leader of the House of Commons (Dr Thérèse Coffey):** I beg to move,

That the following appointments be made to the House of Commons Commission in pursuance of section 1(4) of the House of Commons Commission Act 2015 -

(1) Dame Janet Gaymer DBE QC (Hon.), until 30 September 2018; and

(2) Jane McCall, for a period of three years.

Towards the end of the last Parliament, the House of Commons Commission Act 2015 gave statutory effect to recommendations made by the Committee on Governance of the House of Commons, including that there should be two external members of the Commission. The Act said that those members should be appointed by resolution of the House and that a motion for a resolution appointing an external member may be made only with the agreement of the Commission. I am pleased to report that the Commission has agreed the terms of the motion tabled today.

The motion identifies two appointments, and I will briefly outline the two people identified and the process they went through. Dame Janet Gaymer was formerly an external member of the House of Commons Management Board. She has attended the Commission as an acting external member since January 2015. In September 2015, the Commission decided that she should be invited to continue to serve until September 2018, in line with best practice relating to the maximum terms of non-executive board members.

Jane McCall was recruited following a fair and open competition, including attendance at an interview panel comprising Mr Speaker, other hon. Members, the Clerk of the House and an external panel member, Joanna Place, in December 2015. The motion would have the effect of appointing Jane McCall for three years, the Commission having agreed that the term limit for external members should be a period of three years, with the possibility of two further extensions of one year each. The Commission agreed that both would make a valuable contribution to its work. Further biographical details and an explanation of the process, written by the Clerk of the House, have been made available to all Members by means of an explanatory memorandum accompanying the motion. I am sure that the whole House will want to welcome them both to their appointments, and we look forward to their making a contribution to the work of the House in future. I therefore commend this motion to the House.

7.19 pm

**Chris Bryant (Rhondda) (Lab):** I do not intend to delay the House for very long either. I think the Deputy Leader of the House has got a bit of a cold and has been in bed all day, so we are very grateful to her for managing to struggle in this evening. The phrase in Wales is that she has been “bad in bed”—though not, I think, under the doctors in this case.

As a member of the Commission myself, I have obviously met the two members who are joining it. Dame Janet Gaymer is an eminent employment lawyer

who has already brought a great deal of her experience and intelligence to many of our discussions about employment in this House, particularly that of staff of the House rather than staff of Members. She has been with us in all the time I have been on the Commission—which is not very long. Jane McCall is the deputy chief executive of Trafford Housing Trust, and she too brings a great deal of experience from a different world from that which most of us would necessarily know. So far, they have not shown any signs of going native in terms of their contributions to discussions. I think they are excellent appointments.

I would just make one other tiny point, which is that all six Members of the House of Commons who are members of the Commission are men, so it is quite a delight to have two women joining us as well. With that, I fully support the motion.

7.21 pm

**Pete Wishart** (Perth and North Perthshire) (SNP): I will be even briefer than the Deputy Leader of the House and the shadow Leader of the House in welcoming, on behalf of those on the SNP Benches, both these appointments—Dame Janet Gaymer, who has become a full-time member of the Commission, and Jane McCall. I am told by my hon. Friend the Member for Dundee East (Stewart Hosie), who is of course a distinguished member of the House of Commons Commission, that they will bring invaluable external expertise to its work, and this House will appreciate and respect that. I have to say that I was not familiar with these individuals, but having examined their CVs in great detail in the 10 minutes since I was notified of the fact that they were going to be appointed, I can say that the House has made a brave and courageous, but correct, decision in appointing them.

I echo the shadow Leader of the House in saying that it is welcome that we have two women on the Commission and acknowledging the fact that the elected members are all male. These two appointments will make a substantial contribution to the work of the Commission. I add my party's support for this motion.

*Question put and agreed to.*

## Business without Debate

**Madam Deputy Speaker (Mrs Eleanor Laing):** With the leave of the House, we shall take motions 6 and 7 together.

## DELEGATED LEGISLATION

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

### SAFEGUARDING AND CLERGY DISCIPLINE MEASURE

That the Safeguarding and Clergy Discipline Measure (HC 722), passed by the General Synod of the Church of England, be presented to Her Majesty for her Royal Assent in the form in which it was laid before Parliament.

### DIOCESAN STIPENDS FUND (AMENDMENT) MEASURE

That the Diocesan Stipends Fund (Amendment) Measure (HC 723), passed by the General Synod of the Church of England, be presented to Her Majesty for her Royal Assent in the form in which it was laid before Parliament.—(*Second Church Estates Commissioner.*)

*Question agreed to.*

## EUROPEAN UNION DOCUMENTS

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

### COMMON FOREIGN AND SECURITY POLICY, INCLUDING COMMON SECURITY AND DEFENCE POLICY

That this House takes note of European Union Document No. 11083/15, Main aspects and basic choices of the CFSP (part II, point E, paragraph 25 of the Interinstitutional Agreement of 2 December 2013)—2014: Draft Annual Report from the High Representative of the European Union for Foreign Affairs and Security Policy to the European Parliament; and welcomes the constructive coordination between EU Member States and Institutions to achieve a range of positive foreign policy outcomes.—(*Kris Hopkins.*)

*Question agreed to.*

## BUSINESS OF THE HOUSE

*Ordered,*

That, at the sitting on Monday 8 February, the provisions of Standing Orders No. 16 (Proceedings under an Act or on European Union documents) and No. 41A (Deferred divisions) shall not apply to the Motion in the name of Justin Tomlinson relating to the draft Social Security Benefits Up-rating Order 2016 and the Motion in the name of Mr Shailesh Vara relating to the draft State Pension (Amendment) Regulations 2016; the Speaker shall put the Questions necessary to dispose of those Motions not later than three hours after the commencement of proceedings on the first of those Motions; and proceedings on those Motions may continue, though opposed, after the moment of interruption.—(*Kris Hopkins.*)

## Real-time Credit Scoring

*Motion made, and Question proposed,* That this House do now adjourn.—(*Kris Hopkins.*)

7.23 pm

**Chris Evans** (Islwyn) (Lab/Co-op): Thank you for calling me to speak, Madam Deputy Speaker; it is a pleasure. I have been in this House for six years in May, and this is the first time I have ever been granted an end-of-day Adjournment debate.

I am delighted to have the opportunity to debate the topic of real-time credit scoring. For me, this is a very important issue, especially in the wake of several financial scandals over the years. The financial crash of 2008 proved one thing—that banking needs reform.

Whenever I think of banking, I think of the need for reform. Most people who use banks will want to borrow money and, unfortunately, personal lending and personal loans are the last area to be considered for reform by the Government.

Real-time credit scoring makes complete sense. The term describes the sharing of data from the credit reference agencies in real time or as close to real time as possible. This requires sufficiently up-to-date and complete relevant data from all the banks and financial institutions. People expect choice in any walk of life. It is what our system is based on. In the market for personal loans, the choice is too narrow and too clearly focused on the banks. Real-time credit scoring would shake up the market and bring about real change for consumers and banks.

The Financial Conduct Authority is looking at the issue. The case for regulation to enable data sharing to happen safely and effectively is compelling. If consumers could ask their banks to share real-time data about their account with a prospective lender, lenders could assess affordability more accurately, meaning that they could make more capital available to consumers with lower risk, thereby driving down cost.

**Julian Knight** (Solihull) (Con): I congratulate the hon. Gentleman on securing this debate on a very important topic. I support his call for real-time credit scoring, which needs to be explored further. In my previous occupation as a financial journalist, I dealt with a lady who got into £107,000 of debt in three days, following a relationship breakdown. If real-time credit scoring had been in place on the high street, she would not have got into such enormous debt, which caused further mental health issues. Perhaps the hon. Gentleman will reflect on that.

**Chris Evans:** I will develop that argument further. The hon. Gentleman identifies the nub of the problem—the delay in credit scoring needs to be addressed. That is common sense and I hope the Government will grasp the nettle.

**Yvonne Fovargue** (Makerfield) (Lab): I congratulate my hon. Friend on obtaining this debate. Does he agree that it is not just consumers who would benefit, but new entrants to the market who are lending for the medium term would be able to come in without having to buy two databases: the payday loan database, which operates

in real time, and the other database that operates for banks and other financial institutions, which is at least a month behind?

**Chris Evans:** My hon. Friend speaks with some expertise. I pay tribute to the amount of work she has done on payday lending and raising the issues associated with it. She is right. The real problem is that the banks have a stranglehold on lending. They jealously guard their data and they are suspicious of the Data Protection Act. They therefore keep out of the market major competitors who could bring down interest rates, which is what we all want to see.

**Jim Shannon** (Strangford) (DUP): The hon. Gentleman is very gracious and I thank him for giving way. Credit risk is one of the top issues in financial services and there is a need for services to be automated. Is there a possibility through real-time credit scoring to provide new, exciting jobs in a well-paid high-end market? That would be a plus, if it was done in the right way.

**Chris Evans:** The hon. Gentleman is right. The more competitors there are in the market, the more jobs and the more specialised jobs there will be. I pay tribute to the hon. Gentleman, who speaks on every single topic. We have often joked privately that Westminster Hall is his lounge in the morning, as he speaks there so often. Coming from Northern Ireland and Wales, which have great similarities—both are heavily reliant on public sector jobs—the hon. Gentleman and I know that real-time data sharing and more competitors in the market would bring the private sector jobs that areas such as mine, his and the north-east are crying out for.

Currently, consumers pay the high costs in two ways. Consumers who can afford credit pay more than they should, and consumers to whom lenders ought not to lend are able to access credit even when it is not affordable. Better data would reduce both these problems, to the benefit of all concerned. So who would be the big losers if the Financial Conduct Authority acted? The banks and the incumbent lenders, but I do not think they would be losers. They would have to up their game and offer innovative products such as those that the hon. Gentleman mentioned. The FCA should also be ready to act in the teeth of resistance and entrenched interests, to further the interests of the consumer and our constituents.

I want to provide some background information to data sharing in consumer credit markets. An important interaction in the consumer credit market is the way in which lenders, particularly unsecured lenders—or, as we know them, high-cost, short-term credit lenders—assess a prospective borrower's creditworthiness before agreeing whether to lend to them and setting the terms on which the loan is made. Lenders rely on information about a borrower's creditworthiness from a range of services, including information supplied directly by the potential borrower as part of their loan application and information obtained from credit reference agencies.

Credit reference agencies aggregate information about the individual borrower's personal information, past credit history and current credit commitments, and they supply that information to lenders on commercial terms. The three main credit reference agencies in the UK are Experian, Equifax and Callcredit. The way in which credit reference agencies aggregate and supply information

is not regulated by the FCA, but operates on an industry-wide reciprocal basis. There is no requirement on individual lenders to share information, and although banks, which hold the most critical current account information, have the most detailed overview of a customer's financial position, they do not in general supply data to credit reference agencies—of course not, because the data give them a leg up into the market and an advantage over other providers.

Veritec states that payday lenders have, as we all know, consistently failed to act in the best interests of consumers. Previous efforts to allow the UK payday lending industry to self-regulate have not succeeded, and tragic cases have come to light whereby individuals have become trapped in a downward spiral of debt through multiple, simultaneous loans. The actions of payday loan companies should be monitored by the FCA, and a database with real-time information on existing loans is required.

I do not want anyone to think that I want short-term lending to be banned. It is a massive industry that creates jobs for people. There is obviously a need for it; otherwise there would not be so much money in the market, but I believe that tools have to be made available so that decisions can be made about creditworthiness.

Crucially, not all lenders report data to more than one credit reference agency, and a reliance on credit reference agencies has played a key role in the downfall of the implementation of FCA rules and consumer protection. It is disappointing that the FCA will not consult on real-time data sharing requirements at this time.

Only a database with real-time information on existing loans will protect consumers from potential harm. A system should be considered real time only if every inquiry and every lending decision is updated instantaneously across 100% of the market. That would allow for lenders to know immediately if a consumer is eligible for a loan under the FCA's responsible lending rules. However, the reciprocal principles that underpin data sharing require that lenders provide data to credit reference agencies "on a regular basis", usually a minimum of once a month. Even where data are provided monthly, they can be as much as 60 days old by the time they are made available to other lenders.

The fact that lenders may routinely not have access to the most recent 60 days of a consumer's credit history creates serious consequences for competition and, above all, consumer welfare, with the potential for unaffordable levels of debt. The question as to which lenders share information is an entirely commercial decision, and it is left to lenders to assess whether it is in their interests. They do not have to take into account any other information, such as the wider benefits to consumers.

Rather than just talking about affordability, it is very important to take a customer's lifestyle into consideration, as happens when people take out mortgages. If we had real-time data sharing, that practice could be spread right across the board in personal lending.

Incumbent lenders, such as bankers, have no incentive to share data. Banks hold the most critical current account information, and the marginal benefit of sharing information and receiving reciprocal information is very small compared with the much larger marginal benefit to smaller lenders, such as unsecured lenders, or high-cost,

short-term credit lenders. That creates a very important market failure. Having unrivalled access to credit data puts the banks in a unique position in considering whether to lend to consumers, and it allows them to lend at the most competitive rate. As a result, smaller lenders and new entrants are placed at a significant competitive disadvantage. That not only restricts competition, but distorts it in favour of one sub-market over another.

In addition, that risks cutting off some consumers from access to credit altogether. If they are unable to obtain a bank loan, such consumers must either rely on other forms of credit, such as unsecured lending or high-cost, short-term credit, or make do without a loan. Lenders want to lend to such under-served customers, but for lenders to be able to offer loans at reasonable interest rates, it is essential that they can minimise the risk of default. That means conducting rigorous affordability assessments, for which they require access to complete and up-to-date credit data.

The Competition and Markets Authority considered real-time data sharing in its payday lending market investigation. In its final report, it stated that it saw significant benefits to implementing real-time data sharing, but:

"We consider that further development of RTDS, specifically the frequency of updates, would benefit borrowers and lenders and that our recommendation is not redundant".

In response to the report, the FCA was asked to consult on a range of issues, including real-time data sharing, in the high-cost, short-term credit market. In its consultation paper, the FCA stated:

"Although we see clear benefits to real-time data sharing, we do not propose to consult on introducing real-time data sharing requirements at this time."

The FCA's proposed approach is, in effect, to do nothing and assume that the issues associated with real-time data sharing will work themselves out through a combination of time and commercial pressures. It is true that entrepreneurial new companies are developing systems and services that use existing arrangements that are already available to consumers, such as online banking, to offer something approaching real-time credit data. Although there is scope for technology to make sharing faster and easier, unless real-time data sharing is supported by regulatory requirements from the FCA, it is likely to be opposed as a result of commercial pressures by large incumbent lenders to prevent more effective competition.

New technological solutions show that there are few material costs to implementing real-time data sharing. IT systems are already geared to real-time data sharing, and it is clear that financial institutions can mobilise their account information to support real-time data sharing for their own purposes without any difficulty. I have also been informed of the benefits of a regulatory database. A database would allow instant monitoring of loans and of the whole high-cost, short-term credit market, which can be simplified into a traffic light system for lenders and alerts when loans are made outside regulatory rules. If all applications were processed using the database, regulators would have certainty that the rules were being followed at point of sale in store or online. In addition, because the data are not shared among creditors and are used only by the regulator, commercially sensitive information and customer data are not bought and sold.

[Chris Evans]

The Financial Conduct Authority should ensure that any real-time data are used to ensure compliance at every step of the lending process. That can be achieved only if all lenders of short-term, high-cost credit report data into a real-time FCA database. The payday loan market operates best, and consumers are best protected, when a database is in place. Alongside that, high-level scrutiny and enforcement activity are required to limit and prohibit illegal lending.

The absence of real-time data sharing is important for two principal reasons. First, it is a partial cause of unaffordable personal debt. Consumers may be granted loans that they cannot truly afford, because providers do not have up-to-date information about their most recent liabilities and missed payments. Secondly, it is a critical factor that limits the degree and effectiveness of competition within many overlapping consumer credit markets, because it discourages providers from entering the market and limits their ability to compete fairly if they do enter. The FCA must revise its proposed strategy and develop long-term, future-proof regulatory solutions that promote real-time data sharing and enable the innovative use of new technology.

In our society, many people, whatever their political persuasion, believe that the Government are no longer on their side. Real-time data sharing, to me, is absolute common sense, and it can be adopted with a few simple steps. It is time, through this simple measure, for the Government to show that they can stand up to large corporations and organisations that are quite clearly trying to rig the market in their favour.

7.39 pm

**The Economic Secretary to the Treasury (Harriett Baldwin):** I congratulate the hon. Member for Islwyn (Chris Evans) on securing this very interesting debate. I want to assure him that my key priority as Economic Secretary is to ensure that financial services are on the side of people who work hard and who want to do the right thing and get on in life. Financial services should help people to achieve their aspirations at every stage of their lives, whether they are saving for their first home, taking out a mortgage, buying a car or saving and investing for their retirement.

This Government have fundamentally reformed the regulation of the consumer credit market to deliver our vision of one that is well functioning and sustainable and, vitally, can meet consumers' needs. That is why we created a more robust regulatory system and transferred regulatory responsibility for consumer credit from the Office of Fair Trading to the Financial Conduct Authority in April 2014. The regime was designed to strike the right balance between proportionality and consumer protection. The FCA thoroughly assesses every single consumer credit firm's fitness to trade as part of the authorisation process, and it has put in place binding standards. It proactively monitors the consumer credit market, focusing on the areas most likely to cause consumers harm. This Government have ensured that the FCA has robust powers to protect consumers.

It is very important that lenders act responsibly when deciding whether to grant credit and how much to give. The FCA makes it clear that a firm should lend responsibly, and that it should take reasonable steps to assess the

customer's ability to meet repayments in a sustainable manner, without having to borrow further. The hon. Gentleman is right that, ultimately, credit should only be extended to a consumer if they can afford it. Improving creditworthiness assessments will help to deliver a lower risk and a more affordable credit market.

When the responsibility for regulating consumer credit was transferred, the FCA turned key elements of the OFT's "Irresponsible lending" guidance into binding rules. The rules set out that a firm should assess the customer's creditworthiness with regard to the potential for the commitments to impact adversely on the consumer's financial situation, and the consumer's ability to make payments as they fall due. Although the FCA requires firms to undertake a creditworthiness assessment, including on the affordability of credit, it does not require firms to share or use all available credit data, whether real-time or otherwise, as the hon. Gentleman pointed out.

Providing lenders with a broad spread of information on which to base their lending decisions facilitates better decisions. The UK has a competitive credit information market that delivers this function. Credit data are shared by lenders through private credit reference agencies—the hon. Gentleman mentioned the three main ones—and lenders of all types provide credit reference agencies with information, including about traditional and non-traditional lenders. Providers of non-credit services, such as utilities, share data with credit reference agencies.

There are no specific FCA rules regarding the sharing of credit data in real time and there is no standard definition of what constitutes real-time data sharing, but the general principles that lenders follow when sharing data are set out in the "Principles of Reciprocity", as drawn up by the credit industry in collaboration with the Information Commissioner. The principles mean that lenders can access only the same type of data that they share with other lenders. For real-time data sharing, they would need to report data in real time to each other if they wanted to access such data to inform creditworthiness assessments from other firms. Nothing currently prevents them from doing so. The Government have made it clear to lenders that appropriate real-time credit data sharing can greatly assist in making more accurate affordability assessments. Real-time credit data sharing allows firms to see whether an individual has credit agreements with other providers, and gives them a much better understanding of their burdens.

As I am sure the hon. Gentleman would agree—the hon. Gentleman mentioned this a few times—these issues are particularly salient in the high-cost, short-term credit market. Owing to the nature of that market, the availability of accurate and up-to-date data is all the more important. The FCA has said that there has been substantial recent progress by the industry in real-time credit data sharing for high-cost, short-term lenders. In fact, over 90% of high-cost, short-term lenders by market share currently meet the FCA's expectations to share data in real time. The FCA expects the proportion of high-cost, short-term credit firms using real-time data sharing to increase further by the time the authorisation process is complete for most high-cost, short-term credit firms. However, it will continue to press for further improvements to ensure that up-to-date information is available to enable lenders to make more accurate affordability assessments that deliver better outcomes for consumers.

That reflects the Government's general approach to regulation, which focuses on the areas that are most likely to cause harm. There is obviously a particular risk in the payday market, which is why we capped the total cost of payday loans and why the FCA has placed expectations for real-time data sharing on this market.

It is worth noting that real-time data sharing is not a panacea. While credit reference agencies are a key part of the consumer credit market and are regulated by the FCA, the information record does not necessarily provide a complete picture of the consumer's financial situation. Therefore, improving the depth and breadth of the data, rather than the timing, is more important to the affordability of credit.

The decentralised nature of the UK's system of credit referencing means that credit reference agencies are well placed to respond to this challenge. Unlike some other markets that are highly centralised, credit reference agencies in the UK compete on the extent and timeliness of their data coverage. As such, it is in their interest to provide as much relevant data about consumers in the most timely manner possible in order to assist lenders in making the most accurate affordability assessments possible. One credit reference agency recently launched an initiative that will enable the use of social rent, as well as utilities data. That could assist consumers with thin credit files to access more affordable credit.

The FCA will continue to challenge payday lenders, as part of its ongoing authorisation process, about the robustness of their affordability assessments and their use of real-time data. It is currently considering the responses to a consultation that includes its approach to real-time data sharing. More widely, the FCA is looking into how firms assess creditworthiness and affordability, including how consumers may be protected from taking on unmanageable debt.

The Government are committed to developing the FinTech sector so that this country becomes the global hub for financial innovation, giving consumers greater choice and access to credit in the process. The hon. Gentleman mentioned the potential for jobs and economic activity, as did the hon. Member for Strangford (Jim

Shannon) when he was here. The FinTech industry will be crucial in meeting these objectives, particularly in fostering a climate that encourages data sharing and gives consumers greater choice in the process.

I assure the hon. Member for Islwyn that our FinTech industry is a world leader. In 2014, it contributed £20 billion to GDP and employed 135,000 people. Its development has kept our financial services sector at the cutting edge of innovation, increased competition and choice for consumers, and helped businesses to get better services. I see the developments that we are discussing very much within that context. The Government have taken a range of actions to support alternative lenders and the digital currency sector. We have appointed Britain's first special envoy for FinTech, Eileen Burbidge, to support our engagement with the sector. We have worked with the FCA to create the right regulatory environment for the sector to flourish, while protecting consumers.

The Government are working with industry to deliver a framework for the open application programming interface. In plain English, that will mean that the banks' data and computer languages are much more accessible to other computers and FinTech firms. That will deliver greater competition and innovation, particularly in the personal and business current account sectors, by enabling innovative third-party firms, such as FinTechs, to make use of bank data in the interests of customers. Within this innovative space, there is scope for FinTechs to shape the consumer credit market positively and to do more on real-time credit information. For example, the FCA is considering opening access to consumers' credit card usage data to other market participants.

I thank the hon. Member for Islwyn and congratulate him once again on raising a very interesting subject for debate this evening. I stress that the Government and the FCA understand the importance of this matter to his constituents and to the country.

*Question put and agreed to.*

7.49 pm

*House adjourned.*





# House of Commons

*Wednesday 3 February 2016*

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

## PRAYERS

[MR SPEAKER *in the Chair*]

## Oral Answers to Questions

### INTERNATIONAL DEVELOPMENT

*The Secretary of State was asked—*

#### UN World Humanitarian Summit

1. **Drew Hendry** (Inverness, Nairn, Badenoch and Strathspey) (SNP): What preparations her Department is making for the UN world humanitarian summit. [903404]

2. **John Nicolson** (East Dunbartonshire) (SNP): What preparations her Department is making for the UN world humanitarian summit. [903405]

**The Secretary of State for International Development (Justine Greening):** Our country has bold ambitions for the world humanitarian summit, which comes at a critical time given that there are currently more displaced people globally than at any time since the second world war. We are working with a range of partners, including UN agencies, Governments, non-governmental organisations and the private sector, to ensure that the summit delivers transformative change to crisis response.

**Drew Hendry:** Child protection has been desperately underfunded in global humanitarian efforts. One in 10 children now lives in conflict-affected areas, and UNICEF warns that at least 3 million children are caught up in emergencies and need psychosocial help. Will the Prime Minister be part of the UK delegation, and will he commit to making child protection one of the UK's key priorities at the summit?

**Justine Greening:** We have not finalised the UK delegation yet, but I can assure the hon. Gentleman that the issue of child protection has been very much at the core of all our humanitarian responses, not least, most recently, in Syria. The UK worked with UNICEF to put in place so-called safe zones in many of the refugee camps to enable children to be reunited with their families if they had got lost.

**John Nicolson:** What discussions does the Secretary of State expect to take place at the summit on support for those fleeing violence and persecution? Will she support efforts at the summit to ensure that lower and middle-income countries hosting refugees and displaced people have long-term, predictable financing, and that refugees themselves have the right to work and contribute to the society and economy to which they move?

**Justine Greening:** The hon. Gentleman asks a very pertinent question. The Syria conference in London tomorrow will look at this very issue of respecting the fact that refugees are, on average, a refugee for 17 years. We need to go beyond providing traditional lifesaving support to meet such broader needs—not just jobs, as he says, but getting children into schools. The Syria conference tomorrow is a key moment not just to respond to that crisis, but, more broadly, to show a new model of responding to protracted humanitarian crises around the world. I hope we can then take that forward at the world humanitarian summit.

**Mr Gary Streeter** (South West Devon) (Con): Given that many humanitarian crises are caused by conflict, will my right hon. Friend make sure that the UK delegation presses the United Nations at the humanitarian summit to be more effective in conflict resolution and prevention, thus solving a lot of the problems that many women and children in our world are facing?

**Justine Greening:** My hon. Friend is absolutely right. In fact, when I had the privilege of chairing the UN Security Council last October, the issue we talked about was the need for the international community and the Security Council itself to look at fragile countries before conflict hits and perhaps to have better early warning systems, whether on human rights or any other area, to highlight where we need to do work in advance to keep peace and stability, rather than having the costly after-effects of responding to war.

**Jeremy Lefroy** (Stafford) (Con): What work is my right hon. Friend doing to ensure that humanitarian aid is joined up with longer-term development aid?

**Justine Greening:** The world humanitarian summit is a key opportunity for us to knit these agendas together clearly. At the moment, I would describe the humanitarian system as a hospital that only has an accident and emergency department. From the start of such crises, we need not only to think ahead about how we can deal with the day-to-day challenges that refugees and people affected face, but to begin to build in long-term solutions so that they can get their lives back on track. That is why the issues of jobs in particular, getting children into schools and helping host communities—the communities that host the refugees—to cope are so important.

**Mr Speaker:** Where is Mr Hendry? The fella has just asked a question and has beetled out of the Chamber. We are still having exchanges on that question. I know the hon. Gentleman is a new Member, but he must learn that a Member must not ask a question and then leave. There are continuing exchanges on the matter, and I am sure the hon. Gentleman is at least as interested in the opinions of others as he is in his own. It is quite extraordinary behaviour.

**Tom Brake** (Carshalton and Wallington) (LD): May I press the Secretary of State to advocate a presumption of denial of arms exports to countries of concern as a UK innovation that could help to save lives around the world?

**Justine Greening:** As the right hon. Gentleman knows, we have one of the strictest arms control regimes in the world. We should make sure that those processes are

working effectively. My Department provides leadership in ensuring that when crises hit, the UK plays a leading role in making sure that the affected people have the adequate, long-term support they need. That is important because, as the humanitarian high-level panel said, 125 million people in the world now live through humanitarian support. That is the equivalent of a country, but they do not have a Head of State at the UN speaking up for them. That is why the rest of us need to work as hard as we can to make sure not only that they are listened to but that their needs are met.

**Ms Diane Abbott** (Hackney North and Stoke Newington) (Lab): The Secretary of State will be aware that the biggest humanitarian crisis we face is the refugee crisis. The House respects the work that the Government have done on the Syria conference and investing in the camps, but what about the refugees, particularly child refugees, who are not in the camps? We heard this week that for the first time since the crisis began women and children make up the majority of the refugees who are travelling to Greece. How many child refugees who are not in the camps do the Government propose to take?

**Justine Greening:** On the broader issue, the hon. Lady will know that the UK and UNICEF set up the “No Lost Generation” initiative, which has enabled half the children affected by the Syrian crisis to be in school. More broadly, on the relocation scheme we have put in place, this is the right way to help vulnerable refugees to relocate out of the region if they need to. We are working with UN agencies to identify the most vulnerable people and are talking to them about how that can be extended to unaccompanied children. The good news is that because of the hard work of agencies such as UNICEF, which are funded by the UK, the overwhelming number of children—more than 85%—who arrive in countries such as Jordan and Lebanon unaccompanied are reunited with their families.

### Energy Access: Africa

3. **Andrew Bridgen** (North West Leicestershire) (Con): What steps her Department is taking to improve energy access in Africa. [903406]

**The Parliamentary Under-Secretary of State for International Development (Mr Nick Hurd):** Two-thirds of Africa does not have access to electricity. The Department for International Development wants to play a leading role in changing that, including through the Energy Africa campaign, which will accelerate the market for transformative household solar systems and so contribute to the global goal of universal access by 2030.

**Andrew Bridgen:** Will the Minister outline for the House what opportunity he sees for British entrepreneurs and companies to help the Department achieve its ambition of ending fuel poverty in Africa?

**Mr Hurd:** One of the things we are most excited about in the Energy Africa campaign is that some of the most effective leadership on the continent is coming from companies that are British, that were set up by British people or that are backed by British people, such as Azuri Technologies and M-KOPA. DFID’s commitment to ongoing research through the Mission Innovation

initiative, which is worth about £100 million, will create opportunities for many British companies to be involved in that important research.

**Mr Gregory Campbell** (East Londonderry) (DUP): Will the Minister confirm whether discussions are taking place with African nation states to ensure that solar energy becomes a high priority in those states, so that we can assist them in providing the much-needed energy supplies to their residents?

**Mr Hurd:** I certainly can confirm that. I have had a number of bilateral meetings with African Ministers and have signed up seven countries to the Energy Africa campaign, which is all about accelerating their citizens’ access to household solar systems. In my experience—I have seen this in Ethiopia—such systems can transform the prospects of a family. It is a high priority for those countries and for us.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): Will the Minister broaden his horizons? This country has so much expertise in our universities and our big energy and waste companies. There are also a lot of social enterprises that know about this stuff. Will he bring them together and give us the opportunity to help people in Africa to set up these things for themselves?

**Mr Hurd:** I am absolutely with the hon. Gentleman on this, as on so many things. There is a huge amount of expertise in this country that we can, should and want to connect to leaders in African countries. Those leaders know that making it easier for their citizens and businesses to access energy is fundamental to development. It is a top priority for us.

**Patrick Grady** (Glasgow North) (SNP): DFID’s inclusive growth diagnostic identifies energy access as a major blockage to inclusive growth, and the research by the Catholic Agency for Overseas Development on small businesses in developing countries identifies a lack of access to reliable electricity as one of the top 10 barriers to development. I welcome DFID’s support for household solar power, but how does it plan to expand that—for example, through clean cooking technology—and what steps is it taking to prioritise clean energy across the board in developing countries, rather than carbon-intensive and fossil fuel generation, to ensure that we do not undermine the climate change targets?

**Mr Hurd:** Yes, I mentioned the Energy Africa campaign, and that and the household solar system is just one piece of DFID’s offer to Africa, which totals more than £1.5 billion of investment. A contribution to the African renewable energy partnership of around 2GW will connect about 20 million people through that initiative alone. The DFID offer is broader than just the household solar system, and it encompasses a wide range of renewable technologies.

### Yemen

4. **Mr Laurence Robertson** (Tewkesbury) (Con): What recent assessment she has made of the humanitarian situation in Yemen. [903407]

**The Minister of State, Department for International Development (Mr Desmond Swayne):** Eighty per cent. of Yemen's population are in need of humanitarian aid, and 7.6 million people face severe food shortages. Some 320,000 children under the age of five are severely malnourished, there are 2.5 million displaced people, and there were 8,000 civilian casualties last year. Yemen must be one of the least eligible places to be.

**Mr Robertson:** I thank the Minister for setting out the worrying situation in Yemen. There are other problem areas of the world, such as Syria, but Yemen is one of the world's hidden problems. What can the Government do to enable NGOs to at least get food aid and clean water into Yemen to those who are so desperately in need?

**Mr Swayne:** We started by doubling our aid last year, and last week the Secretary of State announced that that aid would increase by a further £10 million to £85 million. In September, she led a side event at the UN General Assembly, at which she secured from other donors a further £85 million. We are working on the UN verification and inspection mechanism to ensure that more food and shipping get into Yemen.

**Stephen Twigg (Liverpool, West Derby) (Lab/Co-op):** That additional aid is welcome, but at the same time we are supplying arms to one side in the conflict. Is it time that this country supported an international, independent inquiry into concerns about the abuses of international humanitarian law, and in the meantime suspended all arms sales to Saudi Arabia?

**Mr Swayne:** We have supported the UN Human Rights Council resolution that requires the Government of Yemen to investigate those matters, with the support of the UN.

**Mrs Helen Grant (Maidstone and The Weald) (Con):** Is DFID's good work in Yemen being undermined by UK arms sales to Saudi Arabia?

**Mr Swayne:** What undermines UK aid, and what makes that aid ever more necessary yet harder to deliver, is the violent and unlawful removal of the Government of Yemen. Only a peace process to restore that will end the suffering.

**Ms Gisela Stuart (Birmingham, Edgbaston) (Lab):** If we are concerned about arms exports to Saudi Arabia, which fuel the conflict in Yemen, why are the Government not pressing ahead with setting up the cross-party quadripartite committee on arms exports, so that Parliament can control that better?

**Mr Swayne:** As the Prime Minister pointed out, we have the most stringent and robust arms export regulations in the world. We have supported the UN Human Rights Council resolution, and we are committed to the investigation of every abuse or abrogation of international law.

**Ms Diane Abbott (Hackney North and Stoke Newington) (Lab):** The Minister will be aware that Saferworld, Oxfam, UNICEF, and Save the Children take the position that DFID's work in Yemen is being undermined by

UK arms sales. How can the Minister continue to insist that a UK-replenished Saudi arsenal being dropped on Yemen is not an impediment to development?

**Mr Swayne:** As I said to my hon. Friend the Member for Maidstone and The Weald (Mrs Grant), the undermining of our ability to deliver aid is a consequence of warfare. That warfare arises because of the violent removal of the lawful Government of Yemen, not because we have sold arms to the Saudis.

#### **Female Economic Empowerment: Poorest Countries**

5. **Sir Oliver Heald (North East Hertfordshire) (Con):** What steps she is taking to promote female economic empowerment in the poorest countries. [903408]

**The Secretary of State for International Development (Justine Greening):** No country can develop while half its population is locked out of that process, which is why I have placed improving the prospects for girls and women around the world at the heart of DFID's work. I am honoured to have been appointed recently by the UN Secretary General to the new UN high-level panel on women's economic empowerment, joining leaders of the World Bank, the IMF, the private sector and civil society to drive that agenda forward.

**Sir Oliver Heald:** Does my right hon. Friend agree that there needs to be a particular focus in the poorest countries on rural development and agriculture? It is women who produce most of the food and who are responsible for its security. Does she agree that if we can improve the productivity of women and empower them, we can reduce poverty and see growth in the countries that need it?

**Justine Greening:** My hon. and learned Friend is absolutely right. Agriculture is a key economic sector of most of those countries. A recent McKinsey report states that the achievement of gender parity at a regional level, so that each country matches the best progress of the best country in its region, would add 11% of global GDP by 2025—a huge economic lever for all of us to pull.

**Mary Creagh (Wakefield) (Lab):** The Zika virus crossed the Pacific and went from French Polynesia to Brazil in May last year. Since then, 4,000 children have been born with microcephaly. What analysis has the Secretary of State made of the risks to the poorest women and girls in the world if the virus crosses the Atlantic from Brazil to sub-Saharan Africa? Will she promise to keep a very close eye on that and use all British scientific knowledge to ensure that it does not happen?

**Justine Greening:** The hon. Lady is absolutely right. We had an urgent question earlier this week and the Under-Secretary of State for International Development, my hon. Friend the Member for Ruislip, Northwood and Pinner (Mr Hurd), set out the research that we are now kicking off. She will also be pleased to hear that Chris Whitty, the DFID chief scientist who led our work on Ebola and helped us to shape our response to it, is currently in Brazil talking to the authorities there to ensure we manage the various risks she sets out.

**Mrs Caroline Spelman** (Meriden) (Con): Will the Secretary of State commend the work of Tearfund in Bangladesh among women in rural areas, which helps them with business start-ups and works with the Bangladesh Government to provide mobile phone banking to cut out the middle man?

**Justine Greening:** My right hon. Friend mentions a number of very innovative pieces of work. I commend Tearfund for its work. Healthy economies need everybody to be able to be a part of them. That is why women's economic empowerment matters so much.

**Andrew Gwynne** (Denton and Reddish) (Lab): What efforts is the Secretary of State making to ensure that other donor countries, the EU, the UN and the World Bank integrate gender into their humanitarian efforts?

**Justine Greening:** The fact that we now have global goal 5 on gender equality means that, for the very first time, this is formally on the world's to-do list. The world humanitarian summit is a key moment where we can make sure the vulnerabilities of girls and women in particular are properly pulled into the humanitarian system in terms of a response on the ground. The hon. Gentleman will be aware that two years ago the UK held a conference on this very topic to drive that forward.

### Yemen

6. **Ms Tasmina Ahmed-Sheikh** (Ochil and South Perthshire) (SNP): What support her Department has given to organisations investigating alleged breaches of human rights and international law in Yemen. [903409]

**The Minister of State, Department for International Development (Mr Desmond Swayne):** DFID funds a number of organisations in Yemen to deliver aid, some of which have reported alleged breaches of human rights and international law.

**Ms Ahmed-Sheikh:** The Government have so far approved £5,600 million of arms sales to Saudi Arabia, which several independent reports have connected to the bombing of civilian targets in Yemen. Given that figure and the independent reports, does the Minister believe that £75 million of aid delivered by the UK Government to Yemen represents a balanced approach to the conflict?

**Mr Swayne:** Actually, it is £85 million—£85 million of life-saving aid. Warfare makes it more difficult to deliver that aid and that warfare is a consequence of the violent removal of the lawful Government of Yemen—not anything the United Kingdom has done.

**Sir Alan Duncan** (Rutland and Melton) (Con): May I invite the Minister to reiterate that point? The greatest breach of international law in Yemen has been the removal of a legitimate Government by force. Although it is very, very easy to focus only on the Kingdom of Saudi Arabia and blame it, it is that initial use of force which has caused this problem and must be seen in the context of the solutions we now want to see around the negotiating table.

**Mr Swayne:** My right hon. Friend is absolutely right. I pay tribute to his work as the Prime Minister's special representative, and to the enormous amount he has done to bring peace and prosperity to Yemen.

### Topical Questions

T1. [903434] **Christopher Pincher** (Tamworth) (Con): If she will make a statement on her departmental responsibilities.

**The Secretary of State for International Development (Justine Greening):** Two weeks ago at the World Economic Forum, alongside the UN Secretary-General and the president of the World Bank, we launched the UN's high-level panel on women's economic empowerment. Last week, I joined my right hon. Friend the Chancellor and Bill Gates to set out our new commitments on malaria, which will save lives and build a safer, healthier world. Finally, tomorrow, the UK will co-host the Syria conference, bringing together world leaders to resource the life-saving humanitarian support, create jobs and provide an education for millions of people and children whose lives have been torn apart by this devastating civil war. All this—women's economic empowerment, the steady eradication of malaria, supporting Syrian refugees to stay where they want to in their home region—is firmly in the UK's national interest.

**Christopher Pincher:** If the refugee crisis in Syria is not to become a permanent exodus, its people must be given hope of a better future. Can my right hon. Friend say what hope she is giving for greater job opportunities in the region?

**Justine Greening:** We hope that we will be able to take a big step forward by announcing agreements with both Jordan and Lebanon that, in return for their taking political steps forward on enabling Syrian refugees to work legally, we will be able to mobilise international finance to create jobs in those countries—not just for Syrian refugees, but for host communities, too. That will be in everyone's interest.

**Mike Kane** (Wythenshawe and Sale East) (Lab): Malawi is the poorest country on the planet, yet our 1955 tax treaty between the UK and Malawi severely limits the country's ability to raise taxes on UK companies based there. Will the Secretary of State commit to looking at this issue of the treaty and to making it fit for the 21st century?

**Justine Greening:** This issue of domestic resource mobilisation and taxes is something that we have very much ramped up in DFID's work over the last few years. I set up a joint unit with Her Majesty's Revenue and Customs that sees HMRC officials working with countries to help drive their tax revenues up. We will continue that support, particularly in Africa, over the coming months.

T6. [903439] **Rehman Chishti** (Gillingham and Rainham) (Con): DFID does a brilliant job in Pakistan on education and health. Will the Minister meet the excellent UK charity, the Noor Foundation, which helps 1,000 people in Pakistan every year with kidney dialysis?

**Justine Greening:** We would be delighted to have this group coming to visit us at DFID. As my hon. Friend sets out, we have a big programme with Pakistan, which is steadily enabling that country to make sure that its people are educated and healthy—two of the strongest foundations for aid independence in the longer term.

T2. [903435] **Fiona Mactaggart** (Slough) (Lab): In response to an earlier question, the Secretary of State said that she is working to protect Syrian children in refugee camps in the region, yet she is aware of the Europol report that 10,000 children of Syrian extraction registered in Europe have disappeared and are at risk of sexual and other criminal exploitation. What is she doing to protect them?

**Justine Greening:** The right hon. Lady will be pleased to hear that we work directly with the United Nations High Commissioner for Refugees on improving registration, so that we do not lose people, including children, who have arrived. Then, of course, we have done a huge amount of work with the Red Cross to make sure that people have access to some of the basics they need when they make it over to Europe. She can be proud of the work the UK is doing, but the bulk of it is, of course, in the region itself, which is overwhelmingly where people and refugees want to stay—close to home.

T8. [903441] **Mrs Flick Drummond** (Portsmouth South) (Con): Following the new Parliament in Myanmar, what plans do the UK Government have in place to help that country move forward and develop?

**Justine Greening:** The elections are an important step towards greater democracy and provide a chance to support inclusive growth in Burma. We are supporting improvements in the business climate, including in the financial sector, and we are helping to increase agricultural productivity, to diversify livelihoods and encourage more private sector investment in infrastructure.

T3. [903436] **Mr Jim Cunningham** (Coventry South) (Lab): What are the Government doing to help end the blockade of Gaza?

**Justine Greening:** The hon. Gentleman raises an important point. Having a viable economy in Gaza is one of the best ways to enable people living there to face many of their challenges effectively. In the meantime, the UK provides key support to the United Nations Relief and Works Agency and more directly with the Palestinian Authority. It is critical for those blockades to be removed in the end, so that we can restore a normal situation that would enable the Gaza strip to get back on its feet.

T10. [903443] **Oliver Dowden** (Hertsmere) (Con): Does the Secretary of State agree that, as the civil war in Syria continues, we should not only be using our aid budget to support refugees, but should be urging countries in the region to issue work permits so that refugees can rebuild their lives there rather than making the perilous journey to Europe?

**Justine Greening:** My hon. Friend is absolutely right. People deserve the dignity of work wherever they are, and that goes for refugees. I have met people who were

in the middle of studying for economics degrees and then suddenly found themselves living in camps in Lebanon or Jordan. Those people want to support themselves. If we can take a big step forward tomorrow in enabling them to work legally, we shall not only be helping countries such as Jordan and Lebanon, but helping the refugees who are currently in those countries.

## PRIME MINISTER

*The Prime Minister was asked—*

### Engagements

Q1. [903419] **John Mann** (Bassetlaw) (Lab): If he will list his official engagements for Wednesday 3 February.

**The Prime Minister (Mr David Cameron):** This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall have further such meetings later today.

**John Mann:** Is that it? Is that the best that the Prime Minister can do? There is nothing for British pensioners and nothing for British workers, and, as both the Office for Budget Responsibility and the Treasury have confirmed, the Prime Minister's long-term economic plan relies on more than a million new migrants entering this country before 2020. Has he got the bottle to confirm that inconvenient truth?

**The Prime Minister:** I will tell the hon. Gentleman what we are doing for pensioners, and that is putting a triple lock on pensions. Never again will they get the 75p rise that they got from Labour; their pensions now rise either in relation to prices or wages, or by 2.5%. I will tell the hon. Gentleman what we are doing for people who want to work hard in Britain, and that is creating the 2.3 million more jobs that have been created since I became Prime Minister. But yes, of course I believe that we will succeed more as a country if we get a good deal in Europe and stay in a reformed Europe. That will be good for jobs, good for investment, and good for growth, and that is what I am fighting for.

Q2. [903420] **Marcus Fysh** (Yeovil) (Con): People in my constituency are rightly proud of their contribution to the defence of our country, whether through the skill and readiness of the Fleet Air Arm at Yeovilton or through the local high-tech industry that makes and maintains helicopters and equipment for our ships, submarines and aircraft and those who bravely serve in them. At a time of increasing security challenges and responsibilities and a worrying lack of commitment to defence in many European countries, I welcome the leadership that the Government has shown in committing themselves to spending 2% of GDP on defence. Will my right hon. Friend meet me to discuss my ideas for building on our local capabilities?

**The Prime Minister:** My hon. Friend is absolutely right. Yeovil makes a huge contribution to the defence of our country, not least through AgustaWestland, which is a great British business. We are committed to spending £178 billion on defence equipment over the

next decade, which we are only able to do because we have a strong economy. We have also committed ourselves to that 2%, and we will make sure that the money is well spent so that we have the right equipment for our brave armed forces.

**Jeremy Corbyn** (Islington North) (Lab): Tomorrow is world cancer day. Cancer is a disease that almost every family in the country has been affected by in one way or another: 2.5 million people in the country have cancer, and Members on both sides of the House have received cancer treatment or are receiving it at the present time. A thousand people a day are diagnosed with cancer, and they go through a trauma as soon as they are diagnosed. In the last year, however, there has been a 36% increase in the number of people waiting more than six weeks for vital diagnostic tests. Can the Prime Minister do something to bring that down?

**The Prime Minister:** First, I completely agree with the right hon. Gentleman that the fight against cancer is one of the great fights of our time, and it is one that we are determined to win. On treating cancer in our country, we are putting an extra £19 billion into our NHS, and specifically—he is absolutely right to say that everyone in the House and every family in the country will know someone affected by cancer—we are treating more patients. I will give him the figures. Compared with 2010, over 645,000 more patients with suspected cancers have been seen, which is a 71% increase, and almost 40,000 more patients have been treated for cancer, which is an increase of 17%. We have more doctors, more nurses and more cancer specialists, but we need to continue with the fight against cancer.

**Jeremy Corbyn:** Early diagnosis is absolutely essential to dealing with cancer, as we all know from personal experience. The Government's independent cancer taskforce reported last year:

“We currently have a serious shortage of radiologists in England”.

We need more of them, so will the Prime Minister explain why we are cutting by 5% the number of training places available for therapeutic radiographers?

**The Prime Minister:** We need more radiologists, and we are getting them, because we are putting more money into the NHS. He is absolutely right, however, that waiting times—[*Interruption.*] A minute ago the hon. Member for Wallasey (Ms Eagle) was shouting about waiting times, so I will answer the question about waiting times. There are three key targets on waiting times. The first is that, on 93% of occasions, people should be seen by a specialist within two weeks of an urgent GP referral; the figure is currently 94.7%. We also need to make sure that the first treatment comes within 31 days of diagnosis—that is extremely important—and on that there is a 96% standard; we are meeting that by 97.7%. I accept, however, on the first treatment being within 62 days, the standard is 85%, but we are at 83.5%, so we need to improve our performance.

On training, we are increasing the number of training places in our NHS. We discussed nurses last week. We are opening up nurse training by training an extra 10,000 nurses, but the crucial point is that the money is in our NHS—£19 billion more—because we have a

strong economy. That money would never be there if we followed the right hon. Gentleman's crazy economic plans.

**Jeremy Corbyn:** The Prime Minister did not answer my specific question about therapeutic radiographers. Without an improvement in the numbers available, there will be a problem over treatment. That must be obvious to absolutely everybody.

The cancer taskforce also asked for “a radical upgrade in prevention and public health”.

Programmes such as on stopping smoking and anti-obesity are essential to stop the spread of cancer and to help people live better lives so they do not develop cancer at all. If we cut £200 million from the public health budget, as the Prime Minister proposes, surely it will lead to an increase in cancer, with all the trauma that goes with it and a greater cost to the rest of the community. Will he explain why he is making this cut?

**The Prime Minister:** First, there are actually 1,800 more diagnostic radiographers than when I became Prime Minister in 2010. That is a 15% increase. The reason for the increase is that we said we would put more money into the NHS—a real-terms increase—which we were told by the then shadow Health Secretary was irresponsible. We ignored Labour, and we put money into the health service, and as a result, there has been a 15% increase in the number of diagnostic radiographers.

On the rest of the cancer plan, the money is being invested, but there is a key difference between England and Wales—the right hon. Gentleman can help with this—which is that there is a Labour Government in Wales. Whereas we have a cancer drugs fund, Wales does not. He needs to sort that out with that Labour Administration. As for public health, under this Government, real advances have been made, including with smoking rules for the backs of cars and plain-paper packaging and ring-fencing public health budgets—all done under the Conservatives, not Labour.

**Jeremy Corbyn:** The Prime Minister is responsible for the health service in England—Wales is a devolved matter—but he must be aware that cancer survival rates are improving better in Wales than in any other part of the UK.

My question was about the cuts in public health budgets and the effect on cancer care. Will the Prime Minister tell us the last time the NHS target for starting cancer treatment within the 62 days required was actually met?

**The Prime Minister:** As I have said to the right hon. Gentleman, of the three big targets, we are meeting the specialist within two weeks target and we are meeting the target for the first treatment within 31 days of diagnosis. We are currently falling short of the 62 days target, something I said in the answer to question two, but he has not got round to it until question five. I think the cogs need to turn a little faster.

The right hon. Gentleman cannot wash his hands of the situation in Wales. Labour runs Wales, and what has Labour done in Wales? Labour has cut the NHS in Wales. What Labour's great plan is is now emerging: it wants to cut the NHS in Wales and put up income tax

on hard-working people in Scotland. That is right. What are Labour going to do to radiographers in Scotland? Put up their taxes. What are they going to do nurses in Scotland? Put up their taxes. What are they going to do to dentists in Scotland? Put up their taxes. We now know Labour's plan: higher taxes for more welfare. They have learned nothing in the last decade.

**Jeremy Corbyn:** The last time the two-month target was met was 19 months ago. The Prime Minister must be aware of that, and I am pleased if he is taking action to make sure that does not continue or get any worse.

I want to turn to another issue that affects cancer patients: the recently deleted provisions in the Welfare Reform and Work Bill that would have taken £30 per week from employment and support allowance claimants in the work-related activity group. Martin contacted me this week. He says—*[Interruption.]* Okay, it is very funny for many Conservative Members, but it is not funny for Martin. Martin says he has a close friend who has breast cancer who

“is obviously too unwell to work and cuts will put her into hardship at a time when she is most vulnerable.”

There are 3,200 people with cancer hit by this cut to ESA. Will the Prime Minister now confirm that when that matter returns to the Commons, he will ensure the Lords position is upheld and people like her do not suffer the cut he wanted to make in the first place?

**The Prime Minister:** Let me explain the situation to the right hon. Gentleman and the House. As everybody knows, there are two sorts of employment and support allowance: there is the work-related activity group who are able to train for some work, and then there is the support group who go on getting employment and support allowance indefinitely. That is the situation, and what we have said is that in future the work-related activity group should be paid at the same rate as jobseekers allowance, but that is for future claimants, not existing claimants, who continue to be paid at the same rate. Of course if someone has cancer and cannot work they should be in the support group. We have had this issue looked at again and again, and if someone cannot work they go on getting the welfare payments they need. That is what a compassionate Conservative Government do.

But I have to come back to the right hon. Gentleman because he cannot wash his hands of the situation in Wales. Hip operations in England have 75 day waiting times on average; in Wales it is 197 days. Diagnosis of pneumonia takes two weeks longer, and treatment of cataracts and hernias and heart operations take two months longer than in England. Labour are running Wales; he is responsible for Labour. Pick up the phone, tell them to stop cutting our NHS.

**Jeremy Corbyn:** It is very interesting that the Prime Minister did not answer the question I put, which is whether he will proceed with a cut in ESA to 3,200 people with cancer at the present time. I hope he thinks seriously about this and does not proceed with this proposal. He will find that Macmillan Cancer Support, Rethink Mental Illness and Parkinson's UK are all united in opposing this cut because of the effect it will have on people with a range of serious conditions. The Prime Minister used to say that “those with the broadest shoulders should bear a greater load”. Can it be right that cancer patients

and those with disabilities on £102 per week really are those with the broadest shoulders who should bear this cut? Please Prime Minister, think again and don't try and reverse the decision of the House of Lords on this important matter.

**The Prime Minister:** The people with the broadest shoulders are the highest earners in this country, and they are paying a higher share of tax than they ever did under Labour. That money is paying for our NHS and for our welfare system. I answered the right hon. Gentleman's question very directly: if you are an existing claimant on employment and support allowance, your welfare is not changing, but in future, we should help those people who are able to get back to work to do so. That is what a compassionate country does, but it is quite clear what Labour's policy is: cut the NHS in Wales and put up taxes in Scotland to pay for more welfare. That is not the approach that this country needs.

Q3. [903421] **David Warburton** (Somerton and Frome) (Con): My right hon. Friend will of course know that the west country is becoming ever more the envy and the engine room of the rest of the country, with dozens of companies moving from the dark recesses of London to the bright sunlight of the west, so will he keep supporting what people are now calling Somerset's silicon gorge by maintaining investment in our roads, our rail and of course our digital infrastructure?

**The Prime Minister:** I am certainly keen to support silicon gorge. For a moment, I thought my hon. Friend had said “silicon George”; I was a bit worried about that. It is absolutely essential that we have a balanced economy, and that means a strong economy in the west of our country as well as in the south and the north. We are investing in vital transport infrastructure, not least the vital roads to the west country, and improving rail links as well, as I saw for myself yesterday in Chippenham. We also need to ensure that broadband roll-out is really effective across the country, and there needs to be a big focus on getting to that last 10% of homes in so many rural areas. It is absolutely crucial to make sure that they are not left out.

**Angus Robertson** (Moray) (SNP): The timing of the forthcoming European Union referendum is extremely important. Today, the First Ministers of Scotland, Wales and Northern Ireland have jointly called for a commitment by the UK Government not to hold the EU referendum in June as it would clash with elections to the devolved legislatures. Will the Prime Minister give that commitment today?

**The Prime Minister:** First, there is no agreement and so no date has yet been fixed for the referendum. We have discussed this a lot in this House of Commons and we legislated to ensure that we would not hold the referendum at the same time as the Scottish or Welsh elections. The former First Minister of Scotland—the right hon. Member for Gordon (Alex Salmond), who is not in his place today—has said that it would be wrong to hold the referendum within six weeks of those elections, and I can guarantee that that will not happen.

**Angus Robertson:** The First Ministers of Scotland, Wales and Northern Ireland have written today saying that they believe that holding a referendum in June

“risks confusing issues when clarity is required”

and they call on the Prime Minister to

“defer the EU referendum at least until later in the year”.

Why will the Prime Minister not respect the electorates and the Governments of Scotland, Wales and Northern Ireland and give that commitment today?

**The Prime Minister:** First, I do respect the former First Minister of Scotland, who said that six weeks was what was necessary. I also respect the electorates of England, Scotland, Wales and Northern Ireland on the basis that I think people are perfectly capable of making up their minds in a local election, a Scottish parliamentary election or a Welsh Assembly election and then, a period of some weeks afterwards, making up their minds all over again on the vital question of the European Union. So, no date has been fixed, and there must be a six-week gap. Frankly, I think that the right hon. Gentleman is looking for something to complain about. This House has voted for a referendum, and it would be pretty odd if, having voted for a referendum, we then spent ages debating about not having one.

Q4. [903422] **Rehman Chishti** (Gillingham and Rainham) (Con): The Prime Minister will be alarmed to hear that a shop in Gillingham selling illicit tobacco was making £25,000—[*Interruption.*]

**Mr Speaker:** Order. There is excessive chuntering from a sedentary position from a number of Scottish National party Members, who wanted an orderly hearing for their leader. The hon. Member for Gillingham and Rainham (Rehman Chishti) is entitled to be heard, and I appeal to him to start his question again. Let’s hear it.

**Rehman Chishti:** Thank you, Mr Speaker. The Prime Minister will be alarmed to hear that a shop in Gillingham selling illicit tobacco was making £25,000 a week, destroying the local economy and damaging people’s health. Nationally, this trade is costing the economy £2 billion a year. Will the Government look at increasing the statutory maximum penalty for this offence to bring it in line with that of supplying class C drugs?

**The Prime Minister:** I will certainly look at the issue my hon. Friend raises. As far as I can see, Her Majesty’s Revenue and Customs, working very closely with Border Force, has been highly effective at reducing this tax gap of people selling illegal tobacco and has closed off about £1.3 billion of the tax gap since 2000. They do have a wide range of sanctions to deal with illicit sales, including seizure, penalties and criminal prosecutions—they prosecuted almost 800 different people in the past two years. So I think the powers are there, but I will have a check to see whether more is needed.

Q6. [903424] **Anne McLaughlin** (Glasgow North East) (SNP): My constituent works for the Department for Work and Pensions and he tells me that the Government are correct when they deny that staff have targets set for sanctioning benefits—they are not called “targets”; they are called “aspirations”. With the roll-out of in-work

benefit sanctions, how many of the Prime Minister’s own low-paid DWP colleagues does he think my constituent should aspire to sanction this year?

**The Prime Minister:** What I say to the hon. Lady is that sanctions in a benefits system are important. We want a benefits system that is there for people who cannot find a job and need support, but it not should not be a lifestyle choice and if people can work, they should work. That is why we have a sanctions system, and I believe that the sanctions system is fairly applied.

Q5. [903423] **Mr Christopher Chope** (Christchurch) (Con): May I share my right hon. Friend’s disappointment that despite all his hard work, the European Union is forcing him to abandon our manifesto pledge to change the benefits system for migrants? Will he confirm that, sadly, the only way in which we are going to be able to regain control over our own borders is by leaving the European Union?

**The Prime Minister:** I have great respect for my hon. Friend, but we do not agree on this one. We said in our manifesto that anyone coming to Britain from the EU searching for work should not get unemployment benefit, and we have fulfilled that promise. We said that if within six months they do not have a job, they should go home—we have fulfilled that promise. We said that people should not be able to come here and send British child benefit back to their families, and we have secured that they will only get child benefit at a local rate. And we said no more “something for nothing”; the idea that someone could come here and claim immediately from our in-work benefits system without paying in was not right. I said we would secure a four-year gap and we have. People said that would be impossible, but that is what we have put in place. It is a negotiation, but these are good proposals that I think will have the backing of the British people, because they mean no more something for nothing, and that is a vital value for Britain.

Q8. [903426] **Ruth Smeeth** (Stoke-on-Trent North) (Lab): More than 2,500 people are directly employed by the ceramics industry in Stoke-on-Trent North and Kidsgrove. These and tens of thousands of other British manufacturing jobs are at risk if China is granted market economy status. The Prime Minister is very happy to sell off the family silver, but can he guarantee that he will not sell off the family crockery?

**The Prime Minister:** We want to support industry in the potteries, and that is why we are helping manufacturing with research and development tax credits and with apprenticeship schemes; we are helping with a whole range of measures, not least the energy-intensive industry measures, which are very important for the constituency the hon. Lady represents. That is what we want to see. The issue with market economy status is a separate one, as I have said before. Even if China gets that status, it cannot dump steel products or other things into European markets, and it can be fined. What we should be doing is making sure that we are driving open markets for us to sell to China. The Chinese are the ones with a massive growth in the middle class taking place—hundreds of millions of people are joining that—and there are many great products made in Stoke that should be sold in China.



Q7. [903425] **Mr Andrew Turner** (Isle of Wight) (Con): Isle of Wight Council can balance the books this year but fears it will be unable to do so next year. Would my right hon. Friend confirm the Government's willingness to work with the council in the coming months to help it to access existing sources of finance or find new ways to address the island's unique circumstances?

**The Prime Minister:** We are very happy to work with the authorities on the Isle of Wight. I think that I am right in saying that the spending power will increase slightly in the next year. As it is a relatively flat cash settlement overall over the five-year period, this local government settlement allows councils to use their reserves and also to sell unwanted property and use the money directly to provide services to bridge that period. Although I am happy to look at the circumstances of the Isle of Wight, I do believe that it is a fair settlement.

Q9. [903427] **Stella Creasy** (Walthamstow) (Lab/Co-op): The Prime Minister has told us today that more money is going into the NHS, but let me tell him that my local hospital trust is spending £1.5 million a week on interest payments alone to Innisfree for its private finance initiative deal. *[Interruption.]* Wait for it. The Prime Minister eventually saw sense about the need to deal with the damage that high-cost credit was doing to individuals, but when will he deal with these legal loan sharks of the public sector?

**The Prime Minister:** Sometimes it takes a long time to unwind the damage done by a Labour Government. The hon. Lady is absolutely right. One of the first things that we did in Government was to launch a review of Labour's PFI and begin an initiative to extract savings and give better value for money for all of the projects, including Barts. In her own health economy, there are more GPs in the NHS, and next year, because we are putting more money into the NHS, the NHS Waltham Forest clinical commissioning group will get a cash increase of 3.7%.

Q10. [903428] **Antoinette Sandbach** (Eddisbury) (Con): A lone parent in my constituency has described as "appalling" her experience of the Child Maintenance Group. She talked of a lack of communication, being passed from pillar to post, a failure to act on evidence and not progressing with enforcement. Will the Prime Minister arrange for the Secretary of State to meet my constituents to discuss the particular issues around the enforcement of child maintenance when non-resident parents are gaming the system and depriving children of the support to which they are entitled?

**The Prime Minister:** I am happy to help arrange that meeting. I know that many of us in our own constituency surgeries hear about the behaviour of the non-resident parent and how they give everyone the runaround and do not fulfil their duties by helping to pay for the children for whom they are responsible. As she knows, we introduced a new statutory child maintenance service for parents who are unable to make a family-based arrangement. It should be bringing speedier processing of applications, simpler calculations and faster enforcement action, but I will ensure that she has the meeting that she needs to straighten out that case.

**Tom Elliott** (Fermanagh and South Tyrone) (UUP): Will the Prime Minister comment on recent events in Northern Ireland regarding the investigations into Stakeknife, the alleged informer? Will he ensure that there are equal investigations into the Enniskillen bomb, the Teebane bomb and other major atrocities by terrorist organisations?

**The Prime Minister:** I will look carefully at what the hon. Gentleman says. We must ensure that we look at all of these things in a fair and reasonable way, and perhaps I will write to him about the issue.

Q11. [903429] **Julian Knight** (Solihull) (Con): A total of £38 billion a year is currently spent on pensions tax relief, with three quarters of that going to higher-rate taxpayers who need it the least. Does the Prime Minister agree that it will be a huge boost to social justice in this country if pensions tax relief was reformed to a single flat rate, which will benefit millions of hard-working Britons?

**The Prime Minister:** I know that my hon. Friend speaks on this issue with considerable expertise because of the career that he had before coming to this House, and that he brings a lot of knowledge about this sector. He is right that there are great costs related to pension tax relief, which is why the Chancellor published a consultation last summer to see whether the system should be reformed. As the saying goes, taxes are a matter for the Chancellor and his Budget.

**Margaret Greenwood** (Wirral West) (Lab): I welcome the Government's announcement last week, as far as it went, of further support for child refugees. A nine-year-old girl who lives in my constituency has recently asked me what we are doing to help refugee children. Of course what a child refugee needs the most is a home. When will we offer a home to 3,000 unaccompanied refugee children in Europe?

**The Prime Minister:** First of all, let me tell the hon. Lady what we have done so far. Obviously, she knows about the 20,000 relocation scheme, under which we got 1,000 people in by Christmas, including many vulnerable children. That is going well. Fewer people are aware of the fact that, through our normal asylum processes, we took around 2,500 unaccompanied children last year. Kent social services are looking after about 1,000 children and facing great pressures. Another point that people do not always recognise is that if unaccompanied children in Europe claim asylum in the country they are in, and if they have direct family in Britain, under the Dublin regulations they can come to Britain. We think that is the right approach—taking some more people from the region, but being very cautious because all the evidence shows that even an orphan child may well have some broader family that they are connected to and it is better to keep the child with them.

Q12. [903430] **David Rutley** (Macclesfield) (Con): Given the security threats faced by this country, whose policies are most dangerous—those in Scotland who want to scrap our nuclear deterrent completely, or those in the Labour party who want to keep Trident submarines without nuclear missiles?

**The Prime Minister:** It is hard to choose between the wrong or the bizarre. You can take your pick. Labour's latest plan is to use Trident submarines to transport military personnel around the world. It is the most expensive Uber service that anyone has ever thought of. You do wonder what on earth they will think of next.

**Martin John Docherty** (West Dunbartonshire) (SNP): The Prime Minister may be aware of the case of my constituent, Lisa Brown, whose family were notified by Spanish police authorities on 10 November 2015 that she was being treated as a missing person, though she could have been missing since 6 November. Lisa's mother Catherine, her sister Helen and brother Craig have visited Spain several times since and have met Spanish authorities and UK consular staff. Although the Spanish authorities state that they are actively working on this case, there have been various pieces of misinformation in the Spanish media which we know not to have been helpful. May I call upon the Prime Minister to seek assurances on behalf of Lisa's family from the Spanish authorities here in London and in Madrid, as well as the Foreign and Commonwealth Office, that everything possible is being done to ensure that Lisa's family can get the answers they so desperately need?

**The Prime Minister:** I will certainly look into this case and, after the hon. Gentleman has raised it so clearly, make sure that the Europe Minister meets him to try to make sure everything possible is done for Lisa's family.

Q13. [903431] **Mark Spencer** (Sherwood) (Con): Further to the question from the hon. Member for Walthamstow (Stella Creasy), Sherwood Forest Hospitals Trust is also wrestling with a disastrous PFI signed under the Labour Government. Luckily, there is light at the end of the tunnel as Nottingham and Derby trusts look to take over Sherwood Forest hospitals, but can the Prime Minister assist them in any way in solving this enormous mess left by the Labour Government?

**The Prime Minister:** PFI contracts are extremely difficult to solve because, of course, they were entered into and signed. My understanding is that Monitor and the Care Quality Commission are clear that Sherwood needs a long-term partnership, and I understand that, as my hon. Friend says, the trust plans to announce its preferred partner in mid-February. That, hopefully, will help it to support the services we need, and but I will look carefully, and make sure the Health Secretary looks carefully, at the suggestion my hon. Friend makes.

**Mr Ben Bradshaw** (Exeter) (Lab): Following the shocking official report into the murder here in London of Alexander Litvinenko, when will the Prime Minister and his Chancellor take some meaningful action to tackle the dirty Russian money and property here in London that helps to sustain the Putin regime?

**The Prime Minister:** The report was shocking, although as the Home Secretary said at the time, this confirmed what the Labour Government understood to have happened. None the less, when one reads the report all over again, what happened is deeply shocking. That is why we have taken action in the form of asset freezes and the other measures described by the Home Secretary. On the problem of so-called hot money coming into

London, I made a speech recently explaining that we are doing more than other countries in respect of transparency and beneficial ownership—who owns what in terms of companies, and we are going to do the same with property. That is one of the best ways not just to make sure that we do not have illegal Russian money, but to make sure that corrupt money stolen from African taxpayers and other continents does not end up in London.

Q14. [903432] **Johnny Mercer** (Plymouth, Moor View) (Con): When I first came to this House, I spoke of the great stain upon this nation when it comes to our care of our armed forces veterans and the need to do our duty towards those who have done our bidding. Here is a sentence from an email I received at the weekend: "I have not had any letter or any warning. I was told after al-Sweady that was it and not to think about it anymore, but now I dread the post every day." My right hon. Friend the Prime Minister has already intervened to tighten up the historical allegations process, and for that I thank him, but will he pledge to look even more closely at the support we are giving, so that what we want to deliver and what is actually delivered are the same thing?

**The Prime Minister:** I am very happy to look at that specifically. On al-Sweady, I have been very clear about what went wrong and how unacceptable it was. Let me repeat that we will continue to provide our fullest support to those going through investigations, including by providing legal advice. Also, we will crack down on any legal firm that we find has abused the system. Because we now have the military covenant written into law, and a covenant group that meets under the excellent chairmanship of my right hon. Friend the Member for West Dorset (Mr Letwin), we have an opportunity not only to raise these issues, but to try properly to tackle them in a systematic way.

**Stephen Kinnoch** (Aberavon) (Lab): The dumping of Chinese steel is crippling the British steel industry. The granting of market economy status to China would dramatically reduce the scope for taking anti-dumping measures. Why, then, is the Prime Minister supporting market economy status for China? Is it because he puts cosyng up to Beijing ahead of protecting British industry?

**The Prime Minister:** I put helping British industry first. That is why we have cut taxes for British industry. That is why we are cutting energy bills for British industry, helping with apprenticeships, busting open markets abroad so that British industries can succeed and, crucially for the steel industry, why we are investing in our infrastructure and trying to ensure that there is a real forward order book for British steel. I think that the hon. Gentleman is wrong and that we should take these two issues separately. If there is illegal dumping, we will support action in the European Union, and that can be done in spite of the status that a country has; we have actually put those sorts of burdens on America before today. I do not think it is right to connect the two issues in the way he does.

Q15. [903433] **Mary Robinson** (Cheadle) (Con): Mental health issues take many forms. Services for those suffering from eating disorders are often overlooked, yet they

cause intolerable distress and suffering. As health devolution in Manchester gathers pace, does the Prime Minister agree that it is an important opportunity to secure better mental health service provision, particularly for children and young adults in Cheadle?

**The Prime Minister:** My hon. Friend is absolutely right. I see no reason why the devolution of resources to Greater Manchester under this landmark deal will

disadvantage mental health. If anything, it will probably lead to even greater priority being given to mental health, as people can see the connections between mental health and holding back opportunity for so many people. We are investing more in children's mental health and giving greater focus, particularly on eating disorders, as tragically we are seeing a real growth in this problem. The money is there and the devolution should help.

## UK-EU Renegotiation

12.37 pm

**The Prime Minister (Mr David Cameron):** With permission, Mr Speaker, I would like to make a statement on progress with our renegotiation. The House has now had the chance to study the documents published by the European Council yesterday. I believe that this is an important milestone in the process of reform, renegotiation and referendum that we set out in our manifesto, and which this Government are delivering. We have now legislated for that referendum and we are holding that renegotiation.

Let me set out the problems that we are trying to fix and the progress we have made. First, we do not want to have our country bound up in an ever closer political union in Europe. We are a proud and independent nation, with proud, independent, democratic institutions that have served us well over the centuries. For us, Europe is about working together to advance our shared prosperity and security; it is not about being sucked into some kind of European superstate—not now, not ever.

The draft texts set out in full the special status accorded to the UK and clearly carves us out of further political integration. They actually go further to make it clear that EU countries do not even have to aim for a common destination. This is a formal recognition of the flexible Europe that Britain has long been arguing for.

In keeping Britain out of ever closer union, I also wanted to strengthen the role of this House and all national Parliaments, so we now have a proposal in the texts that if Brussels comes up with legislation that we do not want, we can get together with other Parliaments and block it with a red card.

We have also proposed a new mechanism to finally enforce the principle of subsidiarity—a principle dear to this House—which states that, as far as possible, powers should sit here in this Parliament, not in Brussels. So every year the European Union has got to go through the powers they exercise and work out which are no longer needed and should be returned to nation states.

Secondly, I said that we wanted to make Europe more competitive and deal with the rule-making and the bureaucracy that can cost jobs here in Britain and, indeed, across the European Union. We asked for commitments on all the areas central to European competitiveness. We want international trade deals signed, the single market completed and regulation stripped back. All of these things are covered in the draft texts. There is a new proposal for specific targets to reduce the burdens on business in key sectors. This will particularly help small and medium-sized businesses. There is a new mechanism to drive these targets through and cut the level of red tape year on year.

Thirdly, we are absolutely clear that Britain is going to keep the pound—in my view, forever. But we need to be just as clear that we can keep the pound in a European Union that will be fair to our currency. Put simply, the EU must not become a euro-only club; if it does, it would not be a club for us. So we called for a series of principles to protect the single market for Britain. We said there must be no discrimination against the pound, no disadvantage for businesses that use our currency, wherever they are located in the EU, and no

option for Britain ever again to be forced to bail out eurozone countries. All of these principles are reflected in the draft text, which is legally binding. And again there is a mechanism. Britain has the ability to act to uphold these principles and protect our interests.

We should be clear: British jobs depend on being able to trade on a level playing field within the European single market, whether in financial services or cars or anything else. So this plan, if agreed, will provide the strongest possible protection for Britain from discrimination and unfair rules and practices. For instance, never again could the EU try its so-called location policy—that the settling of complex trades in euros must only take place in eurozone countries. These principles would outlaw that sort of proposal. Now, these are protections we could not have if Britain were outside the European Union.

Fourthly, we want to deal with the pressures of immigration, which have become too great. Of course, we need to do more to control migration from outside the European Union. We are doing that, and we will be announcing more measures on that front, but we need to control migration from within the EU too. The draft texts represent the strongest package we have ever had on tackling the abuse of free movement and closing down the back-door routes to Britain. It includes greater freedoms for Britain to act against fraud and prevent those who pose a genuine and serious threat from coming to this country. It includes a new law to overturn a decision by the European Court which has allowed thousands of illegal migrants to marry other EU nationals and acquire the right to stay in our country. It has been a source of perpetual frustration that we cannot impose our own immigration rules on third-country nationals coming from the European Union, but now, after the hard work of the Home Secretary, we have a proposal to put that right.

There are also new proposals to reduce the pull factor that our benefits system exerts across Europe by allowing instant access to welfare from the day someone arrives. People said that Europe would not even recognise that we had this problem, but the text explicitly recognises that welfare systems can act as an unnatural draw to come to this country.

Our manifesto set out four objectives to solve this problem; I mentioned these at Prime Minister's questions. We had already delivered on two of them within months of the general election. Already, EU migrants will no longer be able to claim universal credit—the new unemployment benefit—while looking for work. And if those coming from the EU have not found work within six months, they can now be required to leave.

In these texts, we have secured proposals for the other two areas. If someone comes from another country in Europe, leaving their family at home, they will have their child benefit paid at the local rate, not at the generous British rate. And crucially, we have made progress on reducing the draw of our generous in-work benefits. People said that it would be impossible to end the idea of something for nothing and that a four-year restriction on benefits was completely out of the question, but that is now what is in the text—an emergency brake that will mean people coming to Britain from within the EU will have to wait four years until they have full access to our benefits. The European Commission has

said very clearly that Britain qualifies already to use this mechanism, so, with the necessary legislation, we would be able to implement it shortly after the referendum.

Finally, let me be absolutely clear about the legal status of these changes that are now on offer. People said we would never get something that was legally binding—but this plan, if agreed, will be exactly that. These changes will be binding in international law, and will be deposited at the UN. They cannot be changed without the unanimous agreement of every EU country—and that includes Britain. So when I said I wanted change that is legally binding and irreversible, that is what I have got. And, in key areas, treaty change is envisaged in these documents.

I believe we are making real progress in all four areas—but the process is far from over. There are details that are still to be pinned down and intense negotiations to try and agree the deal with 27 other countries. It will require hard work, determination and patience to see it through. But I do believe that with these draft texts, and with all the work that we have done with our European partners, Britain is getting closer to the decision point. It is, of course, right that this House should debate these issues in detail. So in addition to this statement, and of course a statement following the Council later this month, the Government will also make time for a full day's debate on the Floor of the House.

As we approach this choice, let me be clear about two things. First, I am not arguing, and I will never argue, that Britain could not survive outside the European Union. We are the fifth largest economy in the world and the biggest defence player in Europe, with one of the most of extensive and influential diplomatic networks on the planet. The question is not could Britain succeed outside the European Union; it is how will we be most successful? How will Britain be most prosperous? How will we create the most jobs? How will we have the most influence on the rules that shape the global economy and affect us? How will we be most secure? I have always said that the best answers to those questions can be found within a reformed European Union. But let me say again that if we cannot secure these changes, I rule nothing out.

Secondly, even if we secured these changes, you will never hear me say that this organisation is now fixed—far from it. There will be many things that remain to be reformed, and Britain would continue to lead the way. We would continue to make sure that Europe works for the countries of Europe, for the businesses of Europe, for the peoples of Europe and, crucially, for the British people who want to work, have security, get on, and make the most of their lives.

So if we stay, Britain will be in there keeping a lid on the budget, protecting our rebate, stripping away unnecessary regulation and seeing through the commitments we have secured in this renegotiation, ensuring that Britain truly can have the best of both worlds: in the parts of Europe that work for us, and out of those that do not; in the single market; free to travel around Europe; and part of an organisation where co-operation on security and trade can make Britain and its partners safer and more prosperous, but with guarantees that we will never be part of the euro, never be part of Schengen, never be part of a European army, never be forced to bail out the eurozone with our taxpayers' money, and never be part of a European superstate.

That is the prize on offer—a clear path that can lead to a fresh settlement for Britain in a reformed European Union: a settlement that will offer the best future for jobs, security and strength for our country; a settlement which, as our manifesto promised nearly a year ago, will offer families in our country security at every stage of their lives. That is what we are fighting for, and I commend this statement to the House.

12.48 pm

**Jeremy Corbyn** (Islington North) (Lab): I am grateful to the Prime Minister for sending me a copy of the statement 45 minutes ago—an hour ago; I am sorry—and I am pleased that he has now decided to finally update the House. However, it is a bit unfortunate that despite his trumpeting of the sovereignty of national Parliaments in his EU negotiations, the Prime Minister did not think to come and update our own Parliament first. I hope he had a good day in Chippenham yesterday, but I note that he spent a lot of time answering questions from journalists when it would surely have been more respectful to this House to come here first and answer questions from Members.

But in truth—in reality—this negotiation is a Tory party drama that is being played out in front of us, as we see at the moment. The Labour party is committed to keeping Britain in the European Union because we believe it is the best—[*Interruption*] Don't get too excited; let me tell you the rest of it: because we believe it is the best framework for European trade and co-operation in the 21st century, and in the best interests of people in this country. We believe that the Prime Minister has been negotiating the wrong goals in the wrong way for the wrong reasons.

For all the sound and fury, the Prime Minister has ended up exactly where he knew he would be: making the case to remain in Europe, which was what he always intended, despite a renegotiation spectacle choreographed for television cameras over the whole continent. As his own Back Benchers keep telling us, the proposals from the European Council are simply tinkering around the edges. They have little impact on what the EU delivers for workers in Britain or British businesses.

We welcome the proposals for a majority of national Parliaments to have a veto over Commission legislation, even if it is heavily qualified. It seems the Prime Minister has finally moved towards the Labour party's view on this issue, and we welcome that.

Protecting non-eurozone states is necessary, but we cannot let the proposals hamper efforts to regulate the financial sector, including bankers' bonuses. The crucial detail of the emergency brake on workers' benefits for EU migrants is entirely absent. When is that information going to be made available? In any case, what the Prime Minister calls the strongest package ever on the abuse of free movement does not actually begin to tackle the real problems around the impact of migration on jobs, wages and communities. Those demand action to support public services in areas of high population growth, and regulation to prevent the subsidising of low pay and the grotesque exploitation of migrant workers by some unscrupulous employers. It is the same with competitiveness. Is the Prime Minister really out to strengthen genuinely competitive markets, or is this proposal really a fig leaf for increasing pressure to privatise our public services and the reduction of consumer standards, environmental protections or workers' rights?

[Jeremy Corbyn]

That is why Labour will continue to oppose the threats to services and rights from the Transatlantic Trade and Investment Partnership negotiations. We need reform to ensure all European Governments have the right to intervene to protect publicly owned industries and services. This side of the House is delighted that the Prime Minister has been forced to back down on his hopes to water down workers' rights. However, we want to see workers' rights further protected and extended within the European Union. We need a strengthening of workers' rights in a really social Europe, and we want to see democratic reform to make the European Union's decision making more accountable to its people. We must drive economic reform to put jobs and sustainable growth at the centre of European policy and work with partners in Europe to bring tax avoidance under control, so that we can get a far better deal than the Chancellor managed with Google last week.

However, to keep and extend these employment protections, we need to remain within the European Union, or leave the field for the Conservative party to make a bonfire of workers' rights. The Prime Minister says that he has secured Britain's exclusion from Schengen, a European army and a European superstate. The Prime Minister is living in never-never land. We have never argued for those things, and we do not intend to. We need to work with our allies in Europe to achieve the more progressive reforms that its people need—to build a more democratic Europe that delivers jobs, prosperity and security for all its people. We must do that together. That is why, when the referendum is finally held, we will be campaigning to remain a member.

I end by asking a question to the Prime Minister. Does he now agree that once this smoke-and-mirrors sideshow of a deal is done, we will get on with it and end the uncertainty, and the referendum will indeed be held on 23 June 2016?

**The Prime Minister:** I thank the right hon. Gentleman for his questions. First of all, on the issue of making a statement today rather than yesterday, I felt that yesterday I was in possession of all the documents, but I did not think that every Member of the House would be, so I thought it better to give hon. Members a day to read the documents and have the debate today. It gave me the added advantage of being able to visit Chippenham, which, of course, is the town of the right hon. Gentleman's birth. I was able to thank the people of Chippenham for putting him on earth and delivering him safely to this place.

The right hon. Gentleman criticises the issues that we put on the table: getting out of ever closer union, waiting times for welfare and guarantees for fairness between ins and outs. I know that he did not read the Labour manifesto, but I did, and actually all those things were in the Labour manifesto. Labour wanted a two-year welfare wait rather than a four-year welfare wait, but many of the other elements of our negotiation were supported by Labour, so Labour Members can feel they have a mandate for backing these measures.

The right hon. Gentleman asked about the detail on the emergency migration brake, because there are gaps in the text. He is absolutely right about that; we need to secure the best possible outcome at the February Council.

He asked about the danger of the exploitation of migrant workers, and that is an area where I think he and I agree. That is why we have boosted the Gangmasters Licensing Authority, and we have put in place better co-ordination between it and the National Crime Agency. We are making sure that there are more investigations and more prosecutions.

TTIP is an area where we profoundly disagree. Other socialist Governments in Europe take my view, which is that TTIP will be good for jobs, good for growth and good for businesses. I am not sure that I ought to advise the right hon. Gentleman to spend more time with trade unions, but if he spends time with trade unions in Sweden and some other countries in northern Europe, he may find that they, too, support TTIP, because they want jobs for their members.

In the end, I would say to the right hon. Gentleman and to all Members across the House that this is an important moment for our country. Yes, there will be areas of disagreement between the Conservatives and Labour, but we are involved in trying to get the very best negotiation for Britain. The European Parliament plays a part in that, and the Party of European Socialists plays a part in that. I urge all hon. Members, if you want to have no more something for nothing, if you want to get Britain out of ever closer union, if you want fairness between those in the euro and those out of the euro, and if you want a more competitive and successful Europe, let us fight this together. [*Interruption.*]

**Mr Kenneth Clarke (Rushcliffe) (Con):** Feelings are obviously getting roused on this subject.

The Prime Minister has achieved more on the big issues in this negotiation than I ever expected—and, I suspect, more than the hard-line Eurosceptics ever expected, which is why they are denouncing it so fiercely—but, as he says, he still has to deliver it. Does he accept that he will have great difficulty in persuading Governments in central and eastern Europe, in particular, to accept that their citizens lawfully working here alongside English people in key sectors such as the health service and the construction industry should have lower take-home pay in the first few years than their English workmates?

If the Prime Minister has to offer something in exchange for that, could he perhaps consider underlining our NATO commitment to those countries, as their biggest concern is future military adventures by Putin's Russia? To underline our role as one of the leading military contributors, if not the leading military contributor, through NATO to the European alliance would be a very good offer to make—by deploying more troops, perhaps—in order to get what is a difficult concession for our partners in those countries to make.

**The Prime Minister:** I am grateful to my right hon. and learned Friend, who has huge experience of European negotiations—both treaty negotiations and ongoing negotiations in the Council of Ministers—for what he says. He is absolutely right that these are difficult issues. My argument is that while we have the free movement of people that many British people take advantage of, we do not have harmonised welfare and benefit systems, and nor should we.

The second point I make to my colleagues in Europe is that when countries in Europe have problems that they believe affect their key national interests, we have

got to be flexible enough to deal with them. I think that that is what this agreement is showing. The advantage of the proposals put forward is that they will have the support of the European Commission. I think that that will reassure some of the states in Europe that have misgivings.

My right hon. and learned Friend is absolutely right that we can also reassure those states about our investment in their security, because I think that is a very important issue. With, as it were, Putin to our east and ISIL to our south, this is a moment where we need to make sure we are working together.

**Angus Robertson (Moray) (SNP):** We in the Scottish National party warmly welcome the opportunity to make the positive case for the European Union. It really matters that we are part of the world's largest single market; it really matters that we can help to determine the rules and laws that apply to us; and it really matters that we have a social Europe with rights and protections for citizens and for workers. First off, will the Prime Minister therefore commit to a positive campaign to remain in the European Union, and not resort to the negative tactics of "Project Fear"?

On the Prime Minister's negotiations, may I suggest that he stops pretending to have won some major victory? He has not even secured the treaty change he promised and much else besides. What is at stake is much bigger than his recent discussions; it is about whether or not we remain in the EU. That is what the debate across the UK will be about in the run-up to the referendum.

The timing of the referendum really matters to the electorates and the Governments of Scotland, Wales and Northern Ireland, as well as of London, where there are elections in May. This morning, the First Minister of Scotland, Nicola Sturgeon, the Labour First Minister of Wales, Carwyn Jones, the First Minister of Northern Ireland, Arlene Foster—[*Interruption.*] I think the First Ministers of Northern Ireland, Wales and Scotland deserve a little bit more respect than the baying from the Tory side of the House. They and the Deputy First Minister of Northern Ireland, Martin McGuinness, have written to the Prime Minister today. I think that right hon. and hon. Members should listen to what they say:

"We believe that holding a referendum as early as June will mean that a significant part of the referendum campaign will necessarily run in parallel with those elections and risks confusing issues at a moment when clarity is required... We believe that the European Referendum is of vital importance to the future of the whole United Kingdom and the debate leading up to it should, therefore, be free of other campaigning distraction. We believe it would be better for you"—

the Prime Minister—

"to commit to deferring the EU referendum at least until later in the year."

Will the Prime Minister take this opportunity to confirm that he will be respectful of the views of the Governments of Scotland, Wales and Northern Ireland and defer the referendum beyond June?

Finally, may I take the opportunity yet again to ask the Prime Minister to answer this question, which he has singularly failed to do thus far? Will he confirm that there are still no safeguards in place that would stop Scotland being taken out of the EU against the will of the Scottish electorate?

**The Prime Minister:** First, let me say that, yes, when this campaign comes—of course, we will first need an agreement, a recommended position from the British Government and all the rest of it—it should of course be a positive campaign. In terms of what the right hon. Gentleman says about treaty change and whether this is legally binding, as I explained, it is legally binding and it does envisage treaty change.

In terms of timing, as I explained at Prime Minister's questions, it is a matter for the House. The House debated it and the House ruled out coinciding with the Scottish, Welsh and London elections, but the House did not rule out holding a referendum at another time. Specifically, the former First Minister, the right hon. Member for Gordon (Alex Salmond), said that six weeks was the appropriate gap. Obviously, we have to wait to see whether an agreement is reached, but where I disagree with the right hon. Member for Moray (Angus Robertson) is that I do not believe that somehow this is confusing the issues: I think people are perfectly capable, six or more weeks after one set of elections, to consider another election. I note that the Leader of the Opposition, whose party is in control of Wales, was actually pressing me to hold the referendum on 23 June. There is obviously a range of opinions out there. I think the best thing to do is to get the deal done and then hold a referendum.

**Sir William Cash (Stone) (Con):** This is all about voters' trust. Why has my right hon. Friend, in order to stay in, bypassed so many promises and principles? Our national Parliament is the root of our democracy, as he said at Bloomberg, not a majority of red cards in other Parliaments. He said that we would have full-on treaty change, not the arrangements that have been announced to us today. We were promised a fundamental change in our relationship with the EU. We were promised that we would deal with the excessive immigrant numbers, but that has been whittled down to an issue about in-work benefits controlled by the European Court of Justice. Above all, we were told and promised that this entire package would be both legally binding and irreversible, but now it will be stitched up by a political decision by the European Council, not by a guaranteed treaty change at the right time. I have to say to the Prime Minister that this is a wholly inappropriate way of dealing with this matter.

**The Prime Minister:** I have great respect for my hon. Friend, but I have to say that, on the issue of whether it is legally binding, I really do believe he is wrong. If this document is agreed, it would be an international law decision and, as an international law decision, the European Court of Justice has to take it into account. I would make the point to him, because he follows these things very closely, that Denmark negotiated the same sort of legal opt-outs and, 23 years on, they clearly stand and are legally binding. Those are the facts.

My hon. Friend asks whether we are meeting what we set out in the promises we made. We made very clear promises in our manifesto: get Britain out of ever closer union—that is a promise that we kept; make sure we restrict immigrants' welfare benefits—that is a promise that we are keeping; real fairness between euro-ins and euro-outs—that is a promise that we are keeping. In every area—more competitiveness, making sure subsidiarity means something—we have met the promises that we have set out.

[The Prime Minister]

I understand that there will be those who say, “We didn’t ask for enough”, or, “We need more reform.” I believe these are the reforms that go to the heart of the concerns of the British people. People feel that this organisation is too much of a political union; it is too bureaucratic; it is not fair for non-euro countries; and we want more control of immigration. Those four things are largely delivered through this negotiation.

I would just say this to colleagues from all parts of the House. I have sat on the Benches on this side and that side and I have heard about the Maastricht treaty, about the Lisbon treaty, about the Nice treaty and about the Amsterdam treaty, but I have never seen a Prime Minister standing at this Dispatch Box with a unilaterally achieved declaration of bringing powers back to our country. That is what we have got. That is what is within our grasp.

**Alan Johnson** (Kingston upon Hull West and Hessle) (Lab): Will the Prime Minister join me in welcoming the launch today of Environmentalists for Europe, which is co-chaired by Stanley Johnson, the father of the hon. Member for Uxbridge and South Ruislip (Boris Johnson)? Will he also welcome the splendid article last week setting out the importance for science and technology of remaining in the European Union, which was penned by his Minister for Universities and Science, who is the brother of the hon. Member for Uxbridge and South Ruislip? Will he have a word with his hon. Friend to tell him about the importance of family solidarity and of joining the swelling ranks of Johnsons for Europe?

**The Prime Minister:** Very good. The right hon. Gentleman is absolutely right that we cannot have too many Johnsons agreeing with each other. There is also Rachel Johnson, the columnist: we will have to go after her and make sure of that. He makes a very important point about grants for universities and schools. We all complain, rightly, about the European budget. That is why it is so important that we have got it under control: it has to fall every year. In the budget negotiations, we did safeguard the money that British universities actually benefit from on a disproportionate basis. As for completing the happy family pack of the Johnsons, we may have to wait a bit longer.

**Several hon. Members** *rose*—

**Mr Speaker:** Order. I would call the hon. Member for Uxbridge and South Ruislip (Boris Johnson) to ask a question if he were standing, but he isn’t, so I won’t. You cannot have it all. I call John Redwood.

**John Redwood** (Wokingham) (Con): As we are driven in the EU vehicle towards ever closer union and political union, how does it help to try to fit a couple of emergency brakes that lie within the control of the EU, not us? Is not the only way to get control of our borders, our tax revenues and our welfare system to leave, be a good European and let them get on with their political union?

**The Prime Minister:** I do not agree with that, because what we are actually doing is making sure that it is very clear that Britain is carved out of ever closer union. I think that is a real advance. Indeed, it is something that

my right hon. Friend and other colleagues have been asking for, quite rightly, and which I have always believed is right. Our view about Europe is that we are not there for political union; we are there for co-operation, we are there for trade and we are there for working together on the things that matter.

Of course, these documents can change—this is all in draft—but one of the issues about ever closer union is that the European Union has actually gone further than I thought it would. I think colleagues will find it interesting that it has said

“the references to an ever closer union...do not offer a basis for extending the scope of any provision of the Treaties or of EU secondary legislation. They should not be used either to support an extensive interpretation of the competences of the Union or of the powers of its institutions as set out in the Treaties.”

That has never been said before in those ways. For those of us who care about ever closer union and about getting out of ever closer union, this actually goes a long way to achieving, in many ways, more than what we asked for.

**Ms Gisela Stuart** (Birmingham, Edgbaston) (Lab): The European continent is seeing the largest flows of people and refugees since the end of world war two. The Balkans are becoming ever more volatile and our NATO partner Turkey is not behaving as helpfully as it could. Have any of the negotiations that the Prime Minister has been involved in increased the security of the European continent or the security of the United Kingdom?

**The Prime Minister:** I would argue that they have done both. When it comes to the security of the continent, we recognise that Europe’s external border, although it is not our external border because we are not in Schengen, matters. That is why we have sent more representatives to help the European Asylum Support Office than any other country and why we are happy to do even more, working with the Greeks and the Turks.

There is an important change in this deal that will increase the security of Britain. First, because we are not in Schengen, we do not have to let foreign nationals who come to other European countries into Britain, and long may that be the case. The key changes that the Home Secretary and I have managed to secure about protecting our immigration system from fraudsters, sham marriages, criminals and people who get married to European nationals to try to get into our country have become even more important. We are going to secure those, if this goes ahead, from within the EU.

**Boris Johnson** (Uxbridge and South Ruislip) (Con): Since you have been so kind as to call me, Mr Speaker, perhaps I may ask the Prime Minister how the changes resulting from the negotiation will restrict the volume of legislation coming from Brussels and change the treaties so as to assert the sovereignty of this House of Commons and these Houses of Parliament.

**The Prime Minister:** Let me take those issues in turn, because my hon. Friend is absolutely right to raise them. First, asserting the sovereignty of this House is something that we did by introducing the European Union Act 2011. I am keen to do even more to put it beyond doubt that this House of Commons is sovereign. We will look to do that at the same time as concluding the negotiations.



On what we are doing to restrict the flow of legislation from Brussels, for the first time ever in this deal, there is a commitment that Europe has to examine all its competences every year and work out what should be returned to nation states—subsidiarity in action, rather than in words. There is also the proposal to cut Brussels regulation through the bureaucracy cutting targets. That has never been there before.

I would argue that, looking across this deal, one can see that we have welfare powers coming back, we have immigration powers coming back, which I have just spoken about, and we have bail-out powers coming back. Of course, on the massive return of power that we achieved in the last Parliament with the justice and home affairs opt-out—the biggest return of power from Brussels to Britain since we joined the EU—we have absolutely nailed that down in these discussions to make sure that they cannot get around it. Those were all key objectives. I am not saying that this deal is perfect. I am not saying that the European Union will be perfect after this deal—it certainly won't be—but will the British position be better and stronger? Yes, it will.

**Mr Nigel Dodds** (Belfast North) (DUP): Since assuming office in 2010, the Prime Minister has, to his credit, tried on occasion to limit the increases in the contributions made by the United Kingdom to the European Union budget, with varying degrees of success. Given that the UK pays £9 billion or more net into the EU every single year, will he tell us how much our contribution will go down in net terms each year as a result of this agreement?

**The Prime Minister:** We have already done the European budget agreement. For the first time, the seven-year financial perspective shows that the budget over the next seven years will be lower than over the last seven years, so there is a real-terms cut—something no one thought it would be possible to achieve. The exact amount of money we give depends on the growth and success of our economy. One consequence of our strong growth and the difficult times in the eurozone is that a little more has been contributed, but the overall financial perspective is coming down, which is good news for Britain.

**Mr Dominic Grieve** (Beaconsfield) (Con): My right hon. Friend has, I believe, achieved a quite remarkable result because of the legally binding nature of the document that he will bring back if it is accepted by the European Council. In that context, he will know that one of the principal problems that has bedevilled the United Kingdom's relationship with the European Union has been the capricious interpretation of the treaties, sometimes to circumvent what the United Kingdom has believed to be its true treaty obligations. In view of the remarkable specificity of this document, does he agree that it will be a very powerful tool in preventing that from happening in future?

**The Prime Minister:** My right hon. and learned Friend makes a very important point. If we stand back for a moment and ask ourselves how it is that powers have been taken from this House to Brussels, we see that it has really happened in two ways. First, successive treaties have passed competences from Britain to Brussels. That cannot happen anymore because we legislated in the last Parliament for the referendum lock, so if any Prime

Minister—me or any subsequent Prime Minister—tried to sign up to another treaty to pass powers to Brussels, they could not do so because there would be a referendum. The second way in which powers get passed is through the judgments of the European Court of Justice. That is why what has been secured on ever closer union is important. It says in terms, if we get the deal agreed, that that clause cannot be used to drive a ratchet of competences going from Britain to Brussels. The two routes to further integration, where Britain is concerned, have been effectively blocked off.

**Liz Kendall** (Leicester West) (Lab): Will the Prime Minister confirm that nothing in the renegotiation waters down the important security co-operation at the EU level, such as intelligence sharing, joint investigations and the European arrest warrant? When a deal is done finally, will he join Opposition Members in making the strong case that our membership of the EU helps to bring criminals to justice and keep Britain safe?

**The Prime Minister:** I want the deal to be done and the security argument is an important one. When my right hon. Friend the Minister for Europe was answering questions yesterday, he was asked whether it is consistent to say, as we do in the document, that national security is a national competence and to argue that Europe is important for security. I believe that it is. It is very important that we are clear that the core competences such as policing and our intelligence services are for this House and our Government to decide on, but of course there are ways in which we can co-operate in Europe to make ourselves safer, such as making sure that we know when criminals are crossing borders and making sure that we exchange passenger name records and the rest to keep us safe. That is why, when we opted out of the justice and home affairs powers, repatriating about 100 powers to Britain, we stayed in the ones that really matter in respect of keeping us safe. It is important to demonstrate that we are both maintaining national security as a national competence and working with our partners to keep our people safe.

**Dr Liam Fox** (North Somerset) (Con): First, may I say through you, Mr Speaker, to the Leader of the Opposition that I would prefer what he describes as the “drama” of the Conservative party to the tragedy of his Labour party any day?

Whether or not an emergency brake kicks in is ultimately the decision of the European Union, not the UK. The level of immigration at which it kicks in is ultimately a decision for the EU, not the UK. Even the level of benefits sent abroad is ultimately a decision for the EU, not the UK. Is it not clear that we are not sovereign in those areas of policy and do not have independent control over them? Ultimately, is not the decision in the referendum whether we want our own laws and our own borders to be determined here by ourselves or overseas by someone else?

**The Prime Minister:** I have great respect for my right hon. Friend. He explained very clearly on the radio this morning that he would be for leaving the EU, even without the renegotiation. He was very honest and frank about that. In terms of dramas and tragedies, I

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am sure that he will join me in echoing the old insurance advert by saying that we should not turn a drama into a crisis.

On the emergency brake, the European Commission has been absolutely clear in the documents that it

“considers that the kind of information provided to it by the United Kingdom shows the type of exceptional situation that the proposed safeguard mechanism is intended to cover exists in the United Kingdom today.”

Of course, I am all for maximising the sovereignty of this House and our Government, and our ability to do things, but we have said that we want there to be no more something for nothing, that we want a welfare brake and that we want to be able to deny benefits to people in full before they have been here for four years. This paper says that that can happen as soon as the legislation allows.

**Dr Alasdair McDonnell** (Belfast South) (SDLP): May I reassure the Prime Minister that, in my estimation, most of us in Northern Ireland agree with him that we would be much more successful in the European Union than out of it? I urge him to hold the referendum later than June, so that all the aspects can be fully discussed and debated. When all the negotiations are completed, if there is a positive “stay in” result in the referendum, can he see the UK taking a much more positive and engaged role in the structures and organs of the European Union?

**The Prime Minister:** Were there to be an agreement in February, I do not think that a four-month period before a referendum would be too short. I think four months is a good amount of time to get across the key arguments, facts and figures, and for both sides to make their points. That will be equally important in Northern Ireland, and I give the hon. Gentleman a guarantee that if there is an agreement, I will personally spend time in Northern Ireland, making the points that I think are most important. As for the role of the EU in helping to bring about the successful transformation of Northern Ireland, there have been positive moves in terms of grants, and structural and other funds, to help build the strong economy in Northern Ireland that we need.

**Mr Peter Lilley** (Hitchin and Harpenden) (Con): As a former Secretary of State for Social Security, may I ask my right hon. Friend to clarify the status of the agreement on migrants’ benefits? The EU has no competence over benefits rules in member states, unless they conflict with the freedom of movement clause in the treaty. If the proposed changes do not conflict with the treaty, we could have introduced them immediately without using up our negotiating clout on this issue. If the changes do conflict with the treaty, they will be struck down by the EU Court, unless the treaty is changed first.

**The Prime Minister:** The view is that this emergency brake can be brought in under the existing treaties, but only with legislation through the European Parliament. On an accelerated timetable, the leader of one of the major parties said that that could take one, two or three months. That is what makes it clear that we can act in this way not just legally, but—crucially in my view and, I think, in that of the British public—quickly.

**Kate Hoey** (Vauxhall) (Lab): When the Prime Minister meets various EU leaders over the next few months, will he make it clear to them that the result of the referendum is to be decided by the British people, and that they should not try to interfere in any way with the British people’s views? Will he particularly say to the Irish Taoiseach that it was not at all helpful, and indeed it was very uncomplimentary to the people of Northern Ireland, for him to imply that if the people of the United Kingdom decide to leave the European Union, that would threaten the peace process?

**The Prime Minister:** I absolutely agree that this decision is for the British people, and the British people alone, and they certainly do not want to hear lectures from other people about that. It is because this affects Britain’s relations with the rest of the world, and other issues, that there may well be people who want to make a positive contribution, and that is a matter for them. I think that the peace process is secure and we must keep going with it, and I believe that the Taoiseach is a friend of the United Kingdom. He spoke up very strongly for Britain at the European Council, and I think he was quite influential in trying to build good will, and saying that we in the European Union should recognise that if a country has a national interest at stake and needs things fixed, we must be a flexible enough organisation, because otherwise we will not be able to sort those things out.

**Philip Davies** (Shipley) (Con): The Prime Minister has said that if we vote to leave the EU, he would want to continue as Prime Minister—a combination that I would fully support. He certainly fancies himself as a negotiator. Given that we have a net contribution each year to the European Union of £19 billion and a trade deficit with the EU of £62 billion, and that if we were to leave we would be the single biggest export market of the European Union, does he think he has the ability to negotiate a free trade agreement from outside the EU, without handing over £19 billion a year?

**The Prime Minister:** I have great respect for my hon. Friend, who I think wanted to leave the EU whatever came out of these negotiations, and I am sure he will make his arguments powerfully. Obviously, we must consider all the issues, and once the debate starts, people will want to look at all the alternatives. Would Britain be better off in a customs union arrangement such as that with Turkey? Would we be better off in a free trade agreement, such as that with Canada? Would we be better off in a situation such as the one the EU has with Norway and Iceland? I have started talking about some of those alternatives. I think the Norway example is not a strong one, because Norway contributes more per head to the EU than we do, and it has to take all the legislation passed in Brussels. I am sure that that will be an important part of the debate to come.

**Mr David Winnick** (Walsall North) (Lab): Does it surprise the Prime Minister that, so far at least, he does not seem to have persuaded any of the critics on the Conservative Benches about the virtues of his negotiations? He may have persuaded the Home Secretary, for reasons that we understand, but apparently he has not persuaded any of the other critics.

**The Prime Minister:** Maybe the hon. Gentleman can help me out—I don't know. This is a very important issue for our country, but in the end it will not be decided in this Chamber. We will all have to reach our own conclusions, and if hon. Members passionately believe in their hearts that Britain is better off outside the EU, they should vote that way. If they think, even on balance, that Britain is better off in the EU, they should go with what they think. Members should not take a view because of what their constituency association might say or because they are worried about a boundary review, or because they think it might be advantageous this way or that way. People should do what is in their heart—if you think it is right for Britain, then do that.

**Sir Edward Leigh (Gainsborough) (Con):** Since no one else has done this so far after nearly an hour, and since my mum always said that I should say thank you, may I thank the Prime Minister for giving us a choice in the first place? One question to ask about the referendum is what is the point in having an emergency brake on our car if the backseat driver—namely the European Commission—has the power to tell us when and for how long we should put our foot on the brake pedal?

**The Prime Minister:** This is rather a different situation; we are being told in advance that because of the pressures we face, this is a brake we can use, and that we can do so relatively rapidly after a referendum, and I think it would make a difference. The facts are these: 40% of EU migrants coming to Britain access the in-work benefits system, and the average payment per family is £6,000. Don't tell me that £6,000 is not quite a major financial inducement. I think that more than 10,000 people are getting over £10,000 a year, and because people get instant access to our benefits system, it is an unnatural pull and draw to our country. One thing that we should do to fix immigration into our country is change that system, and that is what we are going to agree.

**Caroline Lucas (Brighton, Pavilion) (Green):** Will the Prime Minister acknowledge that the referendum will be won or lost on bigger issues than this renegotiation, not least on a judgment that the greatest challenges facing us are better solved when countries work together? In that vein, may I invite him again to join me in welcoming the establishment of Environmentalists for Europe, which recognises that cross-border problems require cross-border solutions, and highlights the crucial role that the EU plays in protecting wildlife and nature in this country?

**The Prime Minister:** Where there are genuine cross-border problems we must work across borders to try to ensure a strong solution. I think that the key issues are prosperity and security, but within security comes environmental security, and at the Paris accord Britain was able to play a strong role. Through our example of getting carbon emissions down, and by having a strong plan for the future, we encouraged other countries in Europe to do the same. That leveraged in—sorry, terrible jargon: that brought about a better deal from the rest of the world.

**Sir Eric Pickles (Brentwood and Ongar) (Con):** Much has been said about the Conservative party manifesto that the Prime Minister and Conservative Members

fought the election on, and I have an electronic copy of it in front of me now. Should the Prime Minister succeed in his negotiations, he will achieve not only the letter of what we promised, but also the spirit. Perhaps most importantly, he will give the British people a chance to vote for a reformed Europe, or to vote for the uncertainty of leaving.

**The Prime Minister:** I am very grateful to my right hon. Friend. We are delivering the manifesto in fact and in spirit, not least by doing something that many people thought we would never deliver on, which is to hold that referendum. I remember sitting on the Opposition Benches when Tony Blair stood here and said, "Let battle commence; let the referendum on the constitutional treaty begin". The fact that that referendum was never held in many ways poisoned a lot of the debate in Britain. That is why the manifesto is so clear about the referendum and about the renegotiation aims.

Some people will say that a better approach is to go in, kick over the table, walk out the door and say, "I'm not gonna come back in unless you give me a list of impossible demands", but that was never the plan we set out. The plan we set out was to address specifically the biggest concerns of the British people about competitiveness, an ever closer union, fairness, and migration, and if we can complete this negotiation, that is what I believe it will do.

**Caroline Flint (Don Valley) (Lab):** I congratulate the Prime Minister on his progress in tackling what I think voters for all parties see as unfairness in the freedom of movement—not to work, but in some cases freedom of movement to claim benefits here in the UK. If we left the European Union, would it put at risk our co-operation with the French authorities in Calais to protect UK borders?

**The Prime Minister:** I am very grateful to the right hon. Lady for what she says. She raises an important point about Calais. There is no doubt in my mind that the agreement we have is incredibly beneficial. I think it works well for both countries. For Britain, being able to have our border controls in France and deal with people there is something we should be very proud of. We should do everything we can to sustain it. It is part of the European co-operation we have.

**Michael Fabricant (Lichfield) (Con):** Given the difficulty of getting any change to our EU membership approved by the other 27 countries, what we have got is as good as anyone, I think, might have expected and more. I congratulate the Prime Minister on his achievement. Will my right hon. Friend confirm that once the European Council have made its decision, he will respect the views of those Ministers who might publicly express the opinion that the United Kingdom should now leave the EU, and that the careers of those Ministers in this Government will not be jeopardised or threatened as a consequence?

**The Prime Minister:** I can certainly give my hon. Friend that assurance. We are still in the process of negotiation. The manifesto we all stood on said that we wanted to get the best possible deal for Britain and that we would all work on that together. That is exactly what we are doing. If the deal is agreed—whether in February or perhaps later, if it takes more time—there will then

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be a meeting of the Cabinet to decide whether we can take a recommended position to the British people. If that position is to recommend we stay in a reformed European Union then, yes, at that point Ministers, who, as I have said, have long-standing views and want to campaign in another direction, will be able to do that. The Government will still have a position. This is not a free-for-all. It will be a clear Government position from which Ministers can depart. Yes, as I have said, they should not suffer disadvantage because they want to take that view.

**Ms Tasmina Ahmed-Sheikh** (Ochil and South Perthshire) (SNP): The Prime Minister has now listened to the views of the EU President and the other 27 Heads of State in the European Union about his proposals. In the spirit of his very own one nation respect agenda, will he also now listen to the views of the Heads of Government in the devolved Parliaments of the United Kingdom, who are unilateral in their belief that his preferred referendum timetable, in scheduling a vote for the end of June, is disrespectful and wrong?

**The Prime Minister:** In terms of the respect agenda, my right hon. Friend the Europe Minister has had a number of conversations with the heads of the devolved Administrations and I think that is absolutely right. On the referendum date, I do not think we should get ahead of ourselves. We need an agreement first, but I really do not believe that a four-month period, and a good six weeks or more between one set of elections and another, is in any way disrespectful. I have great respect for the electorates of our countries. They are able to separate these issues and make a decision.

**Sir Gerald Howarth** (Aldershot) (Con): I commend my right hon. Friend for sticking to his commitment to offer the British people a choice on this matter. I also support very much what he has just said about maximising the sovereignty of this Parliament. Does he not agree that the proposals to require the United Kingdom to secure the support of many continental Parliaments to block any EU directive that this Parliament opposes do not constitute the fundamental reform he seeks?

**The Prime Minister:** I argue that the red card proposal for national Parliaments is something new—it did not previously exist. Of course, it will take a lot of co-ordination between Parliaments, but where I think it is so much more powerful than the previous proposals, of yellow cards and what have you, is that it would be an absolute block. If we could get the right number of Parliaments together over an issue, the Council and the Commission would not go ahead with it. I think it goes alongside the subsidiarity test that takes place every year, getting Britain out of ever closer union, and reaffirming the sovereignty of Parliament as we have done and will do again. It is one more measure that demonstrates we believe in national Parliaments.

**Mr Pat McFadden** (Wolverhampton South East) (Lab): There is a much broader case for continued UK membership of the EU beyond the four items in the Prime Minister's negotiation based on jobs, our economic interest, our collective security and our place in the world. Does the Prime Minister accept that if we voted to leave the

European Union but then found ourselves still having to accept all the rules of the single market, that would be to swap our position as a rule maker for that of being a rule taker? That is not control and that is not the right future for a great country such as the United Kingdom.

**The Prime Minister:** As ever, the right hon. Gentleman speaks very clearly and powerfully. Of course he is right. Much bigger arguments are going to take place over the coming months and I am not over-claiming about the four areas where we have made progress. I merely say that they relate to four of the things that most concern the British people about Europe and that we are some way down the road of fixing them. The point he makes about being a rule maker not a rule taker is absolutely vital. Britain is a major industrial economy with a huge car industry, a huge aerospace industry and a very important financial services industry. We need to make sure we are around the table making the rules, otherwise there is a danger that we are not just a rule taker but that the rules are made against us. That is what we need to avoid.

**Sir Nicholas Soames** (Mid Sussex) (Con): Among the other important measures successfully negotiated by my right hon. Friend the Prime Minister, I welcome in particular the recognition of the Union's need to become more competitive and explore the untapped potential of the single market, and indeed to press on with vital trade negotiations with the United States and other key partners. Will my right hon. Friend confirm that when the negotiations are, I hope, happily concluded, our national debate must move on to the real questions of this referendum relating to the safety, economic security and prosperity of the United Kingdom, and the role we are to play in the world in the decades to come?

**The Prime Minister:** My right hon. Friend is absolutely right. We will be holding the debate at a time of great uncertainty and insecurity in our world. We have Russia, with its destabilisation of Ukraine to our east. We have the horrors of Daesh to our south. This is a time when we need to be working closely with our neighbours and friends to make sure we can deliver greater security for our people. It is, of course, true to say that a cornerstone of our security is NATO, our "Five Eyes" partnership and our special relationship with the United States. They are vital. In the modern world, however, border information, passenger name records, criminal record information systems, sharing information about terrorism and fighting together against Islamist extremists—not just in Syria and Iraq, but, tragically, in our own countries all across the European Union—are very important issues.

**Mr Ben Bradshaw** (Exeter) (Lab): I wish the Prime Minister and the British negotiating team well for what remains of this process. Will he acknowledge that all the major threats and challenges Britain faces, from international terrorism to climate change, demand that we work closely and collaboratively with our close neighbours, and that we do not relegate ourselves to a position of isolation and impotence?

**The Prime Minister:** My judgment in all of this is that I want things that increase the power and the ability of Britain to fix problems and to deal with our own

security, stability and prosperity. What matters is this: are we more able to deal with these things? One thing Europe needs to get right is to get rid of the pettifogging bureaucracy on the small things that infuriate people but do not actually make a difference, and to focus instead on security, prosperity and jobs—that is the focus.

**Several hon. Members** *rose*—

**Mr Speaker:** Order. A very large number of right hon. and hon. Members are still seeking to catch my eye. Legendarily, the Prime Minister, on several occasions, has been here for long periods to respond to questions, but there is now a premium on brevity that will be demonstrated, I am sure, by the hon. Member for Harwich and North Essex (Mr Jenkin).

**Mr Bernard Jenkin** (Harwich and North Essex) (Con): May I point out to my right hon. Friend that the former director general of the legal service of the Council of Ministers, Jean-Claude Piris, has said:

“There is no possibility to make a promise that would be legally binding to change the treaty later”?

In fact, he then used a word which one might describe as male bovine excrement. Can the Prime Minister give a single example of where the European Court of Justice has ruled against the treaties in favour of an international agreement, such as the one he is proposing?

**The Prime Minister:** As I said to my hon. Friend the Member for Stone (Sir William Cash), Denmark negotiated the same sort of legal opt-outs—and, 23 years on, they still stand and are legally binding.

**Mary Creagh** (Wakefield) (Lab): On 21 July 2005, two weeks after four suicide bombers had murdered 52 people on London’s transport network, Hussain Osman tried but failed to blow himself up on a Hammersmith and City tube line. He fled to Italy and was speedily extradited to face justice in this country—in a matter of weeks rather than the years that a bilateral extradition process would have taken. Can the Prime Minister reassure me and all hon. Members that nothing he does in the renegotiation process will put the functioning of the European arrest warrant at risk?

**The Prime Minister:** I certainly can give the hon. Lady that reassurance. The House debated this issue. We opted out of much of justice and home affairs but we specifically chose to opt back into the European arrest warrant because it has proved very valuable, not least in the case that the hon. Lady mentions and other cases, in ensuring that terrorist suspects and serious criminals can be returned straight away to Britain. If we stay in a reformed European Union, those arrangements will continue. It is more a question for those who want to leave to say how they will put back in place something as powerful as what we have.

**Mr Steve Baker** (Wycombe) (Con): I very much admire the tenacity, the courage and the skill with which my right hon. Friend is defending—nay, polishing—this deal, but what happened to our 2010 manifesto commitments on the charter of fundamental rights and social and employment law?

**The Prime Minister:** We have put in place, as I and my right hon. Friend the Member for Brentwood and Ongar (Sir Eric Pickles), the former Communities and Local Government Secretary have said, all the things that we put in the manifesto—the manifesto on which my hon. Friend and I stood at the last election. The social chapter no longer exists; it is now merely part of the single market legislation. We have secured, for the first time, an annual reduction in legislation, which can of course include the sort of the legislation that my hon. Friend mentions.

**Tom Brake** (Carshalton and Wallington) (LD): In the words of John Kenneth Galbraith:

“All of the great leaders have had one characteristic in common: it was the willingness to confront unequivocally the major anxiety of their people in their time. This, and not much else, is the essence of leadership.”

Once the EU negotiations are complete, will the Prime Minister confront people’s anxiety, demonstrate strong leadership and unequivocally come out in favour of our EU membership?

**The Prime Minister:** I have been very clear. If we can achieve this negotiation, I will work very hard to convince people that Britain should stay in a reformed European Union. That would be very much in our national interest. I am not an expert on JK Galbraith, but when people have serious concerns—as people in this country do about the levels of immigration—it is right to try to act to address them, which is part of what this is about.

**Sir Oliver Heald** (North East Hertfordshire) (Con): I welcome the Prime Minister’s substantial progress towards an agreement that would allow us to stay in the EU, but does he agree that one of the most important aspects of such an agreement is that it is legally binding and provides a lot more clarity about Britain’s role within the EU—in terms of the new dispensation, and of existing treaties? That makes it extremely powerful from a legal point of view as it can be revoked only if we agree. It therefore has embedded force to it.

**The Prime Minister:** We have heard from the former Attorney General and the former Solicitor General, who have great legal expertise. The point that they make is right: this agreement will be legally binding on member states as a matter of international law. First, of course, it has to be agreed, but once it has been agreed, my hon. and learned Friend is absolutely right that it would be irreversible because it could be amended or revoked only if all member states, Britain included, decided to reverse it. Therein lies its irreversibility.

**Stephen Timms** (East Ham) (Lab): I want us to stay in the European Union, but the Prime Minister indicated that he would use the renegotiation to seek to address the unfairness in the European sugar market, which currently affects cane sugar refiners such as Tate & Lyle in my constituency. Has the right hon. Gentleman made any progress on that specific issue?

**The Prime Minister:** I will have to write to the right hon. Gentleman about that issue.

**Mrs Anne Main** (St Albans) (Con): The Commission might agree that we meet the requirements to have a break, but that is its decision. It might not agree in a few years’ time. Every step of these negotiations relies,

[Mrs Anne Main]

unfortunately, on somebody else giving us permission to make decisions for this country, as with the thousands of harmonised directives that we struggle with—day in, day out—in respect of which businesses have to ask the permission of other countries. This is not what the British public want, Prime Minister.

**The Prime Minister:** Let me deal first with the harmonised directives. We now have this test for subsidiarity—we had only fine words in previous treaties because there was never a mechanism to go with them—so the European Council and the European Commission are going to have to look at all these competences and return to member states those that are no longer necessary. That seems to represent important progress in the area my hon. Friend mentions. On migration, the European Commission has said that Britain qualifies now. Where my hon. Friend is right is that although we know that what is proposed is the ability to stop someone getting full access to benefits for four years, we need to fill in the detail on how long such a mechanism will last and how many times it can be renewed.

**Hywel Williams (Arfon) (PC):** In the Welsh general election, how will the Prime Minister's Conservative colleagues argue for the economic stability that Wales so sorely needs when it might be overthrown by his referendum just six weeks later?

**The Prime Minister:** British people, including people in Wales, voted for a Government who would deliver economic stability while putting this great question about Britain's future in front of the British people. As I have said before, public opinion in Wales, England, Scotland and Northern Ireland is all, to a greater or lesser extent, in favour of holding a referendum. I think this is the right policy for the whole of the United Kingdom.

**Mr Christopher Chope (Christchurch) (Con):** My right hon. Friend has talked about what is going to happen with the European Court of Justice. Does he recall that under the Lisbon treaty there is a requirement for the European Union to join the European convention on human rights. That has not been implemented because the European Court of Justice has said that it is incompatible with the EU treaties. Does this not show that, ultimately, although something might need to be taken into account, there is no need for compliance?

**The Prime Minister:** Let me say two things to my hon. Friend. First, I do not believe that the EU should join the European convention on human rights. I do not think that is the right step forward, and that has been the British Government's position. Secondly, we are committed in our manifesto to change Britain's position with respect to the European Court of Human Rights by having our own British Bill of Rights. We shall be coming up with proposals for that shortly.

**Rachel Reeves (Leeds West) (Lab):** British workers benefit from employment rights guaranteed at the EU level. Will the Prime Minister assure us that his renegotiation does not affect important employment rights, including rights to paid leave, equal rights for part-time workers and fair pay for agency workers?

**The Prime Minister:** All these rules are no longer in a social chapter, but are part of single market legislation. We now have the opportunity to make sure that single market legislation is proportionate and that it is on something that needs to be done at the European level rather than the national level. That is an ongoing conversation, as it should be under the rules set out here.

**Damian Green (Ashford) (Con):** Does my right hon. Friend agree that of all the documents issued yesterday, the most significant words are in Donald Tusk's letter to members of the Council, particularly where he says that "in light of the United Kingdom's special situation under the Treaties, it is not committed to further political integration."

Is that not precisely what the majority of the British people have always wanted—to be in Europe, but not run by Europe, to revive an old phrase. Is that not precisely what my right hon. Friend has achieved?

**The Prime Minister:** I thought the letter was interesting in that regard. The truth is that Britain's membership of this organisation is different from that of other countries. As the document sets out, we are not in the euro, we are not participating in Schengen, we keep our own border controls, we choose whether to participate in measures of freedom, security and justice. We opted out of the justice and home affairs area, and now we are opted out, as it were, of ever closer union. Our membership is different, and we need to make that case strongly as we go forward.

**Ms Margaret Ritchie (South Down) (SDLP):** Given that the south of Ireland is by far Northern Ireland's biggest export market, will the Prime Minister tell us what assessment he has made of the impact that leaving the European Union would have on the land border in Ireland? Can he tell us whether continued free movement in Ireland can be guaranteed, and has he assessed the damage that a customs border could cause to Northern Ireland's economic security?

**The Prime Minister:** Those are important questions. I think I am right in saying that the amendments to the European Referendum Bill—now the 2015 Act—that were agreed in the House of Lords and were then, I think, accepted here require the Government to produce a series of documents concerning the reform proposals, the alternatives to membership, and the obligations and rights that attach to membership of the European Union. I think that, through a process involving those documents, we should address a very important question that clearly affects one part of the United Kingdom quite intensely.

**Mr Jacob Rees-Mogg (North East Somerset) (Con):** In 2014-15, 183,000 economic migrants came from the European Union, none of whom would have been deterred by anything we have heard so far. Ever closer union may be taken out of the preamble, but it remains in the essential text of all the treaties. On protecting the "euro-outs", all that will happen is that there will be a discussion—and there are plenty of discussions in the European Union—and, on competitiveness, that has been part of the European Union's own ambition since the Lisbon agenda of 1999.

The thin gruel has been further watered down. My right hon. Friend has a fortnight, I think, in which to salvage his reputation as a negotiator.

**The Prime Minister:** My hon. Friend is extremely articulate and always speaks very powerfully, but let me take two of the points that he has made and explain why I think that, actually, he has got this wrong.

First, the principles that will be legally binding in terms of how currencies other than the euro are treated constitute a real advance. They mean, for instance, that never again can the European Union suggest that the clearance of euros is possible only in eurozone countries, which would have been disastrous for our financial services industry. I have secured that. The European Union cannot even promote that again, which is extremely important, because if we were not in the European Union, we would not have that protection at all. The EU could change the rule just like that. I do not think my hon. Friend understands the power of the principles of no discrimination, no disadvantage, and no cost, which mean that we cannot be forced to bail out eurozone countries as we nearly were last summer. Those are powerful principles.

On ever closer union, I encourage my hon. Friend to look at page 9 of section C of one of the documents, which states that

“the references to an ever closer union...do not offer a basis for extending the scope of any provision of the Treaties”.

As I have said, as far as I can remember—I was advising a Minister at the time of the Maastricht debates, and I sat through Lisbon and Nice and Amsterdam and the rest—the principle has never been set out in that way. This means that ever closer union cannot be used to drive a process of integration. If we in the House have the protection that we must have a referendum if any Minister ever suggests that we sign up to another treaty that passes power—protection one—and we have this too, we are well on our way to saying that our different sort of membership of the EU is not only safeguarded but is being extended, because not only are we out of the euro and out of Schengen, but we are out of ever closer union too.

**Jack Dromey** (Birmingham, Erdington) (Lab): Once the workshop of the world, Birmingham in the west midlands is now the industrial heartland of Britain. Key to that success is inward investment, including investment by Jaguar Land Rover in the 3,000-strong Jaguar factory in my constituency, and key to inward investment is continuing membership of the European Union. Does the Prime Minister agree that it is strongly in the best interests of midlands workers that we remain part of Europe?

**The Prime Minister:** Provided that we secure the agreement that we need, yes, of course I do. We are seeing an industrial renaissance in the west midlands, much of it involving the automotive industry. I have had a number of meetings with car manufacturers in recent days: I saw representatives of Toyota and Ford yesterday, I have had conversations with Jaguar Land Rover and others, and I was with BMW representatives in Germany recently. They have all made the point that Britain is a great centre for the manufacture of cars, and of engines in particular. That is relevant to the issue of the standards set in Europe and our being a rule maker and not a rule taker, which is very important for our auto industry.

**Mr John Baron** (Basildon and Billericay) (Con): Following the Prime Minister’s response to my recent parliamentary question, I have taken his advice and cleared the diary for a debate in the Chamber tomorrow on parliamentary sovereignty. Given the importance of sovereignty to the EU negotiations, will he join us for that debate, and, perhaps, respond to it on behalf of the Government?

**The Prime Minister:** I am very sorry, but I have not been able to clear my own diary. Tomorrow is the Syria conference. In fact, many people will arrive tonight—more than 30 Presidents and Prime Ministers, I believe. The aim is to raise twice as much for the Syria refugee appeal this year as we did last year. However, I know that my hon. Friend is keen to have a word, and I will make sure that we fix that up.

**Debbie Abrahams** (Oldham East and Saddleworth) (Lab): As 14,000 jobs in Oldham are dependent on Europe, I am very much in favour of staying in. However, although the Prime Minister said in his statement that the emergency brake would apply immediately after the EU referendum, it was reported yesterday that the process would take at least 18 months. Will the Prime Minister make clear which is the case, and tell us whether he will report on any other transitional arrangements relating to other measures?

**The Prime Minister:** What I said was that because this measure does not rely on changes in the treaty but will be in European legislation, it can enter into force relatively shortly after the referendum. It will require some legislation, but, as I said earlier, the leader of one of the biggest parties in the European Parliament said that it could be a matter of months, because the process can be accelerated. It just goes to show how much we need to bind everyone into the agreement that we hope to achieve in the coming weeks, so that the Parliament can pass the legislation as swiftly as possible.

**Nick Herbert** (Arundel and South Downs) (Con): Does my right hon. Friend agree that one of the biggest concerns about the direction of travel in the European Union is that countries within it, the eurozone members, wish to integrate more deeply in order to protect their currency? We have our own currency, but an incredibly important part of my right hon. Friend’s negotiation ambition was that we should be protected from any discriminatory measure that might result from those countries’ ability to integrate more closely. Is that not why this proposed package is indeed significant? Is it not the case that it does protect us, and that not only are there now two different speeds, but we have a different destination from our European partners, which puts us in a relatively advantageous position?

**The Prime Minister:** Let me make two points. First, I think that the reference to a different destination is significant. People have often talked about Europe moving at different speeds, but for the first time it is being said that we may not all be trying to achieve the same ends, and I think that that is very important.

The “euro ins-outs” section is probably the most technical and, in some ways the most impenetrable, but it contains some simple principles, such as the non-discrimination and no-cost principles that I mentioned

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to my hon. Friend the Member for North East Somerset (Mr Rees-Mogg). There is also the very important concept that, should we need to take action in the form of financial supervision to secure our own financial stability, nothing should get in the way of such action. That, I think, is a very important clarification for the good of our country.

**Phil Wilson** (Sedgefield) (Lab): More than 80% of businesses in my constituency want to stay in the EU. More than 50% of the jobs are linked to trade with the EU. Our membership is vital to jobs, prosperity and security, and that is why Labour Members are united in campaigning to stay in Europe. Do we not need to end the uncertainty, have the referendum as soon as possible, and campaign to stay in the EU?

**The Prime Minister:** Obviously I am keen to end the uncertainty, but I am not in any hurry if we cannot get the right deal. I think we have set out very clearly what needs to be done, and I think it is possible for that to be agreed in February, but if it takes longer we shall have to be patient, because getting this right really matters.

**Mr Peter Bone** (Wellingborough) (Con): A week or so ago, 2,500 people turned up in Kettering for the first GO conference. GO—Grassroots Out—is an organisation whose aim is to get us out of the EU. We had cross-party speakers at the Kettering conference, and we shall be holding another in Manchester.

What has not been mentioned by commentators—I received an e-mail from the Prime Minister about this yesterday—is the fact that he rules nothing out. This is a process, and he may not get what he wants. I understand that he will not be able to come to Manchester because he is still involved in the negotiations, but if he does not get what he wants, could he come to our GO conference on 19 February, and would it be possible for me to drop off a tie for him at Downing Street?

**The Prime Minister:** My hon. Friend is always very generous with his time, with his advice, and now with his clothing as well. The tie has arrived, and I feel that the blazer is soon to follow.

I do not think that I shall be able to come on 19 February—I hope that I shall still be in the thick of negotiations—but I will of course report the results to the House.

**Mr Speaker:** It is a very garish item, I am bound to say, but who am I to object to that? [HON. MEMBERS: “Would you like one?”] I have suddenly been afflicted by a loss of hearing.

**Sammy Wilson** (East Antrim) (DUP): I hope my tie is not too garish for you, Mr Speaker.

When the Prime Minister visits Northern Ireland, which I would welcome, will he visit the devastated fishing villages, the families angered by EU Court rulings on terrorists, the manufacturers smothered in red tape and the haulage companies whose employees run the gauntlet at Calais every week because of the EU’s chaotic immigration policy? Will he explain to them how his red card will prevent further destructive EU

legislation, given that it requires him in 12 weeks to get 50% of Parliaments across the EU to oppose proposals backed by their own Governments?

**The Prime Minister:** I will want to address all those issues when I go to Northern Ireland. Already the reform of the common fisheries policy has led to some improvement, but there is more to be done. On the rules that manufacturers face, I have set out how we will cut bureaucracy. The documents also address directly the problem between the Republic of Ireland and Northern Ireland of sham marriages and people trying to get round our immigration controls, but we now need to carry them into force.

**Tom Pursglove** (Corby) (Con): The Prime Minister is trying his best to renegotiate our position, but would he not agree that the reforms, as they stand, do nothing to make the immigration system in this country fairer to people, regardless of where in the world they come from?

**The Prime Minister:** I think they do make it fairer. As I explained in the statement, it has for years been frustrating that we cannot apply some of the rules for British citizens marrying foreign nationals to EU citizens marrying foreign nationals. The agreement opens the way to ensuring that we can. All sorts of sham marriages, fraudsters, criminals and others who have been getting round our immigration controls will no longer be able to do so.

**Joanna Cherry** (Edinburgh South West) (SNP): *The Sunday Times* has reported that, as part of the negotiations and his plan to restore the sovereignty of Parliament, the Prime Minister is seeking to deny UK citizens access to the fundamental rights guaranteed by the EU charter. Does he appreciate that, as stated in the well-known case of *MacCormick v. Lord Advocate*, the doctrine of the sovereignty of Parliament is a distinctively English principle? In Scotland, the people are sovereign, and they do not want their human rights protections reduced.

**The Prime Minister:** People in our country had fundamental rights long before the EU charter of fundamental rights was even thought of, so we do not need these documents in force in Britain. We have our own Parliament and our own rights, and soon we will have our own British Bill of Rights.

**Nadhim Zahawi** (Stratford-on-Avon) (Con): Constituents and families will be thinking about what the future holds. All four tranches of the agreement are important to all our constituents, but the most significant is the protection for non-euro countries. Will the Prime Minister assure the House that he will look at the detail—the devil is in the detail—to make sure that there are no loopholes and that, as the eurozone countries integrate, we are protected and not discriminated against?

**The Prime Minister:** I will certainly do that. It will be a complex negotiation. The eurozone countries want the ability to integrate further and to know that we are not trying to block the action they need to take, but clearly we want to make sure that we, as members of the single market, are not disadvantaged.



**Diana Johnson** (Kingston upon Hull North) (Lab): I am sure the Prime Minister will welcome today's news that the largest offshore wind farm in the world is to be built off the east Yorkshire coast by DONG Energy and Siemens. This will create up to 2,000 jobs in the Humber estuary and result in £6 billion of investment. Does this not show that, whatever the debate and frustrations around the right terms, it is in our country's economic interest to be part of, and engaged in, the EU as a leading player?

**The Prime Minister:** I am delighted with that news, because the Government have given great support to Siemens and DONG Energy. We have—I think—the biggest offshore wind market in the world, because we have provided the regulatory certainty the industry needed. In the east of England, that has achieved not just one big factory, but the industrial regeneration of all the related industries. Irrespective of the outcome of the referendum, we have to make Britain the best place in the world to invest and grow a business. When the arguments come, I am sure many of those who want us to stay in a reformed EU will argue it will make us even more attractive, but we should wait until the starting gun is fired.

**Neil Carmichael** (Stroud) (Con): The scope and scale of the reform package reflect the key interests of a wide range of people in the Chamber. Does the Prime Minister agree that the important thing now is to make sure the details are legally binding and absolutely right and, above all, to sketch out the economic case for staying in the EU—not least the fact that more than half of our foreign direct investment comes from the EU?

**The Prime Minister:** My hon. Friend is right. The next few weeks will be about trying to secure this deal and nail down the details. If that is successful, there will then be the bigger arguments he refers to.

**Andrew Gwynne** (Denton and Reddish) (Lab): I suspect there will always be issues that divide the Prime Minister and me, but, on this, is not what matters the national interest and what he described as the greater prize? Is not one of the benefits of a document that is legally binding and ratified by the British people in a referendum that it will be the British people who decide? Had he gone for treaty change, could it not have been scuppered by referendums in France, Netherlands, Ireland and other EU member states whose publics might come to a different view from that of the British public?

**The Prime Minister:** I am grateful to the hon. Gentleman for his comments. Clearly, if agreed, this will be a legally binding arrangement, for the reasons I have given, but we are aiming in it for treaty change—on those things that need to change—the next time the treaties are altered. He makes a good point though: the more we can bring this together in one place and explain what it is about, the better the British people will see the force of the arguments.

**Mr David Nuttall** (Bury North) (Con): Does the Prime Minister accept that if the UK left the EU, we could regain our seat at the World Trade Organisation, thereby regaining our voice and influence on this crucial body for global trade, which we lost when we became a member of the EU?

**The Prime Minister:** My hon. Friend is absolutely right that, outside the EU, one option would be to take our seat at the WTO. The only problem is that the WTO has not signed many trade agreements in recent years. Those have tended to be bilateral agreements, such as the EU agreement with Canada, which we hope is about to come in, and that with Korea. Of course, Britain could, independently, sign trade agreements, but we have to weigh up how much influence Britain has as a member of the EU—a market of 500 million people—when negotiating the biggest and best trade deals with the fastest-growing countries in the world.

**Mr Speaker:** I call Brendan O'Hara. No. He was here.

**Stewart Malcolm McDonald** (Glasgow South) (SNP): The German Government and the European car lobby see the renegotiation as an opportunity to water down new proposals on emissions standards and type approval. Does the Prime Minister accept that that would be unacceptable to British drivers, and will he ensure that it will not be a bargaining chip in the renegotiation?

**The Prime Minister:** There is no connection between this renegotiation and those directives. The only one I can see is the one I made earlier: for the good of our car industry and our consumers, Britain needs to be in the room when these decisions are made.

**Dr Sarah Wollaston** (Totnes) (Con): The Prime Minister has set out the many things that remain to be reformed, but if this grudging and threadbare deal is the best the EU is prepared to concede, what serious hope is there of meaningful renegotiation if or when we are tied in long term under a referendum?

**The Prime Minister:** I would make two points to my hon. Friend. First, this is not coming at the time of a more general treaty change; it is a one-off. We are the first Government, and I am the first Prime Minister, I can think of who from a standing start have achieved a unilateral agreement for the good of their country inside the EU. I do not think it is threadbare; as others have said, it is very solid. I am sure that treaty changes will be coming down the track—the process of reform is never fully completed—but there is no danger, once the agreement is signed and, I hope, confirmed in a referendum, of Europe running away with a whole lot of other plans for Britain, because we have the referendum lock. Nothing can happen to Britain without a referendum in this country. That was such an important piece of legislation back in 2010, but I think sometimes we forget about it.

**Greg Mulholland** (Leeds North West) (LD): The Liberal Democrats believe in the UK being in Europe, but we also believe in the EU being reformed, so I congratulate the Prime Minister and his team and wish them well in the remaining negotiations. When he is leading the campaign to stay in, will he remind the British public of the mutual defence clause and that, frankly, in this unstable world now would be an absurd time to turn our backs on our nearest neighbours and allies?

**The Prime Minister:** I thank the hon. Gentleman for his good wishes for the final stages of this renegotiation. This will be a big argument in the campaign. Like many on this side of the House, I have always seen NATO as

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the cornerstone of our defence, but as I said earlier, in the modern networked world the work we do, for instance in the Mediterranean to try and stop people leaving Libya and making the perilous journey to Italy, could be a NATO operation but right now it is a European operation in which Britain is playing a leading part. Being a member of networks where we can work together for our security is important.

**Caroline Nokes** (Romsey and Southampton North) (Con): Small and medium-sized enterprises are the absolute lifeblood of our economy and small business owners in Romsey and Southampton North are looking at the targets for regulation reduction with optimism, but what they are really seeking is a reassurance from my right hon. Friend that these are stretch targets and our real goal has to be to go beyond them and make sure there is a real-terms reduction in the amount of bureaucracy small businesses face.

**The Prime Minister:** My hon. Friend is absolutely right. What has been achieved so far is something like an 80% reduction in the number of proposals coming forward, but of course what we want to achieve is a reduction in the existing base of regulation and legislation where it is unnecessary, and that, again for the first time, is what we have secured targets towards.

**Cat Smith** (Lancaster and Fleetwood) (Lab): Can the Prime Minister confirm that British women's rights at work specifically around paid maternity leave, equal pay and anti-discrimination laws will remain firmly in place and will not be affected by any deal? For the same British women, may I ask for an update on how far his negotiations have got on the tampon tax?

**The Prime Minister:** First, I can give the hon. Lady that reassurance in terms of those guarantees and also the action we have taken domestically on things like shared parental leave, which I am very proud of and makes Britain a more family-friendly country. The tampon tax issue is difficult because of the VAT rules in Europe so I have nothing to add to what I have said before about that, but I totally agree about the desirability of trying to get it fixed.

**Ben Howlett** (Bath) (Con): May I join other colleagues in thanking the Prime Minister for all his work in negotiating a better deal for Britain in the EU? I agree with him that these reforms are a substantial and fundamental change to our relationship with the EU, but what assessment has he made of the impact of these reforms on the car manufacturing worker or the student who is looking at their Erasmus placement next year, as well as those who share similar concerns to those of a pensioner constituent of mine who contacted me yesterday and said, "What is the impact on my grandchild if we leave the EU?"

**The Prime Minister:** My hon. Friend is absolutely right. Inevitably these negotiations focus on important ideas and concepts of sovereignty and non-discrimination and deregulation and the rest, but we have to make sure this is a debate that is about consumers and how we are affected in terms of freedom to travel, freedom to study,

the price of flights, the availability of roaming charges, and how we are affected, as my hon. Friend said, as pensioners and car workers and young people looking for university places. Hopefully, all the debate will engage with, and bring out, those issues.

**Jim Shannon** (Strangford) (DUP): The Prime Minister has outlined the action he has taken in UK-EU negotiations, but what is missing from his statement is any reference whatever to the fishing sectors, which are choked with bureaucracy and unable to fish fully the seas around the United Kingdom of Great Britain and Northern Ireland. Farmers have to wade through red tape just to farm. The fishing sectors and the farmers have a simple solution: have the referendum as soon as possible and let us rid ourselves of the outrageous and top-heavy EU and just say no to Europe. Can the Prime Minister tell us, and the fishermen and the farmers, today when the referendum will take place?

**The Prime Minister:** I cannot give a date for the referendum because we do not yet have an agreement in place. I would say that in recent years there have been quite significant improvements in the common fisheries policy, not least in dealing with the appalling situation of discards. As for farmers, let the debate begin; let's hear from farmers and farmers' representatives about what they think about the support they get, the actions we have taken to try to simplify the bureaucracy with fewer inspections and the rest. I look forward to hearing from all farmers and their representatives.

**Mrs Flick Drummond** (Portsmouth South) (Con): I thank the Prime Minister for a very good negotiation. This report is fantastic, but may I draw my right hon. Friend's attention to section B? Does my right hon. Friend welcome Mr Tusk's comments on competitiveness, which commit to

"lowering administrative burdens and compliance costs on economic operators, especially small and medium enterprises, and repealing unnecessary legislation"?

That is what so many companies complain about. This is very welcome to all businesses, particularly those in Portsmouth who want to invest in Europe, and it is exactly the reason why we should be staying in this market which has over 500 million people.

**The Prime Minister:** I thank my hon. Friend for her remarks. Of course section B is important, but it is also worth looking at the draft European Council declaration on competitiveness which adds to section B and brings out some more details.

**Mark Durkan** (Foyle) (SDLP): Obviously any referendum debate will centre on the bigger picture, the longer-term challenge and deeper interests, but as well as the issues raised by my hon. Friend the Member for South Down (Ms Ritchie), will the right hon. Gentleman address whether the package he has come up with to do with the changes in relation to child benefit will automatically extend to cross-border workers in a constituency like mine, where EU precepts apply?

**The Prime Minister:** I will look very carefully at that issue, but I seem to recall from conversations I had with the Taoiseach that there are particular arrangements for the common travel area. But I will come back to the hon. Gentleman on this.

**Robert Neill** (Bromley and Chislehurst) (Con): The legal certainty that the Prime Minister referred to and the protections in the economic governance section of the document are very important to maintain the status of London as an international business and financial centre, but does my right hon. Friend agree that one of the risks to that position that would remain if this agreement were not successful would be the uncertainty of leaving a market which we can grow, improve and strengthen, and having then to try to get back into the market from the outside with uncertain cost, time and terms?

**The Prime Minister:** My hon. Friend, with his constituency, is right to talk about the importance of financial services and the City of London. We have 40% of Europe's financial services here in the UK. The current arrangements work quite well because people can passport their way through to establish themselves in any European country, so those arguing for alternatives will have to answer some quite difficult questions about how exactly we put those sorts of protections in place.

**Peter Grant** (Glenrothes) (SNP): Can the Prime Minister confirm he is now in receipt of a letter from my right hon. Friend the Member for Gordon (Alex Salmond) that makes it clear he does not believe six weeks is a long enough gap between national elections and the EU referendum? Clearly the misrepresentation that has happened is not intentional—we all accept that—but in order to set the matter straight, may I suggest that the Prime Minister and his colleagues are equally enthusiastic about circulating the actual views of the former First Minister, in particular his suggestion that the real reason the Prime Minister wants a June referendum is that a short campaign is designed to minimise the extent of the obvious divisions within the Conservative party?

**The Prime Minister:** First, I do not think four months is a short period of time. I think by the end of four months people might be heartily sick of the whole subject. But I notice that the thumbscrews and the other instruments of torture available to the current First Minister have clearly been applied to the former First Minister as we have seen a miraculous conversion—once six weeks was enough; now six weeks is not enough. I wonder what she did to him.

**Richard Drax** (South Dorset) (Con): May I, too, thank the Prime Minister for giving the country the chance of a referendum? Does he agree that he, I and this Government are nothing more than tenants whose duty while we serve is to protect our island inheritance—our democracy, sovereignty and freedom—and that we have no right whatsoever to sell it all, let alone cheaply, to a bureaucratic and unaccountable institution like the EU?

**The Prime Minister:** We are tenants; my hon. Friend is absolutely right. That is why I think after 40 years of the British people not having a say when Europe has changed so much, it is right to give the British people a say again, and what I wanted to do was give them the very best possible chance to have a say—not between the status quo today and leaving altogether, but with an improved settlement and plan for Britain by which they can choose to stay in or get out.

**Several hon. Members** *rose*—

**Mr Speaker:** Order. [*Interruption.*] I call Mr Tom Elliott—and he should not be diverted by the hon. Member for East Antrim (Sammy Wilson), who is sitting next to him.

**Tom Elliott** (Fermanagh and South Tyrone) (UUP): Thank you very much, Mr Speaker. I will not be diverted, and I have no ties to offer either. One of the major drawbacks of the European Union for businesses is red tape and bureaucracy. I note that yesterday's document stated that unnecessary legislation would be repealed. When will the public and our businesses be able to see which legislation is likely to be repealed?

**The Prime Minister:** As the document sets out, this will be an annual process. What is different about this is that, instead of just words about deregulation, two mechanisms are being put in place: one to enforce subsidiarity so that whole competences can be returned to member states, and one for burden-reduction targets. Those two things are new.

**Mims Davies** (Eastleigh) (Con): We on this side of the House want what is best for Britain when it comes to jobs and security. I have one vote, and I believe that there are aspects of the EU that need serious scrutiny and reform. My constituents share those thoughts. This party has provided this opportunity for a much-needed referendum and the reality of reform, and we can look at this and examine what is before us. Does the Prime Minister agree that voters want an open argument on this matter, rather than open warfare?

**The Prime Minister:** People want an open argument; they also want unbiased statistics and clear independent advice. So as well as there being an in campaign and an out campaign, once the deal is agreed—

**Chris Bryant** (Rhondda) (Lab): Two outs.

**The Prime Minister:** Well, several out campaigns, as the hon. Gentleman says. Once the deal is agreed, we also need to ensure that independent organisations, businesses, non-governmental organisations and any others who think that they would be affected are encouraged to come forward and give their views.

**Stephen Gethins** (North East Fife) (SNP): The Prime Minister talks about strengthening all the national Parliaments. Will he tell us, in the spirit of seeing subsidiarity in action, what exactly that will mean for the Scottish Parliament?

**The Prime Minister:** We are currently giving the Scottish Parliament the immense responsibility of being able to raise its own taxes. We are still negotiating that, but it is probably the biggest act of British subsidiarity that we have had for many years, and I would urge the SNP to pick up the baton and run with it.

**Chris Philp** (Croydon South) (Con): On the topic of in-work benefits, the Prime Minister has already said that the emergency brake is in the hands of the Commission. Does he agree that it would greatly help the “in” case if, over the next two or three weeks, he could get a slightly stronger commitment to apply that handbrake for a period into the future and not just initially? Secondly,

[Chris Philp]

on that topic, what would happen if we were to vote to stay in but the European Parliament did not subsequently ratify these measures?

**The Prime Minister:** On my hon. Friend's latter point, the European Parliament is a party to these negotiations and I have had a number of meetings with it. If he looks at the draft declaration of the European Commission on the safeguard mechanism, it is very clear that we are justified in triggering the mechanism straight away. On his other point, he is absolutely right to say that we need to secure in the negotiations the best possible agreement on all the other aspects of the operation of this mechanism: how long it lasts for, how many times it can be renewed, and all the rest of it.

**Patrick Grady** (Glasgow North) (SNP): There were approximately 500 days between the announcement and the date of the Scottish independence referendum, which is roughly the same length of time between today and 23 June 2017. There are 30,000 British citizens living in European countries and claiming benefits, so how will this draft, permanent, still-to-be-negotiated, legally binding package affect them?

**The Prime Minister:** I can let the House into a little secret. The reason why there were 500 days between the announcement of the Scottish referendum and the referendum itself is that I was so determined that there was going to be one question and one question only that I granted the former First Minister, the right hon. Member for Gordon (Alex Salmond), the right to name the date. He wanted to make sure that the referendum took place after as long as possible, after the anniversary of Bannockburn, after everything—everything he could throw in. I have to say that, from my point of view, the result was still very clear.

**Paul Scully** (Sutton and Cheam) (Con): Benefits as a pull factor for migration might have been blunted somewhat by these proposals but they have not been eliminated. Arguably the bigger pull factor for migration is our successful economy and job creation in the UK. Will the Prime Minister tell us what the draft proposals will do to enable the UK to control immigration from within the European Union in the long term, beyond the four years of the emergency brake?

**The Prime Minister:** On the long-term approach, we are dealing with the abuses of free movement with a more comprehensive package than ever before to deal with the fraudsters, the criminals and the sham marriages. We have the emergency brake which will deliver a four-year welfare brake, which I think is significant. Frankly, I am sure that the eurozone economies will start to recover over time; that has been one of the issues. In the long term, we need to do better at controlling immigration from outside the EU but we also need a welfare policy and a training policy inside our own country, which we increasingly have, to train up the people in this country to do the jobs that our strong economy is providing.

**Mr Robin Walker** (Worcester) (Con): As one of the top five economies in the world, Britain has to have a

world view, and we need friends and allies not just in one continent but in six. I agree with the Prime Minister that this should be a question not just about whether we could manage outside the European Union but about where we would be better off. With that in mind, what feedback has he had on his negotiations from our allies in the Commonwealth and from Britain's wider networks around the world?

**The Prime Minister:** The advice has been pretty comprehensive from all of them: they value their individual relationship with Britain, but they think we are better off inside a reformed European Union. The Prime Ministers of New Zealand, Australia and Canada, the American President and others are all pretty clear about this—not simply because they think we are better off, but because they think the influence we bring to bear on the European Union is positive from their point of view.

**Alberto Costa** (South Leicestershire) (Con): The SNP, in rummaging for an argument, referred to a 1953 case, the case of *MacCormick*, and to obiter comments—that is, comments made in passing. May I remind the Prime Minister that he among EU leaders has unique up-to-date experience of tough negotiations that led to a referendum agreement, which in turn led to 55% of the Scottish electorate voting to keep the sovereign United Kingdom together? He should take comfort from that success, because those 55% will be voting, just like the English, the Welsh and the Northern Irish, to listen to the British Premier about what is in Britain's best interests.

**The Prime Minister:** I am grateful to my hon. Friend. What these two referendums have in common is that, as a country, we should be confronting and dealing with these big issues. Does Scotland want to stay within the United Kingdom? Does the United Kingdom want to stay within a reformed Europe?

**Mark Spencer** (Sherwood) (Con): Just as important as the result will be the legitimacy of that result, and a high turnout will be essential. What can the Prime Minister do to engage with trade, industry and businesses to encourage them to discuss with their employees the implications of the outcome, whichever way the debate goes?

**The Prime Minister:** I will certainly do everything I can, in the event of a successful negotiation, to encourage engagement at all levels. I would also encourage businesses, charities and other organisations to ensure that they feel they can come forward. There are some in the business community who feel that that they will have to go through all sorts of corporate governance concerns, but I would advise them to get on with that process so that if they think they have important arguments to put forward to their workforce, their customers or their shareholders, they are able to do so.

**Richard Graham** (Gloucester) (Con): A key question for many is whether the UK will be able to say no to European migrants when we need to. This draft Council statement spells out clearly that we will be able to do so on the grounds of public policy, public health and public security, which include legitimate goals such as reducing unemployment or the suspicion of marriages

of convenience. Will my right hon. Friend confirm that this is a considerable step forward for our own immigration and security interests?

**The Prime Minister:** My hon. Friend makes an important point. If we read section D of the main document, we see that it is quite refreshing about the number of instances in which the control of migration and the limitation of free movement will be possible. That document bears careful reading.

**Kevin Foster (Torbay) (Con):** I welcome the Prime Minister's statements so far. I particularly welcome the fact that, for the first time in my lifetime, a Prime Minister is doing a deal in Europe and coming back to this country to give all the British people a chance to have a say on it, rather than just Members of Parliament. Can he reassure me that, even if people do vote to remain in the European Union on the basis of this deal, we will still have a vision that Europe should be doing less and doing it better?

**The Prime Minister:** I absolutely agree with that; the idea of Europe only where necessary but nation states wherever possible is absolutely right. There will be people who say, "Maybe we have addressed some issues of concern to the British people but there is more to be done." Let me say again that that is a perfectly acceptable view, but I would argue that the "more to be done" should be done from inside the EU, rather than by us slamming the door and trying to do it from outside.

**Mark Pawsey (Rugby) (Con):** It is now clear from the renegotiations that Britain can improve its position within Europe by continuing to benefit from influence over a market of 500 million people, while maintaining our borders and preventing abuse of free movement. Is the Prime Minister as encouraged as I am by the very positive support that has come from business across the piece?

**The Prime Minister:** It is important that business raises its voice, particularly as regards jobs and investment. We need to demonstrate that this negotiation and this outcome can actually lead to a strong and more secure economy, for the sake not just of business, but of people who want security.

**James Cartledge (South Suffolk) (Con):** I congratulate my right hon. Friend on his statement. Is he aware that 90% of FTSE 100 chairmen would vote to remain in the European Union? Does he think that that is because they are part of some so-called "project fear"? Alternatively, is it because they run our very largest companies in the real world and know that a vote to leave is a vote for huge economic uncertainty and that a vote to remain, with the protections we will have on the single market and our currency, is a vote for our economy to go from strength to strength?

**The Prime Minister:** It is important that we hear the voice of business, both large and small, and I encourage all businesses to speak out because they have an important contribution to make to the debate. The more that people can give concrete examples of how access to this market and to the rules of this market matter, the better.

**Mike Wood (Dudley South) (Con):** I thank the Prime Minister for his efforts to secure the best deal available. Today's newspaper reports suggest that the changes needed to introduce an emergency brake would require approval from the European Parliament. Has he had an opportunity to assess levels of support among MEPs for these changes?

**The Prime Minister:** My hon. Friend is right in what he says. Obviously, it is a great advance that the European Commission has said that Britain qualifies for this brake, and if it existed now it would be brought in straightaway. As for the advice I have about the position of the European Parliament, I mentioned earlier that the head of the largest group in the European Parliament thinks this could be sorted out in a matter of months and is supportive of the approach.

**Andrew Bridgen (North West Leicestershire) (Con):** The German captain of the ship that is the European Union has deliberately steered it into a migration iceberg with all the watertight doors open. Rather than just rearranging the deckchairs, would it not be better to direct the British people to the available lifeboat while the band is still playing and before the inevitable happens?

**The Prime Minister:** The analogy was getting quite complicated, but I do not agree with that. If we were not outside Schengen, my hon. Friend would have a very fair point, but we are in a situation where we are able to have the best of both worlds. Let us keep our borders and let us not let in foreign nationals who do not have a right to be here—that is strengthened by this agreement—but let us keep the free movement, so that British people can live and work in other European countries. That is the best of both worlds.

**Craig Mackinlay (South Thanet) (Con):** I wish to press my right hon. Friend a little further about the emergency brake, which sounded so hopeful some weeks ago. My hon. Friend the Member for Gainsborough (Sir Edward Leigh) talked about backseat drivers, but the concept of 28 feet reaching for the pedal, all wanting an influence, really means that when a hazard is seen, indecision will mean that an accident will surely happen. Does my right hon. Friend agree that it is far better to have independent control of the brake, the clutch, the accelerator and, indeed, the steering wheel?

**The Prime Minister:** First, the European Commission's statement is very clear, saying that it

"considers that the kind of information provided to it by the United Kingdom shows the...exceptional situation...exists in the United Kingdom today."

That would enable us to pull this brake to make sure that people could not get instant access to our welfare benefits. But there is another consideration that those thinking that we would be better off outside the European Union have to think about: when most of those countries outside the EU that want a close relationship with it ask for free access to the single market, the first demand is that there should also be the free movement of people. That is the case with Norway, for example. This is a deal from within and in many ways, even on this issue, it would be better than a deal from without.

**Kevin Hollinrake** (Thirsk and Malton) (Con): In his statement, the Prime Minister outlines the work we have done to tackle migration from outside the EU. What conversations has he had with other European leaders about what they are doing to tackle the migrant crisis? Many of my constituents are very worried about the future implications of migration, particularly given that we are seeing such unsustainable levels of people coming into the UK at the moment.

**The Prime Minister:** My hon. Friend asks a crucial question that needs to have a full and proper answer. The arrival of these people on to the European continent does concern people. What I say is that, first, we do not have to allow into our country foreign nationals resident in other states. That is why we keep our border controls.

Let us consider, for example, the situation in Germany. Getting German citizenship can take as long as 10 years and it is the product of a lot of work, tests and everything else. We must therefore, first, keep our Schengen no-borders agreement and, secondly, continue to exclude people if they are not European Union citizens and they do not have a visa. Thirdly, I should say that the changes here that mean that we can crack down on the fraudsters, criminals and sham marriages, and on those who are trying to get round our immigration controls, put us in a much better place to deal with the pressures of the future.

**Martin Vickers** (Cleethorpes) (Con): It has been a long wait, Mr Speaker, but the voice of the Humber will not be silenced, as the Prime Minister said last week. He rightly said in his opening remarks that the British people are proud of their democratic institutions. Let me suggest to him that when they see British Ministers having to go cap in hand to Brussels to determine who receive benefits or who is allowed into the country, that pride is somewhat diminished. May I urge him further, in his final negotiations, to remain robust and achieve even more? Although he will not persuade me, he may persuade a few doubting people in Cleethorpes to vote to stay.

**The Prime Minister:** I am sure the voice of the Humber could help me with that, if he really wanted to. Britain is a member of a number of international organisations, some of which involve our having obligations towards them. We have ceded some of our sovereignty and our obligations to NATO, yet we do not see that as a cap in hand issue; we see it as a cornerstone of our security. What I am trying to secure here with Europe is that we are in the things we want to be in and we are out of the things we do not want to be in. If that is the case, we are not weaker, less powerful or less sovereign as a result; we are more able to get things done for the people who put us here.

**Mr Adam Holloway** (Gravesham) (Con) *rose*—

**Mr Speaker:** Order. No, no, I am always very keen to hear from the hon. Member for Gravesham (Mr Holloway), but he only toddled into the Chamber some considerable way into the statement, as his puckish grin testifies. We will hear from him on a subsequent occasion. Perhaps we can just thank the Prime Minister for his patience and his courtesy. [HON. MEMBERS: “Hear, hear!”] I would like to thank all colleagues for taking part. There will be many opportunities further to debate these important matters, but let us give thanks where they are due.

## Automatic Electoral Registration

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

2.38 pm

**Siobhain McDonagh** (Mitcham and Morden) (Lab): I beg to move,

That leave be given to bring in a Bill to impose certain duties upon Her Majesty’s Government to ensure the accuracy, completeness and utility of electoral registers; to make provision for the sharing of data for the purposes of electoral registration; and for connected purposes.

As I am sure all hon. Members will agree, it is our job in this House to make sure that the citizens we represent can truly exercise their democratic rights, but, as we speak, British citizens in this country are being marginalised and excluded from the democratic process.

The problem is less about getting people to sign up and more about maintaining people’s registration. The people who are being excluded from the process are exactly the people we need to be prioritising. According to recent trends, we are witnessing further marginalisation of already marginalised groups, including those from poorer backgrounds, those who are disabled and those from ethnic minorities. Research published just yesterday showed that pensioners in the shires who own their own home have a 90% chance of being on the electoral register, whereas a young man from an ethnic minority background in private rented accommodation in a city has less than a 10% chance of being registered. Meanwhile, the Prime Minister has launched an important drive against “overt, unconscious or institutional” racial discrimination, in university admissions, the justice system and the police. However, the fact that people from ethnic minorities are far less likely to be registered to exercise their democratic rights undermines the Government’s commitment.

When it comes to electoral registration, the picture across the country is bleak. I celebrate the work of my hon. Friend the Member for Ashfield (Gloria De Piero), who has raised the issue of voters dropping off the register. Since the introduction of individual electoral registration, a staggering 800,000 people—1.8% nationwide—have dropped off the register. To put those figures into context, Liverpool has seen a drop in its eligible register of 14,000, Birmingham 17,000 and Lewisham 6,000, and those are all areas that have seen an increase in population.

The situation is even worse in areas where the population is transient, such as in university towns. Canterbury has seen a huge drop of 13% in those registered to vote. Cambridge has seen a drop of 11%, which means that its electorate is now smaller than it was in 2011. Those drops are the result of the absurdities of the current system. I ask Members to imagine what it would feel like if, every time they started a new job, they needed to apply for a new national insurance number and to prove to Her Majesty’s Revenue and Customs again and again that they were eligible to pay tax and NI. They would find the process cumbersome, costly and repetitive—just as the process of IER is.

In sum, these developments mean that British citizens, particularly those who are on the sidelines, are being disfranchised and denied their democratic rights. It also means that, as the pool of potential voters decreases,

our political status quo becomes more limited. If the Government are serious about combating social exclusion, they urgently need to review that dire situation. Disfranchisement is marginalising the already marginalised.

Being on the electoral register is the closest thing that we have to a civic contract. Those who are not on the register will not have access to mainstream loans, and they might not be able to get a mortgage either. They also cannot serve on a jury and be part of our justice process. Most fundamentally of all, if a person is not on the electoral register, they cannot participate in the democratic process.

Our present system of electoral registration is fundamentally flawed, and it is not cheap, with IER roll-out costing at least £108 million, but it does not have to be that way. Automatic electoral registration provides the opportunity to reduce costs, improve administration, cut bureaucracy and enable everyone to access their right to enfranchisement.

The Bill is a statement of common sense, proposing a cheaper, simpler and more effective model. It places a responsibility on the state to do everything in its power to ensure that the electoral database is full and complete; imposes a duty on the Government and public bodies to work better together; and proposes to make the system truly convenient for the citizen by integrating national and local datasets, which will mean that an individual's address details would be automatically updated according to trusted datasets. The trusted datasets would collate information at each point that a citizen interacts with the state—whether it is when they pay a tax, receive a benefit, use the NHS or claim a pension.

The walls between datasets used to be sacrosanct, but they are falling away more and more as the Government prioritise security and anti-fraud measures. For instance, the housing benefit Department already uses the electoral register to find households that are claiming the 25% single-persons council tax discount, but that have more than one voter registered there. That demonstrates the huge potential when Government Departments and public bodies communicate with one another.

These reforms would vastly improve registration, and have been tested elsewhere. A very similar model operates in Australia, with huge success. For instance, the state of Victoria has a population of 3.5 million people and a 95% accuracy in its registration process. It does that at extremely low cost, employing just five members of staff to maintain the rolling register. Rolling out this reform in the UK is timely for so many reasons.

Greater Manchester will submit to the Cabinet Office next week its plans to pioneer that system of automatic electoral registration, and its proposals for a pilot scheme. I sincerely hope that the Government will support those plans and introduce the primary legislation on data sharing that is needed to ensure that the pilot can go ahead.

I am sure that Members are aware that this is the week of Bite the Ballot's national voter registration drive. Last year's drive saw almost half a million people register to vote, making it the most successful voter registration campaign ever. I hope that the results this week will match that achievement. In the long run, though, voter registration should be the responsibility not of charities or non-governmental organisations, but of the state, which should do all it can to ensure that everyone, especially those who are most marginalised, can access their democratic rights.

I hope that Members will consider this a non-partisan issue and agree that it is in all our interests to get more people signed up. Then we can all get on with our job, as representatives of political parties, to try to persuade and enthuse voters that we are worthy of their vote. At a time when social exclusion is getting worse, voter turnout is declining and IER has caused registration to deplete, automatic voter registration has never been more important. Voting is the backbone of this House, and it is one of the most important interactions between the citizen and the democratic state. It is a fundamental symbol of engagement, as it signifies that you are not on the margins of society, but part of the majority. No longer can we accept a system that excludes and marginalises potential voters, not least because they are exactly the groups with which we need to engage to end social exclusion.

I do not think that it is controversial to argue that voting is not just for the elite; it is something that we should all be able to access. That is why, for the sake of our democracy and of social cohesion, I hope that the Government will support my suggestions, and make registering to vote more, not less, a way of life.

*Question put and agreed to.*

*Ordered,*

That Siobhain McDonagh, Ian Austin, Dawn Butler, Rosie Cooper, Jim Dowd, Jim Fitzpatrick, Mr George Howarth, Chris Leslie, Marie Rimmer, Joan Ryan, Mr Virendra Sharma and Ruth Smeeth present the Bill.

Siobhain McDonagh accordingly presented the Bill.

*Bill read the First time; to be read a Second time on Friday 5 February, and to be printed (Bill 127).*

## Opposition Day

[18<sup>TH</sup> ALLOTTED DAY]

### Tax Avoidance and Multinational Companies

2.48 pm

**John McDonnell** (Hayes and Harlington) (Lab): I beg to move,

That this House notes the agreement reached between HM Revenue and Customs and Google to pay £130 million in respect of taxes due over the period 2005 to 2015; and calls on the Government to publish the full details so that the British public can judge whether this is, as stated by the Chancellor of the Exchequer, a major success; and further calls for a swift international agreement to implement country-by-country reporting of company accounts.

I welcome the Minister who is responding to the debate. I truly sympathise with him as he has been placed in this situation by the Chancellor. I understand that the Chancellor is in Rome today. If it is true that he is associated with the current EU negotiations on the future of our relationship in Europe, may I say that it is unfortunate to say the least that securing a firm agreement on tax avoidance and evasion has not been a core issue in those negotiations so far. It could be a significant missed opportunity for this Government.

We have called this debate today because, over the past 12 days, we have witnessed the most supine capitulation to corporate interest by any British Government in the recent history of this country. Understandably, it has caused immense anger within our community among individual taxpayers, businesses small and large, independent commentators and people across the political spectrum. At a time when many of our constituents were filling in their tax returns and paying their taxes, they saw what the Government were allowing Google to get away with.

**Several hon. Members** *rose*—

**John McDonnell:** I will give way in due course, but may I remind Members that this is a time-limited debate and I wish to press on as quickly as I can? Of course Members will have the opportunity to engage.

On the Friday before last, Google announced late in the day by press release the company's tax deal with HMRC. Google celebrated a deal comprising a payment of £130 million to HMRC in respect of taxes from 2005 to 2015. Astoundingly, in the early hours of the morning, the Chancellor was in an equally celebratory mood and tweeted that this was a "victory"—a major success.

**Several hon. Members** *rose*—

**John McDonnell:** I will give way in due course. Calm down.

The Google deal and the Chancellor's exultation about it were immediately received with incredulity by independent tax analysts—understandably. The Chancellor and HMRC were all too keen to publicly parade the deal, but when challenged to release the detail of it, hid behind confidentiality conditions.

**Mark Spencer** (Sherwood) (Con): What assessment does the shadow Chancellor make of the Labour Government, who were in charge of taxation during part of that period?

**John McDonnell:** I am grateful for the intervention. The hon. Gentleman probably knows that I was not the most enamoured of the Labour Government's track record during that period, but it was a Labour Government who started this inquiry and the hon. Gentleman's Government took six years to complete it. According to a recent estimate by the *Financial Times*, the measures introduced by the Labour Government will reap 10 times the amount of tax that this Government have secured.

**Andrew Gwynne** (Denton and Reddish) (Lab): Will not many of our constituents find it difficult to understand the fact that this information is largely in the public domain? We know the profits, assets and liabilities of Google in the United Kingdom because those finances are public. We also know how much tax is being paid. Does that not lead us to the conclusion that the tax rate is 2.77%, not 20%?

**John McDonnell:** Let me come on to that point.

It did not take long for independent analysis to show what a derisory sum the Google tax payment was. The word "derisory" is not just my description, but the word used by the hon. Member for Uxbridge and South Ruislip (Boris Johnson), the Mayor of London, as well as many others. Google had a UK turnover of approximately £4 billion in 2014-15. If profits here were similar to those across the whole group, about a 25% return, that implies £1 billion-worth of profits. If the standard 20% corporation tax is levied, that implies a £200 million tax bill for the one year, not the £200 million paid by Google for the decade. As my hon. Friend the Member for Denton and Reddish (Andrew Gwynne) said, independent assessors have estimated that the Google tax rate for the past decade was 3%.

**Mike Wood** (Dudley South) (Con): Companies such as Simworx in my constituency are extremely successful at selling products around the world that are based on their intellectual property developed in the UK. Does the shadow Chancellor think the profits from that intellectual property should be taxed in the country where those products are sold, or here in Britain?

**John McDonnell:** The economic activity definition has to be examined when profits are assessed. I will come on to that point because it is valid and reasonable.

**Several hon. Members** *rose*—

**John McDonnell:** Let me press on as we are time-limited.

It is no wonder that local small businesses and taxpayers in all our constituencies feel so strongly that the arrangement with Google is grotesquely unfair. They have not been allowed to ignore their tax demands for a decade, then negotiate a sweetheart deal at mates' rates. It show who counts with this Government that, in the month when they let Google pay a paltry sum in back tax, they lose in court in their pursuit of disabled people over the issue of the bedroom tax, and then they decide to appeal the court decision so that they can persecute some of the most vulnerable and the poorest people in the land over a relatively insignificant sum. That demonstrates to us a bizarre, upside down and callous sense of justice and fairness.



**Neil Gray** (Airdrie and Shotts) (SNP): Does the shadow Chancellor agree that what compounds the sense of unfairness that our constituents feel is that the tax gap has been estimated by many to be well over £100 billion, and at the same time this Government are cutting HMRC offices and at the weekend announced compulsory redundancies for tax collectors? How on earth can we narrow the tax gap when that is happening?

**John McDonnell:** I will come to that in my recommendations for the future.

**Alex Chalk** (Cheltenham) (Con): Under Labour, hedge fund managers were routinely paying a lower rate of tax than their cleaners because Labour was a soft touch on tax. Is not the hon. Gentleman's argument just political opportunism on stilts?

**John McDonnell:** I am not sure whether the hon. Gentleman was listening. I just answered that point by reference to my critique of the Labour Government. I convened the Tax Justice Network campaign meetings in this building, and I have campaigned for 18 years. The *FT* assessment is that the measures introduced by the Labour Government will reap 10 times as much as anything introduced by this Government.

Let me press on. Last Monday, to get some answers about the Google deal, I tabled an urgent question to the Chancellor, and I am grateful that Mr Speaker granted the question. Typically, the Chancellor failed to turn up and the Minister was left to defend this "victorious" deal. By that time, No. 10 was furiously distancing itself from the Chancellor. Within 72 hours the Google deal had gone from "a major success" to merely "a step forward", according to No. 10. I see that this weekend the Business Secretary was describing the deal, with masterly understatement, as "not a glorious moment".

Yesterday Ruth Davidson, the leader of the Scottish Conservatives, said:

"It doesn't feel fair. And in our hearts, I think we all know it isn't fair."

I agree wholeheartedly.

During the urgent question discussion last Monday the Minister was specifically asked by my hon. Friend the Member for Kingston upon Hull North (Diana Johnson) whether he knew the rate of tax that Google was paying. He said bluntly, "No." We heard the assertion that the HMRC calculation of back tax was on the basis of tax levied on profits as a result of an assessment of economic activity. That implies very little economic activity in Google UK. That argument wore a bit thin when it was pointed out that Google employs 2,300 staff in the UK on average earnings of £160,000, and is building a new headquarters in addition to the two it already has.

**Joan Ryan** (Enfield North) (Lab): May I join the shadow Chancellor in demanding more transparency? I have been contacted by people in my constituency who are concerned that the Government are creating a loophole especially for Google and nobody else. We in the House and in this country deserve full transparency on this deal.

**John McDonnell:** I will come on to the recommendations for future action, which cover my right hon. Friend's point.

**James Cartlidge** (South Suffolk) (Con): Will the hon. Gentleman give way?

**John McDonnell:** In due course; let me press on a little further.

As last week wore on, there was a growing sense of outrage at the Google sweetheart deal. Many felt betrayed by the Chancellor. We supported the Chancellor on the introduction of the diverted profits tax legislation to tackle firms using complex profit-shifting schemes to avoid tax. It was referred to as "the Google tax". We learned last week that Google will not be paying a penny under that legislation.

We also supported the Chancellor in seeking international agreements on tackling tax avoidance, but we discovered at the weekend that Conservative MEPs had been directed by the Chancellor on at least six occasions to vote against the very tax avoidance measures being introduced by the EU that the Chancellor told us he was supposedly promoting.

**Steve Brine** (Winchester) (Con): I know the shadow Chancellor seeks consensus when he can and I am listening to what he says. I have been doing some totting up and I reckon that there have been about 40 changes to tax law since this Government have been in office, which has led to about £12 billion being raised since 2010. For the record, does he welcome that?

**John McDonnell:** Of course; I have welcomed that. I have just been saying that I have supported the Chancellor on each piece of legislation that he has introduced to tackle tax avoidance and tax evasion. This deal flies in the face of everything the hon. Gentleman and I have been supporting in the Chamber.

**Rachel Reeves** (Leeds West) (Lab): Last year Google funnelled £8 billion-worth of royalty payments to Bermuda. Does my hon. Friend believe that the British Government should be doing much more to crack down on tax havens, particularly those that are British overseas territories?

**John McDonnell:** I will address the Bermuda question, so if my hon. Friend waits a few minutes she will hear just how shocking the situation really is.

The Chancellor appears to be missing an opportunity in the EU negotiations to secure a robust international agreement to tackle tax avoidance and tax evasion, which Members across the House have been calling for.

**Several hon. Members** *rose*—

**John McDonnell:** I am going to press on.

We all supported the changes to public procurement rules that enabled the Government to prevent public contracts from being awarded to companies found to be engaged in tax avoidance schemes. Staggeringly, it is understood that no company has been denied a public contract on those grounds and that, even though its tax affairs were under such lengthy investigation by HMRC, Google was awarded public contracts to supply services—who to?—to HMRC.

**Chris Philp** (Croydon South) (Con): On the point about international agreements, the United Kingdom Government have been at the forefront of the base erosion and profit shifting initiative. Richard Murphy,

[Chris Philp]

who describes himself as the author of Corbynomics, told the Treasury Committee yesterday that he was “pleased and very surprised” by the progress the Government have made since 2010.

**John McDonnell:** I support the Government in that action, but this deal flies in the face of that action and undermines the agreements that we are trying to make.

Over the weekend we also heard from Mr Jones, the Google whistleblower. In his view, HMRC ignored his exposure of Google’s tax avoidance methods. That evidence was received by the Treasury Committee on a cross-party basis.

We all accept that the existence of tax havens and the complexity of national tax systems present an ongoing challenge to national Governments. As a result, we have all supported the negotiation of international agreements on tax collection. The UK is a signatory to some of these. As the hon. Member for Croydon South (Chris Philp) said, the Government have agreed in successive steps to abide by the base erosion and profit shifting programme under the auspices of the OECD. We supported that.

**Several hon. Members** *rose—*

**John McDonnell:** Let me press on, because time is short.

At the end of last week, the UK joined 30 OECD partner countries in signing up to the multilateral competence co-operation agreement. We supported that. That is the kind of international co-operation, albeit limited, that will help close the loopholes and ultimately close down the tax havens. It is the kind of agreement that we have backed for years and that we support the Chancellor in undertaking, but last week, by allowing the special treatment of one company, the Government drove a coach and horses through the entire international approach. As the EU’s Competition Commissioner suggested, that could amount to unlawful state aid. The UK is now being depicted across Europe as a tax haven. It risks establishing a race to the bottom in which all countries seek to outbid each other to offer the lowest possible taxation. We have written to the Competition Commissioner to request a formal investigation of the deal.

**Mrs Sheryll Murray** (South East Cornwall) (Con): Does the hon. Gentleman not accept that this Government have done more than the previous Labour Government to close those loopholes? He says that he did not agree with the previous Labour Government, so will he tell us what he did to oppose those measures and raise the matter when he was in Parliament?

**John McDonnell:** I know that the hon. Lady was not here at the time, so perhaps she should check my voting record throughout my 18 years in this House. I do not want to keep on repeating this. I wanted both Governments to go further, but an independent assessment has shown that the legislation introduced by the previous Labour Government will drag in 10 times more in tax than the current Government’s legislation, and even then I wanted to go further. We should at least accept the independent assessment that has been made.

**Robert Jenrick** (Newark) (Con) *rose—*

**John McDonnell:** I am going to press on, because time is short.

I have written to the Competition Commissioner to request a formal investigation of this deal. There was a visible flicker of life from the Chancellor a few days ago. In the pages of Monday’s *Financial Times* he let it be known that he might, after all, favour country-by-country reporting for multinational corporations. Tax experts and campaigners and I have long argued that this is a vital step towards transparency, and therefore towards fair collection. By revealing in their accounts in which tax jurisdiction their revenues were earned, a proper rate of tax can be applied to multinational companies. If the Chancellor now supports country-by-country reporting, I welcome that. However, the impression was given that even without international agreement the Government would act. Is this the case, or was it just a publicity stunt that has now been dropped?

My hon. Friend the Member for Leeds West (Rachel Reeves) referred to Bermuda. On the “Andrew Marr Show” on Sunday a senior Google representative revealed that the company has £30 billion of profits resting in Bermuda, a British overseas territory. This is in order to avoid US tax rates. We now know that the Chancellor has been lobbying the EU and instructing his MPs to vote against anti-avoidance measures against Bermuda. It is a disgrace.

It was also revealed last week that Government Ministers have met Google 25 times over the past 18 months. I note that the Prime Minister himself has spoken at Google’s conference not once, but twice. If Ministers are to meet anyone, my advice is that they go and meet the trade union representatives of HMRC staff. With almost half the workforce having been laid off, and with offices having been closed across the country, it is widely known that morale is at rock-bottom, especially with the loss of highly experienced and expert staff. [Interruption.] Madam Deputy Speaker, a reference has just been made to declaring an interest. I have no interest to declare. I think that was a reference to the Public and Commercial Services Union and part of its trade union group. It does not fund the Labour party or my constituency. There is no interest to be declared.

We cannot allow the Government to go on like this. Trust and confidence in our tax system is being undermined. Every pound in tax avoided by these large corporations is a pound taken from the pockets of honest taxpayers. It is also a pound not spent on our schools, our NHS and our police. We need a real tax reform agenda, based on the principle of complete openness and transparency. First, that means, as a start, the publication of the details of this deal in full, so that we and our constituents can judge whether it is fair enough. Secondly, we need real country-by-country reporting of a company’s activities, and not just a secret exchange of information between tax authorities, but full publication so that we can all judge.

**Graham Stuart** (Beverley and Holderness) (Con): The shadow Chancellor said that he would set out his ideas, and I had hoped that he would talk about a more revolutionary change to the methods of taxation. With the massed ranks of corporate lawyers put up against national tax jurisdictions, it is an uneven battle, so perhaps we need some more radical thinking altogether.

**John McDonnell:** The hon. Gentleman has taken an interest in this matter over many years and has regularly been in debates with me in this Chamber. I fully agree that we need a more radical approach.

Let me complete the recommendations briefly, because I think that they will open up a much wider debate. Thirdly, we need an end to mates' rates and sweetheart deals with major corporations. Tax law should be applied fairly whatever the size of the company. Fourthly, we need full transparency in the relationship between Ministers and companies, so I want to see publication of all the minutes of all such meetings. Fifthly, we need firmer action to curb the tax avoidance industry, so action should be taken against the advisers when the tax avoidance schemes they designed are found to be unlawful by tax tribunals and courts. The same advisers advise Her Majesty's Treasury and help write our tax laws. That is unhealthy and unacceptable.

**Chris Heaton-Harris (Daventry) (Con):** Will the hon. Gentleman give way?

**John McDonnell:** I cannot give way, because I am concluding my speech.

Sixthly, we clearly need independent scrutiny of HMRC and the implementation of taxation policy overall. Let us now explore the establishment of a cross-party committee, along the lines of our Intelligence and Security Committee, to perform that role. Finally, we need an end to the counterproductive staffing cuts and office closures at HMRC.

For most of my time in Parliament, I have been campaigning for a fair tax system that secures tax justice. Of course companies such as Google make a significant contribution to research and development and through the employment they provide, and I welcome that, but we expect all companies to play fair when it comes to their tax responsibilities. I am unable to accept the Government's amendment because it fails to support our key demand for openness and transparency. The amendment would remove Labour's central demands for publication of the Google deal and the adoption of full public country-by-country reporting. If anything good is to come out of the sordid deal that the Government cut with Google, I urge Members of this House to use this opportunity to secure a just, fair, open and transparent system of taxation for our country and to start that process by backing our motion today.

**Madam Deputy Speaker (Mrs Eleanor Laing):** I have to inform the House that Mr Speaker has selected the amendment in the name of the Prime Minister.

Before I call the Minister to move the amendment, I should tell the House that a great many people have indicated that they wish to catch my eye this afternoon. More than 20 hon. Members wish to speak, and this debate will last for considerably less than two hours. There will be a time limit of three minutes initially on Back-Bench speeches. [*Interruption.*] There is no point in people complaining about it—that is the amount of time there is. There will be three minutes and, even then, not everyone who wishes to be called to speak will be called to speak.

I say, very importantly, to the House that people who have intervened and taken part in the debate must remain in this Chamber for the whole of the debate—leaving for the odd five minutes is fine—because they are taking

up time that other people, who have sat through the whole of the debate, will then not have. This is nothing to do with old-fashioned rules or conventions—it is simple courtesy by one Member of Parliament to another. I call Mr David Gauke to move the Government amendment.

3.11 pm

**The Financial Secretary to the Treasury (Mr David Gauke):** I beg to move an amendment, to leave out from "House" in line 1 to end and add:

"notes that the Government has taken action to promote international cooperation in relation to clamping down on tax avoidance by multinational companies, challenging the international tax rules which have not been updated since they were first developed in the 1920s, that multilateral cooperation at an international level has included the UK playing a leading role in the G20-OECD Base Erosion and Profit Shifting Project to review all international tax rules and increase tax transparency, and as part of that, the UK was the first country to commit to implementing the OECD country-by-country reporting model within domestic legislation, that the Government recognises the case for publishing country-by-country reports on a multilateral basis, that the Government has introduced more than 40 changes to tax law, that the various measures taken by the Government have included the introduction of a diverted profits tax aimed at targeting companies who use contrived arrangements to divert profits from the UK, stopping the use of offshore employment intermediaries to avoid employer National Insurance contributions, stopping companies from obtaining a tax advantage by entering into contrived arrangements to turn old tax losses or restricted use into more versatile in-year deductions, and requiring taxpayers who are using avoidance schemes that have been defeated through the courts to pay the tax in dispute with HM Revenue and Customs upfront, and that the Government is committed to going further, enabling HM Revenue and Customs to recover an additional £7.2 billion over the Parliament."

It is a great pleasure to move the Government's amendment. There is much that we have heard from the Labour party today on this subject that is wrong, confused and, to put it kindly, oblivious to the record of the last Labour Government. However, before addressing those points, I hope to strike a note of consensus. Both sides of the House believe that all taxpayers should pay the taxes due under the law. Both sides believe that taxpayers should refrain from contrived behaviour to reduce their tax liabilities, and all taxpayers should be treated impartially. That is why the Government's record is one of taking domestic and international action to tackle tax avoidance.

I will set out details of that action, but first I want to address another issue. The shadow Chancellor's approach has generated more heat than light, and often reveals a complete misunderstanding of how the corporation tax system works. Let me take this opportunity to explain to the House how it does, in fact, work.

The independent Institute for Fiscal Studies, in a paper it published last week, puts it well:

"The current tax rules are *not* designed to tax the profits from UK sales. They're certainly not designed to tax either revenue or sales generated in the UK. They are instead designed to tax that part of a firm's profit that arises from value created in the UK. That is the principle underlying all corporate tax regimes across the OECD."

I make that point because it is fundamental to understanding the tax we are entitled to receive from multinational companies. It is not a point that the shadow Chancellor appears to have grasped.

Let me give an example of why this matters, and it is similar to the point made by my hon. Friend the Member for Dudley South (Mike Wood). The UK is home to

[Mr David Gauke]

one of the most successful video games sectors in the world. Would it be fair for a firm to design a game here, develop it here and take the risks here, but to go on to sell it overseas and then have to pay corporation tax on all that activity in the country in which it makes the final sale, and not in the UK? The current international tax arrangements are clear that such profits are taxed in the UK—the place of economic activity—rather than in the place where the sales are made. That is the internationally agreed and internationally applied concept of corporation tax. That is the law that HMRC applies. Quoting numbers to do with revenues or profits from sales, as opposed to activities, demonstrates a lack of understanding of how the tax system works, or—and this is worse—an understanding of the way the tax system works, but the hope that those following these debates do not.

**John McDonnell:** Is the Minister saying that Google employs 2,300 staff in this country on an average salary of £160,000, and they cannot be defined as involved in economic activity or as adding any value? What are they doing? Playing cards all the time? Are they not actually involved in economic activity—this sizable proportion of the Google workforce?

**Mr Gauke:** The point I am making is that the shadow Chancellor goes around quoting numbers based on profits from sales. To be fair, he went through the methodology carefully in the House today, but that methodology appears to be based on a complete misunderstanding of how the tax system works.

**Rachel Reeves:** I do not misunderstand how the corporation tax system is applied, but without information from HMRC, and without publication of the deal, it is difficult to know exactly how much tax Google should be paying. That is why we are seeking answers. Also, there have been \$8 billion of royalty payments to Bermuda. Does the hon. Gentleman really think that that is where the economic activity is and where the value is being added?

**Mr Gauke:** I will deal directly with the issue of transparency in a moment.

On the issue of how our international tax system works, I have explained that it is based on economic activity. However, I would be the first to say that that international tax system needs to be brought into the modern world. That is the very reason why the UK has led the way on the base erosion and profit-shifting process. We should also be aware that there are particular issues with the US tax system, which is failing to tax intellectual property developed in the US in the way that it should.

I gave the example of video games companies. However, I recognise that there are many cases that are much more complex, and where it is not so easy to identify where the economic activity takes place. There is an issue about where multinational companies allocate their profits and where they identify economic activity as taking place. There is a need to address that, which is why we need tax rules that genuinely reflect where economic activity takes place, to ensure that profits are aligned with it. However, that is a very different matter

from making big claims about profits from sales and saying that those sales profits have to be taxed where the sales take place. That is the misunderstanding I wish to address.

**Mr Richard Bacon** (South Norfolk) (Con): The Minister is right, of course, that these issues are sometimes very complicated. However, sometimes there are loopholes that are exploited. Will he identify some of the loopholes closed by this Government that were opened by the previous Labour Government?

**Mr Gauke:** There is a whole host I could draw attention to, but in the interests of time, I will not run through that lengthy list. I have it here, and there are quite a number of cases—there are 40 I can identify straightaway—where there were loopholes, and we have tried to address that.

The diverted profits tax—I will come back to this again in detail in a moment—is designed to ensure that, where companies divert their profits away from the UK, and where the economic activity is happening in the UK, we get some of the tax yield.

**David Mowat** (Warrington South) (Con): The difficulty with the economic activity test the Minister talks about is that it is intrinsically judgmental, and that gives us many of the issues that we try to grapple with. The test came in in the 1920s, way before the internet. Might it not be a way forward to move more towards taxing sales and, if necessary, dividends, with less on corporation tax, which would take these judgments away?

**Mr Gauke:** The first point to make is that this is a debate on the operation of the tax law as it stands, not on how people might want it to be, and to be fair to HMRC, it can only collect the tax that is due under the law as it stands, not as how people might want it to be. On reform of this area, there is no reason why we should not debate these matters. However, with regard to a move towards taxing profits on the basis of sales—there is a perfectly respectable case for reform in that direction—I would be worried about the impact on, for example, the UK's creative and scientific sectors. I have mentioned the video games sector, and one could also look at pharmaceuticals. There are a number of areas where the UK—businesses in our constituencies—would lose out in those circumstances, so I would be a little wary about it.

**Joan Ryan:** May I bring the Minister back to the fundamental point about transparency? It would make this debate much easier and more useful if he published the details of this deal in full so that we can be sure that we are not talking about mates' rates and a special tax loophole for Google.

**Mr Gauke:** I will come on to transparency, but let me first return to this Government's record on changing domestic law and leading the way in updating the international system.

This Government have led internationally on the G20 and OECD base erosion and profit-shifting project, making the international tax rules fit for the 21st century. My right hon. Friends the Prime Minister and the Chancellor of the Exchequer, in particular, took on

highly prominent roles in initiating those discussions and taking them forward through the G20 and the OECD. The outcome will be to level the playing field among businesses, give tax authorities more effective tools to tackle aggressive planning, and help us better align the location of taxable profits with the location of economic activities and value creation. This is a major step forward in addressing the underlying causes of aggressive tax avoidance.

We have been at the forefront of implementing this agenda, acting swiftly to change the rules on hybrid mismatches and country-by-country reporting. Because we consider it important not to rely solely on international rules, we have also legislated domestically to introduce a world-leading measure to address the contrived shifting of profit from this country—the diverted profits tax. The diverted profits tax targets companies that divert profits from the UK, principally those with substantial activities in the UK who are trying to avoid creating a UK permanent establishment. Under our rules, those companies either declare the correct amount of profits in the UK and pay the full amount of corporation tax on them, or risk being charged a higher amount of diverted profits tax at a rate of 25%. By the end of this Parliament, the diverted profits tax will raise an extra £1.3 billion, both directly and as a result of associated behavioural changes. The tax is already having that effect, and multinationals will pay more corporation tax as a result.

**Stephen Timms** (East Ham) (Lab): Of course, the diverted profits tax was referred to as the Google tax. My hon. Friend the shadow Chancellor has alleged that under the terms of the deal Google will not pay a penny. Is he right about that?

**Mr Gauke:** The purpose of the diverted profits tax, which came into effect in April, is to ensure that companies stop diverting their profits and pay corporation tax like everybody else. I repeat that I cannot talk about the Google case beyond information that is in the public domain, but if this tax is effective in driving companies to stop diverting their profits, it is a success.

**Mark Durkan** (Foyle) (SDLP): The Minister refers to the Government's record over the past Parliament and this one, but he has not mentioned the changes to the controlled foreign companies rules, which favoured a number of companies at the expense of the Exchequer and, in net terms, at the much greater expense of exchequers in developing countries.

**Mr Gauke:** The controlled foreign companies regime was driving business out of the UK, whereas now businesses are looking to locate their headquarters in the UK, and I am pleased about that.

**Robert Jenrick:** The Minister is making a very important point about the diverted profits tax. It is important that Members on both sides of the House recognise that this extremely important development was brought in by this Government, and that it is not correct to say that Labour Members supported it, because at the time, a year ago, their position was that it was not wise to bring it in until the BEPS process was completed, which it still is not. Had we taken the advice of the then shadow Chancellor and shadow Chief Secretary, there would be no diverted profits tax, and the points made by Labour Members would be irrelevant.

**Mr Gauke:** I am grateful to my hon. Friend, who reminds the House of an important point. When we brought in the diverted profits tax, the intention was clearly to make sure that we got more money being paid in corporation tax. We want to stop companies diverting their profits out of the UK, and we are leading the way in bringing forward legislation on this.

Let me address the shadow Chancellor's point about resources for HMRC. We have invested heavily in HMRC's ability to strengthen its anti-evasion and compliance activity, including through extra funding and hiring professionals whose area of expertise is multinational companies. For example, contrary to the impression that he gave, the number of people working in HMRC's large business directorate has gone up, since it was formed in 2014, from 2,000 to 2,600 people. We believe in competitive taxes—that is why we have cut our rate of corporation tax so that it is the lowest in the G7—but we also believe in making sure that those taxes are paid.

I turn to the issue of transparency raised by several hon. Members. Taxpayer confidentiality is a fundamentally important principle of our tax system, as in the tax systems of every other major economy. We hear complaints that HMRC is not disclosing full details of the settlement. HMRC is prevented by law from disclosing taxpayer information. The resolution of tax disputes, however, is subject to full external scrutiny by the independent National Audit Office, which has reviewed how tax inquiries are concluded by HMRC. In 2012, it appointed a retired High Court judge, Sir Andrew Park, to investigate HMRC's large business settlement process. Sir Andrew concluded that all the settlements he scrutinised “were reasonable and the overall outcome for the Exchequer was good.”

I do wish that those who are so keen to accuse HMRC and its staff of sweetheart deals were as keen to look at what happens where independent scrutiny occurs in order to see that in fact there are no sweetheart deals. HMRC introduced—

**Helen Goodman** (Bishop Auckland) (Lab) *rose*—

**Mr Gauke:** Let me just make this point. [*Interruption.*] I will give way to the hon. Lady.

**Helen Goodman:** I am grateful to the Minister, who is doing his best in a difficult situation. However, Ministers are not barred by law from publishing the minutes of meetings that they have, so could he now publish the minutes of all 25 meetings that Ministers have had with Google?

**Mr Gauke:** We have a very open and transparent arrangement for disclosure of meetings. I am very clear that when it comes to determining the tax liability of a company such as Google—or, indeed, any other taxpayer in this country—there is no ministerial involvement. HMRC is entirely operationally independent. There is no ministerial interference in such areas, and no suggestion that there would be. When it comes to determining the tax bill of any taxpayer, it is a matter of HMRC enforcing the law; it is not for ministerial involvement. HMRC introduced new governance arrangements for significant tax disputes in 2012 to provide even greater transparency, scrutiny and accountability. They included the appointment of a tax assurance commissioner to ensure that there is clear separation between those who

[Mr Gauke]

negotiate and those who approve settlements. The tax assurance commissioner oversees the process and publishes an annual report on his work.

Let me be absolutely clear. There are no sweetheart deals, and there is no special treatment for large businesses. HMRC resolves disputes by agreement only if the business agrees to pay the full amount of tax, penalties and interest. Otherwise, it is a matter for the courts—an arena in which HMRC has a strong track record of fighting and winning.

**Wes Streeting** (Ilford North) (Lab): I am grateful to the Minister for his assurance that there are no sweetheart deals, but if the process is so independent and Ministers are so far removed from it, how can he give us that assurance? Similarly, how was the Chancellor able to hail the deal as a major success?

**Mr Gauke:** We have in place strong governance. The NAO has looked in the past at settlements when accusations have been made of sweetheart deals, and those accusations have been dismissed. It is very clear that HMRC's remit is to get the tax that is due under the law, and no one has ever produced a shred of evidence to suggest otherwise; they have merely displayed a prejudice against HMRC staff and a tendency to insult them.

**Several hon. Members** *rose*—

**Mr Gauke:** I want to make a little progress, but let me give way to my hon. Friend the Member for Croydon South (Chris Philp).

**Chris Philp:** Does the Minister agree that the reason why this announcement is welcome is that we collected £130 million of tax from Google, while Labour collected nothing?

**Mr Gauke:** It certainly appears that next to nothing was collected in that case.

**Chris Stephens** (Glasgow South West) (SNP): Will the Minister give way?

**Mr Gauke:** I must press on. Tax avoidance is a global issue, which requires global solutions. Fruitful partnerships with other countries on the matter are part of the reason why the Government have been at the forefront of efforts to increase tax transparency. That appeared last year in the Conservative party manifesto, in which we pledged to

“review the implementation of the new international country-by-country tax reporting rules and consider the case for making this information publicly available on a multilateral basis.”

The Government are dedicated to increasing tax transparency, and we have already taken action. Just last week, the UK signed an agreement with 30 other tax administrations to share country-by-country reports from next year. We want such agreements so that information can be made public, as we spelled out in our manifesto. We will continue to lead any multilateral debates on tax transparency, as we have done in so many areas of international tax avoidance.

Reforming the international and domestic rules, investing in HMRC's capacity and leading the way on global tax transparency—those actions were taken by this Government, but were sadly lacking during 13 years of

Labour. The result of those actions has been £130 million to the Exchequer from Google, on top of the tax already paid. Under Labour, that sum was next to nothing. That is testament to the importance we have given to tackling the tax risks posed by multinational enterprises. Last month's announcement represents an important result of our actions on the matter, and I assure hon. Members that we will continue to work hard on that agenda over the coming years, to give the Exchequer more money to fund the public services that we rely on. I urge the House to support the Government amendment.

3.32 pm

**Roger Mullin** (Kirkcaldy and Cowdenbeath) (SNP): This is, undoubtedly, an important debate for all the people outside the House who have commented on the subject, which is of great concern. We are talking about a complex matter, which may require, in the longer run, fundamental reform and international co-operation. There are no easy fixes. The deal with Google needs to be scrutinised, for the sake of all who are concerned that it might be described as a sweetheart deal. That is why I fully supported my hon. Friend the Member for Dundee East (Stewart Hosie) in taking the initiative and being the first person to write to the European Commission to seek an independent examination of the settlement. There is a lack of transparency in the deal, but these are difficult matters, and we may have to look at changing some of the rules in the longer run.

To many people, the recent agreement between Google and HMRC is very obscure and opaque, and gives the appearance of being very generous to a large multinational corporation. It contrasts sharply with the experience of many local SMEs. I would be astonished if I were the only Member of the House who has received comments from innumerable small businesses about what they perceive as the unfairness of the deal. I want to quote the views of two SMEs in my constituency. First:

“It is galling that my business pays its taxes on time and in full, but huge corporations like Google do not and seem to be able to avoid doing so for years”,

says Jim Cruickshank of Cruickshank Glaziers. Secondly:

“It seems there are stringent rules for small domestic businesses but another much easier world for major companies. This often gives unfair competitive advantage to the large companies”,

says Stewart Murray of the Farm Shop, Kirkcaldy. That is a concern of many of our domestic businesses. Because of the complexity of their tax affairs and of how they can operate, many of the largest corporations find that they have—in many cases, legitimately, in this system—a major competitive advantage over domestic businesses.

**Andrew Gwynne:** Does that not show how SMEs across the United Kingdom feel they have been treated? Their impression is that there is one tax law for them and another for large multinational companies. Does it not also provide a contrast between the British approach and the approach of some of our European colleagues to the very same issues? They are holding out for a much better deal for their taxpayers.

**Roger Mullin:** Many people throughout Britain will think that the hon. Gentleman has made a very fair point. That is why I have been arguing that we must have a proper investigation and why, perhaps in the

longer run, we need to do something about greater transparency. It will be very difficult for us to bring a proper critique to bear if we do not get such clarification.

It must, of course, be admitted that this is not a new phenomenon. I first became aware of concerns about multinationals paying their fair share of UK taxes back in the early 1970s, when I briefly worked for the multinational IBM, and I am aware of concerns predating that. This has not been going on for just one or two years; Governments have not been able to resolve this issue satisfactorily for decades, which emphasises its complexity. The issue has been around for a long time, regardless of whether this country had a Labour or Tory Government and regardless of which parties formed Governments in many other countries.

I remember that the concerns back in the early 1970s were about what was called “transfer pricing”. For example, a company could buy a handle from a parent company in another country and charge an exorbitant fee for it, which allowed them easily to transfer profits from one area to another. I would be the first to admit that there have been moves to tighten up many such matters since the 1970s, but it remains a fundamental problem to this day. Corporation tax seems to be very susceptible to avoidance by multinational corporations because of the way in which they can, quite legally, operate.

**Mr Bacon:** The Public Accounts Committee found that HMRC as a whole had only 65 specialists in transfer pricing, which was about the same as each of the big four accounting firms. Does the hon. Gentleman welcome this Government’s introduction of more transfer pricing specialists in HMRC?

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Order. May I say to hon. Members who wish to speak but are now making interventions that I assume they will not mind if they go to the bottom of the list because they have almost used up their time?

**Roger Mullin:** I thank the hon. Gentleman for his intervention, because I must admit I was not aware that only 65 staff were involved in transfer pricing. That seems to me to be remarkably few, given the challenges they face. I would welcome anything that can be done to strengthen their numbers.

Times have changed. Back in the 1970s, it was never envisaged that huge multinational corporations could quickly arise as a result of operating in the world of the internet. The tax system, which has been built up over many years—as the hon. Member for Warrington South (David Mowat) mentioned, part of it dates from the 1920s or thereabouts—is singularly unable to deal with some of the types of international corporations, such as Facebook and Google, that there are today.

The world has changed fast in other regards. I am old enough to remember being able to go into a café and just ask for a coffee.

**Rob Marris (Wolverhampton South West) (Lab):** Surely not!

**Roger Mullin:** I am. Nowadays, I am delighted to say that I know about cappuccinos and other things.

**Rob Marris:** In your constituency?

**Roger Mullin:** Yes, throughout my constituency. There is wonderful cappuccino in Cowdenbeath, I have to say. The likes of Starbucks were not present years ago. The internationalisation of what seem to be simple products is a comparatively new phenomenon.

We must not lose sight of the fact that many more traditional players, not merely internet companies, are engaging in practices that may be legal, but create major challenges internationally. If I were to ask in a local pub quiz, which of course I rarely go to—

**Rob Marris:** Because you’re drinking coffee!

**Roger Mullin:** Quite. If I were to ask, “What is the biggest charity in the world?”, many people would say the Gates Foundation, which *The Economist* has estimated is worth about \$37 billion. Few would say that the answer is, as *The Economist* pointed out a few years ago, the Stichting INGKA Foundation—a charitable body whose aims include

“the advancement of architecture and interior design”.

This charitable foundation owns INGKA Holding, which owns the IKEA group.

That set-up, which is admittedly much more complex than I have just described, operates and moves money across territories such as the Netherlands, Luxembourg, Switzerland and so on. The money is not even tracked within that foundation. The IKEA trademark is owned by another private company, Inter IKEA Systems. Just to operate IKEA’s stores, of which there are approximately 290 in the world, the charity has to make substantial yearly payments. Eventually, the trail is thought to lead back to the owning family. When there is such complexity—and it is even more complex than I have summarised—we can see the kind of international challenge there is. That is why I believe the current tax regimes to be ill-equipped to cope and why we need fundamental reform.

Let me give a glimpse of another tactic that is used—the offshoring of companies. There are approximately 19,000 businesses registered at a single address in the Cayman Islands. That must be a pretty big hoose, as we would say in Scotland.

**Rob Marris:** Full of IKEA furniture!

**Roger Mullin:** Yes, full of IKEA furniture.

It has been claimed by Oxfam, although I have not checked this out, that 98 of the FTSE 100 companies have subsidiaries in tax havens. There is a wider ethical question to address. This is not merely about how international corporations may evade UK tax. Some countries are much more vulnerable than the UK. There are considerable concerns, as the hon. Member for Foyle (Mark Durkan) said, in the developing world. Some 30% of Africa’s wealth is held offshore. Research by the International Monetary Fund has found that developing countries lose \$200 billion a year to tax avoidance—more than they get in all forms of foreign aid.

The UK needs to take a lead. Hopefully we will see that when the Prime Minister hosts the anti-corruption summit in May 2016, because the UK remains at the centre of a global network.

**Debbie Abrahams** (Oldham East and Saddleworth) (Lab): It is three years since the Prime Minister promised to clamp down on tax evasion and to publish the details of UK-based companies and people in the overseas territories. Does the hon. Gentleman agree that the Prime Minister should fulfil his obligation? This is a manifesto commitment that he has failed to fulfil.

**Roger Mullin:** I agree with the hon. Lady, and hopefully the Prime Minister will fulfil that obligation in the conference that he will chair shortly. We shall wait and see.

I shall conclude with one other example that is close to the heart of the Scottish people: our historical links with Malawi. This week, ActionAid launched a new campaign, calling for the UK to negotiate a fairer tax treaty with Malawi. Every constituency in Scotland has strong historical links with Malawi. The UK tax treaty with Malawi was signed in 1955 when Malawi was under British colonial rule, and it limits the ability of the Malawi Government to collect tax revenue from UK firms that operate there, thereby preventing that poor country from raising money that it desperately needs.

It is right to hold a thorough investigation into the Google settlement, and we should press for greater transparency. We should also press the UK to take an international lead in addressing the corrupt tax avoidance practices of the many, and not just the few. Getting our own house in order would be a fine start.

3.46 pm

**Mark Spencer** (Sherwood) (Con): I shall do my best to make the most of the three minutes available to me. This is clearly a complicated area, and we seem to have two approaches on different sides of the House. The shadow Chancellor was passionate in his approach, and I recognise the strong feelings about this issue. The Minister's approach was very measured and detailed. Unfortunately, the tax system must be approached in a methodical, detailed way—it cannot be emotional. I understand the strength of those emotions, and that people may feel that some large international companies do not pay their fair share. Unfortunately, however, we are blessed with a global taxation system agreement whereby companies pay tax not on the profit they make in the country but where they add the value and create the IP.

The hon. Member for Kirkcaldy and Cowdenbeath (Roger Mullin) spoke about Stewart from the Kirkcaldy farm shop, who clearly sells excellent produce. If he were to export his pork pies to Paris, he would expect to pay for the profit on that pork pie in Scotland and not in Paris, and in that way this country has benefited a great deal. My constituency contains Rolls-Royce, which is a fantastic international company that creates world-leading jet engines. It uses manufacturers and subsidiaries all over the world, but those dividends and the profit of that company should be paid to the UK taxpayer, and not to other countries.

The Minister referred to the video games industry, and Nottinghamshire is blessed with Boots, which created Nurofen, a world-leading drug. The IP for that drug remains in this country, as do the profits from it. I was fortunate enough to go to the cinema to see "Spectre", the latest James Bond movie, which was created in

Pinewood Studios in the UK. Tax on the profits from those movies should be paid in this country, not all over the world.

I gently say to the Opposition that, under their regime, no tax was claimed from Google. Sadly, I am rapidly running out of time, but we must recognise that it is more important to get some of those profits, rather than all of nothing if they are exported to other countries.

3.49 pm

**Dame Margaret Hodge** (Barking) (Lab): The most bizarre feature of the row over the past 10 days is that both Google and the Chancellor thought they had landed a public relations coup. Frankly, the arrogance of Google and the hopelessness of our Government take some beating. Just look at Google's results announced this week. It now claims to be the world's most valuable company. It claims with pride that it has cut its tax rate from 18% to 5%. If we look at Eric Schmidt's own earnings—the man at the top is very proud of Google's tax structure, saying "it's just capitalism"—he was paid £76 million in 2014 alone. That is the equivalent of well over half of what Google paid the British public for all the money it has made out of the British public over 10 years.

**Joan Ryan:** Is my right hon. Friend concerned that the Google agreement could present a threat to future tax revenues by setting a very dangerous precedent?

**Dame Margaret Hodge:** I agree entirely. The Minister talks about the work done by the Public Accounts Committee. The law is not a complete ass. I do not believe that. When the National Audit Office looked at, I think, 10 cases—I will be corrected if I am wrong—it found three where HMRC had not abided by its own rules. Every time something like this happens, it damages British jobs and British businesses—nobody else. We have definite proof that a sweetheart deal was entered into with Goldman Sachs.

**Mr Gauke:** It was five cases, and in every single case Sir Andrew Park concluded that the amount collected was reasonable and the overall result for the Exchequer was good. Those are the facts.

**Dame Margaret Hodge:** No. With the greatest respect, those are not the facts. The judge looked at five cases. The NAO looked at 10 cases and found in three of them that HMRC had not abided by its own rules.

The reason the Chancellor and his team do not get it is the people they talk to about tax. A small army of tax professionals and multinational companies are the only people with whom they converse. I have to say to the Minister that there is a difference between good working relationships, which I applaud, and undue influence and preferential treatment, which I do not. Talking to stakeholders is a good thing. Being captured by stakeholders is a bad thing.

We just have to look at the evidence—and not just the 25 meetings held with Google. If we look at the Tax Professionals Forum, its members are KPMG, Ernst and Young, Grant Thornton and so on. There is nobody from any of the tax campaigning organisations. There is nobody from any of the charities and no academic with



a different view. Ernst and Young made £250 million in recent years by advising Google, Apple, Facebook and Amazon.

Let us look at what the Minister has done. He appointed David Heaton from Baker Tilly to the Government's advisory panel on the general anti-abuse rule, which was supposed to look at closing loopholes. That particular gentleman was captured on video describing

"ways to keep the money out of the Chancellor's grubby hands".

Let us look at what happened to Dave Hartnett—within six months he was going to work at HSBC and within a year he was going to work at Deloitte. Let us look at Edward Troup, who is now our commissioner on taxation. He wrote in the *Financial Times* that "Taxation is legalised extortion." This is a small bunch of people who all have the same interests.

I want to make two other brief points. The Government say they want companies to pay proper tax, but the Government are obsessed with tax competition. That means far from tackling tax havens and so on, they are trying to make the UK an alternative best tax haven in the world. We only have to look at three changes the Government brought through on the control of foreign company rules, Eurobonds and the infamous patent box tax relief to see that that is right.

We do not know whether the Google settlement is fair, because under the existing law—the Minister is right—we cannot see it. I personally do not accept that HMRC properly challenged Google on the evidence the Public Accounts Committee collected, which demonstrated that it engages in economic activity here in the UK. I personally do not think the whistleblowers were listened to properly. Google does sell here. It does complete sales here. It does research and development here. Its economic activity is here. What on earth is that massive complex in King's Cross for if not to undertake economic activity?

I have to say to the Minister that he has lost the argument on transparency. He ought to cave in gracefully and open up the books of these multinational companies so we can restore confidence.

3.54 pm

**Nigel Huddleston** (Mid Worcestershire) (Con): I draw hon. Members' attention to the Register of Members' Financial Interests and go beyond that by declaring that, prior to the 2015 general election, I worked for Google—often commented on as the most desirable company in the world to work for. However, I must make it very clear that I am not a spokesperson for Google. I did make it clear in my maiden speech that I wish to be an advocate for the internet and digital sectors in the UK. After all, at 12.4% of gross domestic product, that is the largest of any internet sector in the world—greater than that in Germany and France, and even double the size of that in the US.

However, the question of whether Google, or indeed any of these internet companies, pays its fair share of tax is a reasonable one. Google does many things. Deciding on tax law is not one of them. That is squarely the responsibility of this place; we make those decisions in here. If we want to change the laws, that is our responsibility.

Corporation tax, like income tax, is not a voluntary tax. You pay what you owe—no more, no less—according

to the law. HMRC does a very good job of implementing that law under difficult circumstances, particularly for companies that are complex and deal internationally, where it is difficult to hold intangible products, where intellectual property and transfer pricing are involved, and where customers are served from multiple territories.

What we really need to do—the hon. Member for Kirkcaldy and Cowdenbeath (Roger Mullin) made some valid points—is update the international trade laws because these days, of course, international trade is as likely to be conducted by the push of a button as by being shipped in canisters and widgets from country A to country B. The reality is that some of our tax laws are as old as the 1920s.

While this Government are trying to make progress—indeed they have closed many loopholes—we have a lot more to do. Nothing should be taken out of consideration. We should carefully consider whether corporation tax in its current form is still fit for purpose. Comments about whether the practice of establishing intellectual property in international tax havens is valid or not are fair ones to investigate.

We must remember that Google was founded only in 1998, which makes it a teenager, and many other major internet companies are also teenagers. Teenagers make mistakes; they need guiding. It is up to us, in the role of a responsible parent, to make sure that we reset the ground rules on behaviour.

3.57 pm

**Mike Kane** (Wythenshawe and Sale East) (Lab): The Google tax debacle demonstrates that attempts to patch up the current international tax system are woefully inadequate. Despite the efforts of the OECD and its base erosion and profit shifting overhaul, it appears highly likely that corporate tax will continue to be an optional extra for most multinational companies.

The UK's tax treaties—this is to do with Ireland as well in terms of Google—with developing countries allow UK firms to limit their tax payments, often in countries where the money is most needed to fund hard-pressed public services. The hon. Member for Kirkcaldy and Cowdenbeath (Roger Mullin) rightly mentioned Malawi earlier and I praise him for that.

According to the IMF, recent calculations have shown that developing countries are losing around \$200 billion a year through tax avoidance by companies. The OECD has estimated that tax havens could be costing those developing countries three times the current global aid budget.

The value flowing out of countries from companies not paying their tax is huge: an estimated \$1 trillion a year. To put that into context, Africa is now a net creditor to the world in terms of the tax it loses from multinational companies operating in African countries' jurisdictions. According to Oxfam, corporate tax avoidance in the form of trade mispricing by G7-based companies and investors cost Africa \$6 billion in 2010—more than enough to improve the healthcare systems of the Ebola-affected countries of Sierra Leone, Liberia and Guinea.

Then there are the sins of omission. Anonymous shell companies in the British Virgin Islands were used to acquire mining concessions in the Democratic Republic

[Mike Kane]

of Congo for \$275 million. They were then sold for \$1.63 billion, costing the state \$1.36 billion, or twice the combined health and education budget.

What is to be done? The Prime Minister is hosting an anti-corruption summit in May, and is inviting Heads of State from all over the world to London, but how can the UK lecture other countries on what they should be doing to tackle tax avoidance and tax corruption when the Crown dependencies and overseas territories in our own constitutional backyard are such notorious purveyors of secrecy? I put that case to the Minister on BBC Radio 5 Live just before the election.

We need to insist that multinationals publish their basic accounts in every country. We need to insist that they clean up their backyards, and ensure that British-linked tax havens—the Crown protectorates—cannot continue to act as conduits for tax dodging. We need to stop applying sticking plasters to broken OECD tax rules, and mandate the UN to develop a set of rules that ensure that big businesses pay their fair share of tax in every country in which they do business.

**Anna Turley** (Redcar) (Lab/Co-op): Will my hon. Friend give way?

**Mike Kane:** I will.

**Anna Turley:** I appreciate—

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Order. The clock is on zero. I think it would be unfair to allow the hon. Gentleman to give way.

4 pm

**Mr Richard Bacon** (South Norfolk) (Con): I will be brief.

The hon. Member for Wythenshawe and Sale East (Mike Kane) said that paying corporation tax was an optional extra. If he is right—and there are some good arguments for why he might be right—it is because of the unbridled complexity of the system. I used to carry a number in my head: I thought that the tax code was 11,000 pages long. However, when I went to a Public Accounts Committee tax conference organised by the right hon. Member for Barking (Dame Margaret Hodge)—the Dame Professor Lady right hon. Member for Barking—I discovered that it was 17,000 pages long, and I was told on the radio yesterday that the figure might now be nearer 20,000.

If we made the Bible 10 times longer, we would not expect there to be less work for theologians. We need to sort this out. Complexity is not always avoidable in a mature economy, but there are steps that can be taken to make the code simpler. The Office of Tax Simplification examined 155 different tax reliefs and recommended that 47 should be abolished—43 actually were abolished—but over the same period, the Government of the day introduced 134 new reliefs. According to the Office of Tax Simplification, that produced a total of 1,140. Incidentally, HMRC had thought that there were only 398, which shows how extraordinarily complex the system has become.

That is the central problem, and it needs to be tackled. If a system that can only be dealt with by a high priestly caste is combined with a global economy, a country will

get what we have got. It was this Government who introduced the idea of an Office of Tax Simplification, and it is this Government who are starting to do something about flattening and simplifying the tax system.

There is also the question of the cost of tax reliefs, which is sometimes much higher than HMRC expects. When the right hon. Member for Barking was the Films Minister, for very good reasons she introduced a film tax credit. She was then horrified to discover that, using the law of the land, some very clever entrepreneurs and accountants were going around doing things which bore some relation to UK film activity, but perhaps too tangentially for the right hon. Lady's taste. Much of what had been done was found by the courts to be within the law, and ended up costing HMRC, and taxpayers, hundreds of millions of pounds more than had been expected.

This Government are starting to tackle the problem. They have not made all the progress that they need to make, because this is a very big problem indeed, but at least they are starting to tackle it. The last Government did not collect the tax, but this Government are moving in the right direction, and I commend them for what they are doing.

4.3 pm

**Stephen Timms** (East Ham) (Lab): I am highly enamoured of the record of the last Labour Government, and particularly enamoured of their Treasury policies.

I am grateful to my hon. Friend the Member for Hayes and Harlington (John McDonnell) for drawing attention to an assessment by the *Financial Times* of the comparative records of the Labour Government between 1997 and 2010 and subsequent Governments. The article, written by Vanessa Houlder in February last year, made three very important points to set the record straight. First, it stated that the current Chancellor

“has raised much less income than the last Labour government from reforms to tackle corporate tax avoidance”.

The second point was referred to by my hon. Friend in his introductory remarks. The article stated:

“Measures put in place by Labour during its 13 years in power to counter corporate tax avoidance are projected to raise ten times as much over the next four years as those introduced by the...coalition government.”

Thirdly and importantly, the article stated that the coalition

“eased laws aimed at stopping companies using tax havens, which had been repeatedly tightened under Labour.”

That is the difference between the record of the Government when I was a Treasury Minister and the current Government. Labour in government did the heavy lifting on corporate tax avoidance. The new Government, when elected, had different priorities, as they were entitled to have, but they cannot claim to have maintained the progress Labour made, because they have not.

I welcome the Government's seeming support for country-by-country reporting, but those close to the process find it difficult to recognise that the Government have led on it since 2010, as they have claimed. We certainly led on it prior to 2010. The original idea was devised, I think, by Richard Murphy, about whom we have heard a good deal more in the last couple of years, but it was first brought to me, when I occupied the Minister's office, by Christian Aid. I pay tribute to its work on this. It came to see me in early 2009. We had a

series of international meetings in Berlin, Paris and elsewhere in 2009, at which I put the issue on the agenda, and that culminated in the first joint meeting of the OECD tax and development committee in January 2010 in Paris. That kicked off the process that I am delighted the Government are now swinging behind. But Labour in government started this off and Labour is entitled to the credit for that.

4.6 pm

**Chloe Smith** (Norwich North) (Con): It is rich to attack this Government for collecting tax. Big multinational corporations cannot carry on as they have been and must expect to pay more tax, and Google's payment is an important step forward to address the long-standing problem of larger corporations not paying fair amounts of tax under the last Labour Government.

Any debate about that past tax in particular and about aggressive tax avoidance in general is in the context of what past law required should be collected. This debate should look ahead to whether and how our laws should change in order to collect more. The tax gap is reported to be £34 billion, or 6.4% of tax liabilities, according to the 2013-14 figure. What might £34 billion buy us? It is half the deficit Labour left us. Public sector net borrowing is about £73 billion this year. It is three times the pay bill for nurses. To break it down further with an international example: £1 billion is what we contributed to the Ross Fund in the global fight against malaria. What is that £34 billion made up of? Only one third is committed by large businesses; half is committed by small and medium-sized businesses; and the rest, I take it, is made up of individuals in error and out-and-out criminals in malice.

We need to look at fairness in two ways. First, is the law applied fairly? We rightly expect HMRC to collect as much as possible from every source, large and small, mistaken or malicious, under a fair application of existing law. Secondly, is the law itself fair? Does the law need to change further, and if so how, to ask for more tax? That is obviously an international question. I welcome the OECD's work on base erosion and profit shifting—I look forward to scrutinising the results in the Finance Bill to come, because that is ready for implementation—and the Government's leadership on a diverted profits tax. I look forward to hearing a summary of what they have brought in during its first year.

In summary, I want tough action to ensure that all companies pay their fair share of tax; I want more tax collected; I want the laws we have to be used; I want new laws to be reported upon carefully so that my constituents can be assured that we are collecting what we need; and I want Britain to continue to lead the world in the OECD's implementation of a sensible set of multinational measures.

4.9 pm

**Vicky Foxcroft** (Lewisham, Deptford) (Lab): I am grateful for the opportunity to contribute to this important debate.

I was going to start this speech by going through the alphabet, naming different companies that did not pay their fair share of tax: Amazon, BP, Citigroup, Dell, eBay, Facebook, Google. I stopped at Google and went to the search engine of the same name and searched for the word "alphabet." Most people would assume that I

found information on the alphabet—A, B, C, D and so on—but no: what came up was "Alphabet Inc." It turns out that the Google we all know and use has created a parent company, and it has called it Alphabet. Alphabet is a multinational conglomerate that was created last year. It is the parent company of Google and several other companies previously owned by, or tied to, Google. It is the world's most valuable company, even wealthier than Apple. However, it does have something in common with Apple: the desire to not pay tax.

In a world that is becoming more and more connected, and as we seek to develop far-reaching global trade deals, we find that multinational corporations are moving their money and profits around the world. We should be under no illusion as to why they do this: it is to maximise their profits by reducing their tax liability.

So how do we make multinational companies pay their tax, when they invest so much in trying to dodge paying their taxes? Indeed, they use any system, loophole or avenue open to them to get out of their tax obligation. With this Chancellor they have even got someone on the inside helping them out. Frankly, it sends out the wrong message.

The Chancellor, often referred to as the octopus, with his tentacles reaching every part of Government, has declared his tax deal with Google a victory. He may be the octopus, but we are not his suckers. He should publish the details of the deal, show transparently what was agreed, deal with every loophole that comes forward and ensure we deal with the deficit by ensuring those who can pay do pay.

I join my colleagues today in demanding that the Government publish full details of the deal and implement country-by-country reporting of company accounts.

4.12 pm

**Kwasi Kwarteng** (Spelthorne) (Con): This is a timely debate and I am grateful for the opportunity to speak in it. It is important to remember what the previous Government did, because members of it are speaking, eloquently in many cases, in this debate. It is absolutely relevant, therefore, and gives us the context in which this debate has been called.

For 13 years Labour was in power and for at least the last five of those years these multinational companies—Amazon, Google, Apple—paid almost no corporation tax whatsoever. That was the immediate context. The right hon. Member for East Ham (Stephen Timms) suggested that that Government had a great record, but it was not great. These companies paid very little; this is the general context.

It is quite right for the shadow Chancellor to bring up this debate. I think he makes a reasonable point that ordinary people—our constituents—expect companies to pay their fair share, but I would observe that the very facts he points out about Google employing thousands of people at very high salaries shows, in a way, the success of Google. It shows the success of this Government in creating a business-friendly environment in which these companies can operate. In fact, every single one of those employees, who are paid an average of £160,000 a year, are contributing very significantly to the Treasury in the form of income tax and other taxes that they pay. That fact should be observed in this debate.

[Kwasi Kwarteng]

If we are looking at being able to tax multinational companies, we must consider the fact that, as my hon. Friend the Member for Sherwood (Mark Spencer) suggested, they are operating in lots of jurisdictions and, in many cases, if they are not internet companies they will probably be paying tax in only one country. There are lots of variations that we need to consider, and I do not think it is right for Opposition Members simply to try to make political capital in this sensitive and highly complicated debate.

As my hon. Friend the Member for South Norfolk (Mr Bacon) has said, the reason that companies avoid tax is the complexity of the system. There is a direct correlation between their propensity to avoid paying tax and the complexity of the tax system. Again, the last Labour Government had a pretty poor record on that. This is a complicated debate, and I object to the fact that Labour Members are trying to score political points in it.

4.15 pm

**Caroline Flint** (Don Valley) (Lab): The hon. Member for Spelthorne (Kwasi Kwarteng) might have commanded a little more respect if he had listened with respect to the views of my right hon. Friend the Member for Barking (Dame Margaret Hodge). This debate is about Google, but it is also about so much more. We know that Google is currently valued at \$524 billion, and that its profits in 2015 alone were £11 billion, an increase of £1 billion in a year, based on revenues of more than £52 billion. *The Daily Mail* has reported that Google has more than 5,000 UK-based employees, which is about a 10th of its total worldwide workforce. That figure includes 279 of its European, middle eastern and African directors, compared with Dublin, where it has 79 such directors. As colleagues have said, Google is constructing a new headquarters worth £1 billion near King's Cross, in addition to its five other offices in the UK.

I do not want to get into a blame game. I want us to get the way we recover tax in this country right, but I believe that certain factors did not help to ensure focus on this growing problem. The public finances were healthy up to 2008. In the year before the crash, the Treasury netted nearly 30% of its corporate tax receipts just from financial services. That figure had fallen to about 17% by 2009. Also, at that time, the online giants of today were largely below the radar. Many floated before they had made a penny profit. Let us look at the corporate giants of today. Twitter, which floated in 2013, was valued at \$18 billion on the day of its flotation yet it had never made a profit up to that point and did not do so for another year or more. Likewise, when Google first floated in 2004, its valuation was \$23 billion but it was not turning the kind of profits that we are talking about today. Google's circumstances are somewhat different today, yet after six years and with all the benefits of hindsight, this Government have achieved a payment of only £130 million, and we do not know how much of that is interest or penalties. We have to do more on this.

We can add other household names to the list of companies that paid no corporation tax in 2014: Shell, Lloyds Banking Group, AstraZeneca, SAB Miller, Vodafone

and British American Tobacco. Those six companies made a combined profit of £30 billion in 2014, yet they are notionally making no money in the UK.

**Anna Turley:** Does my right hon. Friend agree that initiatives such as the Fair Tax Mark, which is a bit like the fair trade stamp, should encourage more companies to demonstrate publicly their tax liabilities and responsibilities, and that they should consider it a badge of pride that they are paying their full tax?

**Caroline Flint:** Absolutely. I think that there is cross-party support for more transparency.

Given that Google, HMRC and the Chancellor were quick to publicise the outcome of their negotiations, surely they should be open about how they arrived at the figure of £130 million. We need to know what sort of benchmark this is setting not only for Google but for other companies as well. The Government make the rules and HMRC enforces them, and it is about time that we had more openness. To be honest, if I worked for Google and I were advising it, I would say, "Volunteer to give the information, because this situation is not doing your company any good whatsoever." This is important not only to reassure public opinion but to restore the confidence of those UK-based businesses that have much lower revenues than these giant corporations yet pay considerably more tax, including 20% corporation tax.

We cannot content ourselves with companies appearing to decide whether or not to pay any tax, as though it were discretionary or some kind of charitable payment to the UK. If the broadest shoulders are to bear their share of the burden for funding public services and our pension system, I am afraid that the Government will have to raise their game. We will support the Government on that. Our Labour motion might not receive a majority in the vote today, but this problem will not go away. I, for one, am looking forward to next week when, as a member of the Public Accounts Committee, I shall hear directly from Google and HMRC about what they have to say.

4.19 pm

**Chris Philp** (Croydon South) (Con): In preparing for this debate, I was keen to see some facts about the Government's record, so I turned to a study published by the Oxford University Centre for Business Taxation, probably the most academically reputable institution in the area of corporation tax. The report it published in February of last year identifies 42 separate measures that the Government have taken since 2010 to clamp down on corporation tax avoidance and evasion. They are forecast to raise £34 billion. I strongly welcome the measures that the Financial Secretary and his colleagues have taken in this area, which include the diverted profits tax and the general anti-abuse rule. The Government have also increased capital gains tax from 18% to 26%, dealing with a loophole that was being widely exploited by some hedge funds to end up paying rates of tax below that of their cleaners. The Government's record in this area does bear scrutiny. Indeed, Richard Murphy, who describes himself as the "father of Corbynomics" declared himself pleased and surprised at the progress made in this area since 2010, which includes the BEPS initiative, which the UK Government have been strongly pushing.

I noted with interest that the shadow Chancellor did not repeat a claim he has made in the past about £93 billion of what he has called “corporate welfare”, implying that there is some sort of evasion or avoidance going on. Richard Murphy said yesterday, before the Treasury Committee, that he would question whether that figure was correct, as it includes things such as capital allowances, and research and development tax credits, which of course support companies that are investing in productivity, a topic that we all care about very much.

On Google, I said in an intervention that this Government have collected £130 million of tax more than the last Labour Government, who collected precisely zero. As such, we are talking about a welcome step in the right direction. The 3% tax rate has been mentioned but, as some Conservative Members have pointed out, such an analysis completely ignores the fact that Google’s staff headcount and intellectual property reside disproportionately in the United States. Were we to adopt the approach being suggested, UK companies, particularly those in the music, pharmaceutical and other industries, would suffer greatly.

That is not to say that there is not more that can be done—more can be done. I particularly suggest to the Financial Secretary that we should look carefully at how things such as transfer pricing rules are applied. Two or three years ago, Starbucks successfully levied a 6% brand fee from an offshore jurisdiction into the UK which almost completely extinguished its UK profits. Any brand levy that results in a zero profit is, almost by definition, too high, so I ask him to give guidance to HMRC on that topic, but I support the Government’s initiatives and hope they go further.

4.22 pm

**Wes Streeting** (Ilford North) (Lab): I am grateful for the opportunity to speak in this debate. As someone who represents a constituency containing thousands of business, of all shapes and sizes, many of which feed into the national supply chain, I wish to say at the outset that I am very proud of the role that not just my constituency, but this country plays, with many of our leading industries leading the way globally. I want this country to be a good place to do business and to set up a business, and to continue to lead the world with competitive tax rates.

This debate is actually about fairness and transparency. To follow up something that the hon. Member for Croydon South (Chris Philp) said, the fact is that the Minister could not tell us last week what effective tax rate Google would be paying. I can tell him what the effective tax rate is for businesses in my constituency—what rate of corporation tax they will be paying—so why is it so difficult for Google, a multinational giant, to be transparent with the public about the rate of tax it is paying?

**Mr Gauke:** Just to be clear, the statutory rate is 20% and that applies to everybody. There are businesses that will have a lower effective rate, entirely lawfully and in accordance with the spirit of the law, because, for example, they make use of capital allowances or they might have losses that they are making use of. Someone having an effective rate below the statutory rate does not mean that they are conducting avoidance activity.

**Wes Streeting:** That is a fair point, but of course many tax experts have estimated that Google is paying an effective tax rate of 3%. If that is not the case, we need to see the numbers that give us that assurance. We do not doubt the difficulties here. In an increasingly globalised world, where intellectual property and the growth of internet companies makes this more important in the debate about tax, these are difficult issues to grasp, but there is no hint of fairness or transparency about this deal, and that is what we are seeking with this debate.

We would have more confidence if there had been consistent messages on this issue from both the Government and Google. On 23 January, the Tory Treasury Twitter account—not the most accurate of sources—claimed that the

“Google tax bill is for years 2005-2011, almost all under Labour”.

Yet Google Ltd’s account for the period ended 30 June 2015 reported

“a liability to HMRC of £130 million in respect of additional taxes and interest due for prior accounting periods and the current accounting period.”

The Minister says that there has been no sweetheart deal, but, as I asked him earlier, how can he give us that assurance if he has not seen the deal and is as far removed from it as he says. The Chancellor said it was a “major success”. How can he laud it as a major success if he is not close enough to the deal? If it is such a major success, why did the Prime Minister in Downing Street run so far away from that claim? Why has the Financial Secretary to the Treasury not once in recent weeks stood by his Chancellor in saying that this deal is a major success? I believe that it is because he knows that it is nothing of the sort, and that this Government look deeply out of touch with the public.

Labour were accused of attacking HMRC staff. The fact is that HMRC has a responsibility to apply tax law. It has a duty to go for the full rate of tax due, but, as my right hon. Friend the Member for Barking (Dame Margaret Hodge) pointed out, it has not always applied that duty. I am sure that, following the work of the Treasury Committee and the Public Accounts Committee, we will find that the issue at HMRC is to do with resourcing and extra teams and whether there are the people and the capacity to pursue not just the current claims and outstanding tax, but the historical backlog that exists as well.

Also of concern is the fact that Google itself has made some rather odd claims. On the one hand, we see senior Google executives writing to the newspapers about how great the deal is and how they have stood by their obligations, while, on the other, they are committing to paying more tax in the future. What is the reality? Is it that Google is paying the tax liability that is due; that it has somehow got away with it and plans to pay more in the future; or that it sees tax as a means of charity towards the state and it is willing to prop up the Treasury coffers a bit more generously in the future? Whatever the reality, there is deep inconsistency in the messages from the Government and Google.

We should look at the comments recently made by the Mayor of London who went as far as to suggest that finance directors have a fiduciary duty to minimise tax exposure. That cannot possibly be the case. If the

[*Wes Streeting*]

Mayor of London looked at the duties under the Companies Act 2006, he would see that they also have to make reference to

“the likely consequences of any decisions in the long term...the company’s business relationships with suppliers, customers and others”—

and—

“the impact of the company’s operations on the community and the environment”.

There is a problem with the ethos of those on the Conservative Benches. Many of them see tax as a form of theft, whereas we see it as a civic responsibility and duty and as a means of creating a more civilised society. I want businesses in my constituency to pay their fair share of tax, and indeed they do. It is not unreasonable to expect a multinational company such as Google to do the same. The Government need to do much more to ensure that there is transparency for all such companies in all of the jurisdictions in which they operate.

4.28 pm

**Kevin Hollinrake** (Thirsk and Malton) (Con): First, let me draw the House’s attention to my entry in the Register of Members’ Financial Interests. A company in which I have an investment is, in a very small way, a competitor of Google’s. If it ever makes a profit, it will always pay—at least while I am involved—the correct rate of corporation tax, as most companies do. All of us on the Conservative Benches believe that that is absolutely right. None the less, this is a global problem.

In the 1960s, Zhou Enlai was asked about the consequences of the French revolution 200 years earlier, and he said that it was too early to tell. The same applies to globalisation. These are all global problems. In the US, the effective rate of corporation tax has halved in the past 60 years. Apple has £120 billion of assets invested offshore. It does not want to repatriate them as it will have to pay tax. The Opposition sound like a failed football manager turned TV pundit who lost all their games without scoring a goal and who now criticise the new manager for not winning by a big enough margin.

Of course, nobody on the Government Benches would countenance tax avoidance. The thin justification is that the arrangement is for shareholders. Only this week, James Anderson, a Google shareholder, said that Google should be paying the effective rate of corporation tax. That is absolutely right. Warren Buffett has gone on record many times saying that companies should pay the going rate of corporation tax. We need to look at the role of advisers. My experience in my business, when these things have come across our desk, is that such a policy has been rejected on the recommendation of tax advisers. Firms such as Ernst and Young, global corporations themselves, are responsible for much of that activity. I wonder whether they have public sector contracts and whether such organisations should be allowed access to public contracts in the light of those activities.

My hon. Friend the Member for Mid Worcestershire (Nigel Huddleston) asked what we would be saying if we were the parents of Google. If I were the parent of

Sergey Brin, I would say, “Pay your taxes.” The company talks about values. It cannot talk about integrity and not pay its fair share of taxes.

Perhaps we should give companies that do pay their taxes greater prominence and recognition through some kind of kitemark for paying fair levels of tax. Overall, we must rely on the integrity of companies to pay their taxes where they have built their businesses—on the back of British people.

4.31 pm

**Helen Goodman** (Bishop Auckland) (Lab): I am pleased to have the opportunity to take part in this extremely important debate. Clearly, a number of things have gone wrong in the case of Google, but I shall focus on one aspect: the tax treatment of intellectual property. This is a growing part of the economy and we need to get it right.

I draw a distinction between two extremes—on the one hand, a large pharmaceutical company that does a great deal of research and development and employs a large number of people to make a new drug, and, on the other, a company such as Starbucks, which registers its name in Luxembourg, seemingly purely as a tax avoidance device. Between those extremes there is a continuum and Google is somewhere in the middle. It has done some mathematics to make some algorithms, but it also has a brand that is extremely powerful. We need to tighten up on this.

What happens at present is that a name is registered in a low tax domain. That separate company charges a fee to this country, where the work is done. That wipes out the entire tax treatment. That is ridiculous. One thing that is wrong is that the company seems to be able to set the price itself. The Revenue is not auditing it and asking whether that is reasonable. Obviously, maintaining a brand involves some costs, but small costs—perhaps to repaint some signs or to train its marketing people. Those costs cannot be compared to the cost of research and development.

**Tom Tugendhat** (Tonbridge and Malling) (Con): Does the hon. Lady understand that an awful lot of the cost could be in intellectual property and in ideas held by people overseas? That is not necessarily as cheap as a lick of paint, as she suggests.

**Helen Goodman**: I was trying to distinguish between real intellectual property and intellectual property that is purely branding. Take the example of the BBC, which sells television programmes. The BBC can get more money for its television programmes than a small television production company, partly because it is called the BBC, even though the actual costs of making the television programme are the same.

The question we have to ask ourselves is whether, because of the high value of the brand, the company should pay less tax. I submit that that is a fundamental mistake, because the brand is an asset. What the company is getting in that situation is economic rent. The fact that it has a valuable asset is not a reason for it to pay less tax. That is absurd. If a company invests in a piece of machinery and makes a claim against its capital allowance, over time the amount that it can claim against tax decreases as it moves from the point at

which the investment was made. In cases where the brand is the asset, companies are claiming more over time as they are selling more. I think that is an area where we could very usefully tighten up.

Perhaps this area of tax would be better handled if we had a few more economists looking at the underlying economics and fewer accountants, who seem very comfortable with the way the system works but are not driven by the desire that the rest of us have to make sure that these people pay their fair share.

4.35 pm

**Chris Stephens** (Glasgow South West) (SNP): Let me first declare that this morning I was elected chair of the all-party Public and Commercial Services Union group, succeeding the shadow Chancellor, who of course will be a hard act to follow. I will be referring to HMRC staff.

Such is the widespread scepticism and lack of public confidence following this deal that the term “to google it” now has a new meaning on the streets of the UK. No longer does it mean logging on to a computer and exploring a search engine; “to google it” now means something else. When members of the public grab their self-assessment forms, they might ask themselves, “Should I google it?”

The Minister had four opportunities—four tests, in my view—to address that widespread scepticism and lack of public confidence. The issue is about the messages that this sends. First, there was no real answer on what methodology was used to make the calculation. More worryingly, although the Minister praised HMRC staff, he did not address why 120 compulsory redundancies were issued to HMRC staff on 28 January. Worse still, there has been no explanation for why the chief executive of HMRC has refused to meet the PCS to try to help mitigate those job losses. That is a message that will be sent to multinational companies. They will wonder why HMRC offices are closing in towns, in many of which it is the largest employer, and why there are staff reductions. They will wonder whether the UK Government are serious about dealing with tax avoidance and tax evasion.

**John Mc Nally** (Falkirk) (SNP): Does my hon. Friend agree that taxes are the price we pay for a civilised society and that these multinational companies should be paying their taxes willingly?

**Chris Stephens**: I agree. In such debates we usually hear Government Members praise the self-appointed TaxPayers’ Alliance. Interestingly, it has not been mentioned today. I agree that taxes are the price we pay for a civilised society.

We heard nothing from the Minister about a financial transactions tax. I support such a tax, particularly a global financial transactions tax, which could bring in £250 billion for national Governments. Surely the UK Government could take a lead in introducing such a tax.

The Minister made no mention of tax havens in UK overseas territories such as the Cayman Islands, which my hon. Friend the Member for Kirkcaldy and Cowdenbeath (Roger Mullin) mentioned. Research by the Tax Justice Network rates the Cayman Islands as the second most significant tax haven in the world. Of

the 279 banks registered there, only 19 are licensed to operate domestically; the other 260 are there to shuffle money from country to country. The Cayman Islands have a population of 56,000, but there are 100,000 registered companies. My hon. Friend mentioned Uglah house. As President Obama has said:

“That’s either the biggest building or the biggest tax scam on record.”

I believe it is the latter. Where is the action to tackle this? The Government made no mention of that. The Tax Justice Network has said that the UK and its dependent territories and Crown dependencies remain “by far the most important part of the global offshore system of tax havens and secrecy jurisdictions”.

The fact is that the widespread scepticism means that the public have no confidence in the Government’s handling of this affair or in their ability to deal with tax avoidance and tax evasion. That is why I will be supporting the motion today.

4.39 pm

**Peter Grant** (Glenrothes) (SNP): First, I apologise to the shadow Chancellor for missing the first 60 seconds or so of his speech.

It has been suggested that we are criticising the team manager for not winning by a big enough margin. If this was such an important victory, why is the team manager refusing all interviews, choosing instead to send the reserve team goalkeeper—not to do interviews about the game, but to talk about everything and anything apart from the great victory?

The Government have tabled an amendment that is four times as long as the motion they seek to amend, and it does not mention Google or the £130 million great victory anywhere. It is a strange victory indeed if the Government are trying to hide it under the biggest, deepest, darkest bushel they can find. It is to the Government’s eternal shame, and it exposes Parliament to ridicule and brings it into disrepute, that every time over the last week that Opposition Members—not only from Labour, but from other Opposition parties as well—have asked for a justification for this deal, every Minister has answered by batting the issue across to the Labour Benches, like the most expensive ping-pong ball in the history of sport.

I commend the shadow Chancellor for being prepared to acknowledge that the previous Labour Government’s actions might not stand up to much scrutiny on this issue. Labour’s downfall started when it got far too cosy with the big, anonymous multinational institutions. I suspect that quite a few people on the Labour Benches today would accept that with hindsight.

If all that the Government can say to defend their actions is that the previous Government were even worse, that sends the message to the people of these islands that the actions of both Governments are indefensible. A Government who try to defend the indefensible by saying that somebody else was more indefensible really are not delivering much for the people of these islands.

If we are to believe the selective information that Google has put out about how productive its 2,300 employees have been, the equivalent, taking a generous Back-Bench MP’s salary, would be for each of us to deliver less than 25p value added per year for each of

[Peter Grant]

our constituents. I doubt whether any of us would fancy the next election if that was all that we were delivering. It simply is not credible for a major successful multinational business to suggest that it employs so many people to deliver so little profit for its shareholders.

This is not just about the technicalities of what is admittedly very complex legislation; it is about Parliament holding HMRC and Google to account and about allowing the public to hold us to account. The clear message coming from the overwhelming majority of the 60 million-plus people represented in this Chamber today is that this Google deal stinks. It cannot possibly be justified, and it is interesting that the Government are not even attempting to defend it in the amendment.

4.42 pm

**Marie Rimmer** (St Helens South and Whiston) (Lab): The subject of tax avoidance and tax evasion is of real relevance to my constituents, for whom paying tax is not negotiable—unlike, it seems, for large corporations such as Google.

The rationale for public service cuts has been based on the notion that we, as a country, cannot afford to pay for public services in the way we have done—that we cannot afford to meet the basic needs of our citizens because of the debts facing the country.

It is important to note that the Government have been in office for nearly six years. During that time, the Chancellor and the Prime Minister have been able to take action on these issues. The limited progress that the Government have made is welcome, but the Google deal flies in the face of it. Their attempts to blame the previous Labour Government every time their record is questioned is wearing thin—even with their own supporters.

Issues of taxation and who pays are all the more pertinent when the Conservatives' political choices mean that jobs are being lost and services closed, and that people are suffering as a result. The cuts agenda the Government have embarked on over the past 69 months has hit my constituents extremely hard. The cumulative cuts that the St Helens and Knowsley councils, which cover my constituency, have faced since the Government took office add up to a staggering £168 million. The £94 million cut from Knowsley's budget is the highest of any council in the country, despite the area having some of the highest levels of deprivation and lowest incomes. That has meant unavoidable, savage cuts to services across the board, and that is clear to everyone in my constituency. However, the detail of why Google is paying only £130 million in tax is still shrouded in secrecy.

This is about a choice as to who pays what. The Government have made very clear who has no option but to pay and for whom the issue is negotiable. Local government is now meant to self-finance, with the phasing out of the block grant, and authorities are meant to generate business activity to get tax from it. So who is paying while Google does not? Many small, and large, businesses in my constituency pay their tax—they have no choice. The nature of their business means that they cannot physically move premises like some other businesses. They have no option to relocate their profits to other countries, as is convenient for others. If the Chancellor

wishes local authorities to generate more of their own finances for themselves and rely less on central Government, how can he justify businesses that make a large contribution to local economies and which pay their taxes locally subsidising, in effect, the likes of Google and other multinationals?

4.45 pm

**Seema Malhotra** (Feltham and Heston) (Lab/Co-op): I thank all right hon. and hon. Members who have made such excellent contributions to this debate, including my right hon. Friend the Member for Barking (Dame Margaret Hodge), who said that the Government have lost the argument on transparency. Other Members raised important issues about how we now seem to have one tax rule for large companies—multinationals—but another for small businesses in our country. We heard about the use of tax havens, transfer pricing, and the fact that the Tories cannot claim that they have continued Labour's progress on this issue. I pay tribute to the work of those who have campaigned for tax justice, including Richard Murphy, Christian Aid and others, as well as the Co-operative movement, with its campaign for a fair tax mark that includes country-by-country reporting.

Over the past week, the Google tax settlement issue has shocked us all. The Chancellor cut a lonely figure when he tweeted that that tax deal was a "victory". The tweet had scarcely had a chance of a retweet before Downing Street distanced itself and MPs in all parts of this House called the deal derisory. Questions then came thick and fast about how we could have reached a settlement that effectively implied a 3% tax rate. It was the moment when, as one journalist wrote,

"Google lost the argument in the court of public opinion."

Yes, there is a lot to admire about Google. Millions rely on the access to knowledge and information that the Google search engine helps to put at our fingertips, and innovative products pushing at the frontier of our digital age have transformed our personal and working lives. However, we cannot tolerate this huge global business not playing fair when it comes to tax. We now know for a fact that Google has been short-changing us for more than a decade. Whatever else it has done, this settlement proves that fact.

The deal has left a series of questions in its wake. Do we know whether Google is paying its fair share of taxes, as it tells us? We do not know, because the deal is shrouded in secrecy, but there is lots to suggest that it is not. Only this week, we heard that Google's parent company, Alphabet, is now the world's most valuable company, with a valuation of \$568 billion. In just four years, Google paid its chairman a total of £166 million—more than it paid in UK taxes for 10 years.

We support and celebrate success, but this is an issue of fairness. Many are therefore asking a second question—after his tweet, can we trust the judgment of the Chancellor on this issue? Can we trust the judgment of a man who describes what is effectively a 3% tax rate for the world's most valuable company as a "victory"? In 2014 alone, Google UK made an estimated £1 billion profit; 20% tax on that alone would have been £200 million, enough for 4,000 police officers. Fairness in the tax system is important for us all, and this is not a victim-free zone. When global companies such as Google do not pay their fair share, businesses and families in the UK take a hit. We have all heard from businesses in our constituencies that



wonder why there is one rule for large multinationals and another for them. British families lose out, too, because uncollected taxes mean revenue forgone, with bigger cuts to public services and lower levels of investment when we need it the most.

There is another reason for questioning the Chancellor's judgment. How can people trust the judgment of a man who thinks it is right to undermine and demoralise his tax-collecting agency? It is a classic example of a false economy—short-term cuts that have long-term costs. Why has the inquiry, which was set up under the Labour Government in 2009, taken more than six years? Nobody knows, seemingly not even the Chancellor. If ever a situation showed a lack of political will, it is this one.

People's trust in the Chancellor and in the fairness of the tax system has been undermined further by two recent reports. The Chancellor and 16 different Tory Ministers have had face-to-face talks with Google bosses over the last two years, but did any of them raise the issue of the company's tax structures? Perhaps the Minister can tell us today.

People feel a growing sense of huge injustice when large multinationals can shift their profits so easily and avoid the taxes that they should be paying. Now we find out that, only last year, Tory MEPs were instructed on six occasions to vote against proposals to clamp down on multinationals that engage in aggressive tax avoidance. In addition, they have voted repeatedly against measures to tackle tax evasion.

The Chancellor has even failed to apply his Google tax to Google. Perhaps he can tell us whether the Google tax—the diverted profits tax—would have applied if a deal had not been reached. Things need to change, and we believe that the Chancellor has a duty to take steps to restore public confidence in how HMRC operates in cases such as this. He must now address widespread concerns about the lack of transparency surrounding the deal and show us how the deal was reached so that it can be scrutinised by Parliament and the public. Few can understand how HMRC accepted at face value Google UK's claim that it, a company with more than 2,000 UK employees, does not have a permanent establishment in the country for corporation tax purposes.

Since last week, we have seen this deal unravel. Every step of the way, the Chancellor's failure of judgment has been apparent. It is not the first time that the Chancellor has failed to stand up for people in Britain. He is hurting, not helping, British businesses and families. We need renewed focus and action on tax avoidance and tax evasion, and a real plan to close the UK tax gap. That is what Britain deserves and the British people expect. We need a plan that puts transparency and fairness first—a plan through which we work to reach international agreement on country-by-country reporting and drive forward its implementation. The deal, and the way in which it came about, must not be allowed to set a precedent. If the Chancellor will not act, Labour stands ready. I urge all hon. Members to vote with us in the Aye Lobby.

4.53 pm

**The Exchequer Secretary to the Treasury (Damian Hinds):** The budget deficit that we inherited from the previous Labour Government was £153 billion. That is equivalent to nearly £6,000 for every household in the country. When a Government inherit such a deficit, one

of the first things that they go after is the money that is supposed to be coming in, but is not. As my hon. Friend the Financial Secretary set out comprehensively at the start of the debate, no Government have done more than we have to crack down on tax evasion and aggressive tax avoidance.

The Government crackdown, led by my right hon. Friends the Prime Minister and the Chancellor, has resulted in more than 40 changes to tax law to close loopholes that Labour left in place. Among those changes was the world-leading diverted profits tax, which stops multinational companies shifting their UK profits to other countries. That policy alone will bring in an extra £1.3 billion from multinational corporations by the end of the Parliament, some directly but some, more importantly, as a result of its deterrent behavioural impact. I believe that the Government can be proud of that record, but we need to continue to do more and we are doing so. Tax avoidance is a global problem and it calls for global solutions.

To be clear, corporation tax is not a tax on the sales that happen in this country, or even a tax on the profits that derive from the sales that happen in this country. The system that operates internationally is that profits should be allocated on the basis of what is called "economic activity" in each country. Economic activity is not just about sales, but about where research and development takes place, where the various stages of production take place and so on. In short, that was a simpler formula to work out in the 1920s, when the world tax system came into being, as the hon. Member for Kirkcaldy and Cowdenbeath (Roger Mullin), in his entertaining style, reminded us. Since then, there has been a move from manufactures to services, from the tangible to the intangible, and from the mechanical and the edible to the digital.

This Government have embarked on a programme to tighten the rules and the definitions. Domestically, we have acted to prevent companies trying to take advantage of ambiguities. Internationally, we are working to plug gaps and address loopholes.

**Helen Goodman:** Will the Minister give way?

**Damian Hinds:** I cannot give way because of the time. I apologise to the hon. Lady.

The Institute for Fiscal Studies has said that there is "literally nothing" that any one national Government can do unilaterally about some of the loopholes. That is why we are working together with our international partners. We led the debate on updating the international tax rules by initiating the G20-OECD base erosion and profit shifting projects during our presidency of the G8. We were the first country to take action to implement the G20-OECD recommendations to help us better to align the location of taxable profits with the location of economic activity. As part of the implementation of the recommendations, the UK last week signed an agreement with 30 other tax administrations to share country-by-country reports from next year. We now want agreements on making information public, as was spelled out in our manifesto. We will continue to lead any multilateral debates in this area.

We know that to achieve sustainable and long-term economic growth, to drive up productivity and to carry on creating jobs we need internationally competitive

[Damian Hinds]

taxes. We are clear, however, that those taxes must be paid. In 2009-10, the tax gap—the difference between tax liabilities and the amount of tax collected—was 7.3%; last year, it had fallen to 6.4%. Over the last Parliament, HMRC secured more than £100 billion in compliance revenues. In the spending review, the Chancellor approved an additional £800 million of funding for HMRC to recover an additional £7.2 billion of taxes, which is a great deal for the British taxpayer.

Let me be clear: HMRC investigates tax impartially. No organisation or individual gets preferential treatment because of their size or because of their income. Let me remind hon. Members, including the right hon. Member for Barking (Dame Margaret Hodge), that during the tenure of the Labour party in government, the House of Commons reaffirmed and enshrined in law the long-standing principle of confidentiality through the Commissioners for Revenue and Customs Act 2005. The principle of taxpayer confidentiality means that HMRC cannot publish details of a settlement. That is a fundamental principle of the tax system of every major economy, including ours: there is no ministerial involvement in this country. The hon. Member for Ilford North (Wes Streeting) asked how we can know that there has not been a sweetheart deal. HMRC publishes online its litigation and settlement strategy, which makes it clear that the department cannot and will not settle for anything less than the full tax, interest and penalties payable under the law.

My time is very short, but I want to respond briefly to a couple of points made in the debate. The hon. Member for Glasgow South West (Chris Stephens) secured a debate in this place on the HMRC office estate. As he knows, the plan is to concentrate expertise in a number of regional centres, which will make interaction between the areas of expertise more straightforward and, indeed, improve career opportunities for many people. The number of HMRC staff dealing with large businesses is not going down; it is going up in line with the increased investment that, as I have mentioned, the Chancellor has committed to tackling evasion and avoidance.

The hon. Member for Wythenshawe and Sale East (Mike Kane) talked, rightly, about developing countries. It is right that we give extra support to countries that need it. In 2015-16, HMRC established a new tax experts team to support a number of developing countries. I would be happy to take him through more of the detail of that if we had the time.

We had excellent and informative speeches from, among others, my hon. Friends the Members for Sherwood (Mark Spencer), for Mid Worcestershire (Nigel Huddleston), for Norwich North (Chloe Smith), for South Norfolk (Mr Bacon) and for Thirsk and Malton (Kevin Hollinrake). My hon. Friends the Members for Spelthorne (Kwasi Kwarteng) and for Croydon South (Chris Philp) reminded us of the record of the last Labour Government, but I fear that the Opposition's current plans are much worse. They claim that they want to make businesses pay more tax in the UK, but in truth their policies would drive companies away from this country, which would mean fewer jobs, lower wages and a weaker economy. This week, we have learned that they want to put taxes up not just for businesses, but for working people.

To achieve long-term economic growth, we need internationally competitive taxes, but our message has been clear: "If you operate in the UK, you pay tax in the UK, and whoever you are, the same UK law applies." We will continue to strengthen the law, to close the loopholes and to invest in HMRC's capacity through additional funding and extra powers. We will continue to lead the world in the fight against international tax avoidance to ensure that the UK has an internationally competitive but fair tax regime. I urge hon. Members to support the amendment and to reject the motion.

*Question put (Standing Order No. 31(2)), That the original words stand part of the Question.*

*The House divided: Ayes 271, Noes 299.*

**Division No. 184]**

**[5 pm**

**AYES**

Abbott, Ms Diane	Creagh, Mary
Abrahams, Debbie	Creasy, Stella
Ahmed-Sheikh, Ms Tasmina	Cruddas, Jon
Alexander, Heidi	Cryer, John
Ali, Rushanara	Cummins, Judith
Allen, Mr Graham	Cunningham, Alex
Anderson, Mr David	Cunningham, Mr Jim
Arkless, Richard	Dakin, Nic
Austin, Ian	Danczuk, Simon
Bailey, Mr Adrian	David, Wayne
Bardell, Hannah	Davies, Geraint
Barron, rh Kevin	Day, Martyn
Beckett, rh Margaret	Docherty, Martin John
Benn, rh Hilary	Dodds, rh Mr Nigel
Berger, Luciana	Donaldson, rh Mr Jeffrey M.
Betts, Mr Clive	Donaldson, Stuart Blair
Black, Mhairi	Doughty, Stephen
Blackford, Ian	Dowd, Jim
Blackman, Kirsty	Dowd, Peter
Blenkinsop, Tom	Dromey, Jack
Blomfield, Paul	Dugher, Michael
Boswell, Philip	Durkan, Mark
Bradshaw, rh Mr Ben	Eagle, Ms Angela
Brake, rh Tom	Eagle, Maria
Brennan, Kevin	Edwards, Jonathan
Brock, Deidre	Efford, Clive
Brown, Alan	Elliott, Julie
Brown, Lyn	Elliott, Tom
Brown, rh Mr Nicholas	Ellman, Mrs Louise
Bryant, Chris	Evans, Chris
Buck, Ms Karen	Farrelly, Paul
Burgon, Richard	Fellows, Marion
Butler, Dawn	Ferrier, Margaret
Byrne, rh Liam	Field, rh Frank
Cadbury, Ruth	Fitzpatrick, Jim
Cameron, Dr Lisa	Fletcher, Colleen
Campbell, rh Mr Alan	Flint, rh Caroline
Campbell, Mr Ronnie	Flynn, Paul
Carmichael, rh Mr Alistair	Fovargue, Yvonne
Carswell, Mr Douglas	Gardiner, Barry
Cherry, Joanna	Gethins, Stephen
Clegg, rh Mr Nick	Gibson, Patricia
Coffey, Ann	Glass, Pat
Cooper, Julie	Glendon, Mary
Cooper, Rosie	Goodman, Helen
Cooper, rh Yvette	Grady, Patrick
Corbyn, rh Jeremy	Grant, Peter
Cowan, Ronnie	Gray, Neil
Cox, Jo	Green, Kate
Coyle, Neil	Greenwood, Lilian
Crausby, Mr David	
Crawley, Angela	

Greenwood, Margaret  
Griffith, Nia  
Gwynne, Andrew  
Haigh, Louise  
Hamilton, Fabian  
Hanson, rh Mr David  
Harman, rh Ms Harriet  
Harris, Carolyn  
Hayes, Helen  
Hendrick, Mr Mark  
Hendry, Drew  
Hepburn, Mr Stephen  
Hillier, Meg  
Hodge, rh Dame Margaret  
Hodgson, Mrs Sharon  
Hollern, Kate  
Hopkins, Kelvin  
Hosie, Stewart  
Howarth, rh Mr George  
Hunt, Tristram  
Huq, Dr Rupa  
Hussain, Imran  
Irranca-Davies, Huw  
Jarvis, Dan  
Johnson, Diana  
Jones, Gerald  
Jones, Mr Kevan  
Jones, Susan Elan  
Kane, Mike  
Kaufman, rh Sir Gerald  
Keeley, Barbara  
Kendall, Liz  
Kerevan, George  
Kerr, Calum  
Kinahan, Danny  
Kinnock, Stephen  
Lammy, rh Mr David  
Lavery, Ian  
Law, Chris  
Leslie, Chris  
Lewell-Buck, Mrs Emma  
Lewis, Clive  
Lewis, Mr Ivan  
Long Bailey, Rebecca  
Lucas, Caroline  
Lucas, Ian C.  
Lynch, Holly  
Mactaggart, rh Fiona  
Madders, Justin  
Mahmood, Mr Khalid  
Mahmood, Shabana  
Malhotra, Seema  
Mann, John  
Marris, Rob  
Marsden, Mr Gordon  
Maskell, Rachael  
Matheson, Christian  
Mc Nally, John  
McCabe, Steve  
McCaig, Callum  
McCarthy, Kerry  
McDonagh, Siobhain  
McDonald, Andy  
McDonald, Stewart Malcolm  
McDonald, Stuart C.  
McDonnell, Dr Alasdair  
McDonnell, John  
McFadden, rh Mr Pat  
McGarry, Natalie  
McGinn, Conor  
McGovern, Alison

McInnes, Liz  
McKinnell, Catherine  
McLaughlin, Anne  
McMahon, Jim  
Meale, Sir Alan  
Mearns, Ian  
Miliband, rh Edward  
Monaghan, Carol  
Monaghan, Dr Paul  
Morden, Jessica  
Morris, Grahame M.  
Mulholland, Greg  
Mullin, Roger  
Murray, Ian  
Nandy, Lisa  
Newlands, Gavin  
Nicolson, John  
O'Hara, Brendan  
Onn, Melanie  
Onwurah, Chi  
Osamor, Kate  
Oswald, Kirsten  
Paterson, Steven  
Pennycook, Matthew  
Perkins, Toby  
Phillips, Jess  
Pound, Stephen  
Powell, Lucy  
Pugh, John  
Rayner, Angela  
Reed, Mr Steve  
Rees, Christina  
Reeves, Rachel  
Reynolds, Jonathan  
Rimmer, Marie  
Ritchie, Ms Margaret  
Robertson, rh Angus  
Robinson, Mr Geoffrey  
Rotheram, Steve  
Ryan, rh Joan  
Saville Roberts, Liz  
Shah, Naz  
Shannon, Jim  
Sharma, Mr Virendra  
Sheerman, Mr Barry  
Sheppard, Tommy  
Sherriff, Paula  
Shuker, Mr Gavin  
Siddiq, Tulip  
Simpson, David  
Skinner, Mr Dennis  
Slaughter, Andy  
Smeeth, Ruth  
Smith, rh Mr Andrew  
Smith, Angela  
Smith, Cat  
Smith, Jeff  
Smith, Nick  
Smith, Owen  
Smyth, Karin  
Spellar, rh Mr John  
Starmer, Keir  
Stephens, Chris  
Stevens, Jo  
Streeting, Wes  
Stringer, Graham  
Stuart, rh Ms Gisela  
Tami, Mark  
Thewliss, Alison  
Thomas, Mr Gareth  
Thomas-Symonds, Nick

Thompson, Owen  
Thomson, Michelle  
Thornberry, Emily  
Timms, rh Stephen  
Turley, Anna  
Turner, Karl  
Twigg, Derek  
Twigg, Stephen  
Umunna, Mr Chuka  
Vaz, rh Keith  
Vaz, Valerie  
Watson, Mr Tom  
Weir, Mike  
Whiteford, Dr Eilidh  
Whitehead, Dr Alan  
Whitford, Dr Philippa

Williams, Hywel  
Williams, Mr Mark  
Wilson, Corri  
Wilson, Phil  
Wilson, Sammy  
Winnick, Mr David  
Winterton, rh Dame Rosie  
Wishart, Pete  
Woodcock, John  
Wright, Mr Iain  
Zeichner, Daniel

**Tellers for the Ayes:**  
**Vicky Foxcroft and**  
**Sue Hayman**

#### NOES

Adams, Nigel  
Afriyie, Adam  
Aldous, Peter  
Allan, Lucy  
Allen, Heidi  
Amess, Sir David  
Andrew, Stuart  
Ansell, Caroline  
Argar, Edward  
Atkins, Victoria  
Bacon, Mr Richard  
Baker, Mr Steve  
Baldwin, Harriett  
Barclay, Stephen  
Baron, Mr John  
Barwell, Gavin  
Bebb, Guto  
Bellingham, Sir Henry  
Beresford, Sir Paul  
Berry, Jake  
Berry, James  
Bingham, Andrew  
Blackman, Bob  
Boles, Nick  
Bone, Mr Peter  
Borwick, Victoria  
Bottomley, Sir Peter  
Bradley, Karen  
Brady, Mr Graham  
Brazier, Mr Julian  
Bridgen, Andrew  
Brine, Steve  
Bruce, Fiona  
Buckland, Robert  
Burns, Conor  
Burns, rh Sir Simon  
Burrowes, Mr David  
Burt, rh Alistair  
Cairns, Alun  
Carmichael, Neil  
Cartlidge, James  
Cash, Sir William  
Caulfield, Maria  
Chalk, Alex  
Chishti, Rehman  
Chope, Mr Christopher  
Churchill, Jo  
Clark, rh Greg  
Clarke, rh Mr Kenneth  
Cleverly, James  
Clifton-Brown, Geoffrey  
Coffey, Dr Thérèse  
Collins, Damian  
Colville, Oliver  
Costa, Alberto  
Cox, Mr Geoffrey  
Crabb, rh Stephen  
Davies, Byron  
Davies, Chris  
Davies, David T. C.  
Davies, Glyn  
Davies, Dr James  
Davies, Mims  
Davies, Philip  
Davis, rh Mr David  
Dinenage, Caroline  
Djanogly, Mr Jonathan  
Donelan, Michelle  
Double, Steve  
Dowden, Oliver  
Drax, Richard  
Drummond, Mrs Flick  
Duddridge, James  
Duncan, rh Sir Alan  
Duncan Smith, rh Mr Iain  
Dunne, Mr Philip  
Ellis, Michael  
Ellison, Jane  
Elphicke, Charlie  
Eustice, George  
Evans, Graham  
Evans, Mr Nigel  
Evennett, rh Mr David  
Fabricant, Michael  
Fallon, rh Michael  
Fernandes, Suella  
Field, rh Mark  
Foster, Kevin  
Fox, rh Dr Liam  
Frazer, Lucy  
Freeman, George  
Freer, Mike  
Fuller, Richard  
Fysh, Marcus  
Gale, Sir Roger  
Garnier, rh Sir Edward  
Garnier, Mark  
Gauke, Mr David  
Ghani, Nusrat  
Gibb, Mr Nick  
Gillan, rh Mrs Cheryl  
Goodwill, Mr Robert  
Gove, rh Michael  
Graham, Richard  
Grant, Mrs Helen

Grayling, rh Chris  
Green, Chris  
Green, rh Damian  
Grieve, rh Mr Dominic  
Griffiths, Andrew  
Gummer, Ben  
Gyimah, Mr Sam  
Halfon, rh Robert  
Hall, Luke  
Hammond, Stephen  
Hands, rh Greg  
Harrington, Richard  
Harris, Rebecca  
Hart, Simon  
Haselhurst, rh Sir Alan  
Hayes, rh Mr John  
Heald, Sir Oliver  
Heaton-Harris, Chris  
Heaton-Jones, Peter  
Henderson, Gordon  
Herbert, rh Nick  
Hinds, Damian  
Hoare, Simon  
Hollingbery, George  
Hollinrake, Kevin  
Hollobone, Mr Philip  
Holloway, Mr Adam  
Hopkins, Kris  
Howarth, Sir Gerald  
Howell, John  
Howlett, Ben  
Huddleston, Nigel  
Hunt, rh Mr Jeremy  
Hurd, Mr Nick  
Jackson, Mr Stewart  
James, Margot  
Javid, rh Sajid  
Jayawardena, Mr Ranil  
Jenkyns, Andrea  
Jenrick, Robert  
Johnson, Boris  
Johnson, Gareth  
Johnson, Joseph  
Jones, Andrew  
Jones, rh Mr David  
Jones, Mr Marcus  
Kawczynski, Daniel  
Kennedy, Seema  
Knight, rh Sir Greg  
Knight, Julian  
Kwarteng, Kwasi  
Lancaster, Mark  
Latham, Pauline  
Leadsom, Andrea  
Lefroy, Jeremy  
Leigh, Sir Edward  
Leslie, Charlotte  
Letwin, rh Mr Oliver  
Lewis, Brandon  
Lewis, rh Dr Julian  
Liddell-Grainger, Mr Ian  
Lidington, rh Mr David  
Lopresti, Jack  
Lord, Jonathan  
Loughton, Tim  
Lumley, Karen  
Mackinlay, Craig  
Mackintosh, David  
Main, Mrs Anne  
Mak, Mr Alan  
Malthouse, Kit  
Mann, Scott

Mathias, Dr Tania  
May, rh Mrs Theresa  
Maynard, Paul  
McCartney, Jason  
McCartney, Karl  
McLoughlin, rh Mr Patrick  
McPartland, Stephen  
Menzies, Mark  
Mercer, Johnny  
Metcalfe, Stephen  
Miller, rh Mrs Maria  
Milling, Amanda  
Mills, Nigel  
Milton, rh Anne  
Mitchell, rh Mr Andrew  
Mordaunt, Penny  
Morgan, rh Nicky  
Morris, Anne Marie  
Morris, David  
Morris, James  
Morton, Wendy  
Mowat, David  
Mundell, rh David  
Murray, Mrs Sheryll  
Murrison, Dr Andrew  
Neill, Robert  
Newton, Sarah  
Nokes, Caroline  
Norman, Jesse  
Nuttall, Mr David  
Offord, Dr Matthew  
Opperman, Guy  
Parish, Neil  
Patel, rh Priti  
Pawsey, Mark  
Penning, rh Mike  
Penrose, John  
Percy, Andrew  
Perry, Claire  
Phillips, Stephen  
Philp, Chris  
Pickles, rh Sir Eric  
Pincher, Christopher  
Prentis, Victoria  
Prisk, Mr Mark  
Pritchard, Mark  
Pursglove, Tom  
Quin, Jeremy  
Quince, Will  
Raab, Mr Dominic  
Redwood, rh John  
Rees-Mogg, Mr Jacob  
Robertson, Mr Laurence  
Robinson, Mary  
Rosindell, Andrew  
Rudd, rh Amber  
Rutley, David  
Sandbach, Antoinette  
Scully, Paul  
Selous, Andrew  
Shapps, rh Grant  
Sharma, Alok  
Shelbrooke, Alec  
Simpson, rh Mr Keith  
Skidmore, Chris  
Smith, Chloe  
Smith, Henry  
Smith, Julian  
Smith, Royston  
Solloway, Amanda  
Soubry, rh Anna  
Spelman, rh Mrs Caroline

Spencer, Mark  
Stephenson, Andrew  
Stevenson, John  
Stewart, Iain  
Stewart, Rory  
Streeter, Mr Gary  
Stride, Mel  
Stuart, Graham  
Sturdy, Julian  
Sunak, Rishi  
Swayne, rh Mr Desmond  
Swire, rh Mr Hugo  
Syms, Mr Robert  
Thomas, Derek  
Throup, Maggie  
Tolhurst, Kelly  
Tomlinson, Justin  
Tomlinson, Michael  
Tracey, Craig  
Tredinnick, David  
Trevelyan, Mrs Anne-Marie  
Truss, rh Elizabeth  
Tugendhat, Tom  
Turner, Mr Andrew  
Tyrie, rh Mr Andrew  
Vaizey, Mr Edward  
Vara, Mr Shailesh

Vickers, Martin  
Villiers, rh Mrs Theresa  
Walker, Mr Charles  
Walker, Mr Robin  
Wallace, Mr Ben  
Warburton, David  
Warman, Matt  
Watkinson, Dame Angela  
Wharton, James  
Whately, Helen  
Wheeler, Heather  
White, Chris  
Whittaker, Craig  
Whittingdale, rh Mr John  
Wiggin, Bill  
Williams, Craig  
Williamson, rh Gavin  
Wilson, Mr Rob  
Wollaston, Dr Sarah  
Wood, Mike  
Wragg, William  
Wright, rh Jeremy  
Zahawi, Nadhim

**Tellers for the Noes:**  
**Jackie Doyle-Price and**  
**Simon Kirby**

*Question accordingly negated.*

*Question put forthwith (Standing Order No. 31(2)),*  
That the proposed words be there added.

*The House divided: Ayes 303, Noes 261.*

**Division No. 185]**

**[5.14 pm**

**AYES**

Adams, Nigel  
Afriyie, Adam  
Aldous, Peter  
Allan, Lucy  
Allen, Heidi  
Amess, Sir David  
Andrew, Stuart  
Ansell, Caroline  
Argar, Edward  
Atkins, Victoria  
Bacon, Mr Richard  
Baker, Mr Steve  
Baldwin, Harriett  
Barclay, Stephen  
Baron, Mr John  
Barwell, Gavin  
Bebb, Guto  
Bellingham, Sir Henry  
Beresford, Sir Paul  
Berry, Jake  
Berry, James  
Bingham, Andrew  
Blackman, Bob  
Boles, Nick  
Bone, Mr Peter  
Borwick, Victoria  
Bottomley, Sir Peter  
Bradley, Karen  
Brady, Mr Graham  
Brazier, Mr Julian  
Bridgen, Andrew  
Brine, Steve  
Bruce, Fiona  
Buckland, Robert  
Burns, Conor

Burns, rh Sir Simon  
Burrowes, Mr David  
Burt, rh Alistair  
Cairns, Alun  
Carmichael, Neil  
Cartlidge, James  
Cash, Sir William  
Caulfield, Maria  
Chalk, Alex  
Chishti, Rehman  
Chope, Mr Christopher  
Churchill, Jo  
Clark, rh Greg  
Clarke, rh Mr Kenneth  
Cleverly, James  
Clifton-Brown, Geoffrey  
Coffey, Dr Thérèse  
Collins, Damian  
Colville, Oliver  
Costa, Alberto  
Cox, Mr Geoffrey  
Crabb, rh Stephen  
Davies, Byron  
Davies, Chris  
Davies, David T. C.  
Davies, Glyn  
Davies, Dr James  
Davies, Mims  
Davies, Philip  
Davis, rh Mr David  
Dinenage, Caroline  
Djanogly, Mr Jonathan  
Dodds, rh Mr Nigel  
Donelan, Michelle  
Double, Steve

Dowden, Oliver  
 Drax, Richard  
 Drummond, Mrs Flick  
 Duddridge, James  
 Duncan, rh Sir Alan  
 Duncan Smith, rh Mr Iain  
 Dunne, Mr Philip  
 Ellis, Michael  
 Ellison, Jane  
 Elphicke, Charlie  
 Eustice, George  
 Evans, Graham  
 Evans, Mr Nigel  
 Evennett, rh Mr David  
 Fabricant, Michael  
 Fallon, rh Michael  
 Fernandes, Suella  
 Field, rh Mark  
 Foster, Kevin  
 Fox, rh Dr Liam  
 Frazer, Lucy  
 Freeman, George  
 Freer, Mike  
 Fuller, Richard  
 Fysh, Marcus  
 Gale, Sir Roger  
 Garnier, rh Sir Edward  
 Garnier, Mark  
 Gauke, Mr David  
 Ghani, Nusrat  
 Gibb, Mr Nick  
 Gillan, rh Mrs Cheryl  
 Goodwill, Mr Robert  
 Gove, rh Michael  
 Graham, Richard  
 Grant, Mrs Helen  
 Grayling, rh Chris  
 Green, Chris  
 Green, rh Damian  
 Grieve, rh Mr Dominic  
 Griffiths, Andrew  
 Gummer, Ben  
 Gyimah, Mr Sam  
 Halfon, rh Robert  
 Hall, Luke  
 Hammond, Stephen  
 Hands, rh Greg  
 Harper, rh Mr Mark  
 Harrington, Richard  
 Harris, Rebecca  
 Hart, Simon  
 Haselhurst, rh Sir Alan  
 Hayes, rh Mr John  
 Heald, Sir Oliver  
 Heaton-Harris, Chris  
 Heaton-Jones, Peter  
 Henderson, Gordon  
 Herbert, rh Nick  
 Hinds, Damian  
 Hoare, Simon  
 Hollingbery, George  
 Hollinrake, Kevin  
 Hollobone, Mr Philip  
 Holloway, Mr Adam  
 Hopkins, Kris  
 Howarth, Sir Gerald  
 Howell, John  
 Howlett, Ben  
 Huddleston, Nigel  
 Hunt, rh Mr Jeremy  
 Hurd, Mr Nick  
 Jackson, Mr Stewart  
 James, Margot  
 Javid, rh Sajid  
 Jayawardena, Mr Ranil  
 Jenkyns, Andrea  
 Jenrick, Robert  
 Johnson, Boris  
 Johnson, Gareth  
 Johnson, Joseph  
 Jones, Andrew  
 Jones, rh Mr David  
 Jones, Mr Marcus  
 Kawczynski, Daniel  
 Kennedy, Seema  
 Knight, rh Sir Greg  
 Knight, Julian  
 Kwarteng, Kwasi  
 Lancaster, Mark  
 Latham, Pauline  
 Leadsom, Andrea  
 Lefroy, Jeremy  
 Leigh, Sir Edward  
 Leslie, Charlotte  
 Letwin, rh Mr Oliver  
 Lewis, Brandon  
 Lewis, rh Dr Julian  
 Liddell-Grainger, Mr  
 Ian  
 Lidington, rh Mr David  
 Lilley, rh Mr Peter  
 Lopresti, Jack  
 Lord, Jonathan  
 Loughton, Tim  
 Lumley, Karen  
 Mackinlay, Craig  
 Mackintosh, David  
 Main, Mrs Anne  
 Mak, Mr Alan  
 Malthouse, Kit  
 Mann, Scott  
 Mathias, Dr Tania  
 May, rh Mrs Theresa  
 Maynard, Paul  
 McCartney, Jason  
 McCartney, Karl  
 McLoughlin, rh Mr Patrick  
 McPartland, Stephen  
 Menzies, Mark  
 Mercer, Johnny  
 Metcalfe, Stephen  
 Miller, rh Mrs Maria  
 Milling, Amanda  
 Mills, Nigel  
 Milton, rh Anne  
 Mitchell, rh Mr Andrew  
 Mordaunt, Penny  
 Morgan, rh Nicky  
 Morris, Anne Marie  
 Morris, David  
 Morris, James  
 Morton, Wendy  
 Mowat, David  
 Mundell, rh David  
 Murray, Mrs Sheryll  
 Murrison, Dr Andrew  
 Neill, Robert  
 Newton, Sarah  
 Nokes, Caroline  
 Norman, Jesse  
 Nuttall, Mr David  
 Offord, Dr Matthew  
 Opperman, Guy  
 Parish, Neil

Patel, rh Priti  
 Pawsey, Mark  
 Penning, rh Mike  
 Penrose, John  
 Percy, Andrew  
 Perry, Claire  
 Phillips, Stephen  
 Philp, Chris  
 Pickles, rh Sir Eric  
 Pincher, Christopher  
 Prentis, Victoria  
 Pritchard, Mark  
 Pursglove, Tom  
 Quin, Jeremy  
 Quince, Will  
 Raab, Mr Dominic  
 Redwood, rh John  
 Rees-Mogg, Mr Jacob  
 Robertson, Mr Laurence  
 Robinson, Mary  
 Rosindell, Andrew  
 Rudd, rh Amber  
 Rutley, David  
 Sandbach, Antoinette  
 Scully, Paul  
 Selous, Andrew  
 Shannon, Jim  
 Shapps, rh Grant  
 Sharma, Alok  
 Shelbrooke, Alec  
 Simpson, David  
 Simpson, rh Mr Keith  
 Skidmore, Chris  
 Smith, Chloe  
 Smith, Henry  
 Smith, Julian  
 Smith, Royston  
 Solloway, Amanda  
 Soubry, rh Anna  
 Spencer, Mark  
 Stephenson, Andrew  
 Stevenson, John  
 Stewart, Iain  
 Stewart, Rory  
 Streeter, Mr Gary  
 Stride, Mel  
 Stuart, Graham  
 Sturdy, Julian

Sunak, Rishi  
 Swayne, rh Mr Desmond  
 Swire, rh Mr Hugo  
 Syms, Mr Robert  
 Thomas, Derek  
 Throup, Maggie  
 Tolhurst, Kelly  
 Tomlinson, Justin  
 Tomlinson, Michael  
 Tracey, Craig  
 Trednick, David  
 Trevelyan, Mrs Anne-Marie  
 Truss, rh Elizabeth  
 Tugendhat, Tom  
 Turner, Mr Andrew  
 Tyrie, rh Mr Andrew  
 Vaizey, Mr Edward  
 Vara, Mr Shailesh  
 Vickers, Martin  
 Villiers, rh Mrs Theresa  
 Walker, Mr Charles  
 Walker, Mr Robin  
 Wallace, Mr Ben  
 Warburton, David  
 Warman, Matt  
 Watkinson, Dame Angela  
 Wharton, James  
 Whately, Helen  
 Wheeler, Heather  
 White, Chris  
 Whittaker, Craig  
 Whittingdale, rh Mr  
 John  
 Wiggins, Bill  
 Williams, Craig  
 Williamson, rh Gavin  
 Wilson, Mr Rob  
 Wilson, Sammy  
 Wollaston, Dr Sarah  
 Wood, Mike  
 Wragg, William  
 Wright, rh Jeremy  
 Zahawi, Nadhim

**Tellers for the Ayes:**  
 Jackie Doyle-Price and  
 Simon Kirby

#### NOES

Abbott, Ms Diane  
 Abrahams, Debbie  
 Ahmed-Sheikh, Ms Tasmina  
 Alexander, Heidi  
 Ali, Rushanara  
 Allen, Mr Graham  
 Anderson, Mr David  
 Arkless, Richard  
 Austin, Ian  
 Bailey, Mr Adrian  
 Bardell, Hannah  
 Barron, rh Kevin  
 Beckett, rh Margaret  
 Benn, rh Hilary  
 Berger, Luciana  
 Betts, Mr Clive  
 Black, Mhairi  
 Blackford, Ian  
 Blackman, Kirsty  
 Blenkinsop, Tom  
 Blomfield, Paul  
 Boswell, Philip  
 Bradshaw, rh Mr Ben  
 Brennan, Kevin  
 Brock, Deidre  
 Brown, Alan  
 Brown, Lyn  
 Brown, rh Mr Nicholas  
 Bryant, Chris  
 Buck, Ms Karen  
 Burgon, Richard  
 Butler, Dawn  
 Byrne, rh Liam  
 Cadbury, Ruth  
 Cameron, Dr Lisa  
 Campbell, rh Mr Alan  
 Campbell, Mr Ronnie  
 Carswell, Mr Douglas  
 Cherry, Joanna  
 Coffey, Ann  
 Cooper, Julie  
 Cooper, Rosie

Cooper, rh Yvette  
 Corbyn, rh Jeremy  
 Cowan, Ronnie  
 Cox, Jo  
 Coyle, Neil  
 Crausby, Mr David  
 Crawley, Angela  
 Creagh, Mary  
 Creasy, Stella  
 Cruddas, Jon  
 Cryer, John  
 Cummins, Judith  
 Cunningham, Alex  
 Cunningham, Mr Jim  
 Dakin, Nic  
 Danczuk, Simon  
 David, Wayne  
 Davies, Geraint  
 Day, Martyn  
 Docherty, Martin John  
 Donaldson, rh Mr Jeffrey  
 M.  
 Donaldson, Stuart Blair  
 Doughty, Stephen  
 Dowd, Jim  
 Dowd, Peter  
 Dromey, Jack  
 Dugher, Michael  
 Durkan, Mark  
 Eagle, Ms Angela  
 Eagle, Maria  
 Edwards, Jonathan  
 Efford, Clive  
 Elliott, Julie  
 Elliott, Tom  
 Ellman, Mrs Louise  
 Evans, Chris  
 Farrelly, Paul  
 Fellows, Marion  
 Ferrier, Margaret  
 Field, rh Frank  
 Fitzpatrick, Jim  
 Fletcher, Colleen  
 Flint, rh Caroline  
 Flynn, Paul  
 Fovargue, Yvonne  
 Gardiner, Barry  
 Gethins, Stephen  
 Gibson, Patricia  
 Glass, Pat  
 Glindon, Mary  
 Goodman, Helen  
 Grady, Patrick  
 Grant, Peter  
 Gray, Neil  
 Green, Kate  
 Greenwood, Lilian  
 Greenwood, Margaret  
 Griffith, Nia  
 Gwynne, Andrew  
 Haigh, Louise  
 Hamilton, Fabian  
 Hanson, rh Mr David  
 Harman, rh Ms Harriet  
 Harris, Carolyn  
 Hayes, Helen  
 Hendrick, Mr Mark  
 Hendry, Drew  
 Hepburn, Mr Stephen  
 Hillier, Meg  
 Hodge, rh Dame Margaret  
 Hodgson, Mrs Sharon

Hollern, Kate  
 Hopkins, Kelvin  
 Hosie, Stewart  
 Howarth, rh Mr George  
 Hunt, Tristram  
 Huq, Dr Rupa  
 Hussain, Imran  
 Irranca-Davies, Huw  
 Jarvis, Dan  
 Johnson, Diana  
 Jones, Gerald  
 Jones, Mr Kevan  
 Jones, Susan Elan  
 Kane, Mike  
 Kaufman, rh Sir Gerald  
 Keeley, Barbara  
 Kendall, Liz  
 Kerevan, George  
 Kerr, Calum  
 Kinahan, Danny  
 Kinnock, Stephen  
 Lammy, rh Mr David  
 Lavery, Ian  
 Law, Chris  
 Leslie, Chris  
 Lewell-Buck, Mrs Emma  
 Lewis, Clive  
 Lewis, Mr Ivan  
 Long Bailey, Rebecca  
 Lucas, Caroline  
 Lucas, Ian C.  
 Lynch, Holly  
 Mactaggart, rh Fiona  
 Madders, Justin  
 Mahmood, Mr Khalid  
 Mahmood, Shabana  
 Malhotra, Seema  
 Mann, John  
 Marris, Rob  
 Marsden, Mr Gordon  
 Maskell, Rachael  
 Matheson, Christian  
 Mc Nally, John  
 McCabe, Steve  
 McCaig, Callum  
 McCarthy, Kerry  
 McDonagh, Siobhain  
 McDonald, Andy  
 McDonald, Stewart Malcolm  
 McDonald, Stuart C.  
 McDonnell, Dr Alasdair  
 McDonnell, John  
 McFadden, rh Mr Pat  
 McGarry, Natalie  
 McGinn, Conor  
 McGovern, Alison  
 McInnes, Liz  
 McKinnell, Catherine  
 McLaughlin, Anne  
 McMahan, Jim  
 Meale, Sir Alan  
 Mearns, Ian  
 Miliband, rh Edward  
 Monaghan, Carol  
 Monaghan, Dr Paul  
 Morden, Jessica  
 Morris, Grahame M.  
 Mullin, Roger  
 Murray, Ian  
 Nandy, Lisa  
 Newlands, Gavin  
 Nicolson, John

O'Hara, Brendan  
 Onn, Melanie  
 Onwurah, Chi  
 Osamor, Kate  
 Oswald, Kirsten  
 Paterson, Steven  
 Pennycook, Matthew  
 Perkins, Toby  
 Phillips, Jess  
 Pound, Stephen  
 Powell, Lucy  
 Rayner, Angela  
 Reed, Mr Steve  
 Rees, Christina  
 Reeves, Rachel  
 Reynolds, Jonathan  
 Rimmer, Marie  
 Ritchie, Ms Margaret  
 Robertson, rh Angus  
 Robinson, Mr Geoffrey  
 Rotheram, Steve  
 Ryan, rh Joan  
 Saville Roberts, Liz  
 Shah, Naz  
 Sharma, Mr Virendra  
 Sheerman, Mr Barry  
 Sheppard, Tommy  
 Sherriff, Paula  
 Shuker, Mr Gavin  
 Siddiq, Tulip  
 Skinner, Mr Dennis  
 Slaughter, Andy  
 Smeeth, Ruth  
 Smith, rh Mr Andrew  
 Smith, Angela  
 Smith, Cat  
 Smith, Jeff  
 Smith, Nick  
 Smith, Owen  
 Smyth, Karin  
 Spellar, rh Mr John

Starmer, Keir  
 Stephens, Chris  
 Stevens, Jo  
 Streeting, Wes  
 Stringer, Graham  
 Stuart, rh Ms Gisela  
 Tami, Mark  
 Thewliss, Alison  
 Thomas, Mr Gareth  
 Thomas-Symonds, Nick  
 Thompson, Owen  
 Thomson, Michelle  
 Thornberry, Emily  
 Timms, rh Stephen  
 Turley, Anna  
 Turner, Karl  
 Twigg, Derek  
 Twigg, Stephen  
 Umunna, Mr Chuka  
 Vaz, rh Keith  
 Vaz, Valerie  
 Watson, Mr Tom  
 Weir, Mike  
 Whiteford, Dr Eilidh  
 Whitehead, Dr Alan  
 Whitford, Dr Philippa  
 Williams, Hywel  
 Wilson, Corri  
 Wilson, Phil  
 Winnick, Mr David  
 Winterton, rh Dame  
 Rosie  
 Wishart, Pete  
 Woodcock, John  
 Wright, Mr Iain  
 Zeichner, Daniel

**Tellers for the Noes:**  
**Vicky Foxcroft and**  
**Sue Hayman**

*Question accordingly agreed to.*

*The Deputy Speaker declared the main Question, as amended, to be agreed to (Standing Order No. 31(2)).*

*Resolved,*

That this House notes that the Government has taken action to promote international cooperation in relation to clamping down on tax avoidance by multinational companies, challenging the international tax rules which have not been updated since they were first developed in the 1920s, that multilateral cooperation at an international level has included the UK playing a leading role in the G20-OECD Base Erosion and Profit Shifting Project to review all international tax rules and increase tax transparency, and as part of that, the UK was the first country to commit to implementing the OECD country-by-country reporting model within domestic legislation, that the Government recognises the case for publishing country-by-country reports on a multilateral basis, that the Government has introduced more than 40 changes to tax law, that the various measures taken by the Government have included the introduction of a diverted profits tax aimed at targeting companies who use contrived arrangements to divert profits from the UK, stopping the use of offshore employment intermediaries to avoid employer National Insurance contributions, stopping companies from obtaining a tax advantage by entering into contrived arrangements to turn old tax losses or restricted use into more versatile in-year deductions, and requiring taxpayers who are using avoidance schemes that have been defeated through the courts to pay the tax in dispute with HM Revenue and Customs upfront, and that the Government is committed to going further, enabling HM Revenue and Customs to recover an additional £7.2 billion over the Parliament.

## Public Finances: Scotland

**Madam Deputy Speaker (Natascha Engel):** I inform the House that Mr Speaker has selected the amendment in the name of the leader of the Scottish National party.

Before I call the shadow Secretary of State to move the motion, I remind the House that there are a lot of speakers and very little time, so there will be a three-minute limit on Back-Bench speeches, but still we might not get everybody in. With that in mind, if the Front Benchers could make their contributions more like bullet points than great oratorical flourishes, the House will be grateful.

5.26 pm

**Ian Murray (Edinburgh South) (Lab):** I beg to move,

That this House notes the ongoing negotiations between the Scottish and UK Governments in the Joint Exchequer Committee on a revised fiscal framework to accompany the Scotland Bill; regrets that, despite both Governments repeatedly stating that the negotiation of a revised fiscal framework would be concluded by autumn last year, no agreement has been reached; further regrets the complete lack of transparency with which negotiations have been conducted; notes that, until agreement is reached, the measures in the Scotland Bill will not be implemented and the substantial new powers it contains will not be deployed for the benefit of the Scottish people; believes that both the UK and Scottish Governments have a duty to ensure that the negotiation of a revised fiscal framework which is fair to Scotland is completed in time for the Scotland Bill to be approved by the Scottish Parliament prior to its dissolution, so that it can use its current and future powers for the benefit of the people of Scotland; and calls on the UK Government to publish all minutes and papers from the Joint Exchequer Committee negotiations, and to assure the House that every effort is being made to ensure that agreement on a revised fiscal framework is reached, and the Scotland Bill is passed, prior to the Scottish Parliament elections.

I am sorry that you do not want an oratorical flourish, Madam Deputy Speaker, because that is what I was preparing to give—but never mind; we will continue with the debate. I appreciate that this debate has been curtailed because of the previous debate, which was on an incredibly important issue, and because of the Prime Minister's statement. We have to accept how the House works in such circumstances.

It is a pleasure to open this debate for the Opposition. At its core, this debate is about the transfer of new powers to Scotland under the Scotland Bill, which completed its passage through the House in November and is currently in the other place. It is worth briefly reflecting on the Bill, to put this debate about Scotland's public finances and the fiscal framework into context. The Bill had its genesis in the vow and the Smith commission, the recommendations of which were agreed by all five major Scottish political parties. When passed, the Bill will transform the Scottish Parliament into one of the most powerful devolved Parliaments in the world.

Scotland will have control over all income tax, apart from non-savings and non-dividends income, which generated almost £11 billion in revenues in 2013-14. The Scottish Parliament will have the power to vary the rates and bands of income tax, to increase or decrease those revenues. This greatly enhances the powers devolved under the Scotland Act 2012, under which the Scottish Parliament controls just 10p in the pound. On that note, the Scottish Labour leader, Kezia Dugdale, announced yesterday that, faced with a choice of cutting into Scotland's future or using the powers of the Scottish Parliament, we would use the latter to set the Scottish

rate of income tax at 11p, rather than the 10p in the SNP Budget, to invest in that very future for Scotland and to protect the low-paid. We made that point in the debate in the Scottish Parliament today.

These new revenue-raising powers are accompanied by new spending powers, such as control over £2.5 billion of welfare spending. The Scottish Parliament will be able to top up existing UK benefits and, thanks to concerted pressure from Labour and our amendments, will have total autonomy to create new benefits in devolved areas. When these new powers are enacted, the Scottish Parliament will be able to make different choices to create a better Scotland.

**John Redwood (Wokingham) (Con):** Who in the hon. Gentleman's party speaks for England to make sure that the settlement is fair to England as well as to Scotland?

**Ian Murray:** The settlement has to be fair to the rest of the UK as well, including England, but I will come to that later.

**Alex Cunningham (Stockton North) (Lab):** We hear of cheers in the Scottish Parliament this afternoon when the Scottish Finance Minister tried to justify public expenditure cuts by the Tories. Is that not the final proof that the socialist credentials that the SNP claims have no foundation whatsoever?

**Ian Murray:** I am grateful to my hon. Friend for that intervention, because what we have seen this afternoon in Scotland is a Scottish Labour party determined to use the current powers of the Scottish Parliament to try to do something different from Conservative austerity. The result of that is a Scottish Finance Minister and a Scottish Government just managing that Conservative austerity. As I said earlier, when faced with the choice of managing the Tory austerity or creating a different future for Scotland, we have chosen to create that different future.

I was explaining the principles behind the Scotland Bill. However, before the Scotland Bill can be enacted they must be underpinned by a new fiscal framework for Scotland. That runs alongside the legislative process, which is slightly different from what happened with the Scotland Act in 2012.

It is crucial to state that the Smith commission stipulated that the Barnett formula would be retained as the mechanism for determining Scotland's block grant. That is not in question in this debate. However, Scotland's block grant will need to be adjusted to reflect both the new tax-raising powers and new expenditure responsibilities that are being devolved, and that is at the heart of today's debate. Until that revised framework is agreed by the UK and Scottish Governments, the Scotland Bill cannot be enacted and the new powers and responsibilities it transfers cannot be implemented. We need a negotiated agreement in order to move on, otherwise the new powers will lie dormant and Scotland's financial position in the future will remain very uncertain.

**David Mowat (Warrington South) (Con):** The hon. Gentleman mentioned the Barnett formula and the vow, and of course he is right that the Barnett formula will be retained, but he will also be aware that it is not

[David Mowat]

based on relative need and therefore is not fair to England, and in particular to Wales. Will he therefore, as a member of a party of the left, support reform of the Barnett formula to make it more progressive for the whole island?

**Ian Murray:** There is consensus across the entire Chamber that the Barnett formula should stay in place. It was in the vow signed by all the major party leaders who went into the general election. The Smith agreement has been signed by all five political parties, and that includes the maintenance of the Barnett formula. The hon. Gentleman, from the Conservative Back Benches, wants to renew and review the Barnett formula, which means only the Labour party in this Chamber will defend it. It would seem that the policy from the Conservative Back Benches is to do away with Barnett and that the Scottish National party wants full fiscal autonomy, which would also do away with the Barnett formula. We will defend the Barnett formula, because it is in the interests of our constituents to do so.

**David Mowat** *rose*—

**Ian Murray:** I am happy to give way to the hon. Gentleman again, while bearing in mind that this debate is very much curtailed.

**David Mowat:** I do not want to do away with the Barnett formula. I would just like to see it revised so it is based on relative need, because that seems to me to be a very fair way forward.

**Ian Murray:** The Barnett formula is based on that need. It was designed in the 1970s to take into account not only the contribution that Scotland makes to the United Kingdom but its public service requirements and geographical nature. It commands broad political consensus and I do not think we should break that. That would be a very difficult message to send out.

The message from today is that it is the job of the Scottish and UK Government Ministers to get a deal. We heard today that the Chief Secretary to the Treasury, who I am delighted is in his place, will be in Edinburgh for talks all day on Monday. The people of Scotland will expect nothing less than a final deal that is signed, sealed and delivered. We support the Scottish Government in their efforts to reach an agreement that is fair, equitable and consistent with the Smith agreement. Again that is not in question, but reach an agreement they must.

**Helen Goodman** (Bishop Auckland) (Lab): Surely before the Scottish referendum the Scottish people were promised these extra devolved powers and they will be extremely disappointed with all this shilly-shallying around and failure to come to an agreement after 18 months?

**Ian Murray:** That is the crux of our calling for this Opposition day debate. I will come on very soon to the issues around timescales and what should have been delivered by now, but nobody will forgive us in Scotland, or indeed across the rest of the United Kingdom, for breaking the promise of getting these powers through so that the Scottish Parliament can choose a different course, if it so wishes, from the rest of the UK.

As I was saying, reach an agreement they must. I believe there is broad consensus on this point across the Chamber. Indeed the SNP chair of the Scottish Affairs Committee, the hon. Member for Perth and North Perthshire (Pete Wishart)—I am delighted he is in his place—has also said that he wants

“assurances...that a deal will be reached in time.”

We do not agree on very much, but we certainly agree on that particular point. Few people would understand if both Governments were to walk off the job before it was done and instead start a blame game.

I want to highlight two key issues in the debate. The first is the secretive nature of the negotiations and the consistent refusal of both Governments to publish any meaningful papers or minutes from the Joint Exchequer Committee meetings.

**Catherine McKinnell** (Newcastle upon Tyne North) (Lab): I thank my hon. Friend for giving way. I did not mean to interrupt his flow; he is making an important speech. The Communities and Local Government Committee has published an important report today, not about Scottish devolution but about English devolution, and it contains major criticisms of the lack of openness over deal negotiations. Does he share my concern that the Government seem to be operating in an underhand way in relation to these negotiations as well?

**Ian Murray:** I agree with my hon. Friend. This seems to be very much the way in which this Government operate. We have just had a debate about taxation, and we have also discussed the devolution settlements that the Communities and Local Government Committee's report mentions. It is important that we have transparency, because the only way to carry the public with us on the fundamental issue of devolution to local communities is to ensure that the arrangements are transparent, robust and democratic.

That brings me to my second concern in this Opposition day debate, which is the need to agree the framework so that the Scotland Bill can be passed in time for the Scottish parliamentary elections in May. For months now, the negotiations in the Joint Exchequer Committee have dragged on behind closed doors, shielded from public scrutiny. According to Scottish Government sources, agreement is as far off as it has ever been, while the tone of the Secretary of State suggests that he is straining every sinew to get a deal. There was always a danger that, away from the spotlight, the two Governments would fiddle and fixate and that the momentum to reach a deal would be lost. And so it has proved. This relates to the concern raised earlier by my hon. Friend the Member for Bishop Auckland (Helen Goodman).

At first, agreement was going to be reached by last autumn. The Scottish Secretary consistently referred to an autumn deadline, as did the Chief Secretary to the Treasury and the Deputy First Minister in Scotland, but no agreement materialised. Then the deadline was moved to mid-February. In mid-December, the First Minister talked up the prospect of a Valentine's day deal, but come January her deputy, Mr Swinney, struck a downbeat note emphasising the big gap between the two Governments. He also introduced an arbitrary deadline of 12 February for a deal on the fiscal framework. If negotiations were not concluded by then, he would not table a legislative consent motion prior to the



Scottish Parliament's dissolution before the elections in May. I have yet to find out why that is the case, because the Scottish Parliament does not dissolve until late March. If no agreement is reached, the Scotland Bill will effectively be kicked into the long grass. That would mean no new powers for the foreseeable future.

For all that, I remain confident that if the political will exists, a deal can be reached. To test that political will, however, we need to bring the negotiations out into the open and allow the public to see whether this is brinkmanship or a proper negotiation. From the very beginning, I have bemoaned the absence of transparency at the heart of these negotiations. It is simply unacceptable that the process of redrawing Scotland's fiscal terrain is taking place behind closed doors in vapour-filled rooms.

**Andrew Gwynne** (Denton and Reddish) (Lab): Does my hon. Friend agree that a key reason for the deal to be done before the Scottish parliamentary elections is to give the Scottish electorate some confidence in the promises being made by the political parties on spending and taxation? Does he also agree that there is great interest in this matter across the rest of the United Kingdom because of the asymmetric nature of devolution? We want to see how Scotland uses these powers.

**Ian Murray:** My hon. Friend is absolutely right. Without having the Scotland Bill on the statute book and available to be used from 1 April 2017, there will be obfuscation about what can go into party manifestos come May, and we will be having a constant debate about the constitution rather than about the transformation of Scotland. He is also right to suggest that this is not just about a fiscal framework for Scotland. It is important for these negotiations to run in parallel with the Scotland Bill, but they also have significant implications for the rest of the United Kingdom. The no detriment principle for Scotland works both ways; it is also a no detriment principle for the rest of the United Kingdom. That point is often lost in these discussions.

As I was saying, I have bemoaned from the very beginning the absence of transparency. It is simply unacceptable that the process of redrawing Scotland's fiscal terrain is taking place behind closed doors. David Bell, the respected economist, has noted the secretive nature of these discussions. He said:

"These discussions are taking place behind closed doors with little information publically available about the options being considered and the effects of these options."

Asked to offer his thoughts on these proceedings, Professor Muscatelli said:

"I will be honest, it is difficult for anybody on the outside to see what exactly the stumbling block is"

in these negotiations. Even the Chair of the Scottish Affairs Committee—this might be the second time we have agreed—said that the negotiations and the transparency at their heart are "not good enough". I also warmly welcome the Scottish Affairs Committee's in-depth inquiry on this issue, which it will publish soon.

I ask why both Governments refuse to publish papers and minutes, as requested. On 9 September, I wrote to the chairs of the Joint Exchequer Committee, John Swinney and the Chief Secretary to the Treasury, with the perfectly reasonable request to publish papers and minutes from the meetings, but they refused to do so. I

also tabled written and oral questions to ask that we be kept updated on the progress of the negotiations and that substantial details of the discussions be placed in the public domain, but, once again, my request was rejected. Both Governments said that they would not provide a "running commentary" on the negotiations, while providing the very same running commentary through the media. Meanwhile people in Scotland are very much in the dark. That has allowed politicians on both sides to seek to exploit the secrecy, rather than getting on with finalising the deal.

**Stella Creasy** (Walthamstow) (Lab/Co-op): Does that not also trouble my hon. Friend, because it goes back to the very principles of the Smith commission, pillar one of which explicitly said that one challenge faced in this new constitutional settlement was having much stronger, transparent parliamentary scrutiny of the work? It particularly identified the JEC. If we cannot get it right now, what hope do we have for the future?

**Ian Murray:** That is a timely intervention, because when everyone talks about making sure that the Smith agreement is delivered in spirit and in substance, they tend to forget the bits of the substance that it is inconvenient for them to remember, and that is one such bit. The JEC has not been transparent. One key plank of the Smith agreement was intergovernmental relations, and without that transparency we cannot see whether intergovernmental relations are actually working. One key thing about the whole devolution project, be it in Scotland, Wales, Northern Ireland or in the discussions about England, is to make sure that all the components of that devolved body of the United Kingdom can work together in partnership.

Let me compare these negotiations with the fiscal framework negotiations that sat alongside the Scotland Act 2012. I have here the minutes of the first meeting from that process, which took place on 27 September 2011, and they are a dusty tomb of information, giving details of who attended, points that were discussed, things that were agreed and things that were to come back to be agreed. By contrast, let me give a flavour of the communiqués from this year. The one relating to the 1 February meeting states:

"The Joint Exchequer Committee met in London today, chaired by John Swinney, Deputy First Minister and Cabinet Secretary for Finance, Constitution and Economy. HM Treasury was represented by...Chief Secretary to the Treasury.

This was the eighth meeting of the JEC since the publication of the Smith Commission report...The Ministers continued their discussion...

Both Ministers agreed to meet next week".

The minutes on the 21 January meeting again introduce who was at the meeting, with their very long titles. They then state:

"This was the seventh meeting of the JEC since the publication of the Smith Commission report. The Ministers continued their discussion on the indexation methodologies for the Block Grant Adjustments and also discussed the initial transfer of funding for new welfare powers....

Both Ministers agreed to meet again shortly".

They go on, running to less than a third of a page—a couple of paragraphs of minutes. I am not sure that having no details and no substance is acceptable.

[Ian Murray]

It is not acceptable because the Scottish Government have threatened to veto the Bill if it is “not fair to Scotland.” The problem is that we do not know what, in their opinion, or in the UK Government’s opinion, is a fair deal for Scotland and what that looks like. We do not know in what way the current detail on offer from the UK Government is deficient on that test of fairness. It would appear that the main stumbling block is on the method used for the future indexation of the block grant. Of the methods being considered, the Scottish Government now favour the per capita index deduction. People can go to the Library to find out what that is—I will not explain it at this juncture. [HON. MEMBERS: “Go on!”] I can go through the formula if Members want, and give a prize if they get the answer at the end. Less than a year ago, however, the Deputy First Minister told the Scottish Parliament’s Finance Committee that he favoured the indexed deduction, which takes into account population growth. There is clearly some confusion over which method is best for Scotland, which is why transparency of discussions is incredibly important.

**Kirsty Blackman** (Aberdeen North) (SNP): I understand that the Labour party is feeling a bit sad, because, as it has not been successful enough to be in government in either country, it is not involved in these negotiations. Now that the shadow Secretary of State has the opportunity to have his say, can he please tell us what method of block grant adjustment Labour would favour?

**Ian Murray:** Well, we do not know—[*Laughter.*] Let me answer the question! We have not seen the negotiations, but, as the leader of the Scottish Labour party has said, we prefer the per capita index reduction model, because it is important that we have that particular debate. It is strange that the intervention gave the impression that we are being locked out. It is not the Labour party that has been locked out of these discussions, but the Scottish people, which is why we called this debate. We want to shed some light on these very secret discussions.

I noticed that the hon. Lady did not say whether she supports doing something in Scotland with the powers that her party currently has, or whether she is willing just to manage Conservative austerity.

**Alex Cunningham:** I thank my hon. Friend for giving way again. Does he agree that there are some amazing parallels between these negotiations and the Prime Minister’s EU negotiations, where we were kept totally in the dark all along and then we found out that there was nothing to see anyway?

**Ian Murray:** Absolutely. I suspect that that is part of the problem that we have now.

I am conscious of the time, so let me quickly wrap up by paying some attention to the SNP amendment that has been selected in the name of the right hon. Member for Moray (Angus Robertson). I cannot quite fathom why the party has tried to amend what is a very uncontroversial motion. I thought that we could work together on this important issue given that we share the same goals for a fair deal for Scotland. Our motion merely reflects the views that have also been expressed by the Chair of the Scottish Affairs Committee. I have no problem at all with the SNP amendment as it is

written, but it is a wrecking amendment, as it would completely replace everything that we are asking for in our amendment. I wish that the SNP had tabled the amendment as an addendum, and we could have gone forward together in consensus. The purpose of this debate is to get transparency and to ensure that a fair deal is done, and I would have thought that SNP Members would have agreed with that. I welcome the fact that they are now defenders of the Barnett formula, as a few months ago they were voting in this Chamber with the Conservatives to scrap the Barnett formula in favour of full fiscal autonomy. It does pose the question of whether they are really interested at all in getting these particular issues resolved.

Let me finish by talking a little about the democratic deficit, which was the second plank at the heart of these negotiations. We must close that deficit. The Scotland Bill is much too important for us not to do that.

I will conclude by posing a few questions, which I hope can be answered by the Secretary of the State in his opening remarks, or by his colleague, the Chief Secretary to the Treasury, at the conclusion of this debate. The Chief Secretary to the Treasury announced today that he will be in Scotland for more talks on Monday. What are the Secretary of State’s aspirations for that meeting, and is a deal expected at those talks? Does the Secretary of State recognise 12 February as a final deadline, and what will happen if a deal is not reached by that date? Will negotiations continue regardless of dissolution and the Scottish parliamentary elections? Will the Secretary of State publish the final offers from both parties for transparency purposes so that the public can determine whether or not these were good deals for Scotland? Has consideration been given to agreeing a deal for a trial period thus allowing for assessment and adjustment?

Our motion urges both Governments to work together and to stay at the table until a deal is agreed. It also calls on the UK Government to publish all minutes and papers from the Joint Exchequer Committee, and I commend it to the House.

**Madam Deputy Speaker (Natascha Engel):** Order. I now have to announce the results of today’s two deferred Divisions. On the motion relating to social security regulations, the Ayes were 297 and the Noes were 73, so the Question was agreed. On the motion relating to the social security pensions Order, the Ayes were 301 and the Noes were 70, so the Question was agreed.

[*The Division list is published at the end of today’s debates.*]

5.48 pm

**The Secretary of State for Scotland (David Mundell):** Let me add my welcome to this debate this afternoon. A debate on Scottish public spending is important at any time, but it is particularly apposite today, as our colleagues at Holyrood are debating the latest draft Scottish Budget.

I am sure that we will be hearing a lot from SNP members about austerity, even as their counterparts in the Scottish Parliament vote through massive cuts to Scottish local government, while maintaining a council tax freeze which prevents councils from addressing their shortfalls and making use of the new Scottish rate of income tax. Public spending is about choices, and I am

proud to be part of a Government who cut tax for over 2.3 million people in Scotland, reducing the tax paid by a typical taxpayer by £825 and taking 290,000 Scots out of paying any income tax at all.

**Ian C. Lucas** (Wrexham) (Lab): Will the Secretary of State give way?

**David Mundell:** I have not started yet. I will give way to the hon. Gentleman in due course.

On the motion and the amendment, let me start by reminding the House what the Government are working on in relation to the fiscal framework. We are implementing the Smith commission—a cross-party agreement for the future of Scotland. I am determined to deliver the legislation required to implement the Smith agreement in full. That is why we are negotiating a new fiscal framework agreement for the Scottish Government. That is what the people of Scotland voted for—a stronger Scottish Parliament in a strong United Kingdom. They did not vote for independence. As the SNP's former adviser Alex Bell has noted,

“the SNP's model . . . that it was possible to move from the UK to an independent Scotland and keep services at the same level, without either borrowing a lot more or raising taxes”

is “broken”.

We base our position on the principles set out in the all-party Smith agreement. Smith stated that a fiscal framework needed to be agreed—that there should be no detriment at the initial point of devolution, that there should be appropriate indexation to adjust the block grant in future years, that this should be fair to taxpayers across the UK, and that we should address so called “spillover effects”. That means that the Scottish Parliament and Government will take on more economic responsibility and accountability.

**Callum McCaig** (Aberdeen South) (SNP): The Secretary of State quoted the Smith agreement as stating that, at the point of devolution, there should be no detriment to the Scottish public finances, but does he agree that the key to that is ensuring that the fiscal agreement does not build in detriment in the coming years, which is the crux of the deal and the problem in reaching agreement?

**David Mundell:** The crux of the deal is to deliver a settlement that is fair to Scotland and fair to the United Kingdom. As the hon. Gentleman knows, a number of mechanisms have been set out that could achieve that and they are part of the ongoing negotiation.

**Melanie Onn** (Great Grimsby) (Lab): Will the Secretary of State give me a little more information about what he considers to be fair? Will he explain the mechanisms that are being discussed?

**David Mundell:** If the hon. Lady is new to this debate, she will be able to find many detailed discussions about all the mechanisms. Under the new proposals, the Scottish Government would benefit from good decisions that they take which produce additional revenue for them, but they would bear some of the risk if they take decisions that lead to less revenue than had been anticipated. That is what I think is at the heart of fairness in the proposals being debated.

**Mr Christopher Chope** (Christchurch) (Con): Following on from what my right hon. Friend has just said, does he therefore confirm that the per capita indexed deduction is not the right way forward?

**David Mundell:** I do not think even my hon. Friend would expect me to express a view because I am not going to negotiate the arrangement on the Floor of the House. I am happy to comment on a number of aspects of the negotiation, but the Deputy First Minister of Scotland has made it abundantly clear to the United Kingdom Government that it is he who is negotiating these arrangements on behalf of the Scottish Government, not MPs, not the First Minister and not members of the Scottish National party. I have confidence in his wish to reach an agreement and to conduct those negotiations, as we have done so far, on the basis that we committed to—that is, by not giving a detailed running commentary.

**Several hon. Members** *rose*—

**David Mundell:** I give way to the Chair of the Scottish Affairs Committee.

**Pete Wishart** (Perth and North Perthshire) (SNP): We have heard from the Labour party that it does not know which index it favours in these negotiations, and I think that the Secretary of State is saying that he does not have a view about the indexation he prefers. Surely we need to know what both respective parties favour. We know what we want. What does he want?

**David Mundell:** The hon. Gentleman has just heard me set out the position. We are in an ongoing negotiation, and I remain optimistic that it will reach a positive conclusion. I must say that I do not recognise some media reports that say there is a gulf between the two Governments. I believe that we are both on the same page—one Government might be at the top of the page and the other might be at the bottom, but it is eminently possible for us both to move to the middle. That is what my colleagues the Chief Secretary to the Treasury and the Deputy First Minister will continue to do when they next meet. The Government are doing all we can to reach an agreement based on the Smith principles.

**Neil Gray** (Airdrie and Shotts) (SNP): The Secretary of State is unwilling to state his position today, but surely he agrees with Professor Anton Muscatelli, and indeed with the Scottish Trades Union Congress, that these powers cannot come at any cost. He must commit today to a position on non-detriment to the Scottish budget.

**David Mundell:** What I commit to is a fair settlement for Scotland. The discussions are ongoing. I am confident that we will be able to achieve a fair settlement for Scotland. The hon. Member for Edinburgh South (Ian Murray) alluded to the fact that the Joint Exchequer Committee has met eight times, with constant engagement at official level. I have met John Swinney on numerous occasions during this period. Work at official level continues. Senior UK Government officials will meet Scottish Government officials in Edinburgh tomorrow. My right hon. Friend the Chief Secretary to the Treasury has today confirmed that he will be available all day on Monday for further discussions. We stand ready to agree a deal. Our door is open and our efforts continue.

**Stella Creasy:** The Minister is setting out the discussions that have taken place and are taking place. I take him back to the Smith principles, to which he alluded, which state that there should be

“pro-active reporting to respective Parliaments of, for example, the conclusions of Joint Ministerial Committee, Joint Exchequer Committee and other inter-administration bilateral meetings established under the terms of this agreement.”

Is he really telling us that refusing today’s request for the minutes meets that principle, because it does not sound like it, and we have had so little detail of so much work?

**David Mundell:** I am sure that the hon. Lady could find a lot more detail if she studied the Scottish press and looked through the various debates that have been conducted on the issue. We will report what happened in full. I do not recall important negotiations being reported in detail and on a daily basis in the House of Commons or elsewhere when Labour were in government. We do not intend to do that. We intend to reach an agreement that is fair for Scotland and fair for the rest of the United Kingdom. That is where our efforts are focused.

I remain an optimist. We are making progress, and I believe that we will reach an agreement. A deal can and will be reached if both sides want it. I know that the UK Government want a deal, and I believe the Scottish Government when they say that they want one too. The two Governments have agreed to speak again in the coming days. Although there are still some difficult issues to resolve, we remain confident that a deal can be reached that is fair to Scotland and fair to the rest of the UK, now and in the future.

**John Redwood:** I am grateful to the Secretary of State, who is doing a difficult task with great skill. Has a recent model been produced for how the income tax might work, because we have seen in previous debates that the forecasts for oil revenue were grossly exaggerated, and there is an unfortunate danger that with the collapse of the oil price will come the collapse of oil-related incomes in Scotland, which would have a bad impact on income tax receipts?

**David Mundell:** My right hon. Friend makes an important point, which speaks against those who argued just a few short months ago for full fiscal autonomy. It is quite interesting to look back at the amendment launched by the SNP in November to bring about full fiscal autonomy, which the Institute for Fiscal Studies predicted would create a £10 billion gap in Scotland’s finances. When the SNP asked for that full fiscal autonomy, it did not ask for what they now claim are the levers it needs to grow the Scottish population and offset the risk it is being asked to take on in relation to the Smith commission proposals.

The Government have been as open and transparent as possible in these negotiations, and each meeting has been notified to the House. Just this afternoon, the Chief Secretary appeared before the Scottish Affairs Committee. Last month, we responded in detail to the Economic Affairs Committee in the other place on fiscal devolution, having previously submitted written evidence to that Committee.

**Catherine McKinnell:** It is vital that these negotiations have the confidence of not just the Scottish people, but the people of the whole UK. Does the Secretary of State recognise that there is a significant risk of these negotiations suffering from the same problems as the negotiations over devolution in England, which the Communities and Local Government Committee report published today clearly states have lacked openness?

**David Mundell:** I do not recognise, for the reasons I have just set out, that those circumstances characterise the negotiations we have been conducting with the Scottish Government, and I make the case that a degree of privacy for negotiations of this type is required.

The hon. Member for Edinburgh South mentioned deadlines. I do not think in terms of self-imposed or arbitrary deadlines. Personally—keen though I am to have a warm and supportive relationship with the Scottish Government—I have never felt that the St Valentine’s day date had much relevance to this process. I am willing to continue working towards a deal for as long as that takes and for as long as we can. However, the usual channels have agreed to move the next day of Committee on the Scotland Bill in the other place to 22 February, as discussions on the framework continue to progress, to enable us to give their lordships as full an update as possible.

We have shown flexibility in the negotiations. While I cannot, as I have said, give a commentary to the House, Members will have seen via media reports that the UK Government have put compromise proposals on the table. That is a clear signal of our commitment to reach agreement and of our willingness to be as flexible as we can be, within the Smith principles.

Without commenting on the proposals, I would point out that the House will be aware of some of the tenets of those on the table. There are some suggestions that the Scottish Government should retain all income tax raised in Scotland, as well as a guaranteed share of the growth in income tax in England, Wales and Northern Ireland. Professor Muscatelli, who was referred to earlier, told the Scottish Parliament that such an approach would not meet the test of taxpayer fairness. This seems, once again, to be the Scottish Government wanting to have their cake and eat it—indeed, to have a slice of everyone else’s cake while they are at it. That might be understandable enough politics, and an understandable enough position to adopt at the start of a negotiation, but it cannot really be said to be a credible position.

Once the powers are devolved, Scotland

“should retain the rewards of our success, as we will bear the risks.” —[*Scottish Parliament Official Report*, 16 December 2015; c. 23.]

Those are not my words, but those of John Swinney. Mr Swinney has been very clear in the past about exactly what he meant by “risks”. He meant the risk that Scotland’s population might decline relative to the rest of the UK’s.

When asked at the Scottish Parliament’s Finance Committee by Malcolm Chisholm MSP if the Scottish Government would seek to be protected from the possibility that the rest of the UK’s population will expand more quickly than Scotland’s, John Swinney was very clear:

“That is another of the wider range of risks that we take on as a consequence of gaining the responsibilities.”

The *Daily Record* newspaper, sometimes brandished by SNP MPs, set this out clearly, finding it hard to see why “a tax-raising Scotland should benefit from a growth in tax receipts in England and Wales” and stating that “there is an undeniable logic” to opposing that view.

**Kirsty Blackman** (Aberdeen North) (SNP): The *Daily Record* completely misunderstood how per capita indexed deduction works. Academics have been clear that the Barnett equivalent is per capita indexed deduction. If the Secretary of State supports anything other than PCID, he is attempting to undermine Barnett. Is he trying to scrap Barnett to appease his Back Benchers?

**David Mundell**: I respect the hon. Lady’s imagination, which, I am afraid, she still sometimes lets run riot. We are committed to the Barnett formula. We are committed to delivering an agreement that is fair to the people of Scotland and fair to the rest of the United Kingdom, and that is what these negotiations are about.

**Ian Blackford** (Ross, Skye and Lochaber) (SNP) *rose*—

**David Mundell**: The position set out in the *Daily Record* reflects the reality. If the population of the rest of the UK were to rise at a faster rate than Scotland’s, that would cause an increase in demand on public services such as schools and hospitals in the rest of the UK, which would need to be funded. How could it be fair that those services be denied the funding required to sustain them because part of the income tax growth was being transferred to the Scottish Parliament? What would people in Carlisle, Newcastle or Liverpool say if their local services were not able to keep up with demand because the Scottish budget was being increased?

**Ian Blackford** *rose*—

**David Mundell**: Let us imagine if the situation were reversed. Does anyone think for a minute that the Scottish Government would accept a deal in which a growth in Scottish income tax relative to the rest of the UK was clawed back by the Treasury in Whitehall, to the detriment of Scottish public services? Of course they would not, and quite rightly. I want Scotland to enjoy the benefits when good decisions are made at Holyrood. As John Swinney said,

“If we take on a responsibility and make a success of it, we should bear the fruit of that; if we get it wrong, we must bear the consequences.”

**Ian Blackford**: I am grateful to the Secretary of State for giving way—I almost thought I had become invisible. We are having a very important debate. He talked about his responsibility to put the Scotland Bill through this House. Surely he has to see that the fiscal arrangements that are put in place are central to that. He must have a view on what is in Scotland’s best interest if we are to avoid detriment to Scotland. Is he really Scotland’s man in the Cabinet or the Cabinet’s man in Scotland?

**David Mundell**: The hon. Gentleman is not invisible, unlike some of his colleagues. He will find that I am very clear on my responsibility, which is to deliver the Scotland Bill and the powers that the people of Scotland voted for comprehensively in the referendum. The fiscal framework underpins that. It is to be based on the

Smith principles of no detriment and fairness to taxpayers in Scotland and across the rest of the UK. That is what I am determined to achieve. Because my glass is half full, I have confidence in the Scottish Parliament to do what is right for Scotland—to pass a legislative consent motion to agree a fiscal framework. The powers contained in the Scotland Bill will present the Scottish Parliament elected in May with a great opportunity to show how devolution can really benefit the people of Scotland.

I want to say a couple of things about population risk. I do not accept the counsel of despair that says that Scotland needs a more lax immigration system if it is to address the issue of relative population growth. The Government rightly wish to see net immigration come down, and we are taking steps to achieve that, but I am afraid we do still have some way to go. The latest figures show that annual net migration stands at 336,000 and there were 636,000 migrants coming to the UK in the past year. Those are considerable numbers, and if Scotland is not getting a share of that migration, the Scottish Government have some serious questions to answer.

The levers that the Scottish Parliament has over health and education, among other things, can be used to make Scotland the attractive place to live and work that it should be. The powers contained in the Scotland Bill will give the Scottish Government even more levers to make Scotland even more attractive. If they use the new tax powers in the Bill cleverly, they can attract more taxpayers to Scotland to make a contribution, boost the population and increase the tax take. Of course, if they adopt the frankly ludicrous proposals put forward by the Scottish Labour party this week to increase the income tax bill for most Scottish taxpayers by 5%, they may not succeed in making Scotland a more attractive place to live and work.

Let me conclude as I began. We are negotiating in good faith to deliver on the Smith commission principles, and I am confident that a deal can be reached. I give an absolute undertaking to this House that I will do everything in my power to achieve a deal that is fair to Scotland and fair to the whole United Kingdom. I remain optimistic that we can get such a deal, and that our debates can move on to how those new powers and the existing powers of the Scottish Parliament can be used to improve the lives of the people of Scotland.

**Several hon. Members** *rose*—

**Mr Speaker**: Order. I remind the House that this very short debate finishes at 7 pm, and that there will have to be two Front-Bench winding-up speeches, which I hope will be mercifully brief. Even so, there is very little time, a point of which I know the hon. Gentleman who is about to take the Floor will take note, although he is not subject to a time limit. I call Mr Stewart Hosie.

6.11 pm

**Stewart Hosie** (Dundee East) (SNP): I beg to move an amendment, to leave out from “accompany the Scotland Bill” to end and add:

“notes that the Smith Commission recommended that a fiscal framework be agreed between the UK and Scottish Governments on the basis that the Barnett Formula be maintained and that Scotland would be no worse or better off simply as a result of the transfer of additional powers; notes the clear statement by the Scottish Government that it will not recommend any fiscal framework

[*Stewart Hosie*]

to the Scottish Parliament that breaches the Smith Commission recommendations and which locks in a long-term financial disadvantage to Scotland; supports the efforts of the Scottish Government to secure a fair arrangement; and urges the UK Government to commit to the principle of no detriment so that a fair framework for the transfer of powers can be agreed and that the people of Scotland can benefit from the additional devolution of powers that they were promised by the UK Government following the referendum on Scottish independence in September 2014.”

Before I turn to the amendment and the motion, I will make a comment or two about the Scottish Secretary’s entertaining contribution. He said that his glass was half full—unlike the Benches behind him. Before he makes jibes about invisible SNP MPs, who are here in rather considerable numbers, he might like to have a glance around him.

The motion is entitled “Public finances in Scotland”, although it is not about the public finances in Scotland. At best, it can be described as being about the fiscal agreement, although in truth it is about the negotiations around the fiscal agreement. There is no reference in the motion to the continuation of the Barnett formula, which is a key point of the negotiations, although it was referenced in the speech. Neither is there any reference in the motion to “no detriment”, an important principle from Smith around which the negotiations are taking place, although it was referenced in the speech.

That does not take away from the fact that the fiscal agreement is vital. As Lord Smith said, “it is fundamentally important to making Scotland’s new powers work...It is the final interlocking piece of the jigsaw.”

We could not agree more.

**Alex Cunningham:** Will the hon. Gentleman give way?

**Stewart Hosie:** I will give way in a moment. The shadow Secretary of State laid out the context for potential new powers, and I will do the same for the current state of play of Scotland’s public finances, and the situation in which we are negotiating the fiscal agreement. The UK Government’s cuts to Scotland’s fiscal departmental expenditure limits between the start of the last Parliament and the end of this one will be almost £4 billion, which represents a 12.5% real-terms cut. Almost half of that—£1.5 billion—will be between now and the end of the Parliament. That is, to put it another way, a 4.2% cut to Scotland’s fiscal DEL.

Even on capital, notwithstanding the Government’s assertion that it is being increased, Scotland will see a reduction of £600 million between the start of 2010 and the end of the Parliament. That is before we even get to the possibility of in-year cuts to the Scottish block grant, as we have seen in the past, having a real, immediate and direct impact on budgets that the Scottish Parliament has already set and agreed.

**Alex Cunningham:** *rose*—

**Mr Kevan Jones** (North Durham) (Lab): *rose*—

**Stewart Hosie:** I am conscious of the time, but I will take an intervention from the hon. Member for Stockton North (Alex Cunningham).

**Alex Cunningham:** The hon. Member for Perth and North Perthshire (Pete Wishart) said that the SNP knew what it wanted. If that is the case, will the hon. Member for Dundee East (Stewart Hosie) tell us what the SNP wants and where the Tory Government’s offer falls short?

**Stewart Hosie:** I will certainly speak to our amendment and comment on the motion tabled by the hon. Gentleman’s Front Benches. I may even touch on what I think would be the best possible outcome for Scotland. I hope that will make him happy.

The cuts I have described are vital to the context in which the fiscal agreement is being negotiated. The cuts are not driven by a fiscal agreement or by the Scottish Government, but by the UK Government’s fiscal charter. The fiscal charter is a requirement to run a budget surplus of enormous proportions—a £10 billion absolute surplus and a £40 billion current account surplus by the end of this Parliament. The framework is being negotiated in the context of this Government’s cutting £40 billion a year more than is required to run a balanced current budget. That means we are negotiating on it in the context of being in the middle of a decade of UK austerity.

The alternative is clear: a modest rise in public expenditure. That would still see the deficit fall, the debt as a share of GDP fall and borrowing come down. A modest 0.5% real terms increase in expenditure would release about £150 billion for spending and investment, and make the cuts we are seeing, which are partly driving the fiscal agreement discussion, absolutely redundant.

**Mr Kevan Jones** *rose*—

**Stewart Hosie:** I will take one more intervention at this point.

**Mr Jones:** I would say this to the hon. Gentleman, whom I consider a friend. He is talking about percentage cuts to the Scottish budget, but he should look at areas, such as the north-east, that have had far bigger cuts proportionally. Unlike him, his party and his Government, people in those areas do not have the ability to raise taxes. Why have the Scottish Government not used the tax-raising powers they already have to fill some of the gap he is describing?

**Stewart Hosie:** That question is important, and I will come on to the use of tax-raising powers. We often hear such an argument from members of the Labour party but let us be under no illusion, because it is wrong. The Scottish Government use their tax powers daily. A council tax freeze to protect families for eight years was the use of a tax-raising power. The small business bonus to protect 100,000 businesses, which now pay no or lower business rates, was a good use of a tax-raising power. The power to mitigate the entire effect of the bedroom tax was a good use of such a power. The idea that powers are not used is simply wrong.

**Mr Jones:** Use them to raise money.

**Stewart Hosie:** For the hon. Gentleman’s benefit, I will come on to the specific issue of raising tax in a just a moment.

Before I leave the context of the UK fiscal charter, let me say that we all recall the vote on 13 January 2015 on the implied £30 billion of cuts, when we made many of the same points we are making today. The great tragedy then and now is that the Labour party supported £30 billion of extra Tory pain and austerity.

**Ian Murray:** Will the hon. Gentleman give way?

**Stewart Hosie:** I will happily give way.

**Ian Murray:** Let us just dispel this constant nonsense from the Scottish National party. The hon. Gentleman's own First Minister said, when she launched the Scottish business partnership at Tynecastle stadium in June, that the framework on which there was a vote on 13 January 2015 gave Governments enough flexibility to do as they wished. It was very similar to the fiscal framework or charter that he promoted back in November. He refuses to use such powers; he would rather demolish and demoralise Scottish public services.

**Stewart Hosie:** As the arguments are complicated, it is so much easier simply to quote in full from the 15 January issue of the new Labour leadership's favourite newspaper, the *Morning Star*:

"Labour MP Diane Abbott accused her party's leaders yesterday of doing working people a 'great disservice' by backing Tory plans for permanent austerity."

The hon. Gentleman keeps getting it wrong.

The key thing is that Scotland's budget has been cut and will continue to be cut by this Government, which makes the achievements of the Scottish Government all the more remarkable. That makes it all the more important not simply that we get any old fiscal agreement, but that we get it right. We must ensure that the Smith commission principle of "no detriment" is adhered to and that we do not embed unfairness in the system, so that we are not subject to possible additional cuts of about £350 million a year. We need to avoid that outcome so that we can continue to do good things and build on the progress we have seen in health spending, which is up to £12.3 billion this year and will be £13 billion next year, and in education.

**The Chief Secretary to the Treasury (Greg Hands):** May I bring the hon. Gentleman back to the fiscal framework? I am interested in the amendment that he has tabled, because it seems to quote from the Smith commission—particularly paragraph 95(3) on no detriment, which states that

"the Scottish and UK Governments' budgets should be no larger or smaller simply as a result of the initial transfer of tax and/or spending powers".

The amendment carefully deletes some important parts of the Smith agreement. It states that

"Scotland would be no worse or better off simply as a result of the transfer of additional powers".

Why has he deleted the word "initial", which is very important in respect of the transfer of powers, and any reference to fairness to the UK taxpayer?

**Stewart Hosie:** For the sake of brevity. Let me be very clear that the negotiations that are under way are founded on a number of principles, including no detriment as a result of the devolution of further powers initially and

no detriment as a result of the policy decisions of the UK Government or Scottish Government post-devolution. I would have thought that the Chief Secretary might have known that.

The whole point of getting this right is to avoid a potential cut of an additional £3.5 billion over a decade, so that the Scottish Government can continue their good work. We do not want those additional cuts to be made, because they would weaken our ability to internationalise the economy; hinder our support for businesses seeking to innovate and to do research and development; suck vital resources out of our plans to invest in education and infrastructure; and undermine all the work being done by the Scottish Government to deliver the fall in unemployment and the highest employment rates in the UK.

We understand the trajectory that Scotland's public finances will take if the wrong block grant adjustment is chosen. As I say, it will perhaps mean the loss of £3.5 billion over a decade.

**Maggie Throup (Erewhan) (Con):** Given how the hon. Gentleman is speaking, it almost sounds as if the SNP MPs are having second thoughts about the new powers in the Scotland Bill. Is that because they are afraid of taking them on board?

**Stewart Hosie:** No. The hon. Lady is absolutely wrong; we are not having second thoughts about the powers. We want the powers—indeed, we want more powers—but the agreement that is reached must deliver a Scotland Bill in line with the Smith commission principles, in particular that of no detriment.

We want to avoid a potential additional cut of £3.5 billion over a decade.

**David Mowat:** Will the hon. Gentleman give way?

**Stewart Hosie:** Not at the moment.

What is remarkable is that the motion does not talk about public finances or the impact of getting the fiscal agreement wrong. It is almost exclusively focused on the process of negotiating a formula—a formula that, of course, must deliver no detriment, which was one of the key principles identified by Lord Smith. Although fairness for Scotland is recognised in the motion, many other drivers of Scotland's public finances are not.

**John Redwood** *rose*—

**Stewart Hosie:** Not at the moment.

There was a cursory passing reference to Labour's plan, which was announced yesterday, to make Scotland the highest-tax part of the UK. That has a bearing on the public finances. It is a Labour plan to add to the tax burden of half a million Scottish pensioners. It is a plan to add to the tax burden of 2.2 million taxpayers. In essence, it is a plan to change the public finances by taxing Scots more to pay for Tory cuts. That is the weakness in Labour's plan.

**David Mowat** *rose*—

**John Redwood** *rose*—

**Stewart Hosie:** No, I am conscious of time and it would not be fair to give way.

[Stewart Hosie]

It is absolutely right that the negotiations are done privately. Imagine if there was a running commentary and slight snippets of information, out of context, became the fodder for a new “project fear” campaign run by Labour. We do not want that. We want a Labour party that, instead of sniping from the sidelines, is determined to support fair play, and a fair settlement that delivers on the principle of “no detriment”. Instead, we have this thin motion, combined with Labour MSPs who last week backed the Tories and refused to back the per capita index deduction block grant adjustment mechanism, which would deliver the “no detriment” principles that Labour signed up to in the Smith agreement.

In my view, that is economic and political madness from Labour, but it is not a surprise. After all, in advance of the fiscal agreement, before agreement is reached on an LCM, and before powers are transferred, the Labour party has spent many times over the modest cost of a reduction in air passenger duty—a policy that will create 4,000 jobs and put £200 million of economic activity into the economy—by committing to spend £650 million of Scotland’s public finances from a pot that does not yet even exist. No wonder Labour Members are more interested in talking about process than policy.

As the First Minister has said, the Scottish Government are negotiating the fiscal agreement in good faith, but they will not sign up to a deal that systematically cuts Scotland’s budget, regardless of anything that they, or any future Scottish Government, might do. That message has been reiterated many times by the Deputy First Minister, who said a few moments ago that the reason why we do not have a fiscal agreement right now is that there is no basis to be agreed that is consistent with the Smith commission, and we will not sign up to any document that is not consistent with the Smith commission report.

Let me conclude by being even clearer on behalf of my party: we will not agree to a fiscal agreement that abandons the principle of “no detriment” and embeds unfairness into the Scotland Bill. We will not support Labour tonight. This is a silly motion about publishing minutes that does not address the core substance of the fiscal agreement. We have tabled an amendment to that motion, and I commend it to the House.

**Several hon. Members** *rose*—

**Mr Speaker:** Order. A three-minute time limit now applies.

6.27 pm

**Mr Christopher Chope** (Christchurch) (Con): It is a pleasure to follow the hon. Member for Dundee East (Stewart Hosie), but I cannot agree with him that the principles of per capita indexed deduction, which he and the Labour party support, are consistent with the Smith commission. That commission had two “no detriment” principles, and that system of indexation and deduction does not comply with both those principles. It will be difficult for the rest of the United Kingdom to accept any deal that is premised on such a biased indexation system.

Professor Gallagher stated in his article “Algebra and the Constitution” that, under per capita indexation, Scotland’s devolved tax yield would be increased each year by roughly the growth in the rest of the United Kingdom population, and that would be on top of Barnett. Although he concedes that that might be to Scotland’s advantage, he stated that

“it hardly seems fair to the rest of the UK, which will carry the spending burden created by the new taxpayers”.

When I look again at the article by Professor Gallagher, I see that public expenditure per head on devolved services in Scotland is £1,400 per person higher than it is on average for the rest of the United Kingdom. It is 24% higher than in the rest of the UK. The proportion of spending is enormously higher. We—the English and the rest of the UK taxpayers—are contributing to that, and we have not heard much thanks for that from the Scottish National party this evening.

This is an important issue. When the Minister replies, will he tell the House who is representing the rest of the United Kingdom in these negotiations? The Joint Exchequer Committee contains somebody from the United Kingdom Government and from the Scottish Government, but there is nobody who represents the rest of the United Kingdom.

6.29 pm

**Liz McInnes** (Heywood and Middleton) (Lab): On 8 June 2015, the Financial Secretary said:

“We have agreed to aim to finalise the fiscal framework by the autumn, alongside the passage of the Scotland Bill through Parliament.”—[*Official Report*, 8 June 2015; Vol. 596, c. 1012.]

I believe he meant autumn 2015, not autumn 2016. Some would say even the latter is looking hopeful. The First Minister, on 14 December 2015, raised expectations of a Valentine’s day agreement, following a meeting with the Prime Minister. However, that is only 11 days away now and somehow I doubt there will be an agreement among the hearts and flowers.

Since July 2015, the Joint Exchequer Committee has met eight times. Press releases have been published after each meeting, giving a summary of the broad topics discussed but without going into any great detail. My hon. Friend the Member for Edinburgh South (Ian Murray), the shadow Secretary of State for Scotland, has consistently asked that greater details of those meetings be published in the interests of transparency and democratic accountability, yet both the Scottish and UK Governments have refused to publish papers and minutes from the meetings. The opacity of the negotiations has allowed both Governments to exploit them for political purposes. It is disappointing that the Joint Exchequer Committee appears to want to conduct business behind closed doors.

That is not just the opinion of the Labour party. Witnesses appearing before the House of Lords Committee on Economic Affairs were concerned about the lack of information on the progress of the fiscal framework. Some felt it possible for information to be provided, for instance on points of disagreement and on the timetable for conclusion. That is an important point: if points of disagreement were made available, everyone would be able to see the main sticking points.

I call on the SNP in this House to play its part in bringing forward the deal and to be open about the sticking points in negotiations with the Government.



I have relatives in Scotland. They passed on to me SNP election literature that they received. It states:

“The SNP will play a constructive role in Westminster and bring ideas forward in a positive spirit.”

Now is the ideal opportunity for the SNP to fulfil its election promise to my relatives and to the people of Scotland, by supporting Scottish Labour MSPs who voted today to increase income tax to escape Tory cuts to Scotland’s public services.

6.32 pm

**John Redwood** (Wokingham) (Con): I wish to speak for England. The current settlement between Scotland and England, as the constituents of many of my right hon. and hon. Friends know, is not fair. It is very important that the Government take full account of the needs of England, as well as being scrupulously careful to meet the promises they and the other leading parties made to each other during the Scottish referendum. Please do not make the settlement even less fair to England as a result of the changes going through with the transfer of tax revenues, particularly income tax, to the Scottish Parliament and Government.

It is extremely difficult to know what factors lie behind an increase or a diminution in revenues. Some of us study it and we feel we get somewhere near the truth by looking at historical patterns, but it is clear that sometimes when the tax rate is put up we receive less, rather than more, revenue. Models have to reflect those perverse effects, particularly on higher levels of tax. Sometimes a tax increase may in itself, if it is one of the lower tax rates, produce some increase in revenue, but then something else happens that actually reduces the revenue. Conversely, there can be windfall effects through no particular action by the Government.

Scotland has had a very good windfall effect, not just from oil revenues proper, but from income tax revenues as a result of the very high price of oil in recent years and the way that drove up a large number of incomes in the oil and oil service sector. Unfortunately, from Scotland’s point of view, that may now be reversing. The model we use to assess what the revenues are now and what they are likely to be in the future has to be able to capture that complexity. I fear that a lot of the models used in the past by both Governments have not captured that because there are rather extreme effects when there is a big change in the price of oil. That needs to be used to inform the debate about how the grant should adjust to the changes in tax revenue.

It appears from what the Scottish nationalists have been saying that, while they want the power to vary income tax, there are absolutely no circumstances in which they would ever do so. They would always wish to keep the income tax rate in Scotland absolutely in line with England’s. That seems to be their very clear position. We have not been able to draw out of them any circumstances in which they would do so, but that makes the modelling a bit easier, because many of the changes in revenue are not going to come from changes in tax rates—as I say, they do not want to do that. They will come from the economic effects of their other policies.

6.35 pm

**Deidre Brock** (Edinburgh North and Leith) (SNP): Like everyone in Scotland, we have an interest in these

negotiations. I thank the Leader of the Opposition for bringing this debate to the Chamber, especially in view of the time pressures. It is important to conclude the negotiations quickly. As has been mentioned, the parties standing in the Holyrood elections will want to fashion their manifestos with the extra responsibilities in mind and lay their plans before the Scottish people in good time.

Labour’s leader in Scotland, Kezia Dugdale, has already started with her proposed tax increase, which would mean that basic rate taxpayers would pay 5% more tax than they do now, that being the effect of a 1% rise in the base rate. It is a brave strategy and I am sure we will watch her progress with interest.

We note from the motion that Labour wants all the negotiations out in the open. May I gently remind that party that the Smith commission was not the first to examine Scottish devolution? It followed the Calman commission, which resulted in the 2012 Act, and that followed the constitutional convention of the 1990s. Never were the negotiations over the fiscal model conducted in public. The Treasury statement of funding policy to the devolved Administrations, now in its seventh edition, was presented as a *fait accompli*. It was never fair to Scotland, and it became a hurdle that the Scottish Government had to clear in trying to deliver for Scotland.

The introduction of local income tax in Scotland was held back as a result of the refusal of the then Chancellor, now in the other place, to amend the funding policy to allow council tax benefit to be applied to a new tax system. Of course, Labour was in government both in London and Edinburgh at the time the funding policy was created, and the negotiations were in private. As we would expect, nothing was made public at that time. At least with the involvement of the SNP Scottish Government, we know that someone in there is standing up for Scotland, and we are hearing at least some of the details.

We understand Labour’s frustration—we all want to know what is going on—but it would be a foolish negotiator who gave away their entire position with the first round of tea. Time is running out, however, and if the deal is not done, the Scottish Government will be left with no choice but to take the issue back to the people. A deal that is not good for Scotland will not be acceptable either to the Scottish Government or to we who sit on these Benches casting a gimlet eye in the UK Government’s direction.

A couple of weeks will determine whether the coming Scottish Parliament election is fought in a spirit of good-spirited competition. The alternative will be a Scottish electorate once more setting their face against a UK Government who have forgotten that governing can be done only by consent. The ideal solution, of course, is independence, but we will have to wait a little while longer for that. In the meantime, we must have a system that can serve Scotland’s people well.

6.38 pm

**David Mowat** (Warrington South) (Con): My remarks will be very brief. I take note of the comment just made on independence and the concern about the Labour income tax. My understanding in terms of what has happened to North sea oil is that independence would require income tax to go up by approximately 20p in the

[David Mowat]

pound. The point I want to make, however, is that we are talking about two terms: “fairness”, which has been mentioned a lot, and “no detriment”, which has also been mentioned a lot. I am not at all sure, having heard the dialogue, that those two things are reconcilable.

My right hon. Friend the Member for Wokingham (John Redwood) said that we accept that the Barnett formula has been conceded and that it means that per capita expenditure in Scotland is 115% of that in England. That was what was agreed and it will presumably be the cornerstone of the agreement. However, it would not be right if, as a result of the agreement currently being negotiated, “no detriment” means that, whatever happens in Scotland and whatever decisions are made by the Scottish Government, the 115% ratio will stay the same indefinitely. I shall have a great deal of difficulty with that, as will my constituents. I should add that my constituents entirely agree with the concept of a Scottish Parliament. They agree that it is right for the people of Scotland to be able to choose their priorities, whether it is a question of prescriptions or tuition fees.

**George Kerevan** (East Lothian) (SNP): In all his years of learning, has the hon. Gentleman not grasped the fact that the Barnett formula is specifically designed to bring per capita levels of spending in every region and nation of the United Kingdom to the same level?

**David Mowat**: In all those years, I stayed away from the Barnett formula, but since the hon. Gentleman has raised the point, I will respond to it. No one who has seriously considered the Barnett formula thinks that it is an attempt to be a proxy for relative need; nor is it true that the Barnett squeeze to which the hon. Gentleman has just referred really happens. I note that no Welsh Members are present, but the Barnett formula has caused a massive problem in Wales.

It strikes me that the formula presented an opportunity to the Scottish national party to show how progressive and internationalist it was. It seems to me that a progressive party of the left, an internationalist party, would not say, “We in Scotland want every single penny that we can get.” The approach of such a party would take account of need in Wales, in England, in my constituency, and elsewhere.

I ask the Chief Secretary, in the negotiations that he is currently leading, to bear it in mind that, however we interpret the phrase “no detriment”, the ratio of increased expenditure in Scotland—the figure should be higher than it is in England on the basis of need, but not as much higher as it is now—should not be allowed to continue and be built on, no matter what decisions are made in respect of the relative economies over the next few years.

6.41 pm

**Mr Kevan Jones** (North Durham) (Lab): This is an important debate not just because it proposes a fiscal framework for Scotland, but because of the huge impact on my electors in North Durham.

The Secretary of State said that he wanted no detriment to Scotland and a fair deal for the rest of the United Kingdom, but we do not know that there will be a fair

deal for the rest of the United Kingdom. The Secretary of State said, strangely, that the negotiations required “a degree of privacy”, but what we actually have is secrecy. He then used what I considered to be new terminology, although it has clearly been well practised by this Government: he said that one of the roles of the press was to leak. At the end of the day, however, my constituents and I have no way of influencing or scrutinising what happens in the negotiations.

**John Redwood**: Does the hon. Gentleman think that the current distribution of grant and other money between England and Scotland is fair?

**Mr Jones**: No, I do not. Scottish Members were crying over Barnett, but my constituents would welcome the levels of expenditure that we see in Scotland. The main point is this, though. How can I, a Member of the House of Commons, scrutinise this deal if it is done behind closed doors, in a way that is clearly intended to satisfy the Scottish national party—[*Interruption.*] The point is that I will not have any opportunity to scrutinise that process.

The hon. Member for Dundee East (Stewart Hosie) trotted out, again, the argument about how badly Scotland had been treated. Let me gently say to him that he needs to look at the percentage of expenditure that the north-east of England has lost. The north-east is not a wealthy region; indeed, it is the poorest region in the United Kingdom, with the highest levels of unemployment, and its views should not be ignored.

The hon. Member for Christchurch (Mr Chope) asked who spoke for England, or the United Kingdom, in the negotiations. If the answer is the Conservatives, I have to say that they have been no friends of the north-east for many years, and we will get a very bad deal. The real test, however, relates to the powers that will be given to the Scottish Government. They already have the alternative of raising revenue, but they do not use it. Instead, they are aping the Conservatives with notions such as the freezing of council tax, which is not at all progressive in terms of redistribution.

The House should have the ability to look at how the deal will affect constituents in the rest of the UK. That said, I do not think we will need to bother, because it is quite clear what the Scottish nationalist party will do. It is going to string it out until May, cry foul and then use its victim mentality, which it has turned into an art form, to persuade the Scottish people that they are getting a raw deal from the rest of us. I do not think, therefore, that we will find ourselves in that position, which is sad, because it means we are not going to have a debate this May in Scotland about the use of the powers; instead, we are going to have the victim mentality. The SNP will blame the rest of us in the UK for the poor deal it has got, when, frankly, it does not give a damn about my constituents or any others in the UK.

6.45 pm

**Maggie Throup** (Erewash) (Con): As everybody in the House is aware, the vote in Scotland in 2014, despite the SNP’s thinking it gave the wrong answer, has resulted in the largest shift of power and fiscal responsibility our nations have ever seen. At the time, some of my constituents wanted a say in whether Scotland remained part of the

UK, yet the system denied them that vote. I can understand why they wanted their say—on the whole, they felt we were better together.

My constituents did not cry about the fact that public spending per head in the east midlands was £8,219, as opposed to £10,275 per head—over £2,000 more—in Scotland, yet the SNP gripes about every little thing that does not fit its narrow agenda. Only the Conservatives, skilfully led by Ruth Davidson in Scotland, are standing up for the 2 million Scottish voters who overwhelmingly rejected independence at the ballot box. They want not another divisive independence debate, but a plan to tackle the everyday issues that affect them most, such as health, education and jobs. That is what this Government are delivering.

Everything done for Scotland by the UK Government, whether on the fiscal framework or the Scotland Bill more widely, is based on the Smith principles. If the powers in the Bill are used well by the Scottish Government, Scotland will do well. I disagree fundamentally with the SNP and its dogged determination to break up our country, but at least it fights for what it believes is best for the Scottish people. Sadly, that cannot be said for Labour, which clearly has no plan for Scotland, as shown by this debate.

It is all well and good debating how much of taxpayers' money goes from one pot to another, but with devolution comes responsibility for the countries within the Union to make their own way in the world. Labour and the SNP both oppose Trident. If they got their way, thousands of jobs would be lost and it would have a major impact on the Scottish economy and Britain's security.

Above all, I am concerned about British taxpayers, whether north or south of the border. I therefore urge my right hon. Friend the Chief Secretary, who is leading the negotiations on the fiscal framework, to ensure adequate protections in any agreement, so that future Scottish Governments cannot simply come back, cap in hand, to the UK Treasury because they have taken the wrong fiscal decisions.

6.48 pm

**Andrew Gwynne** (Denton and Reddish) (Lab): It is not fashionable these days to describe oneself as British, but I am proud to be British. I was born to a Scottish mother, which is where I get my name Andrew, of Welsh parentage, which is where I get my surname Gwynne, and I am proud to be English, Mancunian and Dentonian.

The powers being extended to the Scottish Parliament and Government have far-reaching implications for the rest of the UK. I want the asymmetric nature of devolution evened out across the UK, and I want the Scottish Parliament within the UK to succeed using its fiscal and welfare powers, because that is exactly where the Greater Manchester Combined Authority and the Mayor of Greater Manchester want to take devolution in my city region. I call on the Government to press ahead with the deal. Let us challenge the Scottish Parliament to use those powers, and let us extend them to the rest of the UK.

6.49 pm

**Seema Malhotra** (Feltham and Heston) (Lab/Co-op): May I start by thanking all Members who have made important contributions to the debate? I will mention

just a few because of the brief time we have left. My hon. Friend the Member for Heywood and Middleton (Liz McInnes) spoke about how we need transparency to see if the agreement is fair, and challenged the SNP not just to manage Tory austerity but to do something about it. The right hon. Member for Wokingham (John Redwood) talked about how the position of the SNP is not to use tax powers, but it has given no indication of ever using them; indeed, the hon. Member for Edinburgh North and Leith (Deidre Brock) refused to say whether they would use new powers and seems to want local income tax.

**Several hon. Members** *rose*—

**Seema Malhotra:** I am afraid that, in the interests of time, I will have to proceed.

My hon. Friend the Member for North Durham (Mr Jones) said that there is a critical issue about the rest of the UK and the need to scrutinise the deal to make sure his constituents, too, are represented. While the hon. Member for Dundee East (Stewart Hosie) commented on the performance of the Secretary of State, he may want to work harder on getting his own facts right. He claimed that the Labour party has spent air passenger duty twice, and it is true: once on mitigating tax credit cuts, when Labour in the end no longer needed to use it for that, and then, secondly, reallocating it to supporting people to buy their first home.

As my hon. Friend the Member for Edinburgh South (Ian Murray) observed, the focus of today's debate is the transfer of new powers to Scotland—powers that will transform the Scottish Parliament into one of the most powerful devolved Administrations in the world with the ability to make different choices to create a better Scotland. That is the essence of devolution: the chance to take a different path based on different circumstances; the chance to reject the short-term Tory cuts—false economies that will hurt Scotland. The new powers to be devolved to the Scottish Parliament will only enhance the range of choices on offer. The Scotland Bill that is due to transfer those powers was based on the recommendations of the Smith commission—recommendations which were agreed by all parties.

Of course, the Smith commission was based on the solemn promise made to the people of Scotland. The Scotland Bill was passed in this place and is currently being debated in the other place. The only sticking point—the only remaining obstacle—is agreement on the fiscal framework. Until that revised framework is agreed by the Conservative Government and the SNP Government, the Scotland Bill cannot be enacted, and without agreement, Scotland will never get the power and responsibility it has been promised. As Labour's motion states, the lack of transparency from the Tories and the SNP continues to block progress.

The deadline for concluding the negotiations has consistently been pushed back, yet no one outside the two Governments knows the reasons why. We need a negotiated agreement in order to move on, otherwise the new powers will lie dormant; and we need an agreement before the Scottish Parliament rises for the Holyrood elections in May.

There has been a democratic deficit at the heart of the negotiations of Scotland's revised fiscal framework. It is a deficit that must be closed, and that is the purpose of today's debate. It is a deficit caused by the Tories in

[Seema Malhotra]

Westminster and the SNP in Holyrood, a deficit that is hurting, not helping, the people of Scotland—*[Interruption.]* An agreement has not been reached. Only when the Scotland Bill is enacted and the powers transferred can we truly move on from the constitutional wrangling that has come to dominate the political discourse in Scotland.

The questions that my hon. Friend the Member for Edinburgh South has asked remain unanswered, so I will reiterate them. The Chief Secretary to the Treasury announced today that he would be in Scotland—*[Interruption.]* I hope that he will have a chance to listen to me in a moment. He announced today that he would be in Scotland for more talks on Monday. What are his aspirations for that meeting? Perhaps he could share them with us today. Does he recognise 12 February as a final deadline? What will happen if that deadline is missed? Will the Secretary of State publish the final offers for both parties, for transparency purposes? Has consideration been given to agreeing a deal for a trial period, to allow for assessment and adjustment? I call upon the UK Government to publish all minutes and papers from the Joint Exchequer Committee negotiations and to assure the House that every effort is being made to ensure that an agreement on the revised fiscal framework will be reached and the Scotland Bill will be passed prior to the Scottish Parliament elections.

6.55 pm

**The Chief Secretary to the Treasury (Greg Hands):** This Government are united in their belief in a successful and prosperous Scotland—a Scotland that is strengthened through being part of the United Kingdom and whose presence makes the United Kingdom itself stronger. It is clear to us that the Scottish people should have greater control over their affairs and that the Government in Edinburgh should be more accountable. The referendum of 2014 was a defining moment in Scotland's history. The Scottish people's voice was clear: they wanted to make Britain stronger and not to break Britain up. It is now right that we should deliver a fair and lasting settlement that works for Scotland and for the UK as a whole. The UK Government are committed to delivering the Smith agreement, which, let us remind ourselves, was agreed by all five parties in Scotland, including Labour and the Scottish National party. That commitment has driven every step of our work.

**James Berry (Kingston and Surbiton) (Con):** What assessment has the Chief Secretary to the Treasury made of Labour's recently announced plans to put up income tax in Scotland? What impact does he think that would have on the Scottish economy?

**Greg Hands:** I was amazed by Labour's announcement in the Scottish Parliament yesterday about wanting to increase income tax. I think it would be a disaster for the Scottish economy and for the people of Scotland, so I wholly agree with my hon. Friend.

The Smith agreement was clear: the Scottish Government should bear the economic responsibility for their decisions; or, as the Scottish Deputy First Minister has put it:

"If we take on a responsibility and make a success of it, we should bear the fruit of that; if we get it wrong, we must bear the consequences".

I want to make three main points. Why are we doing this taxpayer devolution? The answer is to give Scotland one of the most powerful and accountable devolved Parliaments in the world. The stress there must be on the word "accountable". Since 2010, the amount of taxes raised in Scotland and spent by the Scottish Government will have increased from around 10% to around 20% under the Scotland Act 2012, and to 40% under these proposals. These measures would also allow the Scottish Government the opportunity to grow their economy, to use new devolved powers and to see the fruits of their efforts.

**Mr Alistair Carmichael (Orkney and Shetland) (LD):** The Chief Secretary to the Treasury is right to say that accountability is at the heart of this matter. That is why we must have a deal, and if we do not get one, we in this House and those in the Scottish Parliament need to be told the reason why. Without a deal, the people of Scotland face the prospect of going to the polls in May not knowing exactly what powers will be given to the Parliament.

**Greg Hands:** I thank the right hon. Gentleman for that intervention, which leads me nicely on to the fact that the UK Government are absolutely committed to getting a deal. I announced earlier today, before the Scottish Affairs Committee, that I will be going to Edinburgh on Monday to continue the negotiations. I am hopeful that we will get—

**Mike Weir (Angus) (SNP) claimed to move the closure (Standing Order No. 36).**

*Question put forthwith,* That the Question be now put.

*Question agreed to.*

*Question put accordingly (Standing Order No. 31 (2)),* That the proposed words be there added.

*The House divided: Ayes 54, Noes 297.*

**Division No. 186]**

**[6.59 pm**

**AYES**

Ahmed-Sheikh, Ms Tasmina	Kerevan, George
Arkless, Richard	Kerr, Calum
Bardell, Hannah	Law, Chris
Black, Mhairi	Mc Nally, John
Blackford, Ian	McCaig, Callum
Blackman, Kirsty	McDonald, Stewart Malcolm
Boswell, Philip	McDonald, Stuart
Brock, Deidre	C.
Brown, Alan	McGarry, Natalie
Cameron, Dr Lisa	McLaughlin, Anne
Cherry, Joanna	Monaghan, Carol
Cowan, Ronnie	Monaghan, Dr Paul
Crawley, Angela	Mullin, Roger
Day, Martyn	Newlands, Gavin
Docherty, Martin John	Nicolson, John
Donaldson, Stuart Blair	O'Hara, Brendan
Fellows, Marion	Oswald, Kirsten
Ferrier, Margaret	Paterson, Steven
Gethins, Stephen	Robertson, rh Angus
Gibson, Patricia	Sheppard, Tommy
Grady, Patrick	Stephens, Chris
Grant, Peter	Thewliss, Alison
Gray, Neil	Thompson, Owen
Hendry, Drew	Thomson, Michelle
Hosie, Stewart	Weir, Mike

Whiteford, Dr Eilidh  
Whitford, Dr Philippa  
Williams, Hywel  
Wilson, Corri

Wishart, Pete

**Tellers for the Ayes:**  
**Jonathan Edwards and**  
**Liz Saville Roberts**

#### NOES

Afriyie, Adam  
Aldous, Peter  
Allan, Lucy  
Allen, Heidi  
Amess, Sir David  
Andrew, Stuart  
Ansell, Caroline  
Argar, Edward  
Atkins, Victoria  
Bacon, Mr Richard  
Baker, Mr Steve  
Baldwin, Harriett  
Barclay, Stephen  
Baron, Mr John  
Barwell, Gavin  
Bebb, Guto  
Bellingham, Sir Henry  
Beresford, Sir Paul  
Berry, Jake  
Berry, James  
Bingham, Andrew  
Blackman, Bob  
Bone, Mr Peter  
Borwick, Victoria  
Brady, Mr Graham  
Brazier, Mr Julian  
Bridgen, Andrew  
Brine, Steve  
Bruce, Fiona  
Buckland, Robert  
Burns, Conor  
Burns, rh Sir Simon  
Burrowes, Mr David  
Burt, rh Alistair  
Cairns, Alun  
Carmichael, Neil  
Cartlidge, James  
Cash, Sir William  
Caulfield, Maria  
Chalk, Alex  
Chishti, Rehman  
Chope, Mr Christopher  
Churchill, Jo  
Clark, rh Greg  
Clarke, rh Mr Kenneth  
Cleverly, James  
Clifton-Brown, Geoffrey  
Coffey, Dr Thérèse  
Collins, Damian  
Colvile, Oliver  
Costa, Alberto  
Cox, Mr Geoffrey  
Crabb, rh Stephen  
Davies, Byron  
Davies, Chris  
Davies, David T. C.  
Davies, Glyn  
Davies, Dr James  
Davies, Mims  
Davies, Philip  
Davis, rh Mr David  
Dinenage, Caroline  
Djanogly, Mr Jonathan  
Double, Steve  
Dowden, Oliver

Drummond, Mrs Flick  
Duddridge, James  
Duncan, rh Sir Alan  
Duncan Smith, rh Mr  
    qalain  
Dunne, Mr Philip  
Elliott, Tom  
Ellis, Michael  
Ellison, Jane  
Ellwood, Mr Tobias  
Elphicke, Charlie  
Eustice, George  
Evans, Graham  
Evans, Mr Nigel  
Evennett, rh Mr  
    David  
Fabricant, Michael  
Fallon, rh Michael  
Fernandes, Suella  
Field, rh Mark  
Foster, Kevin  
Fox, rh Dr Liam  
Frazer, Lucy  
Freeman, George  
Freer, Mike  
Fuller, Richard  
Fysh, Marcus  
Gale, Sir Roger  
Garnier, rh Sir Edward  
Garnier, Mark  
Gauke, Mr David  
Ghani, Nusrat  
Gibb, Mr Nick  
Gillan, rh Mrs Cheryl  
Goodwill, Mr Robert  
Gove, rh Michael  
Graham, Richard  
Grant, Mrs Helen  
Grayling, rh Chris  
Green, Chris  
Green, rh Damian  
Grieve, rh Mr Dominic  
Griffiths, Andrew  
Gummer, Ben  
Gyimah, Mr Sam  
Halfon, rh Robert  
Hall, Luke  
Hammond, Stephen  
Hands, rh Greg  
Harper, rh Mr Mark  
Harrington, Richard  
Harris, Rebecca  
Hart, Simon  
Haselhurst, rh Sir  
    Alan  
Hayes, rh Mr John  
Heald, Sir Oliver  
Heaton-Harris, Chris  
Heaton-Jones, Peter  
Henderson, Gordon  
Herbert, rh Nick  
Hinds, Damian  
Hoare, Simon  
Hollingbery, George  
Hollinrake, Kevin

Hollobone, Mr Philip  
Holloway, Mr Adam  
Hopkins, Kris  
Howell, John  
Howlett, Ben  
Huddleston, Nigel  
Hunt, rh Mr Jeremy  
Hurd, Mr Nick  
Jackson, Mr Stewart  
James, Margot  
Javid, rh Sajid  
Jayawardena, Mr Ranil  
Jenkin, Mr Bernard  
Jenkyns, Andrea  
Jenrick, Robert  
Johnson, Boris  
Johnson, Gareth  
Johnson, Joseph  
Jones, Andrew  
Jones, rh Mr David  
Kawczynski, Daniel  
Kennedy, Seema  
Kinahan, Danny  
Knight, rh Sir Greg  
Knight, Julian  
Kwarteng, Kwasi  
Lancaster, Mark  
Latham, Pauline  
Leadsom, Andrea  
Lee, Dr Phillip  
Lefroy, Jeremy  
Leigh, Sir Edward  
Leslie, Charlotte  
Letwin, rh Mr Oliver  
Lewis, Brandon  
Lewis, rh Dr Julian  
Liddell-Grainger, Mr  
    Ian  
Lidington, rh Mr David  
Lilley, rh Mr Peter  
Lopresti, Jack  
Lord, Jonathan  
Loughton, Tim  
Lumley, Karen  
Mackinlay, Craig  
Mackintosh, David  
Main, Mrs Anne  
Mak, Mr Alan  
Malthouse, Kit  
Mann, Scott  
Mathias, Dr Tania  
May, rh Mrs Theresa  
Maynard, Paul  
McCartney, Jason  
McCartney, Karl  
McPartland, Stephen  
Menzies, Mark  
Mercer, Johnny  
Merriman, Huw  
Metcalfe, Stephen  
Miller, rh Mrs Maria  
Milling, Amanda  
Mills, Nigel  
Milton, rh Anne  
Mitchell, rh Mr Andrew  
Mordaunt, Penny  
Morgan, rh Nicky  
Morris, Anne Marie  
Morris, David  
Morris, James  
Morton, Wendy  
Mowat, David

Mundell, rh David  
Murray, Mrs Sheryll  
Murrison, Dr Andrew  
Neill, Robert  
Newton, Sarah  
Nokes, Caroline  
Norman, Jesse  
Nuttall, Mr David  
Offord, Dr Matthew  
Opperman, Guy  
Parish, Neil  
Patel, rh Priti  
Pawsey, Mark  
Penning, rh Mike  
Penrose, John  
Perry, Claire  
Phillips, Stephen  
Philp, Chris  
Pickles, rh Sir Eric  
Pincher, Christopher  
Prentis, Victoria  
Prisk, Mr Mark  
Pritchard, Mark  
Pursglove, Tom  
Quin, Jeremy  
Raab, Mr Dominic  
Redwood, rh John  
Rees-Mogg, Mr Jacob  
Robertson, Mr Laurence  
Robinson, Mary  
Rosindell, Andrew  
Rudd, rh Amber  
Rutley, David  
Sandbach, Antoinette  
Scully, Paul  
Selous, Andrew  
Shannon, Jim  
Shapps, rh Grant  
Sharma, Alok  
Shelbrooke, Alec  
Simpson, David  
Simpson, rh Mr Keith  
Skidmore, Chris  
Smith, Chloe  
Smith, Henry  
Smith, Julian  
Smith, Royston  
Soames, rh Sir Nicholas  
Solloway, Amanda  
Soubry, rh Anna  
Spelman, rh Mrs Caroline  
Spencer, Mark  
Stephenson, Andrew  
Stevenson, John  
Stewart, Iain  
Streeter, Mr Gary  
Stride, Mel  
Stuart, Graham  
Sturdy, Julian  
Sunak, Rishi  
Swayne, rh Mr Desmond  
Swire, rh Mr Hugo  
Syms, Mr Robert  
Throup, Maggie  
Tolhurst, Kelly  
Tomlinson, Justin  
Tomlinson, Michael  
Tracey, Craig  
Trevelyan, Mrs Anne-Marie  
Truss, rh Elizabeth  
Tugendhat, Tom  
Turner, Mr Andrew

Tyrie, rh Mr Andrew  
 Vaizey, Mr Edward  
 Vara, Mr Shailesh  
 Vickers, Martin  
 Villiers, rh Mrs Theresa  
 Walker, Mr Charles  
 Walker, Mr Robin  
 Wallace, Mr Ben  
 Warburton, David  
 Warman, Matt  
 Watkinson, Dame Angela  
 Wharton, James  
 Whately, Helen  
 Wheeler, Heather  
 White, Chris  
 Whittaker, Craig

Whittingdale, rh Mr  
 John  
 Wiggin, Bill  
 Williams, Craig  
 Williamson, rh Gavin  
 Wilson, Mr Rob  
 Wilson, Sammy  
 Wollaston, Dr Sarah  
 Wood, Mike  
 Wragg, William  
 Wright, rh Jeremy  
 Zahawi, Nadhim

**Tellers for the Noes:**  
**Jackie Doyle-Price and**  
**Simon Kirby**

Hunt, Tristram  
 Huq, Dr Rupa  
 Hussain, Imran  
 Irranca-Davies, Huw  
 Jarvis, Dan  
 Johnson, rh Alan  
 Johnson, Diana  
 Jones, Gerald  
 Jones, Mr Kevan  
 Jones, Susan Elan  
 Kane, Mike  
 Kaufman, rh Sir Gerald  
 Keeley, Barbara  
 Kendall, Liz  
 Kinnock, Stephen  
 Lammy, rh Mr David  
 Lavery, Ian  
 Leslie, Chris  
 Lewell-Buck, Mrs Emma  
 Lewis, Clive  
 Lewis, Mr Ivan  
 Long Bailey, Rebecca  
 Lucas, Ian C.  
 Lynch, Holly  
 Mactaggart, rh Fiona  
 Madders, Justin  
 Mahmood, Mr Khalid  
 Mahmood, Shabana  
 Malhotra, Seema  
 Mann, John  
 Marris, Rob  
 Marsden, Mr Gordon  
 Maskell, Rachael  
 Matheson, Christian  
 McCabe, Steve  
 McCarthy, Kerry  
 McDonagh, Siobhain  
 McDonald, Andy  
 McDonnell, John  
 McFadden, rh Mr Pat  
 McGinn, Conor  
 McGovern, Alison  
 McInnes, Liz  
 McKinnell, Catherine  
 McMahan, Jim  
 Meale, Sir Alan  
 Mearns, Ian  
 Miliband, rh Edward  
 Morden, Jessica  
 Morris, Grahame M.  
 Mulholland, Greg  
 Murray, Ian  
 Nandy, Lisa  
 Onn, Melanie  
 Onwurah, Chi  
 Osamor, Kate  
 Pearce, Teresa

Pennycook, Matthew  
 Perkins, Toby  
 Phillips, Jess  
 Pound, Stephen  
 Pugh, John  
 Rayner, Angela  
 Reed, Mr Steve  
 Rees, Christina  
 Reeves, Rachel  
 Reynolds, Jonathan  
 Rimmer, Marie  
 Robinson, Mr Geoffrey  
 Rotheram, Steve  
 Ryan, rh Joan  
 Shah, Naz  
 Sharma, Mr Virendra  
 Sherriff, Paula  
 Shuker, Mr Gavin  
 Siddiq, Tulip  
 Skinner, Mr Dennis  
 Slaughter, Andy  
 Smeeth, Ruth  
 Smith, rh Mr Andrew  
 Smith, Angela  
 Smith, Cat  
 Smith, Jeff  
 Smith, Nick  
 Smith, Owen  
 Smyth, Karin  
 Starmer, Keir  
 Stevens, Jo  
 Streeting, Wes  
 Stuart, rh Ms Gisela  
 Tami, Mark  
 Thomas, Mr Gareth  
 Thomas-Symonds,  
 Nick  
 Thornberry, Emily  
 Timms, rh Stephen  
 Twigg, Derek  
 Twigg, Stephen  
 Umunna, Mr Chuka  
 Vaz, rh Keith  
 Vaz, Valerie  
 Watson, Mr Tom  
 Whitehead, Dr Alan  
 Williams, Mr Mark  
 Wilson, Phil  
 Winnick, Mr David  
 Winterton, rh Dame Rosie  
 Woodcock, John  
 Wright, Mr Iain  
 Zeichner, Daniel

**Tellers for the Ayes:**  
**Vicky Foxcroft and**  
**Sue Hayman**

#### NOES

Afriyie, Adam  
 Aldous, Peter  
 Allan, Lucy  
 Allen, Heidi  
 Amess, Sir David  
 Andrew, Stuart  
 Ansell, Caroline  
 Argar, Edward  
 Atkins, Victoria  
 Bacon, Mr Richard  
 Baker, Mr Steve  
 Baldwin, Harriett  
 Barclay, Stephen  
 Baron, Mr John  
 Barwell, Gavin  
 Bebb, Guto  
 Bellingham, Sir Henry  
 Beresford, Sir Paul  
 Berry, Jake  
 Berry, James  
 Bingham, Andrew  
 Blackman, Bob  
 Bone, Mr Peter  
 Borwick, Victoria

*Question accordingly negated.*

*Question put (Standing Order No. 31(2)), That the original words stand part of the Question.*

*The House divided: Ayes 201, Noes 295.*

#### Division No. 187]

[7.12 pm

#### AYES

Abbott, Ms Diane  
 Abrahams, Debbie  
 Alexander, Heidi  
 Ali, Rushanara  
 Allen, Mr Graham  
 Anderson, Mr David  
 Ashworth, Jonathan  
 Austin, Ian  
 Barron, rh Kevin  
 Beckett, rh Margaret  
 Benn, rh Hilary  
 Berger, Luciana  
 Betts, Mr Clive  
 Blackman-Woods, Dr Roberta  
 Blenkinsop, Tom  
 Blomfield, Paul  
 Bradshaw, rh Mr Ben  
 Brake, rh Tom  
 Brennan, Kevin  
 Brown, Lyn  
 Brown, rh Mr Nicholas  
 Bryant, Chris  
 Buck, Ms Karen  
 Burgon, Richard  
 Butler, Dawn  
 Byrne, rh Liam  
 Cadbury, Ruth  
 Campbell, rh Mr Alan  
 Campbell, Mr Ronnie  
 Carmichael, rh Mr Alistair  
 Coffey, Ann  
 Cooper, Julie  
 Cooper, Rosie  
 Cooper, rh Yvette  
 Corbyn, rh Jeremy  
 Cox, Jo  
 Coyle, Neil  
 Crausby, Mr David  
 Creagh, Mary  
 Creasy, Stella  
 Cruddas, Jon  
 Cryer, John  
 Cummins, Judith  
 Cunningham, Alex  
 Cunningham, Mr Jim  
 Dakin, Nic  
 Danczuk, Simon  
 David, Wayne  
 Davies, Geraint  
 De Piero, Gloria  
 Doughty, Stephen  
 Dowd, Jim  
 Dowd, Peter  
 Dromey, Jack  
 Dugher, Michael  
 Eagle, Ms Angela  
 Eagle, Maria  
 Efford, Clive  
 Elliott, Julie  
 Ellman, Mrs Louise  
 Evans, Chris  
 Farrelly, Paul  
 Field, rh Frank  
 Fitzpatrick, Jim  
 Fletcher, Colleen  
 Flint, rh Caroline  
 Flynn, Paul  
 Fovargue, Yvonne  
 Gardiner, Barry  
 Glass, Pat  
 Glendon, Mary  
 Goodman, Helen  
 Green, Kate  
 Greenwood, Lilian  
 Greenwood, Margaret  
 Griffith, Nia  
 Gwynne, Andrew  
 Haigh, Louise  
 Hamilton, Fabian  
 Hanson, rh Mr David  
 Harman, rh Ms Harriet  
 Harris, Carolyn  
 Hayes, Helen  
 Healey, rh John  
 Hendrick, Mr Mark  
 Hepburn, Mr Stephen  
 Hillier, Meg  
 Hodge, rh Dame Margaret  
 Hodgson, Mrs Sharon  
 Hollern, Kate  
 Hopkins, Kelvin  
 Howarth, rh Mr George

Brady, Mr Graham	Gillan, rh Mrs Cheryl	Lilley, rh Mr Peter	Shelbrooke, Alec
Brazier, Mr Julian	Goodwill, Mr Robert	Lopresti, Jack	Simpson, David
Bridgen, Andrew	Gove, rh Michael	Lord, Jonathan	Simpson, rh Mr Keith
Brine, Steve	Graham, Richard	Loughton, Tim	Skidmore, Chris
Bruce, Fiona	Grant, Mrs Helen	Lumley, Karen	Smith, Chloe
Buckland, Robert	Grayling, rh Chris	Mackinlay, Craig	Smith, Henry
Burns, Conor	Green, Chris	Mackintosh, David	Smith, Julian
Burns, rh Sir Simon	Green, rh Damian	Main, Mrs Anne	Smith, Royston
Burrowes, Mr David	Grieve, rh Mr Dominic	Mak, Mr Alan	Soames, rh Sir
Burt, rh Alistair	Griffiths, Andrew	Malthouse, Kit	Nicholas
Cairns, Alun	Gummer, Ben	Mathias, Dr Tania	Solloway, Amanda
Carmichael, Neil	Gyimah, Mr Sam	May, rh Mrs Theresa	Soubry, rh Anna
Cartlidge, James	Halfon, rh Robert	Maynard, Paul	Spelman, rh Mrs
Cash, Sir William	Hall, Luke	McCartney, Jason	Caroline
Caulfield, Maria	Hammond, Stephen	McCartney, Karl	Spencer, Mark
Chalk, Alex	Hands, rh Greg	McPartland, Stephen	Stephenson, Andrew
Chishti, Rehman	Harper, rh Mr Mark	McZies, Mark	Stevenson, John
Chope, Mr Christopher	Harrington, Richard	Mercer, Johnny	Stewart, Iain
Churchill, Jo	Harris, Rebecca	Merriman, Huw	Streeter, Mr Gary
Clark, rh Greg	Hart, Simon	Metcalfe, Stephen	Stride, Mel
Clarke, rh Mr Kenneth	Haselhurst, rh Sir	Miller, rh Mrs Maria	Stuart, Graham
Cleverly, James	Alan	Milling, Amanda	Sturdy, Julian
Clifton-Brown, Geoffrey	Hayes, rh Mr John	Mills, Nigel	Sunak, Rishi
Coffey, Dr Thérèse	Heald, Sir Oliver	Milton, rh Anne	Swayne, rh Mr
Collins, Damian	Heaton-Harris, Chris	Mitchell, rh Mr Andrew	Desmond
Colvile, Oliver	Heaton-Jones, Peter	Mordaunt, Penny	Swire, rh Mr Hugo
Costa, Alberto	Henderson, Gordon	Morgan, rh Nicky	Syms, Mr Robert
Cox, Mr Geoffrey	Herbert, rh Nick	Morris, Anne Marie	Thomas, Derek
Crabb, rh Stephen	Hinds, Damian	Morris, David	Throup, Maggie
Davies, Byron	Hoare, Simon	Morris, James	Tolhurst, Kelly
Davies, Chris	Hollingbery, George	Morton, Wendy	Tomlinson, Justin
Davies, David T. C.	Hollinrake, Kevin	Mowat, David	Tomlinson, Michael
Davies, Glyn	Hollobone, Mr Philip	Mundell, rh David	Tracey, Craig
Davies, Dr James	Holloway, Mr Adam	Murray, Mrs Sheryll	Trevelyan, Mrs Anne-Marie
Davies, Mims	Hopkins, Kris	Murrison, Dr Andrew	Truss, rh Elizabeth
Davies, Philip	Howell, John	Neill, Robert	Tugendhat, Tom
Davis, rh Mr David	Howlett, Ben	Newton, Sarah	Turner, Mr Andrew
Dinenage, Caroline	Huddleston, Nigel	Nokes, Caroline	Tyrie, rh Mr Andrew
Double, Steve	Hunt, rh Mr Jeremy	Norman, Jesse	Vaizey, Mr Edward
Dowden, Oliver	Hurd, Mr Nick	Nuttall, Mr David	Vara, Mr Shailesh
Drummond, Mrs Flick	Jackson, Mr Stewart	Offord, Dr Matthew	Vickers, Martin
Duddridge, James	James, Margot	Paisley, Ian	Villiers, rh Mrs Theresa
Duncan, rh Sir Alan	Javid, rh Sajid	Parish, Neil	Walker, Mr Charles
Duncan Smith, rh Mr	Jayawardena, Mr	Patel, rh Priti	Walker, Mr Robin
Iain	Ranil	Pawsey, Mark	Wallace, Mr Ben
Dunne, Mr Philip	Jenkin, Mr Bernard	Penning, rh Mike	Warburton, David
Elliott, Tom	Jenkyms, Andrea	Penrose, John	Warman, Matt
Ellis, Michael	Jenrick, Robert	Perry, Claire	Watkinson, Dame Angela
Ellison, Jane	Johnson, Boris	Phillips, Stephen	Wharton, James
Ellwood, Mr Tobias	Johnson, Gareth	Philp, Chris	Whately, Helen
Elphicke, Charlie	Johnson, Joseph	Pickles, rh Sir Eric	Wheeler, Heather
Eustice, George	Jones, Andrew	Pincher, Christopher	White, Chris
Evans, Graham	Jones, rh Mr David	Prentis, Victoria	Whittaker, Craig
Evans, Mr Nigel	Kawczynski, Daniel	Prisk, Mr Mark	Whittingdale, rh Mr
Evennett, rh Mr David	Kennedy, Seema	Pritchard, Mark	John
Fabricant, Michael	Kinahan, Danny	Pursglove, Tom	Wiggin, Bill
Fallon, rh Michael	Knight, rh Sir Greg	Quin, Jeremy	Williams, Craig
Fernandes, Suella	Knight, Julian	Raab, Mr Dominic	Williamson, rh Gavin
Field, rh Mark	Kwarteng, Kwasi	Redwood, rh John	Wilson, Mr Rob
Foster, Kevin	Lancaster, Mark	Rees-Mogg, Mr Jacob	Wilson, Sammy
Fox, rh Dr Liam	Latham, Pauline	Robertson, Mr Laurence	Wollaston, Dr Sarah
Frazer, Lucy	Leadsom, Andrea	Robinson, Mary	Wood, Mike
Freeman, George	Lee, Dr Phillip	Rosindell, Andrew	Wragg, William
Freer, Mike	Lefroy, Jeremy	Rudd, rh Amber	Wright, rh Jeremy
Fuller, Richard	Leigh, Sir Edward	Rutley, David	Zahawi, Nadhim
Fysh, Marcus	Leslie, Charlotte	Sandbach, Antoinette	
Gale, Sir Roger	Letwin, rh Mr Oliver	Scully, Paul	
Garnier, rh Sir Edward	Lewis, Brandon	Shannon, Jim	<b>Tellers for the Noes:</b>
Garnier, Mark	Lewis, rh Dr Julian	Shapps, rh Grant	Simon Kirby and
Gauke, Mr David	Liddell-Grainger, Mr	Sharma, Alok	Jackie Doyle-Price
Ghani, Nusrat	Iain		
Gibb, Mr Nick	Lidington, rh Mr David		

*Question accordingly negated.*

## Business without Debate

### DEFERRED DIVISIONS

*Motion made and Question put forthwith (Standing Order No. 43A(3)),*

That, at this day's sitting, Standing Order No. 41A (Deferred divisions) shall not apply to the Motion in the name of John Penrose relating to Reform of the Electoral Law of the EU (Reasoned Opinion).—(*Kris Hopkins.*)

*Question agreed to*

### EUROPEAN UNION DOCUMENTS

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

#### REFORM OF THE ELECTORAL LAW OF THE EU (REASONED OPINION)

That this House takes note of Unnumbered European Union Documents, a European Parliament Resolution of 11 November 2015 on the reform of the electoral law of the European Union, and a Proposal for a Council Decision adopting the provisions amending the Act concerning the election of members of the European Parliament by direct universal suffrage; supports the Government's initial view that it is not persuaded of the merits of many of the proposed measures, and that a number of the proposals concern issues that should be decided at a national level; further notes that there is a power of national veto in respect of the European Parliament's Proposal, and that the Government is therefore not committed to agreeing to any of the proposed measures; and considers that the Proposed Council Decision does not comply with the principle of subsidiarity for the reasons set out in annex 2 to Chapter 1 of the Nineteenth Report of the European Scrutiny Committee (HC 342-xviii) and, in accordance with Article 6 of Protocol (No. 2) annexed to the EU Treaties on the application of the principles of subsidiarity and proportionality, instructs the Clerk of the House to forward this reasoned opinion to the Presidents of the European Institutions.—(*Kris Hopkins.*)

*Question agreed to.*

### DELEGATED LEGISLATION

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

#### IMMIGRATION

That the draft Immigration and Nationality (Fees) Order 2016, which was laid before this House on 11 January, be approved.—(*Kris Hopkins.*)

*The Deputy Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until Wednesday 10 February (Standing Order No. 41A).*

## Child Dental Health

*Motion made, and Question proposed, That this House do now adjourn.—(Kris Hopkins.)*

7.26 pm

**Sir Paul Beresford** (Mole Valley) (Con): I have a well-known interest to declare as a very part-time, or occasional, dentist. I am a member of a number of dental organisations that have applied considerable pressure on me to seek this debate.

On 27 May, the Minister will give the opening address and take questions at the British Dental Association's annual conference in Manchester. There are 39,000 dentists and 63,000 dental care professionals in the United Kingdom, spread over the four nations, with the majority of them in England. They will wish to hear about the national health service and contracts, but as professionals their biggest concern will probably be child dental health. Perhaps the Minister's reply could be secret practice for opening the meeting, bearing in mind that, I suspect, very few dentists will be watching us.

Dentists feel that their small branch of general health is seen as a "Cinderella" service and a sideline within the national health service. Increasingly, the biggest problem they face is child dental health in the form of caries. This disease is almost entirely preventable, but it is not being prevented. As the Minister is aware, the biggest single factor in dental caries is sugar. The raw statistics on child dental health are pitiful. Deciduous teeth, or baby teeth, are particularly susceptible to decay as they have thinner enamel compared with permanent dentition, and this obviously contributes to children having dental decay. Dental decay is the No. 1 reason for children aged five to nine being admitted to hospital in the United Kingdom.

**Jim Shannon** (Strangford) (DUP): In Northern Ireland, tooth decay among under-15s has fallen consistently since 2000, and specific education has been done by our health and education Departments to make that happen. The hon. Gentleman referred to those aged between five and 10 consuming sugar. Every child will eat their weight in sugar in a year. Does he agree that we need a tax on sugar, because if we address this at the early stages, we will go a long way towards addressing the problem of tooth decay?

**Sir Paul Beresford:** I wish it were that simple. I personally believe that that would not make one iota of difference after a few months. One need only stand in the supermarket watching the kids pushing the mothers for sweets and the mothers feeding them to realise that, as I say, it will not make one iota of difference unless it is prohibited, in which case we would have other difficulties that I will not go into.

As I have said, the No. 1 reason for children aged five to nine being admitted to hospital in the United Kingdom is dental decay. The NHS spent £30 million on hospital-based extractions for children aged 18 and under in the year 2012-13. That is 900 children a week, who are being admitted primarily for tooth extraction—often under a general anaesthetic, which carries a slight risk in itself.

I am sure that the Minister is aware of the results of the 2013 child dental health survey. For the sake of those who have not read the statistics and who may



glance tomorrow at the debate, I will touch on some of the figures. For example, 31% of five-year-olds had obvious decay in their primary teeth. That figure was higher in more deprived areas, where 41% of those eligible for free school meals had decayed primary teeth, in comparison with 29% of other children of the same age. Of five-year-olds who were eligible for free school meals, 21% had severe or extensive tooth decay, compared with only 11% of those who were not eligible.

By the age of 15, 46% of our children have tooth decay. Of the 15 year-olds, 59% of those eligible for free school meals had decay, compared with 43% of other children of the same age; 45% reported that their daily life had been affected by problems with their teeth and their mouth in the previous three months; and 28% reported being embarrassed to smile or laugh because of the condition of their teeth. Those are 15-year-olds, who are suddenly taking notice of the world and hoping to be taken notice of themselves.

**Mr Graham Allen** (Nottingham North) (Lab): I thank the hon. Gentleman for kindly taking an intervention, as we discussed beforehand; I also obtained the Minister's permission to intervene. The hon. Gentleman knows more than anyone else in the House about the matter, and he is widely respected for what he does. He knows that I am the chair of a charity in Nottingham North that has three public health ideas, one of which is that every three-year-old should have the free NHS dental check. I am attempting to work with local dentists to make that happen, but without success; believe me, I have tried. Will the hon. Gentleman facilitate for me a meeting with the British Dental Association to discuss the matter? If I may, I will use this opportunity to ask the Minister to see me, at his convenience, to discuss how we can get dentists to help three-year-olds, who are entitled to that check.

**Sir Paul Beresford**: I would be more than happy to do so, because that has to be one the key ways forward. Sadly, the problems are not new, and people are looking at them. One of the areas that I have discovered to be a considerable problem is the dental care of disabled children. I draw the Minister's attention to a recent report entitled "Open wide", published by an organisation called Contact a Family. In addition, I know from my local government days that dental care for children in care is exceedingly poor.

The situation is not new; it has gone on for decades. I am not sure whether it is getting worse, but it is certainly not getting any better. I first practised dentistry in this country on the NHS in east London. The state of our child patients' dental health, compared with that which I left behind in New Zealand, was staggering. Every Thursday, I or the principal of the practice ran general anaesthetic sessions with an anaesthetist. Fortunately, it is forbidden to do so now. Those sessions were packed with patients, predominantly little children, who had to have all or most of their teeth out. It was appalling, but not as appalling as seeing those children in pain when they came in, having had sleepless nights as a result of dental decay.

I will touch on the issue of sweet things. I went to the local supermarket, where there were huge long racks of biscuits, cakes, sweets and sweet drinks. However, the racks of fruit, vegetables and meat were infinitely shorter.

Most of the children I dealt with did not have toothbrushes, and most of the parents were unaware that their children had such damaged teeth because of their diet.

Prevention, with progressively increasing reductions to NHS costs, can be achieved. If one realises that the UK population eats about 700 grams of sugar a week—an average of 140 teaspoons of sugar a week—it is obvious that a reduction is a necessity. That intake is not spread evenly; it is higher in the north of the country and lower in the south-east. Teenagers, as we would expect, have the highest intake of all age groups, consuming some 50% more sugar, on average, than is recommended.

The Scottish Government have a recent programme called Childsmile, and more than 90,000 nursery school children currently take part in supervised tooth-brushing. The Scottish Government have also directed the distribution of fluoride toothpaste and toothbrushes in the first year of life at nursery and in the first year of primary school. They are having great success: they reckon that, because of the reduced dental care required, they have managed to save the health service £6 million between 2001 and 2009. Wales has a similar programme with similar benefits. In England, we do not have one.

If I may be so bold, I will suggest to the Minister some possible solutions. We need to invest in a national oral health programme, possibly like the one in Scotland. It should particularly target areas with problems of poor oral health. This should be done in nurseries and schools, with the backing of local authorities, which would need a small amount of funding from the Minister's Department. It would not be too much of a burden on schools to run a check system to ensure that every child in a primary school has visited the dentist once a year. From what the hon. Member for Nottingham North (Mr Allen) said, dentists will obviously have to be persuaded, if not bullied or forced, into such a system.

Not just dental healthcare professionals, but all healthcare professionals, such as midwives, health visitors and pharmacists, should be given the opportunity and training to apply oral health education, including in relation to persuasion on fluoride. The tax on sugar has been mentioned, but I am sceptical about it. Other ways, such as education, will have to be used. Perhaps—just perhaps—we can persuade the producers of such products to tone down the sugar content.

Far and away the biggest—the proven and most successful—way of reducing tooth decay among children, and ultimately adults, is of course fluoride. Fluoride in toothpastes has made a remarkable change. However, that surface application is nowhere near as effective as the fluoridation of water supplies. With fluoridated water supplies, the fluoride builds up in teeth as they develop. As part of a health professional programme, use of oral fluoride for children should be promoted to parents and children until such time as the water supply in the area in which the children live is fluoridated.

We have very few fluoridated areas in England. The marked difference in the incidence of tooth decay in UK fluoridated areas, compared with those in almost identical neighbouring but non-fluoridated areas, is stark and obvious. In the United Kingdom, approximately 330,000 people have naturally occurring fluoride at the right level in their water supply. In addition, some 5.8 million people in different parts of the country are supplied with fluoridation. That is about 6 million out of a total population of about 64 million, which is

[Sir Paul Beresford]

about 10%. The percentage of fluoridated water supplies in the United States is 74%, in Canada 44% and in Australia 80%. I believe that the percentage in New Zealand is not far behind that of Australia.

I have just come back from the southern hemisphere, so perhaps I can use New Zealand as an example. Early in the last century, the New Zealand Government set up a programme to train dental nurses, or what in this country we call dental auxiliaries. They provided dental care and oral hygiene instruction for every child in primary school. Those services were provided in clinics within the grounds of the bigger schools. As hon. Members can imagine, every child in the country called such clinics "the murder house". These young ladies turned around the dental health of the children of New Zealand. They were trained at three schools in the country, and they predominantly provided dental health care by restoring decayed teeth, whether permanent or deciduous. Since 1954, water supplies in New Zealand have increasingly been fluoridated, and I understand that the demand for treatment in schools for such children has diminished dramatically. There is now one school, not three, and the dental nurses spend about 50% of their time on oral education, not on drilling and filling teeth.

In England, the decision to fluoridate the water supply is, in essence, in the hands of elected councillors. However, I believe it is important that the Government, along with the dental profession, apply pressure on local authority wellbeing boards to implement fluoridation. These boards will need support, professional guidance and scientific advice. They will need to be aware that they will be harangued with misinformation and false scientific facts, and that scaremongering will abound.

I will conclude with an example from a debate in this House on fluoride and fluoridation under the last Labour Government. A Welsh MP claimed that fluoridated water induced brittle bone disease. In fact, research has proved that fluoride in the water supply infinitesimally increases the strength of bones. As I pointed out to the Welsh MP, the All Blacks had recently trampled through the fields of Wales and every one of them had almost certainly been brought up in a fluoridated area. The only broken bones were Welsh.

The extent of dental caries among children in England is sad and it is a disgrace. It has been a disgrace for decades. It is preventable and, if we prevent it, we can make considerable savings to our health service and save the pain and suffering of England's children. Minister, it is in your hands.

7.40 pm

**The Minister for Community and Social Care (Alistair Burt):** It is a great pleasure to respond to my hon. Friend the Member for Mole Valley (Sir Paul Beresford) and his excellent speech. The House has been fortunate to benefit from his professional knowledge on a number of occasions. As a new Minister coming into office some nine months ago, I had an early meeting with him, from which I benefited hugely and continue to benefit. I am grateful for the way in which he put his case and for the heads-up in respect of what I might do and the speech that I might make to the British Dental Association in due course.

I am grateful that the usual suspects have been here to listen because of their interest in these matters, namely the hon. Members for Strangford (Jim Shannon) and for Nottingham North (Mr Allen). I thank my hon. Friend the Member for Battersea (Jane Ellison), who is the public health Minister, for being here, together with the Whip and the Parliamentary Private Secretary. I also saw the hon. Member for Dewsbury (Paula Sherriff), who has been to see me to talk about dental matters and who clearly cares very much about these issues.

I congratulate my hon. Friend the Member for Mole Valley on securing this very important debate about children's dental health. Poor oral health in children and young people can affect their ability to sleep, eat, speak, play and socialise with other children. Other impacts include pain, infections, poor diet and impaired nutrition and growth. When children are not healthy, it affects their ability to learn, thrive and develop. To benefit fully from education, children need to enter school ready to learn and to be healthy, and they must be prepared emotionally, behaviourally and socially. Poor oral health may also result in children being absent from school to seek treatment or because they are in pain. Parents may also have to take time off work to take their children to the dentist. This is not simply a health issue; it impacts on children's development and the economy.

It is a fact that the two main dental diseases, dental decay and gum disease, can be almost eliminated by the combination of good diet and correct tooth brushing, backed up by regular examination by a dentist. Despite that, as my hon. Friend has set out, their prevalence rates in England are still too high. Dental epidemiological surveys have been carried out for the past 30 years in England and give a helpful picture of the prevalence and trends in oral health. Public Health England is due to report on the most recent five-year-olds survey in the late spring.

There is a mixture of news, as the House might expect. The good news is that the data we have at present show that oral health in five-year-olds is better than it has ever been, with 72% of five-year-old children in England decay free. Between 2008 and 2012, the number of five-year-old children who showed signs of decay fell by approximately 10%. The mean number of decayed, missing or filled teeth was less than one, at 0.94. Indeed, the data suggest that, notwithstanding the All Blacks' rugby success and their bone-crushing efforts on the field, oral health in children is currently better in England than in New Zealand. New Zealand's data for children aged five in 2013 showed that the proportion who were disease free was 57.5% and that the mean number of decayed, missing or filled teeth was 1.88.

**Jim Shannon:** We have had a marked reduction in dental decay in children since the year 2000, as I said earlier in an intervention. With respect, Minister, I would say that we are doing some good work in Northern Ireland. The Under-Secretary of State for Health, the hon. Member for Battersea (Jane Ellison) knows that I always say, "Let's exchange ideas and information." We are doing good work in Northern Ireland and we want to tell Ministers about it.

**Alistair Burt:** This is possibly the fourth or fifth invitation that I have received from my hon. Friend to come to see different things in Northern Ireland, and he

is right about every one. He finds in me a willing ear, and we will make a visit because there are several different things to see. Where devolved Administrations and the Department can learn from each other, that matters, and I will certainly take up my hon. Friend's offer.

In older children there are challenges when comparing different countries, because of how the surveys are carried out. The available data still show that we have among the lowest rates of dental decay in Europe, but despite that solid progress we must do more. There is disparity of experience between the majority of children who suffer little or no tooth decay, and the minority who suffer decay that is sometimes considerable and can start in early life. In this House, we know the children who I am talking about—it is a depressingly familiar case. We can picture those children as we speak, as my hon. Friend the Member for Mole Valley described in the sometimes horrific parts of what he told the House. The fact that we know that such decay affects children in particular circumstances makes us weep.

Public Health England's 2013 dental survey of three-year-olds found that of the children in England whose parents gave consent for their participation in the survey, 12% had already experienced dental decay. On average, those children had three teeth that were decayed, missing or filled. Their primary, or baby, teeth will only have just developed at that age, so it is highly distressing for the child, parents, and dental teams who need to treat them. Dental decay is the top cause of childhood admissions to hospitals in seven to nine-year-olds. In 2013-14, the total number of children admitted to hospital for extraction of decayed teeth in England was 63,196. Of those, 10,001 were nought to four-year-olds, and so would start school with missing teeth.

From April 2016, a new oral health indicator will be published in the NHS outcome framework based on the extraction of teeth in hospital in children aged 10 and under. That indicator will allow us to monitor the level of extractions, with the aim of reducing the number of children who need to be referred for extractions in the medium term. Extractions are a symptom of poor oral health, and the key is to tackle the cause of that. Today I commit that my officials will work with NHS England, Public Health England and local authorities to identify ways to reach those children most in need, and to ensure that they are able and encouraged to access high-quality preventive advice and treatment.

The good news is that the transfer of public health responsibilities to local authorities provides new opportunities for the improvement of children's oral health. Local authorities are now statutorily obliged to provide or commission oral health promotion programmes to improve the health of the local population, to an extent that they consider appropriate in their areas. In order to support local authorities in exercising those responsibilities, Public Health England published "Local Authorities improving oral health: commissioning better oral health for children" in 2014. That document gives local authorities the latest evidence on what works to improve children's oral health.

The commitment of the hon. Member for Nottingham North to early intervention and the improvement of children's chances is noteworthy and well recognised in this House and beyond, and of course he can come to

see me. I would be happy to discuss with him what he wants to promote in Nottingham, which sounds just the sort of initiative we need.

Public Health England is also addressing oral health in children as a priority as part of its "Best Start in Life" programme. That includes working with and learning from others, such as the "Childsmile" initiative in Scotland, to which my hon. Friend the Member for Mole Valley referred. It is important that health visitors—I know that the Public Health Minister takes a particular interest in their work—midwives, and the wider early years workforce have access to evidence-based oral health improvement training to enable them to support families to improve oral health.

Public Health England and the Royal College of Surgeons Faculty of Dental Practice are working with the Royal College of Paediatrics and Child Health to review the dental content of the red book—the personal child health record—to provide the most up-to-date evidence-based advice and support for parents and carers. The National Institute for Health and Care Excellence has also produced recent oral health guidance that makes recommendations on undertaking oral health needs assessments, developing a local strategy on oral health, and delivering community-based interventions and activities for all age groups, including children. Community initiatives to improve oral health include supervised fluoride tooth-brushing schemes, fluoride varnish schemes and water fluoridation.

I agree with my hon. Friend that water fluoridation is an effective way of reducing dental decay. However, as the House knows, the matter is not in my hands. Decisions on water fluoridation are best taken locally and local authorities now have responsibility for making proposals regarding any new fluoridation schemes. I am personally in favour. I think I am the only Member in the Chamber who remembers Ivan Lawrence and the spectacular debates we had on fluoridation in the 1980s. He made one of the longest speeches ever. Fluoridation was bitterly and hard-fought-for and I do not think there is any prospect of pushing the matter through the House at present. I am perfectly convinced by the science and that is my personal view, but this is a matter that must be taken on locally.

Diet is also key to improving children's teeth and Public Health England published "Sugar reduction: the evidence for action" in October 2015. Studies indicate that higher consumption of sugar and sugar-containing foods and drinks is associated with a greater risk of dental caries in children—no surprise there. Evidence from the report showed that a number of levers could be successful, although I agree with my hon. Friend that it is unlikely that a single action alone would be effective in reducing sugar intake.

The evidence suggests that a broad, structured approach involving restrictions on price promotions and marketing, product reformulation, portion size reduction and price increases on unhealthy products, implemented in parallel, is likely to have the biggest impact. Positive changes to the food environment, such as the public sector procuring, providing and selling healthier foods, as well as information and education, are also needed to help to support people in making healthier choices.

Dentists have a key role to play. "Delivering Better Oral Health" is an evidence-based guide to prevention in dental practice. It provides clear advice for dental

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teams on preventive care and interventions that could be delivered in dental practice and school settings. Regular fluoride varnish is now advised by Public Health England for all children at risk of tooth decay.

For instance, the evidence shows that twice yearly application of fluoride varnish to children's teeth—more often for children at risk—can have a positive impact on reducing dental decay. In 2014-15, for children, courses of treatment that included a fluoride varnish increased by 24.6% on the previous year to 3.4 million. Fluoride varnishes now equate to 30.9% of all child treatments, compared with 25.2% last year. This is encouraging progress.

There are many measures that can and should be taken in order to reduce the prevalence of decay in children, but we recognise it is unlikely that we will be able to eradicate entirely the causes or the effects of poor oral health in children. This means that the continued provision of high quality NHS primary dental services will continue to be an important part of ensuring that every child in England enjoys as high a standard of oral health as possible. NHS England has a duty to commission services to improve the health of the population and reduce inequalities—this is surely an issue of inequality—and also a statutory duty to commission primary dental services to meet local need. NHS England is committed to improving commissioning of primary care dentistry within the overall vision of the “Five Year Forward View”.

**Mr Allen:** The Prime Minister announced an excellent initiative on life chances less than two weeks ago. The cornerstone of that was improving parenting skills. Will the Minister's Department ensure that feeding into that process there is, within the parenting programmes, stuff around health in general, but dental health in particular?

**Alistair Burt:** Yes. [Interruption.] Immediate information passed to me by the Minister with responsibility for public health indicates that that is a very positive initiative and we are indeed taking it up.

Overall, children's access to NHS dentistry remains consistently high, with the number of children seen in the 24 months to September 2015 by an NHS dentist standing at 8 million, or 69.6% of the population. There are localised areas where children have access difficulties, but the more common problem is that the parents and carers of the children most at risk do not seek care until the child has developed some disease—this again emphasises the importance of health visitors and others in the process.

To help focus on prevention, the Government are committed to reforming the current system of primary care dentistry to improve access and oral health further. In line with the welcome improvements in oral health over the last 50 years, we need an approach in primary care dentistry that can provide a focus on prevention, while also incentivising treatment where needed.

That is why, following the piloting of the preventative clinical pathway, we are now prototyping a whole possible new system remunerated through a blend of quality, capitation and activity payments. The aim is to allow dentists to focus on prevention and, where appropriate, treatment, and how effective that could be for the children we are talking about. The new approach will be tested until at least 2017. We need to do a proper evaluation and, if successful, numbers will increase with a possibility of a national roll-out for 2018-19.

I hope I have been able to demonstrate the seriousness with which the Government take this subject—a seriousness that I know is accepted by the whole House. It comes back to some fundamental issues of inequality in health that are, as I said, depressingly familiar and which we are all absolutely dedicated to removing. The concept of total clearance for a child—I suspect that none of us has had to contemplate that in our personal lives, but it affects some of our constituents—is something that brings us all up short. I am grateful to my hon. Friend the Member for Mole Valley for raising this subject for debate.

*Question put and agreed to.*

7.56 pm

*House adjourned.*

## Deferred Divisions

### SOCIAL SECURITY

That the draft State Pension and Occupational Pension Schemes (Miscellaneous Amendments) Regulations 2016, which were laid before this House on 30 November 2015, be approved.

*The House divided: Ayes 297, Noes 73.*

### Division No. 182]

#### AYES

Adams, Nigel  
 Afriyie, Adam  
 Aldous, Peter  
 Allan, Lucy  
 Allen, Heidi  
 Amess, Sir David  
 Andrew, Stuart  
 Ansell, Caroline  
 Argar, Edward  
 Atkins, Victoria  
 Bacon, Mr Richard  
 Baker, Mr Steve  
 Baldwin, Harriett  
 Barclay, Stephen  
 Baron, Mr John  
 Barwell, Gavin  
 Bebb, Guto  
 Bellingham, Sir Henry  
 Beresford, Sir Paul  
 Berry, Jake  
 Berry, James  
 Bingham, Andrew  
 Blackman, Bob  
 Boles, Nick  
 Bone, Mr Peter  
 Borwick, Victoria  
 Bradley, Karen  
 Brady, Mr Graham  
 Brazier, Mr Julian  
 Bridgen, Andrew  
 Brine, Steve  
 Brokenshire, rh James  
 Bruce, Fiona  
 Buckland, Robert  
 Burns, Conor  
 Burns, rh Sir Simon  
 Burrowes, Mr David  
 Burt, rh Alistair  
 Cairns, Alun  
 Cameron, rh Mr David  
 Carmichael, Neil  
 Cartledge, James  
 Cash, Sir William  
 Caulfield, Maria  
 Chalk, Alex  
 Chishti, Rehman  
 Chope, Mr Christopher  
 Churchill, Jo  
 Clark, rh Greg  
 Clarke, rh Mr Kenneth  
 Cleverly, James  
 Clifton-Brown, Geoffrey  
 Coffey, Dr Thérèse  
 Collins, Damian  
 Colvile, Oliver  
 Costa, Alberto  
 Cox, Mr Geoffrey  
 Crabb, rh Stephen  
 Davies, Byron  
 Davies, Chris

Davies, David T. C.  
 Davies, Glyn  
 Davies, Dr James  
 Davies, Mims  
 Dinanage, Caroline  
 Djanogly, Mr Jonathan  
 Donelan, Michelle  
 Double, Steve  
 Dowden, Oliver  
 Doyle-Price, Jackie  
 Drax, Richard  
 Drummond, Mrs Flick  
 Duncan, rh Sir Alan  
 Duncan Smith, rh Mr Iain  
 Dunne, Mr Philip  
 Ellis, Michael  
 Ellison, Jane  
 Elphicke, Charlie  
 Eustice, George  
 Evans, Graham  
 Evans, Mr Nigel  
 Evnnett, rh Mr David  
 Fabricant, Michael  
 Fallon, rh Michael  
 Fernandes, Suella  
 Field, rh Mark  
 Foster, Kevin  
 Fox, rh Dr Liam  
 Frazer, Lucy  
 Freeman, George  
 Freer, Mike  
 Fysh, Marcus  
 Garnier, rh Sir Edward  
 Garnier, Mark  
 Gauke, Mr David  
 Ghani, Nusrat  
 Gibb, Mr Nick  
 Gillan, rh Mrs Cheryl  
 Goodwill, Mr Robert  
 Graham, Richard  
 Grant, Mrs Helen  
 Grayling, rh Chris  
 Green, Chris  
 Green, rh Damian  
 Greening, rh Justine  
 Grieve, rh Mr Dominic  
 Griffiths, Andrew  
 Gyimah, Mr Sam  
 Halfon, rh Robert  
 Hall, Luke  
 Hammond, rh Mr Philip  
 Hammond, Stephen  
 Hands, rh Greg  
 Harper, rh Mr Mark  
 Harrington, Richard  
 Harris, Rebecca  
 Hart, Simon  
 Haselhurst, rh Sir Alan  
 Hayes, rh Mr John  
 Heald, Sir Oliver

Heapey, James  
 Heaton-Harris, Chris  
 Heaton-Jones, Peter  
 Henderson, Gordon  
 Herbert, rh Nick  
 Hinds, Damian  
 Hoare, Simon  
 Hollingbery, George  
 Hollinrake, Kevin  
 Hopkins, Kris  
 Howarth, Sir Gerald  
 Howell, John  
 Howlett, Ben  
 Huddleston, Nigel  
 Hunt, rh Mr Jeremy  
 Hurd, Mr Nick  
 James, Margot  
 Javid, rh Sajid  
 Jayawardena, Mr Ranil  
 Jenkin, Mr Bernard  
 Jenkyns, Andrea  
 Jenrick, Robert  
 Johnson, Boris  
 Johnson, Gareth  
 Johnson, Joseph  
 Jones, Andrew  
 Jones, rh Mr David  
 Jones, Mr Marcus  
 Kawczynski, Daniel  
 Kennedy, Seema  
 Kirby, Simon  
 Knight, rh Sir Greg  
 Knight, Julian  
 Kwarteng, Kwasi  
 Lancaster, Mark  
 Latham, Pauline  
 Leadsom, Andrea  
 Lee, Dr Phillip  
 Lefroy, Jeremy  
 Leslie, Charlotte  
 Letwin, rh Mr Oliver  
 Lewis, Brandon  
 Lewis, rh Dr Julian  
 Liddell-Grainger, Mr Ian  
 Lidington, rh Mr David  
 Lilley, rh Mr Peter  
 Lopresti, Jack  
 Loughton, Tim  
 Lumley, Karen  
 Mackinlay, Craig  
 Mackintosh, David  
 Main, Mrs Anne  
 Mak, Mr Alan  
 Malthouse, Kit  
 Mann, Scott  
 Mathias, Dr Tania  
 May, rh Mrs Theresa  
 Maynard, Paul  
 McCartney, Jason  
 McCartney, Karl  
 McLoughlin, rh Mr Patrick  
 McPartland, Stephen  
 Menzies, Mark  
 Mercer, Johnny  
 Merriman, Huw  
 Metcalfe, Stephen  
 Miller, rh Mrs Maria  
 Milling, Amanda  
 Mills, Nigel  
 Milton, rh Anne  
 Mitchell, rh Mr Andrew  
 Mordaunt, Penny  
 Morgan, rh Nicky  
 Morris, Anne Marie  
 Morris, David  
 Morris, James  
 Morton, Wendy  
 Mowat, David  
 Mundell, rh David  
 Murray, Mrs Sheryll  
 Murrison, Dr Andrew  
 Neill, Robert  
 Newton, Sarah  
 Nokes, Caroline  
 Norman, Jesse  
 Nuttall, Mr David  
 Offord, Dr Matthew  
 Opperman, Guy  
 Parish, Neil  
 Patel, rh Priti  
 Pawsey, Mark  
 Penning, rh Mike  
 Penrose, John  
 Percy, Andrew  
 Perry, Claire  
 Phillips, Stephen  
 Philp, Chris  
 Pickles, rh Sir Eric  
 Pincher, Christopher  
 Prentis, Victoria  
 Prisk, Mr Mark  
 Pritchard, Mark  
 Pursglove, Tom  
 Quin, Jeremy  
 Quince, Will  
 Raab, Mr Dominic  
 Redwood, rh John  
 Rees-Mogg, Mr Jacob  
 Robinson, Mary  
 Rudd, rh Amber  
 Rutley, David  
 Sandbach, Antoinette  
 Scully, Paul  
 Selous, Andrew  
 Shapps, rh Grant  
 Sharma, Alok  
 Shelbrooke, Alec  
 Simpson, rh Mr Keith  
 Skidmore, Chris  
 Smith, Chloe  
 Smith, Henry  
 Smith, Julian  
 Smith, Royston  
 Soames, rh Sir Nicholas  
 Solloway, Amanda  
 Soubry, rh Anna  
 Spelman, rh Mrs Caroline  
 Spencer, Mark  
 Stephenson, Andrew  
 Stevenson, John  
 Stewart, Bob  
 Stewart, Iain  
 Stewart, Rory  
 Streeter, Mr Gary  
 Stride, Mel  
 Stuart, Graham  
 Sturdy, Julian  
 Sunak, Rishi  
 Swire, rh Mr Hugo  
 Syms, Mr Robert  
 Thomas, Derek  
 Throup, Maggie  
 Timpson, Edward  
 Tolhurst, Kelly

Tomlinson, Justin  
Tomlinson, Michael  
Tracey, Craig  
Tredinnick, David  
Trevelyan, Mrs Anne-Marie  
Truss, rh Elizabeth  
Tugendhat, Tom  
Turner, Mr Andrew  
Tyrie, rh Mr Andrew  
Vaizey, Mr Edward  
Vara, Mr Shailesh  
Vickers, Martin  
Villiers, rh Mrs Theresa  
Walker, Mr Charles  
Walker, Mr Robin  
Wallace, Mr Ben  
Warburton, David

Warman, Matt  
Watkinson, Dame Angela  
Wharton, James  
Whately, Helen  
Wheeler, Heather  
White, Chris  
Whittaker, Craig  
Wiggin, Bill  
Williams, Craig  
Williamson, rh Gavin  
Wilson, Mr Rob  
Wollaston, Dr Sarah  
Wood, Mike  
Wragg, William  
Wright, rh Jeremy  
Zahawi, Nadhim

Allen, Heidi  
Amess, Sir David  
Andrew, Stuart  
Ansell, Caroline  
Argar, Edward  
Atkins, Victoria  
Bacon, Mr Richard  
Baker, Mr Steve  
Baldwin, Harriett  
Barclay, Stephen  
Baron, Mr John  
Barwell, Gavin  
Bebb, Guto  
Bellingham, Sir Henry  
Beresford, Sir Paul  
Berry, Jake  
Berry, James  
Bingham, Andrew  
Blackman, Bob  
Boles, Nick  
Bone, Mr Peter  
Borwick, Victoria  
Bottomley, Sir Peter  
Bradley, Karen  
Brady, Mr Graham  
Brazier, Mr Julian  
Bridgen, Andrew  
Brine, Steve  
Brokenshire, rh James  
Bruce, Fiona  
Buckland, Robert  
Burns, Conor  
Burns, rh Sir Simon  
Burrowes, Mr David  
Burt, rh Alistair  
Cairns, Alun  
Cameron, rh Mr David  
Carmichael, Neil  
Cartlidge, James  
Cash, Sir William  
Caulfield, Maria  
Chalk, Alex  
Chishti, Rehman  
Chope, Mr Christopher  
Churchill, Jo  
Clark, rh Greg  
Clarke, rh Mr Kenneth  
Cleverly, James  
Clifton-Brown, Geoffrey  
Coffey, Dr Thérèse  
Collins, Damian  
Colville, Oliver  
Costa, Alberto  
Cox, Mr Geoffrey  
Crabb, rh Stephen  
Davies, Byron  
Davies, Chris  
Davies, David T. C.  
Davies, Glyn  
Davies, Dr James  
Davies, Mims  
Dinenage, Caroline  
Djanogly, Mr Jonathan  
Donelan, Michelle  
Double, Steve  
Dowden, Oliver  
Doyle-Price, Jackie  
Drax, Richard  
Drummond, Mrs Flick  
Duncan, rh Sir Alan  
Duncan Smith, rh Mr Iain  
Dunne, Mr Philip

Ellis, Michael  
Ellison, Jane  
Elphicke, Charlie  
Eustice, George  
Evans, Graham  
Evans, Mr Nigel  
Evennett, rh Mr David  
Fabricant, Michael  
Fallon, rh Michael  
Fernandes, Suella  
Field, rh Mark  
Foster, Kevin  
Fox, rh Dr Liam  
Frazer, Lucy  
Freeman, George  
Freer, Mike  
Fuller, Richard  
Fysh, Marcus  
Gale, Sir Roger  
Garnier, rh Sir Edward  
Garnier, Mark  
Gauke, Mr David  
Ghani, Nusrat  
Gibb, Mr Nick  
Gillan, rh Mrs Cheryl  
Goodwill, Mr Robert  
Graham, Richard  
Grant, Mrs Helen  
Grayling, rh Chris  
Green, Chris  
Green, rh Damian  
Greening, rh Justine  
Grieve, rh Mr Dominic  
Griffiths, Andrew  
Gyimah, Mr Sam  
Halfon, rh Robert  
Hall, Luke  
Hammond, rh Mr Philip  
Hammond, Stephen  
Hands, rh Greg  
Harper, rh Mr Mark  
Harrington, Richard  
Harris, Rebecca  
Hart, Simon  
Haselhurst, rh Sir Alan  
Hayes, rh Mr John  
Heald, Sir Oliver  
Heapey, James  
Heaton-Harris, Chris  
Heaton-Jones, Peter  
Henderson, Gordon  
Herbert, rh Nick  
Hinds, Damian  
Hoare, Simon  
Hollingbery, George  
Hollinrake, Kevin  
Hollobone, Mr Philip  
Hopkins, Kris  
Howarth, Sir Gerald  
Howell, John  
Howlett, Ben  
Huddleston, Nigel  
Hunt, rh Mr Jeremy  
Hurd, Mr Nick  
James, Margot  
Javid, rh Sajid  
Jayawardena, Mr Ranil  
Jenkin, Mr Bernard  
Jenkyns, Andrea  
Jenrick, Robert  
Johnson, Boris  
Johnson, Gareth

### NOES

Ahmed-Sheikh, Ms Tasmina  
Arkless, Richard  
Bardell, Hannah  
Black, Mhairi  
Blackford, Ian  
Blackman, Kirsty  
Bottomley, Sir Peter  
Brock, Deidre  
Brown, Alan  
Campbell, Mr Ronnie  
Cherry, Joanna  
Cowan, Ronnie  
Crawley, Angela  
Docherty, Martin John  
Dodds, rh Mr Nigel  
Donaldson, Stuart Blair  
Durkan, Mark  
Edwards, Jonathan  
Elliott, Tom  
Fellows, Marion  
Ferrier, Margaret  
Flynn, Paul  
Gale, Sir Roger  
Gethins, Stephen  
Gibson, Patricia  
Grady, Patrick  
Grant, Peter  
Gray, Neil  
Hendry, Drew  
Hermon, Lady  
Hoey, Kate  
Hollobone, Mr Philip  
Hosie, Stewart  
Kerevan, George  
Kinahan, Danny  
Law, Chris  
Lucas, Caroline

Mc Nally, John  
McCaig, Callum  
McDonald, Stewart Malcolm  
McDonald, Stuart C.  
McDonnell, Dr Alasdair  
McGarry, Natalie  
McLaughlin, Anne  
Meale, Sir Alan  
Monaghan, Carol  
Monaghan, Dr Paul  
Mullin, Roger  
Newlands, Gavin  
O'Hara, Brendan  
Oswald, Kirsten  
Paterson, Steven  
Pugh, John  
Ritchie, Ms Margaret  
Robertson, Mr Laurence  
Robinson, Gavin  
Saville Roberts, Liz  
Shannon, Jim  
Sheerman, Mr Barry  
Sheppard, Tommy  
Simpson, David  
Skinner, Mr Dennis  
Stephens, Chris  
Thewliss, Alison  
Thompson, Owen  
Thomson, Michelle  
Weir, Mike  
Whiteford, Dr Eilidh  
Whitford, Dr Philippa  
Williams, Hywel  
Wilson, Corri  
Wilson, Sammy  
Wishart, Pete

Ellis, Michael  
Ellison, Jane  
Elphicke, Charlie  
Eustice, George  
Evans, Graham  
Evans, Mr Nigel  
Evennett, rh Mr David  
Fabricant, Michael  
Fallon, rh Michael  
Fernandes, Suella  
Field, rh Mark  
Foster, Kevin  
Fox, rh Dr Liam  
Frazer, Lucy  
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Gale, Sir Roger  
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Harrington, Richard  
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Hart, Simon  
Haselhurst, rh Sir Alan  
Hayes, rh Mr John  
Heald, Sir Oliver  
Heapey, James  
Heaton-Harris, Chris  
Heaton-Jones, Peter  
Henderson, Gordon  
Herbert, rh Nick  
Hinds, Damian  
Hoare, Simon  
Hollingbery, George  
Hollinrake, Kevin  
Hollobone, Mr Philip  
Hopkins, Kris  
Howarth, Sir Gerald  
Howell, John  
Howlett, Ben  
Huddleston, Nigel  
Hunt, rh Mr Jeremy  
Hurd, Mr Nick  
James, Margot  
Javid, rh Sajid  
Jayawardena, Mr Ranil  
Jenkin, Mr Bernard  
Jenkyns, Andrea  
Jenrick, Robert  
Johnson, Boris  
Johnson, Gareth

*Question accordingly agreed to.*

### SOCIAL SECURITY

That this draft Pensions Act 2014 (Consequential and Supplementary Amendments) Order 2016, which was laid before this House on 30 November 2015, be approved.

*The House divided: Ayes 301, Noes 70.*

### Division No. 183]

### AYES

Adams, Nigel  
Afriyie, Adam

Aldous, Peter  
Allan, Lucy

Johnson, Joseph  
 Jones, Andrew  
 Jones, rh Mr David  
 Jones, Mr Marcus  
 Kawczynski, Daniel  
 Kennedy, Seema  
 Kirby, Simon  
 Knight, rh Sir Greg  
 Knight, Julian  
 Kwarteng, Kwasi  
 Lancaster, Mark  
 Latham, Pauline  
 Leadsom, Andrea  
 Lee, Dr Phillip  
 Lefroy, Jeremy  
 Leslie, Charlotte  
 Letwin, rh Mr Oliver  
 Lewis, Brandon  
 Lewis, rh Dr Julian  
 Liddell-Grainger, Mr Ian  
 Lidington, rh Mr David  
 Lilley, rh Mr Peter  
 Lopresti, Jack  
 Loughton, Tim  
 Lumley, Karen  
 Mackinlay, Craig  
 Mackintosh, David  
 Main, Mrs Anne  
 Mak, Mr Alan  
 Malthouse, Kit  
 Mann, Scott  
 Mathias, Dr Tania  
 May, rh Mrs Theresa  
 Maynard, Paul  
 McCartney, Jason  
 McCartney, Karl  
 McLoughlin, rh Mr Patrick  
 McPartland, Stephen  
 Menzies, Mark  
 Mercer, Johnny  
 Merriman, Huw  
 Metcalfe, Stephen  
 Miller, rh Mrs Maria  
 Milling, Amanda  
 Mills, Nigel  
 Milton, rh Anne  
 Mitchell, rh Mr Andrew  
 Mordaunt, Penny  
 Morgan, rh Nicky  
 Morris, Anne Marie  
 Morris, David  
 Morris, James  
 Morton, Wendy  
 Mowat, David  
 Mundell, rh David  
 Murray, Mrs Sheryll  
 Murrison, Dr Andrew  
 Neill, Robert  
 Newton, Sarah

Nokes, Caroline  
 Norman, Jesse  
 Nuttall, Mr David  
 Offord, Dr Matthew  
 Opperman, Guy  
 Parish, Neil  
 Patel, rh Priti  
 Pawsey, Mark  
 Penning, rh Mike  
 Penrose, John  
 Percy, Andrew  
 Pery, Claire  
 Phillips, Stephen  
 Philp, Chris  
 Pickles, rh Sir Eric  
 Pincher, Christopher  
 Prentis, Victoria  
 Prisk, Mr Mark  
 Pritchard, Mark  
 Pursglove, Tom  
 Quin, Jeremy  
 Quince, Will  
 Raab, Mr Dominic  
 Redwood, rh John  
 Rees-Mogg, Mr Jacob  
 Robinson, Mary  
 Rudd, rh Amber  
 Rutley, David  
 Sandbach, Antoinette  
 Scully, Paul  
 Selous, Andrew  
 Shapps, rh Grant  
 Sharma, Alok  
 Shelbrooke, Alec  
 Simpson, rh Mr Keith  
 Skidmore, Chris  
 Smith, Chloe  
 Smith, Henry  
 Smith, Julian  
 Smith, Royston  
 Soames, rh Sir Nicholas  
 Solloway, Amanda  
 Soubry, rh Anna  
 Spelman, rh Mrs Caroline  
 Spencer, Mark  
 Stephenson, Andrew  
 Stevenson, John  
 Stewart, Bob  
 Stewart, Iain  
 Stewart, Rory  
 Streeter, Mr Gary  
 Stride, Mel  
 Stuart, Graham  
 Sturdy, Julian  
 Sunak, Rishi  
 Swire, rh Mr Hugo  
 Syms, Mr Robert  
 Thomas, Derek  
 Throup, Maggie

Timpson, Edward  
 Tolhurst, Kelly  
 Tomlinson, Justin  
 Tomlinson, Michael  
 Tracey, Craig  
 Tredinnick, David  
 Trevelyan, Mrs Anne-Marie  
 Truss, rh Elizabeth  
 Tugendhat, Tom  
 Turner, Mr Andrew  
 Tyrie, rh Mr Andrew  
 Vaizey, Mr Edward  
 Vara, Mr Shailesh  
 Vickers, Martin  
 Villiers, rh Mrs Theresa  
 Walker, Mr Charles  
 Walker, Mr Robin  
 Wallace, Mr Ben

Warburton, David  
 Warman, Matt  
 Watkinson, Dame Angela  
 Wharton, James  
 Whately, Helen  
 Wheeler, Heather  
 White, Chris  
 Whittaker, Craig  
 Wiggin, Bill  
 Williams, Craig  
 Williamson, rh Gavin  
 Wilson, Mr Rob  
 Wollaston, Dr Sarah  
 Wood, Mike  
 Wragg, William  
 Wright, rh Jeremy  
 Zahawi, Nadhim

#### NOES

Ahmed-Sheikh, Ms Tasmina  
 Arkless, Richard  
 Bardell, Hannah  
 Black, Mhairi  
 Blackford, Ian  
 Blackman, Kirsty  
 Brock, Deidre  
 Brown, Alan  
 Campbell, Mr Ronnie  
 Cherry, Joanna  
 Cowan, Ronnie  
 Crawley, Angela  
 Docherty, Martin John  
 Dodds, rh Mr Nigel  
 Donaldson, Stuart Blair  
 Durkan, Mark  
 Edwards, Jonathan  
 Elliott, Tom  
 Fellows, Marion  
 Ferrier, Margaret  
 Flynn, Paul  
 Gethins, Stephen  
 Gibson, Patricia  
 Grady, Patrick  
 Grant, Peter  
 Gray, Neil  
 Hendry, Drew  
 Hermon, Lady  
 Hoey, Kate  
 Hosie, Stewart  
 Kerevan, George  
 Kinahan, Danny  
 Law, Chris  
 Lucas, Caroline  
 Mc Nally, John

McCaig, Callum  
 McDonald, Stewart Malcolm  
 McDonald, Stuart C.  
 McDonnell, Dr Alasdair  
 McGarry, Natalie  
 McLaughlin, Anne  
 Meale, Sir Alan  
 Monaghan, Carol  
 Monaghan, Dr Paul  
 Mullin, Roger  
 Newlands, Gavin  
 O'Hara, Brendan  
 Oswald, Kirsten  
 Paterson, Steven  
 Pugh, John  
 Ritchie, Ms Margaret  
 Robertson, Mr Laurence  
 Robinson, Gavin  
 Saville Roberts, Liz  
 Shannon, Jim  
 Sheerman, Mr Barry  
 Sheppard, Tommy  
 Simpson, David  
 Skinner, Mr Dennis  
 Stephens, Chris  
 Thewliss, Alison  
 Thompson, Owen  
 Thomson, Michelle  
 Weir, Mike  
 Whiteford, Dr Eilidh  
 Whitford, Dr Philippa  
 Williams, Hywel  
 Wilson, Corri  
 Wilson, Sammy  
 Wishart, Pete

*Question accordingly agreed to.*





# House of Commons

*Thursday 4 February 2016*

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

## PRAYERS

[MR SPEAKER *in the Chair*]

## Oral Answers to Questions

### ENVIRONMENT, FOOD AND RURAL AFFAIRS

*The Secretary of State was asked—*

#### Chemical Spills (River Tamar)

1. **Scott Mann** (North Cornwall) (Con): What steps her Department is taking to monitor and prevent future chemical spills from quarrying in the headwaters of the River Tamar. [903444]

**The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Rory Stewart):** We take the issue of chemical spills very seriously, particularly in the context of the Tamar. Such spills have caused significant damage to biodiversity and, specifically, to fish. We are analysing the pH levels and the dissolved solids to prevent future occurrences.

**Scott Mann:** I am grateful for the Minister's response. Will he ask his Department to review the decision of the Environment Agency not to pursue legal action against Glendinning for the major pollution incident relating to Pigsdon quarry in 2014?

**Rory Stewart:** Legal proceedings were brought and the decision was made by Truro Crown court, under the hon. Judge Carr, to instead impose an enforcement order. Some £70,000 has been contributed by the company, but, much more importantly, five new lagoons have been put in place to deal with the incident and chemical processes are being used to prevent a recurrence.

**Christian Matheson** (City of Chester) (Lab) *rose—*

**Mr Speaker:** Order. Before the hon. Gentleman comes in, I emphasise that we are discussing the Tamar, not the Dee.

**Christian Matheson:** Indeed, sir. Cornwall is well-known for its history of mineral extraction, whether it be china clay or Cornish tin. Cheshire is about to enter into mineral extraction as well through fracking. The Government have gone back on their pledges on monitoring and preventing chemical spills from fracking rigs. While the Minister is considering the potential pollution of the Tamar, will he also consider whether there is sufficient monitoring to prevent chemical leaks from fracking in the headwaters of the River Dee, like that in the headwaters of the Tamar?

**Rory Stewart:** I pay tribute to the hon. Gentleman for an ingenious connection, although the nature of the extraction in the two cases is quite different. The Environment Agency takes its responsibilities very seriously, whether in respect of quarrying or fracking. If there are particular concerns, I would be happy to sit down with him to discuss them in more detail.

#### Emissions Standards: Fines

2. **Stewart Malcolm McDonald** (Glasgow South) (SNP): What discussions she has had with the Secretary of State for Transport on the proposals by the European Commission for it to levy fines on vehicle manufacturers that do not meet emissions standards. [903445]

**The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Rory Stewart):** In the wake of the Volkswagen engines scandal, it is extremely important both that we have monitoring in place to check the real levels of emissions of nitrogen dioxide and other pollutants from engines, and that we have proper fines in place. This Department and the Department for Transport will look very carefully at the proposals that were put forward by the Commission last week.

**Stewart Malcolm McDonald:** I am grateful for that very positive response from the Minister. Does he agree that it is time to break the relationship between industry, testers and regulators, so that the process is truly independent and so that Government agencies, whether they be in his Department or the DFT, act wholly in the public interest?

**Rory Stewart:** As a matter of principle, it is incredibly important that regulators are entirely independent of the industry they regulate. This is essentially an issue for the DFT. The reason the Commission's proposals are interesting to ourselves and the DFT is that they include both the commitment on spot checks, with a clear indication of the fines, and a separation, as the hon. Gentleman says, the regulator and the industry.

**Andrew Gwynne** (Denton and Reddish) (Lab): Car emissions are a main contributor to poor air quality in this country. Many of the former local authorities that covered my constituency were among the first to sign up to the Clean Air Act 1956, but much of that progress has gone backwards as a result of poor air quality in urban areas. Is it not time for a new clean air Act that is fit for the 21st century?

**Rory Stewart:** Clean air is certainly an issue of significant concern, but air quality has improved significantly over the past 30 years. The levels of sulphur dioxide, nitrogen dioxide, PM2.5 and PM10 have improved.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): Not around here.

**Rory Stewart:** Air quality has also improved here. However, we will work very closely with individual local authorities on clean air zones to meet the level in the ambient air quality directive of 40 micrograms per cubic metre.

**Ms Margaret Ritchie** (South Down) (SDLP): On the foot of the ongoing discussions with the Select Committee on Environment, Food and Rural Affairs in relation to our inquiry into air quality, will the Minister hold the car manufacturers to account to ensure that car owners throughout Britain and Ireland who have been affected by the defeat devices are compensated?

**Rory Stewart:** This is a DFT lead, but the issue raised by the hon. Member for Glasgow South (Stewart Malcolm McDonald) about the Commission's proposals addresses the relationship between the manufacturer, the vehicle owner, and the kind of fines that could be imposed. That is why member states will be looking closely at that Commission proposal.

### Food Waste

3. **Paul Blomfield** (Sheffield Central) (Lab): What steps the Government plan to take to meet the UN target of halving food waste by 2030. [903447]

**The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Rory Stewart):** Our commitment to the UN target of halving food waste is immensely important, and work on that is being taken forward by the Love Food Hate Waste campaign, the Waste and Resources Action Programme—WRAP—and the Courtauld 2025 agreement. It will aim to build on work that we have achieved since 2009, which has reduced household food waste by 17%.

**Paul Blomfield:** The Minister is right to highlight the reduction in household food waste, but he will know that that is not being matched by the food industry. Will he explain why Government Whips objected to the Food Waste (Reduction) Bill, which was promoted by my hon. Friend the Member for Bristol East (Kerry McCarthy) last Friday? Would it not be better to get the Bill into Committee, where its provisions and the positive course of action that it proposes could be properly considered, and we can take the opportunity to end the scandal of food waste?

**Rory Stewart:** I pay tribute to the hon. Member for Bristol East (Kerry McCarthy), who has campaigned strongly on this issue for a long time. We have significant concerns about the targets set in that Bill, and we believe that its proposals include perverse incentives. Voluntary measures have increased by 70% the amount that retailers have managed to redistribute to charitable organisations, and the real key will be getting councils and retailers to work on a unified system.

**Mrs Caroline Spelman** (Meriden) (Con): While visiting the anaerobic digestion plant belonging to Severn Trent, which is near to my constituency, I was impressed by the energy recovery from food waste. However, does the Minister agree that too much edible food is still going into waste? How do the Government plan to intercept that food for redistribution while it is still edible?

**Rory Stewart:** My right hon. Friend is absolutely right, because at the moment the average household in the United Kingdom wastes more than £60 a month on food waste. We must ensure that food is not wasted in the first place on its way from the farm gate to the house, and if food

cannot be consumed by humans, we must ensure that it is consumed by animals, and that it goes to anaerobic digesters only as a last resort.

**Dr Rupa Huq** (Ealing Central and Acton) (Lab): The Soil Association estimates that between 20% to 40% of UK fruit and veg is rejected before it even reaches the shop—it is deemed as being a kind of “wonky veg” because it fails to meet the supermarket's strict cosmetic requirements. Will the Minister ensure that supermarkets and manufacturers transparently publish their supply chain waste—I think Tesco is doing that with food waste hotspots? That is vital if we are to achieve a meaningful reduction in waste.

**Rory Stewart:** I absolutely agree that that is vital, and we recently held a round table with retailers on that issue. One solution, although not a total solution, is being pioneered by Tesco and Co-operative supermarkets, which are looking at individual varieties—for example, of potatoes—that result in much less food waste on the way from the farm gate to the shelf.

**Mr Philip Hollobone** (Kettering) (Con): My constituents in Kettering, especially those from the wartime generation, are horrified about the amount of food that is wasted. How can we get back to the principle that we do not put more food on our plate than we can eat, and that we consume the food that is on our plate?

**Rory Stewart:** My hon. Friend has drawn attention to one of the central points of this issue, which is human behaviour and culture. Certain things can be done by the Government and others by retailers, but in the end a lot of responsibility rests on us all regarding how much food we buy, how we use it, and how much of it we throw away.

### Flood Defence Programme

4. **Sir Henry Bellingham** (North West Norfolk) (Con): How many schemes will begin construction under the Government's six-year flood defence programme in 2016. [903448]

**The Secretary of State for Environment, Food and Rural Affairs (Elizabeth Truss):** A total of 246 schemes will begin construction in 2016-17 as part of our first ever six-year programme of investment in flood defences. That £2.3 billion of investment represents a real-terms increase on the last Parliament, and will protect an additional 300,000 homes.

**Sir Henry Bellingham:** I congratulate the Minister on championing this cause. Does she agree that when it comes to investing in new flood defences and improving existing ones, getting the support of local authorities, drainage boards, and the private sector is incredibly important? Will she pay tribute to Mike McDonnell in my constituency, who has helped to set up a community interest company to invest in sea defences along the stretch of coast adjacent to Snettisham and Heacham in west Norfolk?

**Elizabeth Truss:** My hon. Friend is absolutely right. When internal drainage boards work with local businesses and local councils, we can get really good local solutions.

The community interest company is a particularly interesting model, which is being pioneered by him and his constituents in North West Norfolk. It could potentially be used elsewhere.

**Louise Haigh** (Sheffield, Heeley) (Lab): Sheffield remains £20 million short of the investment it needs to protect our city. The Department is holding a teleconference with council leaders, but will the Secretary of State commit to visiting Sheffield to see the innovative flood defences we have planned that will protect the city from a potential £1 billion of economic damage?

**Elizabeth Truss:** As part of the national resilience review being led by the Chancellor of the Duchy of Lancaster, Sheffield is one of the core cities that will be looked at in particular to make sure it is sufficiently resilient to flooding. I am sure that as part of that review there will be a visit to Sheffield to ensure that that very important city has the protection it needs.

**Kevin Hollinrake** (Thirsk and Malton) (Con): Flood Re insurance will help many householders in Thirsk and Malton affected by recent floods, but it does not cover small businesses or leasehold properties with more than three units. In one such development in my constituency at Topcliffe Mill, residents of a two-bedroom flat now face a premium of £4,000 a year and an excess of £40,000. Will Ministers agree to meet me and representatives from the insurance industry to consider how we can provide a solution to this problem?

**Elizabeth Truss:** We are providing £6 million to help small businesses as a result of this winter's floods. The issue my hon. Friend raises with regard to leaseholders is important. Ministers will be very willing to meet him to discuss it.

**David Simpson** (Upper Bann) (DUP): On the defence programmes and the victims of flooding, will the Secretary of State confirm whether her Department is making an application to the EU solidarity fund to draw down funds for victims and businesses?

**Elizabeth Truss:** We have not ruled out an application to the EU solidarity fund. We have until the end of February to apply. We need to find out the total cost of the floods before a potential application is made. Our priority has been to make sure we get funding to affected homes and businesses as soon as possible. In fact, for the floods that took place on 26 December, funding was with local authorities on 29 December. Our priority has been making sure we make £200 million available to fix the damage and help communities to get back on their feet.

**Alex Cunningham** (Stockton North) (Lab): The devastating floods across the country are extremely well documented, as are the knock-on effects of the Government's decision to postpone or cancel capital schemes—an estimated cost of £5 billion. Communities, families, individuals and businesses have suffered ruinous consequences. It is imperative that the Government do everything possible to maximise resources from all areas. The Secretary of State mentioned the EU solidarity fund. Time is running out, with only three or four weeks left for an application in relation to Cumbria. Will she just get on with the job and do it now, please?

**Elizabeth Truss:** This Government have invested more in flood defences than ever before: a real-terms increase on the previous Parliament, which was a real-terms increase on what was spent under Labour. The fact is that the Labour Government spent £1.5 billion and we are spending £2 billion in this Parliament. We have got money to affected communities as soon as possible—that is our priority.

### British Food

5. **Andrew Griffiths** (Burton) (Con): What the role is of the Great British Food Unit in promoting British food (a) in the UK and (b) overseas. [903449]

9. **Stephen Metcalfe** (South Basildon and East Thurrock) (Con): What the role is of the Great British Food Unit in promoting British food (a) in the UK and (b) overseas. [903453]

10. **Richard Graham** (Gloucester) (Con): What the role is of the Great British Food Unit in promoting British food (a) in the UK and (b) overseas. [903454]

**The Secretary of State for Environment, Food and Rural Affairs (Elizabeth Truss):** We launched the Great British Food Unit in January. It brings together expertise from UK Trade & Investment and the Department for Environment, Food and Rural Affairs to create a team of 40 people in London and teams around the world, including five people in China, to promote great British food. I am pleased to say that food and drink manufacturers have already agreed to expand their exports by a third by 2020.

**Andrew Griffiths:** I draw the House's attention to my entry in the Register of Members' Financial Interests.

I am concerned that the Secretary of State is anti-European, because she is denying our European colleagues the opportunity to drink great British beer. Although we imported £418 million of beer last year, we exported only £494 million of beer. Given that we brew the best beer in the world, that figure should be much higher. What is she doing to promote the British beer industry and to encourage our European friends to sup up?

**Elizabeth Truss:** I know that beer is my hon. Friend's passion, and I congratulate him on his role as chairman of the all-party parliamentary group on beer. Also, his constituency is home to some of the finest water in our country that produces some of the finest beer. In fact, Lord Bilimoria, one of the founders of Cobra, is one of our food pioneers helping to promote great British beer not just in Europe, but in India and China—we recently promoted great British beer at the Baker Street brew pub in Chongqing.

**Mr Speaker:** We are all now better informed.

**Stephen Metcalfe:** The success of the food industry, not least in counties such as Essex, is largely down to the innovation and skill of the workforce. How will the Great British Food Unit encourage more people into the industry, particularly through apprenticeships?

**Elizabeth Truss:** My hon. Friend is absolutely right. There are fantastic jobs to be had in the food industry, from farming to engineering and food technology. Food and drink is our largest manufacturing sector, and we need more apprentices in this vital sector. We have an ambition to triple the number of apprentices by 2020, and I will be holding a round table shortly with some of the leading figures from the industry to make sure they commit to that goal.

**Richard Graham:** The Great British Food Unit and the enthusiastic Secretary of State will know that some of the greatest food on earth comes from the Gloucester Old Spot pig and from Gloucester cattle, including the single Gloucester cheese, which is famously used in the annual cheese rolling race. There is no better place to see these and 130 other great Gloucester producers than the Gloucester services on the M5, described by *The Telegraph* as probably the best service station in the UK. Were she to find herself near the M5 in the near future, my hon. Friend the Member for Stroud (Neil Carmichael) and I would give her a warm welcome and a Gloucester Old Spot sausage. [*Laughter.*]

**Elizabeth Truss:** I thank my hon. Friend for his extremely kind invitation. It is one of the best offers I have had all year. [*Laughter.*] Next time I am driving along the M5, which I frequently am, I will be very happy to meet him at this amazing service station.

**Mr Speaker:** The Secretary of State has made the hon. Gentleman's day, possibly his month and conceivably his year.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): To hit a more serious note, after that interesting and humorous exchange, may I say to the Secretary of State that to produce great British food, we need great British technology? The news yesterday that Syngenta, our leading European food innovator, which produces wonderful technology and innovation and has a large plant in my constituency, is to be taken over by ChemChina means that overnight the European capacity for innovation in food technology and much else will be wiped out. Should the House not debate that very seriously before it goes through?

**Elizabeth Truss:** We are investing in science and technology. Last year, the Prime Minister announced a food tech innovation network, and, in terms of DEFRA's capital budget, we are doubling our spend on investment in science and animal health research precisely so that we can take advantage of these huge opportunities.

**Angela Smith** (Penistone and Stocksbridge) (Lab): The Great British Food Unit depends on great British farmers producing the goods for the unit, but many farmers are still experiencing problems with the Rural Payments Agency. One of my constituency farmers was only told late on Sunday afternoon of the failure to issue his payment, and even then it was done by email. What will the Secretary of State do to make sure that farmers are properly supported by the RPA?

**Elizabeth Truss:** The hon. Lady is right: farmers are facing difficult cash flow at the moment. We are doing all we can to get those payments out as soon as possible. It is the most complicated common agricultural policy

that has ever been introduced. We were still getting the final details of it in February last year, but up to 77% of farmers are now being paid, and £1 billion has gone out the door to farmers. We are working to make sure that the farmers get their money as soon as possible.

**Calum Kerr** (Berwickshire, Roxburgh and Selkirk) (SNP): Scotch whisky is a great Scottish and UK success story, with exports totalling £4 billion annually. Does the Secretary of State agree that reducing the 76% tax burden on an average bottle of Scotch in the coming Budget would send an important message that the Government support the industry? Will she speak to her friend the Chancellor and ensure that such a reduction is included in his statement?

**Elizabeth Truss:** I am sure that the Chancellor and the Treasury team have heard what the hon. Gentleman had to say. I agree with him that Scotch whisky is our top international export. Other products such as Scotch gin, which I promoted recently with the Scottish gin trail, taking people from the golf clubs of St Andrews to the distilleries around the north of Scotland, can also play a massive part. We have fantastic products in Scotland and fantastic products right across the UK. The Great British Food Unit is all about promoting them around the world. I am happy to work with the hon. Gentleman on that.

17. [903462] **Simon Hoare** (North Dorset) (Con): In supporting Dorset food and exports internally and across the world, will my right hon. Friend pay particular tribute to some notable producers in my constituency: Fudges, the Blackmore Vale dairy, Sixpenny Handley brewery and the Langham estate? Without wishing to outdo my hon. Friend the Member for Gloucester (Richard Graham), I should also add to that list the manufacturer of Dorset knobs, which I am very happy to offer the Secretary of State. Will she also take into account in all that her Department does the burden of regulation and the impost of the living wage, because many of these producers are very small, so those burdens fall particularly heavily on them?

**Elizabeth Truss:** I would be delighted to visit some of the fantastic producers in Dorset that my hon. Friend mentions, such as the Blackmore Vale dairy, and to see what they have to offer as well as using the Great British Food Unit to promote them both here and overseas. We are working to reduce regulation on our food and farmers, and over the course of this Parliament we are looking to reduce the costs by £500 million, so that we can see more new businesses opening, more exporting and more selling their fantastic food here in Britain.

### Flooding: Agriculture Industry

6. **Tom Elliott** (Fermanagh and South Tyrone) (UUP): What assessment she has made of the effect of recent flooding on the agriculture industry. [903450]

**The Minister of State, Department for Environment, Food and Rural Affairs (George Eustice):** Farmers in many parts of the country have been affected by the winter flooding, notably in Cumbria, Lancashire, Yorkshire, Scotland and, of course, areas of Northern Ireland. We identified 600 farmers in Cumbria alone who suffered

flooding after Storm Desmond. Unlike the Somerset floods two years ago, the flooding events have been relatively short-lived. However, in their wake, considerable damage has been done to stone walls, hedges and tracks. In England, we have established a farm recovery fund to help farmers get back on their feet.

**Tom Elliott:** In Northern Ireland, there is a long-established relationship with the Republic of Ireland Government in relation to Lough Erne and its levels. The UK Government had a relationship, too, from 1950, when that deal was made. Have there been any discussions with the Northern Ireland Minister of Agriculture and Rural Development about reviewing the levels of Lough Erne to stop farmers from being flooded in the area?

**George Eustice:** As the hon. Gentleman knows, flooding is a devolved matter, but if there is a need for discussion with the Irish Republic and if the Northern Ireland Administration would like me to be involved in that, I would be happy to have that conversation with them.

**Alec Shelbrooke** (Elmet and Rothwell) (Con): Farmers in areas in the south of my constituency, around Methley and Mickletown, have had large areas of their land flooded to hold water in order to prevent flooding of housing, which the farmers themselves agree with. However, what they do not agree with is the Environment Agency saying that it could take up to six years for this water to drain off the land. One particular farmer in my constituency had 80% of his land covered. Will my hon. Friend speak to the Environment Agency to speed up the draining of the water from this land?

**George Eustice:** That is a good point. Natural flood plains play an important role in alleviating the risk of flooding in urban areas. We intend to use the countryside stewardship scheme to help us to deal with flood problems. As for my hon. Friend's specific point about the length of time for which land has been flooded, I shall be happy to take it up with the Environment Agency and see what can be done.

**Greg Mulholland** (Leeds North West) (LD): I am still waiting to hear the date of the meeting with Members whose constituencies lie along the River Wharfe to discuss the flooded farmland in Pool-in-Wharfedale and Arthington, in my constituency. We particularly need to discuss what can be done upstream to prevent the water from coming down and threatening both farms and housing. When can we have that meeting?

**George Eustice:** I am sure that my hon. Friend the Member for Penrith and The Border (Rory Stewart), the floods Minister, has heard what the hon. Gentleman has said, and will be willing to meet him to discuss his concerns. My hon. Friend has already had many meetings with the many Members who have been affected by winter floods.

**Nick Smith** (Blaenau Gwent) (Lab): The Secretary of State says that DEFRA wants to be able to spend more on flood defences by reducing the millions paid in penalties to the EU every year. However, the National Audit Office says that the Rural Payments Agency fiasco could cost the country a whopping £180 million a year in penalties. Can the Minister confirm the most recent estimate of

the amounts that are being paid to Brussels in fines, rather than being spent on British agriculture and dealing with flooding?

**George Eustice:** The "horizontal" regulation that governs the disallowance system has been changed, and the penalties that the Commission can charge, and their frequency, have increased. That is the issue of concern in this instance, rather than any particular issues involving the rural payments system. I repeat that we are spending £2.3 billion a year on flood defences, and have provided £200 million to help people to get back on their feet after the most recent episode.

#### Nature Improvement Areas

7. **Oliver Colvile** (Plymouth, Sutton and Devonport) (Con): What assessment the Government have made of the contribution of nature improvement areas to habitat creation and wildlife conservation. [903451]

**The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Rory Stewart):** The nature improvement area report has been overwhelmingly positive, which is quite a rare feature of monitoring reports of this kind. I pay particular tribute to the Wild Purbeck nature improvement area, where there has been an extraordinary combination of activities: saving the ladybird spider, which has included 3,000 volunteer hours, and involving schools through the forest school learning initiative. These are great, great projects.

**Oliver Colvile:** I thank my hon. Friend for our hedgehog summit on Monday. What measures does he propose, along with our right hon. Friend the Secretary of State, to increase the number of hedgehogs, which, as he knows, has declined by between 30% and 50% over the last 15 years?

**Rory Stewart:** I pay tribute to my hon. Friend, who has become a doughty champion of the hedgehog. The most important thing for hedgehogs, which are a much-loved species, is their habitat, and we are dealing with that by means of our hedgerow schemes, as well as the woodland planting schemes that the Secretary of State is promoting, which include the planting of 11 million more trees over the next five years. The real challenge for all of us, however, is to see hedgehogs in a suburban context, and, in particular, to consider the possibility of providing them with access and corridors through garden fences.

**Barry Gardiner** (Brent North) (Lab): The 12 nature improvement areas were the right response to the Lawton report, but they were supposed to create 1,000 hectares of new woodland, 1,000 hectares of new chalk grassland, and more than 1,500 hectares of new wetland. How many hectares of each of those have actually been created?

**Rory Stewart:** I cannot give every one of those figures, but, as the hon. Gentleman says, the target for chalk grassland was 1,000 hectares, and a single project achieved 1,773 hectares.

**Mr Speaker:** That was a wonderfully precise answer, worthy of a boffin, although the hon. Gentleman is not a boffin; he is a distinguished Minister of the Crown.

**Jim Shannon** (Strangford) (DUP): I am proud to say that Northern Ireland has eight areas of outstanding natural beauty, 47 national nature reserves, 43 special areas of conservation, and 10 special protection areas. The charities—especially the Royal Society for the Protection of Birds—are working very hard in campaigning for support for wildlife in urban areas. What discussions has the Minister had with his Northern Ireland counterpart about preserving the countryside and ensuring that housing does not expand further from urban areas into rural locations, often encroaching on the wealth of wildlife in those locations?

**Rory Stewart:** We work closely with our Northern Ireland counterparts. Some of these issues are of course devolved, but we would love to work more closely on issues such as these, and if there are opportunities to do that, I personally would be delighted to engage more closely.

#### Flood Defences: Farmland

8. **Matt Warman** (Boston and Skegness) (Con): How many acres of farmland will be protected by Government investment in flood defences over the next six years. [903452]

**The Secretary of State for Environment, Food and Rural Affairs (Elizabeth Truss):** As a result of the Government's £2.3 billion programme, more than 420,000 acres of farmland will be better protected by 2021. That means that over the course of the decade between 2010 and 2021, we will see 1 million acres of farmland being better protected from flooding.

**Matt Warman:** I recently visited the River Steeping in my constituency with representatives of the Environment Agency and saw the huge amount of damage that badgers are doing to flood defences in that area—[*Interruption.*] Don't worry. Can my right hon. Friend assure me that the Environment Agency's preferred method of creating artificial setts to relocate badgers will have a meaningful effect on the riverbanks and secure the area for the future?

**Elizabeth Truss:** I was pleased to meet my hon. Friend and representatives of the local internal drainage boards to discuss flooding in his constituency, and I am pleased to hear that the Environment Agency has found a solution to this issue. I note that 100,000 acres of agricultural land in his constituency will be protected as part of our six-year programme.

**Liz McInnes** (Heywood and Middleton) (Lab): While the Government are prevaricating, farms and businesses in the north of England and in Scotland are struggling to cope with the aftermath of the December floods. Can the Secretary of State explain why she needs to find out the total cost before applying to the EU solidarity fund, and will she be able to do this in time to meet the deadline?

**Elizabeth Truss:** The hon. Lady should be aware that we have made a farming recovery fund available, and that we have already paid out money to farmers worth up to £20,000 for each farmer. As soon as the floods took place, we looked on satellite mapping, identified the affected farmers and got on with paying them and sorting the issue out.

#### Broadband Services

11. **Chi Onwurah** (Newcastle upon Tyne Central) (Lab): What recent assessment she has made of the effect of slow broadband services on farmers and other rural businesses. [903455]

**The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Rory Stewart):** Access to fast reliable broadband is of course important for rural areas, as the hon. Lady well knows. There are two indicative measures that we have taken. One was to ensure that by the end of last year anyone who wished to have a 2 megabit service could access such a service. Perhaps more important is the universal service obligation, which will be in place with 10 megabits by 2020.

**Chi Onwurah:** In 2012, when I criticised the Government for abandoning Labour's universal broadband commitment, the then Secretary of State said:

"We have a plan and we are going to deliver it."—[*Official Report*, 25 October 2012; Vol. 551, c. 1059.]

So was it part of the plan that, in 2016, farmers would still be unable to get the broadband access they need in order to fill out the forms that the Department makes it mandatory to complete online? What is the plan now?

**Rory Stewart:** As the hon. Lady is aware, farmers are able to make applications on paper. Also, she is even more aware than I am of the fact that this is an extremely difficult issue to deal with in rural areas. We have just carried out seven very interesting pilots with operations such as Cybermoor to look at different technological solutions, but the key indicator is the universal service obligation of 10 megabits by 2020.

**Mr Gary Streeter** (South West Devon) (Con): The roll-out of superfast broadband in Devon and Somerset is being hampered by the poor performance of BT Openreach, which still has a virtual monopoly in the area. Is it not time that the Government did something to tackle that monopoly?

**Rory Stewart:** The Department for Communities and Local Government leads on this issue. The reason that the seven pilots have been interesting is that they are community-led pilots that have looked at different technological solutions ranging from satellite through to point-to-point wireless connections. We are going to need all those solutions and to involve all the different parties in order to deliver the difficult challenge of rural broadband.

#### Topical Questions

T1. [903474] **Mr Jim Cunningham** (Coventry South) (Lab): If she will make a statement on her departmental responsibilities.

**The Secretary of State for Environment, Food and Rural Affairs (Elizabeth Truss):** Following the severe flooding in the north of England over Christmas, the Government are working to help communities to get back on their feet and to restore critical infrastructure. We are taking forward two important areas of work: the national flood resilience review to assess how the country can be

better protected from future flooding and increasingly extreme weather events and, in those areas affected by flooding, we are taking a catchment-based approach looking at what improvements are needed to flood defences and at upstream options for slowing the river flow.

**Mr Cunningham:** What discussions has the Secretary of State had with the supermarkets and farmers about food waste by the supermarkets?

**Elizabeth Truss:** I thank the hon. Gentleman for his question. I held a round table meeting, with not just supermarkets, but food manufacturers, because we need to address the issue of food waste right through the food chain. We are working on the next step of the Courtauld agreement—Courtauld 2025—which will have voluntary targets to get both supermarkets and the food manufacturers to a better level.

T6. [903480] **Peter Aldous** (Waveney) (Con): Will the Minister confirm that the Government will reallocate fishing quota from those who hold it only as an investment to active, small-scale fishermen such as those who fish out of Lowestoft, who bring real benefits to their local community?

**The Minister of State, Department for Environment, Food and Rural Affairs (George Eustice):** My hon. Friend will be aware that we had a manifesto commitment to rebalance quotas, and we have already commenced that this year, with the quota uplift that comes with the introduction of the landing obligation. We have made it clear that we will give the first 100 tonnes, and 10% thereafter, to the under-10 metres, and this year it will give them an extra 1,000 tonnes of fish.

T2. [903475] **Mr Mark Williams** (Ceredigion) (LD): The recent Tesco case has shown the importance of the Groceries Code Adjudicator. Does the Secretary of State share the view of the National Farmers Union, the Farmers Union of Wales and many in the dairy sector that now is the time to consider extending the adjudicator's remit right across the supply chain, from gate to plate, even if that requires legislative change?

**George Eustice:** I am aware of the representations made by the NFU and of the conclusions of the Select Committee on Environment, Food and Rural Affairs in this regard. I know that colleagues in the Department for Business, Innovation and Skills are about to commence a review of the role of the adjudicator so far, and it may well be that as part of that they look at how the code is implemented. There would be challenges involved in trying to regulate things that far up, with thousands and thousands of different relationships to police, but we hear what has been said and we will look at this matter.

T8. [903483] **Kevin Hollinrake** (Thirsk and Malton) (Con): Cross-compliance rules prevent hedge cutting in August, yet the only bird that seems to be nesting at that time is the very prolific wood pigeon. The rules are preventing farmers from doing vital work, as they are unable to get on to that land during August. Will Ministers agree to look at this to see what can be done to change these rules?

**George Eustice:** My hon. Friend will be pleased to hear that I am always looking at the cross-compliance rules to see whether we can introduce proportionality. I do not agree with him that it is just the wood pigeon that is being protected; yellowhammers and other rare species that we are trying to encourage to recover also have second broods later in the year.

**Kerry McCarthy** (Bristol East) (Lab): One less well-publicised deal the UK has been negotiating with our European partners recently is the circular economy package, which could not only bring about significant environmental benefits, but create jobs and growth. The Government, however, do not seem to have a strategy for achieving the ambitious waste targets set out there or for unlocking the economic opportunities that would come from greater resource efficiency. When are we going to have a proper waste resources strategy from the Secretary of State?

**The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Rory Stewart):** The circular economy package is absolutely central, and we are looking closely at it. We sat down with a number of different people last week specifically to address it. The key is in getting the right balance between preventing the resources from being wasted in the first place and the targets that the European Union is setting, but I absolutely agree that this is vital and I am very happy to include the shadow Secretary of State in these discussions going forward.

**Kerry McCarthy:** I thank the Minister for that response—I hope the Secretary of State can reply to the next question. The Ellen MacArthur Foundation says that the huge growth in plastics production means that by 2050 there could be more waste plastic in the sea than fish. Just 5% of plastics are recycled, 40% end up in landfill and a third end up polluting our ecosystems. What is the Secretary of State doing to combat plastics pollution? For starters, how about doing what President Obama has just done and ban microbeads in cosmetic products?

**Elizabeth Truss:** We are looking at the issue of microbeads, but I would point out that the plastic bag charge that we have introduced has brought about an 80% reduction in the use of plastic bags.

**Ben Howlett** (Bath) (Con): Will the Secretary of State join me in welcoming the multimillion pound joint investment by the Environment Agency and my local authority in the work on the River Avon, which runs through my constituency, as it will help to reduce flooding for hundreds of homes and businesses across the constituency? Will she also look at further funding should the flood risk increase?

**Elizabeth Truss:** I thank my hon. Friend for his question. I congratulate the Environment Agency and his local authority on that work. What we are doing as part of the national resilience review is making sure that we are properly protected right across the country. We are investing a record amount in flood defences, and doing it in a way that is fair. Therefore, our flooding formula reflects the number of houses and businesses protected wherever people live in the country.

T3. [903476] **Margaret Greenwood** (Wirral West) (Lab): I welcome the announcement of further marine conservation zones around our coast to protect our wildlife. However, back in November 2012, when the previous round of MCZs was announced, many in my constituency were very concerned that the zone to protect Hilbre Island was dropped at the eleventh hour, especially in the light of the licence for underground coal gasification that exists in the Dee. Why was Hilbre Island not included in this latest round?

**George Eustice:** We ruled out Hilbre Island, following assessments by the Centre for Environment, Fisheries and Aquaculture Science and the Joint Nature Conservation Committee, because the simple truth was that the features that people said were there were not there sufficiently for us to designate those areas.

**Neil Parish** (Tiverton and Honiton) (Con): For farmers, farmgate prices are so low that the single farm payment is absolutely essential. Will the Secretary of State assure me that the Rural Payments Agency recognises that there are still too many farmers who have not received their payments, and that work is being done to ensure that, next year, we catch up so that we are not late in paying again?

**Elizabeth Truss:** I completely agree with my hon. Friend. A number of farmers are facing cash-flow issues, which is why we are putting as much resource as possible into the RPA. We are now up to 77%, and we have paid out £1 billion. The cases that we are now dealing with are the more complicated ones, including those involving common land and cross-border land, which take extra time. As I have pointed out, we are dealing with a very complicated cap. One of my main efforts is to try to simplify that cap and enable farmers to make claims online this year so that the system will be faster next year.

T4. [903477] **Wayne David** (Caerphilly) (Lab): No ifs, no buts, will the Secretary of State commit to maintaining the ban on foxhunting with hounds?

**Elizabeth Truss:** We have been very clear in our manifesto. We retain our commitment to a free vote on this issue, with a Government Bill in Government time.

**Mr David Nuttall** (Bury North) (Con): Will the Secretary of State undertake that the Great British Food Unit will promote the superfood, Bury black pudding?

**Elizabeth Truss:** I certainly will. I have had the opportunity to sample the great British Bury black pudding in my hon. Friend's constituency, and I hope that it will become known around the world.

T5. [903479] **Dr Rupa Huq** (Ealing Central and Acton) (Lab): London breached annual pollution limits just days into 2016, repeating what happened in 2015. The Government were forced by the Supreme Court to publish plans on reducing air pollution. Does the Secretary of State think that her Department is doing enough to tackle air pollution? It is projected that there will be five years of this in London.

**Elizabeth Truss:** As the hon. Lady said, we published plans just before Christmas to ensure that we comply with those air pollution levels. The level of roadside nitrogen dioxide has fallen over the past five years. We have invested £2 billion in that already, but we do need to do more, which is why we issued the plans just before Christmas.

**Martin Vickers** (Cleethorpes) (Con): Seafood is nutritional and healthy and many thousands of people in the Cleethorpes and Grimsby areas work in the industry. What initiatives is her Department planning to promote the seafood industry?

**Elizabeth Truss:** I thank my hon. Friend for his point. The Great British Food Unit has not just outposts around the world, but regional teams to help local businesses, whether they are in Cleethorpes or elsewhere in the country, to promote their food both in the UK and overseas. Certainly, seafood is a huge part of that.

T7. [903482] **Christian Matheson** (City of Chester) (Lab): Can the Secretary of State confirm that it was her signature on a letter last July promising to drive forward fracking in sites of special scientific interest and national parks, in complete contradiction to assurances previously given? May I respectfully suggest to her that, since she is the Secretary of State for Environment, Food and Rural Affairs, she should be standing up for the interests of the environment and rural areas, and not the interests of big globalised fracking companies that want to frack in rural Cheshire?

**Elizabeth Truss:** As the Royal Society and the Royal Academy of Engineering made clear in their report, shale gas extraction is safe and has minimal impact on the environment, provided that it is correctly regulated. I am absolutely confident that we have very strong protections in place through the Environment Agency to do that.

**Several hon. Members** *rose*—

**Mr Speaker:** Order. I fear that this will be the last question. I am sorry, but progress has been very slow—very long questions and very long answers.

**Sir David Amess** (Southend West) (Con): Has my hon. Friend thought through the impact of the introduction of marine conservation zones on the under-10-metre fleet? That could have an effect on smaller, non-nomadic boats, which might be banned from fishing in their own grounds.

**George Eustice:** I absolutely assure my hon. Friend that the interests of fishermen are taken into account when we make decisions on these designations. It is important to note that designation does not mean that we ban fishing; it may mean, for instance, limitations on the particular types of bottom-trawling gear that do most damage.

**Several hon. Members** *rose*—

**Mr Speaker:** Order. I am sorry to disappoint colleagues, but we really must move on.



## ELECTORAL COMMISSION COMMITTEE

*The hon. Member for South West Devon, representing the Speaker's Committee on the Electoral Commission, was asked—*

### EU Referendum

1. **Ian Blackford** (Ross, Skye and Lochaber) (SNP): What recent assessment the Electoral Commission has made of the potential effect of the date of the EU referendum on mayoral, local, and devolved institutions' elections. [903465]

**Mr Gary Streeter** (South West Devon): The Electoral Commission recently wrote to the Public Administration and Constitutional Affairs Committee, following that Committee's recent evidence session, on a number of issues, including the potential impact of the date of the referendum if it were to be held in June. A copy of the letter is available on the Committee's website.

**Ian Blackford:** I thank the hon. Gentleman for that answer. As he will know, early-day motion 1042, in the name of my hon. Friend the Member for North East Fife (Stephen Gethins), has cross-party support in the House. It calls for the EU referendum not to be held in June.

Does the hon. Gentleman not agree that holding the referendum in June would seriously undermine the democratic process? Furthermore, yesterday the First Ministers of Scotland, Northern Ireland and Wales published a joint letter calling for the EU referendum not to be held in June. Does he not agree that the Government should respect the calls from the devolved Administrations and defer the referendum?

**Mr Streeter:** It is for the Government to decide how they respond to the letters from the heads of those Governments. The Electoral Commission has strongly advised the Government and the House about the date of the referendum. The Government listened; they are not holding the referendum in May. I am sure that, as soon as a specific date is announced, the Electoral Commission will give further advice.

**Mr David Nuttall** (Bury North) (Con): Given the lengthy procedure for determining the lead organisation, will my hon. Friend make it clear that the Electoral Commission will ensure that it appoints a lead organisation in sufficient time—and not halfway through the campaign?

**Mr Streeter:** The Electoral Commission is extremely exercised about the issue of appointing the lead campaigns, and it will do that as soon as possible.

**Kevin Foster** (Torbay) (Con): Will my hon. Friend confirm whether the Electoral Commission has given any views about potential dates for the EU referendum in June?

**Mr Streeter:** My hon. Friend has his finger on the pulse. Let me read one sentence from the appropriate letter:

"As may be expected, the impact is greater the closer together the dates of poll and is particularly significant for the first two Thursdays in June (2 and 9 June in the case of 2016.) I would encourage that these dates are avoided if it is possible to do so." That is the advice that the Electoral Commission has given the Government.

## Policy Development Grants

2. **Kirsty Blackman** (Aberdeen North) (SNP): What assessment the Electoral Commission has made of the effect of the level of policy development grants on the operation of political parties. [903467]

**Mr Streeter** The Electoral Commission has recently written to the Government setting out its recommended approach to implementing the reduction of policy development grants, which the Government announced in the spending review and autumn statement of 2015. A copy of the Electoral Commission's letter will be placed in the House Library.

**Kirsty Blackman:** Policy development grants allow political parties to develop considered, costed policies to the benefit of the people living in the UK. As the hon. Gentleman said, the grants are to suffer a cut, which will save the Treasury a very small amount of money relatively but have a big impact on political parties. Does he agree that there could not be a less appropriate time for such a cut?

**Mr Streeter:** The important thing is how the money is allocated among the various parties. The hon. Lady will know that the Electoral Commission has consulted the smaller parties. It has written to the Government recommending that those parties should be disproportionately protected—that is, they should get a smaller cut than the larger ones. The Electoral Commission is waiting for the Government to respond to that advice.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): Is this issue not a real worry? In a healthy democracy we need parties to be able to develop policy. What is going on in the House of Lords and in this Chamber is penalising the Opposition in terms of the Short money and the policy development grant they get. That cannot be good for democracy, can it?

**Mr Streeter:** The hon. Gentleman always speaks very clearly and powerfully on these issues. Unfortunately, the issue he raises is a matter for the Government, not the Electoral Commission. It is for the Government to decide the size of the grant; the Electoral Commission will advise the Government on how the grant should be allocated.

**Paul Flynn** (Newport West) (Lab): This mean, despicable cut will hamper the power of Oppositions—the Conservative party will be in opposition in the future, as they were in the past—to reduce the democratic accountability of this place. Would it not be a great improvement, if the Government wish to improve the quality of our democracy, to cut the number of hereditary chieftains who sit in the House of Lords and the number of people in the House of Lords who buy their places by making donations to political parties?

**Mr Streeter:** Once again, a very powerful outburst from the hon. Gentleman, but I am afraid these issues have absolutely nothing to do with the Electoral Commission.

**Mr Speaker:** That has never stopped the hon. Gentleman before. *[Interruption.]* I have never accused the hon. Member of indulging in an outburst—more a spontaneous articulation of strongly held opinions.

## CHURCH COMMISSIONERS

*The right hon. Member for Meriden, representing the Church Commissioners was asked—*

### Queen's 90th Birthday

3. **Dr Matthew Offord** (Hendon) (Con): What plans the Church of England has to mark the 90th birthday of Her Majesty Queen Elizabeth II. [903468]

**The Second Church Estates Commissioner (Mrs Caroline Spelman):** The Church of England will mark the 90th birthday of Her Majesty with a large number of events and activities at national and local levels. Alongside these events, the Bible Society and HOPE have released a companion book titled "The Servant Queen", with a foreword written by Her Majesty that discusses how her faith has influenced her service of this nation over the last 90 years.

**Dr Offord:** I am sure I speak on behalf of the whole country when I say that the opportunities for the Queen to be celebrated are most welcome. The Church is recommending that every parish church organises an exhibition or festival on the weekend of 10 to 12 June. Will my right hon. Friend use her office to encourage residents to challenge local authorities that seek to charge for road closures or to require events to have public liability insurance?

**Mrs Spelman:** My hon. Friend makes a good point, because there will be a large number of activities in London, not least a special service at St Paul's on 12 June, and his constituents will no doubt want to be there. While this issue is not directly my responsibility, I will use my good offices with the Local Government Association to try to make sure that our constituents are not impeded in celebrating Her Majesty's birthday in the best possible way.

### Street Pastor Teams

4. **Mr Philip Hollobone** (Kettering) (Con): How many street pastor teams the Church of England works with. [903469]

**Mrs Spelman:** The Church of England has supported Street Pastors since its formation in London by the Ascension Trust in 2003. A large proportion of its clergy and members of the congregations are involved in Street Pastors. In Kettering, nine of the 27 street pastors are Anglicans.

**Mr Hollobone:** Kettering is indeed fortunate to have a superb team of street pastors, who go out in the town centre at weekends to speak to, often, vulnerable people and to many young people who are the worse for wear and who have had too much to drink. That really is an excellent example of faith-based action. May I urge my

right hon. Friend, through her good offices, to encourage the Church of England to get even more involved in supporting such a worthwhile cause?

**Mrs Spelman:** I could not support that recommendation more. There are now 12,000 trained street pastors in our country, serving 270 towns and cities. It is particularly interesting that the nightly reporting inventory for the last year for Kettering showed remarkable attention to detail. It refers to giving away 125 pairs of flip-flops, 294 bottles of water and an amazing 2,299 lollipops.

**Jim Shannon** (Strangford) (DUP): In my constituency, Street Pastors started in September 2015. Its vision is to go out to help vulnerable people and to do the best for them, and the results have been excellent. What discussions has the Church of England had about working with other Churches? We are better together, as we all know, and if we can do these things together, we can reach more people.

**Mrs Spelman:** As I indicated, the concept of street pastors did not actually originate with the Church of England, and we acknowledge that. However, Anglicans support absolutely what the street pastors do. Churches should work together; indeed, we should look to work with other faiths. In the city of Birmingham, near my constituency, there are also street pastors of the Muslim faith, and I have seen for myself what an impact street pastors have on gang culture and on tackling knife and gun crime.

### Ethical Investment Policy

5. **John Pugh** (Southport) (LD): What recent assessment she has made of the effectiveness of the Church Commissioners' ethical investment policy. [903470]

**Mrs Spelman:** During 2015, the Church Commissioners' ethical investment strategy won awards at the Portfolio institutional awards in the category of responsible investment. The commissioners have also had success in leading shareholder resolutions on climate change behaviour with BP and Shell, and they will continue to work with other institutional shareholders on filing similar resolutions at their annual general meetings.

**John Pugh:** I thank the right hon. Lady for that full response, but is not the correct principle that the commissioners actively seek to shun investment in companies guilty of what the Chancellor calls "aggressive tax avoidance"?

**Mrs Spelman:** Yes. Indeed, it is just a year to the day since the Archbishop of Canterbury said that a good economy is based on

"the principle that you pay the tax where you earn the money. If you earn the money in a country, the revenue service of that country needs to get a fair share of what you have earned."

I could not put it better myself.

**Robert Jenrick** (Newark) (Con): One of the ways in which the Church deploys its investments, ethical or otherwise, is in supporting schools across the country. Will my right hon. Friend use her offices to persuade the Church, and particularly certain dioceses, to take a

more responsible and open-minded approach to joining academy groupings where some of their schools, particularly primary schools, are underperforming and need to change?

**Mrs Spelman:** The Church of England is the largest provider of education in this country, and it is co-operating with the Government in trying to address poor performance in schools. Eighty per cent. of Church of England schools are rated “good” or “outstanding”, but the Church recognises the need to work with schools where the performance is not as good as that. Multi-academy trusts present a great opportunity for successful Church of England schools to mentor and help with the raising of standards among those which find this more difficult.

#### **Church Leadership: Women and BME Groups**

6. **Matt Warman** (Boston and Skegness) (Con): What further steps the Church of England is taking to increase the representation of women and BME groups among its leadership. [903471]

**Mrs Spelman:** The Church of England needs to increase its vocations for ministry by around 50% in the next 10 years in order to sustain the 8,000 clergy it currently has in parish ministry. The representation of women in the Church has grown significantly, with almost equal numbers being recommended for ordination training. Currently, those of black, Asian, and minority ethnicity make up 3% of the clergy population, and the Church is committed to increasing that percentage.

**Matt Warman:** I welcome that answer. May I ask that, when trying to increase the range of people available to take up positions that are currently vacant, we pay particular attention to churches that have been vacant for long periods, because that is damaging to communities such as that at St Matthew’s in Skegness?

**Mrs Spelman:** I hope I can reassure my hon. Friend on this, because as recently as Tuesday night in this House we passed the obscurely titled Diocesan Stipends Fund (Amendment) Measure. That Church Measure—it originated from the diocese of Lincoln, which covers his constituency—should enable his diocese to invest in the training of more clergy by releasing money from the funds for that purpose.

#### **Credit Unions**

7. **Richard Graham** (Gloucester) (Con): What support the Church of England provides to local credit unions. [903472]

**Mrs Spelman:** Churches and dioceses across the country have responded enthusiastically and creatively to the Archbishop of Canterbury’s call to support credit unions and community finance, often building on pre-existing initiatives and helping to build financial resilience in communities. The diocese of Gloucester has recently part-funded the appointment of a credit union development worker for Gloucestershire Credit Union and established collection points in local churches.

**Richard Graham:** The diocese of Gloucester has shown real commitment to breathing new life into Gloucester Credit Union; I should declare an interest as a long-standing member. However, we need to do much more to reach effectively those who are most vulnerable to loan sharks. Can my right hon. Friend assure me that, while the Church of England builds and promotes its own new credit union, that will not distract from the important work it does in supporting existing local credit unions?

**Mrs Spelman:** I absolutely give my hon. Friend that assurance. Every Member of this House would recognise the importance of credit unions at the local level, but that goes hand in hand with, and does not detract from, the Archbishop’s task group on responsible credit savings, which has sought to harness the Church’s national and grassroots resources in support of developing a stronger community of finance.

**Mr Robin Walker** (Worcester) (Con): As chairman of the all-party group on credit unions, may I welcome my right hon. Friend’s last answer? I also welcome the leadership that the Archbishop of Canterbury has shown on the issue of problem credit. Does she welcome the launch of Fair For You, and will she comment on how the Church can support that community finance initiative in the rent-to-own sector that is taking on some of the challenges in that sector and showing that responsible, local community finance can compete?

**Mrs Spelman:** I will certainly take that suggestion back to Church House. The Church has shown commitment to helping people manage their money and invest safely, and to teaching our children at the very earliest age—through its LifeSavers project, with assistance from the Treasury—how to ensure that they do not get into debt. All that is evidence, I think, that the Church will be supportive of my hon. Friend’s suggestion.

## Return of Kings

10.35 am

**Kate Green** (Stretford and Urmston) (Lab) (*Urgent Question*): To ask the Secretary of State for Home Affairs if she will make a statement on events planned by the group Return of Kings.

**The Parliamentary Under-Secretary of State for the Home Department (Karen Bradley)**: Roosh V is a US, self-styled pick-up artist. Media reporting has suggested that supporters of Roosh V and the Return of Kings website were scheduled to hold nine events across the UK this Saturday 6 February. An announcement on the group's website has been publicised in the press this morning, stating that no Return of Kings events will be held on Saturday.

The Government condemn in the strongest terms anyone who condones rape and sexual violence or suggests that responsibility for stopping these crimes rests with the victims. Responsibility always unequivocally rests with the perpetrator of these serious crimes.

Any form of violence against women or girls is absolutely unacceptable. The impact of domestic and sexual violence on the victims—physically, psychologically and emotionally—cannot be overstated, and the Government are working closely with victims and survivors, support services, the police and criminal justice agencies to end these terrible crimes. If criminal offences have been committed, including incitement of violence against women, the Government would expect local police forces to deal with any offenders appropriately.

The Government do not routinely comment on individual immigration or exclusion cases, but the Home Secretary has powers to exclude an individual who is not a British citizen, if she considers that their presence in the UK is not conducive to the public good. This Home Secretary has excluded more foreign nationals on the grounds of unacceptable behaviour than any before her. That can include, and has included, exclusions based on threats posed to women's safety because of encouragement of violence against women.

The Government are pleased that the Return of Kings events appear to have been cancelled, and I look forward to this afternoon's full debate in Westminster Hall on the subject of the role of men in preventing violence against women. I am sure we will discuss these issues at length.

**Kate Green**: I welcome the Minister's response. There has been widespread ridicule of, and revulsion at, the antics of the group Return of Kings, including from the respected police and crime commissioner for Northumbria, Vera Baird, and parliamentary colleagues. My hon. Friend the Member for Rotherham (Sarah Champion) has written to the Minister about the matter, and there has been widespread coverage in the media. The public, in this country and worldwide, have also responded. Indeed, there are 63,000 signatures to the online petition calling for the events to be banned, so I am very glad that they will not go ahead this weekend. That is in no measure, as far as I can tell, due to the action of the Government, but we need assurances for the future, because Roosh V has said that he cannot stop men attending private meetings.

The Minister has said that the Home Secretary has the power to exclude individuals from the UK. What information do the Government hold about Roosh V's plans to travel to this country in future, and is it the Minister's expectation that he would attract a ban? Has she or the Home Secretary considered classifying Return of Kings as a proscribed group?

Events were advertised to Roosh V's followers, which led to plans for counter-demonstrations in a number of UK cities, creating a threat both to public order and to women's safety. The Minister has said that the police have powers to act if they believe that crimes have been committed. Does she believe that the threshold for incitement to rape or hate crimes has been met? What discussions have been had with the police, and what guidance has been issued to them, about handling such activities? In relation to the online advertising of the events—at which participants were apparently required to give the password "pet shop" before being admitted—what discussions have the Government had with internet providers and Facebook about taking down those offensive posts?

The events take place against the backdrop of a 41% increase in rape in the past year and the loss of much specialist provision. According to the Women's Budget Group, 29% of the cuts announced to local authorities in the 2015 spending review could fall on services to support women who are suffering from violence, and 32 specialist refuges closed between 2010 and 2014. Many rape crisis centres have told me that they have no guarantee about their funding after next month. Will the Minister assure the House that that funding will continue from April this year?

As the Minister has mentioned, there will be a debate in Westminster Hall this afternoon on the role of men in tackling violence against women, and that is welcome. I expect that it will cover perpetrator programmes and compulsory sex and relationships education in schools, for which Labour has been pressing for many years. Will the Minister commit to introducing compulsory sex and relationships education as part of the personal, social, health and economic education curriculum in every school?

Finally, when will the Government ratify and implement the Istanbul convention, which was signed in 2012? What is the explanation for the delay?

**Karen Bradley**: I start by agreeing with the hon. Lady that the comments of this individual and the proposals of this group are absolutely repulsive. I am sure that everybody in the House will join us in condemning what they have said. Such things have no place in British society. I assure her that the Government are taking all the steps we can to deal with the matter, and I will be happy to write to her on the specifics of what the Government can do. She will understand that I cannot comment on individual cases, and many of the things that she asked about are operational matters for local police. I will be happy to write to her about what local police can do to stop such activities, but it would not be appropriate for me to go into detail here.

The hon. Lady talked about ridicule, and I share her view that we should ridicule the group and show contempt for them, because they hold the most ridiculous views. She mentioned Vera Baird, with whom I agree that we

should make a point of ridiculing the comments. If we can show that they are ludicrous, people will not want to be part of this.

The hon. Lady asked about internet providers. As she knows, we talk with internet providers about many topics, including indecent images of children online, children having access to pornographic material, and inappropriate material. I will certainly take this point up with the internet providers when I see them at the UK Council for Child Internet Safety board next month.

The hon. Lady asked about the Istanbul convention. We have an issue on article 44 of the Istanbul convention, which concerns an extraterritoriality matter. We are discussing it with the devolved Administrations, because it needs primary legislation, and I am not going to ratify the convention until I am absolutely certain that we comply with all its measures. We comply with everything except that one point, and I want to make sure that we deal with it before ratification.

The hon. Lady mentioned the debate this afternoon in Westminster Hall. I pay tribute to the white ribbon campaign, which has been instrumental in making it clear that men do not want to see violence against women and girls.

Finally, I want to take up what the hon. Lady said about the 41% increase in rape. That is a 41% increase in reported rape, and we welcome that, because it shows that victims have the confidence to come forward and that they are reporting those crimes. If they do so, we can get convictions, which are at their highest ever level. The crime survey for England and Wales shows that the level of those crimes is not going up, and we welcome that. We want to see more reporting, and I hope she will join me in welcoming the increase in reporting.

**Dame Angela Watkinson** (Hornchurch and Upminster) (Con): I welcome the Government's commitment, through education, to raising awareness about sexual and relationship abuse with its "This is Abuse" campaign. Does the Minister agree that more emphasis must be placed on tackling controlling behaviour and emotional abuse, which often go unreported?

**Karen Bradley:** I thank my hon. Friend for her question. The "This is Abuse" campaign has been extremely successful, and I am very pleased that the Government announced, just before Christmas, that we are continuing with it. It is so important that young people understand what is appropriate, understand what is appropriate in relationships and understand what a normal loving relationship is, as opposed to an abusive one.

My hon. Friend will know that the new domestic abuse offence—the offence of coercive or controlling behaviour—was commenced on 29 December. The new offence had been called for for many years. It was a difficult thing to do, which is why the Government made sure that we got it right, but we now have the ability to prosecute and convict offenders who never commit physical violence against their victims, but have abused them for far too long.

**Joanna Cherry** (Edinburgh South West) (SNP): I thank the Minister for her comments. I join her in condemning rape and violence in any form and, in particular, any attempt to blame the victims. I wholeheartedly agree with her that responsibility must always rest with the perpetrator.

We in the Scottish National party are pleased that the events have been cancelled. The anti-women agenda behind them is utterly and completely repugnant. In Scotland, our petition against the events, which were due to take place in Edinburgh and Glasgow, has attracted about 40,000 signatures. Members may be aware that SNP Members have signed an early-day motion condemning these sexist and hate-mongering meetings and the misogyny behind them.

In Scotland, Police Scotland has been working closely with anti-violence against women organisations. It put out a fairly strongly worded statement about the policing of the events that were to have taken place. It is obviously absolutely paramount, as I am sure the Minister would agree, that women should be able to go about their lawful business, day and night, in our cities and towns without being subjected to this sort of intimidation.

The Scottish Government and Police Scotland have worked hard on the investigation of sex crimes in Scotland. The Minister will be aware that a number of years ago—in 2008—the Scottish Crown Office and Procurator Fiscal Service set up a specialist national sexual crimes unit. I was very proud to be one of its founding prosecutors. Our conviction rates for rape and sexual violence have indeed increased, but we are still working very hard on that, as these are challenging crimes to prosecute.

I associate myself with the questions raised by the hon. Member for Stretford and Urmston (Kate Green), and I thank her for asking this important urgent question. SNP Members, too, want the Istanbul convention to be ratified as soon as possible, and I am sure the Minister will reassure me that she is continuing to liaise with the devolved Governments about that.

Will the Minister reassure me about one point raised by the Member for Stretford and Urmston? If the Home Secretary becomes aware of any plans this gentleman—I use the word loosely—may have to enter the United Kingdom, will she liaise with the Scottish Government, and indeed the other devolved Administrations, on any future events?

**Karen Bradley:** I thank the hon. and learned Lady for her comments. I assure her that I will copy her into my letter to the hon. Member for Stretford and Urmston (Kate Green). We want to take all the steps we possibly can, and I want to set out in depth the steps that the Government can take and what we will do.

The hon. and learned Lady mentioned the Istanbul convention. I assure her that we are liaising with the devolved Administrations to make sure that we ratify it as soon as possible. She talked about police forces. I want to pay tribute to Police Scotland, and to all police forces across the United Kingdom. It is worth making the point that such criminals do not recognise borders, and police forces need to work together to make sure that we tackle these crimes. Such crimes are not acceptable in the United Kingdom—and I mean the whole United Kingdom.

**Simon Hoare** (North Dorset) (Con): I very much support what the Opposition Front Benchers have said. We defend our cherished liberty of free speech to the utmost, but with that freedom must come responsibility. May I say to my hon. Friend the Minister that I am pretty certain all Conservative Members would welcome the proactive engagement of the Home Secretary and

[Simon Hoare]

her Department not only in excluding this man—frankly, he is an embarrassment to all men—but in proscribing his organisation?

**Karen Bradley:** I want to reassure my hon. Friend that he would struggle to find a more proactive Home Secretary. This Home Secretary has excluded more people and done more to tackle violence against women and girls than any Home Secretary in history, and I am very proud to serve in her Department.

**Chi Onwurah** (Newcastle upon Tyne Central) (Lab): These planned meetings may well have been simply a publicity stunt by an attention-seeker so insecure in his own masculinity that he goes to such lengths to augment the size of his—er—following. I have been contacted by many constituents—men and women—who are outraged and revolted and also frightened by the planned meeting in Newcastle, so can the Minister reassure them that anyone meeting in Newcastle or anywhere else, or coming to this country to plan or condone rape, would be treated in the same way as anyone planning or condoning murder, terrorism or any violent act?

**Karen Bradley:** I can assure the hon. Lady that that is a criminal offence and such people would be treated in the same way. I join her in her comments about the possible reasons why this individual is doing what he is doing—to ensure that he gets publicity, which he may need for other reasons. I will say no more.

**Mr Philip Hollobone** (Kettering) (Con): Can we be really robust in deciding who is allowed into this country and who is not? Rather than relying on individual police forces to intercept such individuals after their arrival, if the Government have clear intelligence that an individual or a group are seeking to incite criminal activity in this country, the Government should have no qualms at all about making it clear that these people are excluded from our country, so that we do not have to put extra pressure on our police forces, who have many other things to do.

**Karen Bradley:** My hon. Friend will understand that I cannot comment on individual cases, but I agree that it is much better to exclude than to deal with such people when they are here. This Home Secretary has excluded more foreign national offenders and foreign nationals than any other.

**Christian Matheson** (City of Chester) (Lab): I can see no possible benefit from this individual being allowed into the UK now or in the future, so may I add my voice to those of hon. Members who say that, although we understand that the Minister cannot comment on individual cases, we hope that very soon she will be able to do so by saying that this person is excluded permanently from the UK? She cannot talk about operational police matters; is there a general steer that she would hope to give to the police as to their response to this matter?

**Karen Bradley:** I am sure the hon. Gentleman's comments will have been heard. I have the Police Minister sitting next to me and he has also heard the hon. Gentleman's comments.

**Andrew Stephenson** (Pendle) (Con): Although I share the revulsion at this group's views and the need to exclude such people from the UK, there is a substantial weight of evidence now to suggest that this group has no plans to meet and is concocting these plans across the globe to generate maximum publicity for its vile views, and that it is taking politicians and the media across the globe for a ride. I welcome the news that these alleged events have been cancelled, but has the Minister seen or heard any evidence to suggest that there was actually a plan to hold any of these events in the UK?

**Karen Bradley:** I have as much information as my hon. Friend as to how valid the plans may or may not have been, but he makes an important point. We should all remember, as the hon. Member for Newcastle upon Tyne Central (Chi Onwurah) said, to treat such people with ridicule rather than seriously.

**Liz Saville Roberts** (Dwyfor Meirionnydd) (PC): I, too, welcome the public revulsion which has resulted in the cancellation of the Return of Kings meetings, including one in Cardiff, which Plaid Cymru was set to oppose. How will the Minister address the wider question of the balance between free speech online and the incitement of violence against women as though it was socially acceptable?

**Karen Bradley:** The hon. Lady asks about online specifically. I assure her that what is illegal offline is illegal online. If it is a criminal offence, it is a criminal offence, no matter where it happens.

**Mike Freer** (Finchley and Golders Green) (Con): As part of the review of public order, will my hon. Friend review the weighting of the community impact element when the police decide when to intervene? One of the problems with such public order decisions is that the police take quite a black and white decision about whether the law has been broken, rather than taking a wider view of the impact that that has on the community involved.

**Karen Bradley:** My hon. Friend makes an important point. I know that he has personal experience in his own constituency. I can assure him that we will look at those points.

**Liz McInnes** (Heywood and Middleton) (Lab): This is not the first time that a campaign of violence and aggression has been orchestrated via the internet, and it will not be the last. Although we hear warm words from the Government every time there is an incident, nothing ever seems to happen. I press the Minister to say what action the Government will take over the ease with which vile messages can be distributed via the internet.

**Karen Bradley:** I assure the hon. Lady that it is a criminal offence to make these kinds of comments. The Government do not take these matters lightly. We work hard and at length with the internet service providers, which have a responsibility to ensure that such messages are not distributed.

**Kevin Foster** (Torbay) (Con): This individual's offensiveness and arrogance are exceeded only by his ignorance. There are real worries about whether the

meetings were anything other than a publicity stunt to get a reaction. Does the Minister agree that the key thing is to ensure that there are positive role models for young men, which the majority of people are, and that the key mistake this individual made was to think that many men would want to attend meetings so vile in their intent?

**Karen Bradley:** I agree absolutely with my hon. Friend.

**Gavin Newlands** (Paisley and Renfrewshire North) (SNP): On the very day when we will discuss for the first time at Westminster the positive role that men can play in preventing and ending violence against women, does the Minister share my concern that this small, small man's abhorrent views and publicity seeking risk distracting us from the positive role that the vast majority of men—real men—would like to play in ending misogyny in all its forms?

**Karen Bradley:** The hon. Gentleman makes a very important point and I look forward to debating the matter this afternoon. He is absolutely right that men have a positive role to play, and the vast majority of men do so.

**Geraint Davies** (Swansea West) (Lab/Co-op): Does the Minister agree that this situation is symptomatic of a much bigger, awful trend towards misogyny, hatred against women and violence that we are seeing on all sorts of media, including Twitter, which is international? What efforts is she making to promote an attitude of zero tolerance towards that trend, not just in Britain, but by taking leadership internationally to address it at its roots?

**Karen Bradley:** The hon. Gentleman leads me into an answer that could potentially last many days on the different things that need to be done internationally to promote women and women's rights, such as the action that the Government are taking to tackle female genital mutilation and forced marriage. All people have a right to exist and live equally. These views and comments are not acceptable.

**Alison Thewliss** (Glasgow Central) (SNP): It is a ridiculous irony that the events have been cancelled for the safety of this man's supporters, given the nature of the events. I join everybody in their condemnation of this sick individual and his misogynist followers. Will the Minister pay tribute to the groups of campaigners across the country, particularly in Glasgow, who have helped to force the cancellation of the events? Will she also pay tribute to Police Scotland, which has worked closely with the campaigners in Glasgow and Edinburgh to ensure their safety at the events? There was unequivocal condemnation in the Police Scotland statement, which said that

“sex without consent is rape.”

**Karen Bradley:** I agree with the hon. Lady. I pay tribute to Police Scotland and to all police forces across the country, which work equally hard to deal with these crimes and to make that message heard.

**Andrew Gwynne** (Denton and Reddish) (Lab): I agree with the Minister that most men will not support these vile, anti-women, misogynistic, pro-rape views. I am

sure that Members on both sides of the House will support the Home Secretary unequivocally in making sure that Roosh V never sets foot on British soil. What more are the Government doing to make sure that the small number of individuals who do support these abhorrent views learn the error of their ways and see that such views are not acceptable in a decent society?

**Karen Bradley:** The hon. Gentleman makes the important point that prevention and education are incredibly important to make sure that the young men—and older men—who hold these views understand that they are wrong. The “This is Abuse” campaign, which my hon. Friend the Member for Hornchurch and Upminster (Dame Angela Watkinson) mentioned, is part of that, as is our work to end gang and youth violence and exploitation, because young men who are in a circle where it is seen as acceptable to exploit young women and treat them as no more than sex objects have to be educated that that simply is not right.

**Stewart Malcolm McDonald** (Glasgow South) (SNP): The fact that this event in Glasgow has been cancelled shows that people do make Glasgow. Does the Minister agree that any event planned to coach men how to coerce women into having sex, is not a free speech issue but an issue of public safety and order? Will she join me in condemning the sick-minded halfwits who support these events and were planning to attend them, and does she welcome the fact that this weekend they will now be sitting in their underpants, eating cold ravioli from a tin?

**Karen Bradley:** The hon. Gentleman conjures up quite an image—I think I will leave it at that!

**Greg Mulholland** (Leeds North West) (LD): Such grotesque misogynist and homophobic views are not masculine—they are a perversion of masculinity and are cowardly. Does the Minister welcome initiatives by the National Union of Students and student unions—including in Leeds—to train bar staff to spot signs of sexual harassment? We must stamp out sexual harassment in all our society.

**Karen Bradley:** I would be very interested in learning more about what the hon. Gentleman says, as that is exactly the kind of initiative that we need to ensure that it is clear that no woman can ever be guilty of inciting her own rape. Rape is committed by the perpetrators, and they are the only people who are responsible.

**Chris Stephens** (Glasgow South West) (SNP): As the Minister will know, I wrote to the Home Secretary on this issue in response to the outrage and anger of my constituents who contacted me about it. The Government of Australia have publicly stated that they will continue to monitor any application from Roosh V, or anyone else associated with the Return of Kings. Will the Minister assure the House that the UK Government will do likewise for any individual associated with this group who is promoting a diet of hate?

**Karen Bradley:** I assure the hon. Gentleman that the Home Secretary keeps a very close eye on all these matters, and that the Government take every step they possibly can.

## Business of the House

11.2 am

**Chris Bryant** (Rhondda) (Lab): Will the Leader of the House give us the forthcoming business, and all that jazz?

**The Leader of the House of Commons (Chris Grayling):** There is not much jazz in this, unless there is an MP4 concert coming up, but that is not something I know about. The business for next week is as follows:

MONDAY 8 FEBRUARY—Motions relating to the Social Security Benefits Up-rating Order 2016 and the State Pension (Amendment) Regulations 2016—that certainly doesn't have any jazz in it—followed by debate on a motion on the future of the routes of the Great Western Railway. The subject for that debate was determined by the Backbench Business Committee.

TUESDAY 9 FEBRUARY—Opposition day (un-allotted day). There will be a half-day debate on the European referendum on a motion in the name of the Democratic Unionist party, followed by a half-day debate on housing on a motion in the name of the Liberal Democrats. That will be followed by a motion to approve a money resolution on the House of Commons (Administration) Bill.

WEDNESDAY 10 FEBRUARY—Motions relating to the police grant and local government finance reports, followed by a motion relating to the Procedure Committee report on the notification of arrest of Members.

THURSDAY 11 FEBRUARY—Debate on a motion relating to Equitable Life, followed by debate on a motion on the conservation of sea bass and the effect of related EU measures on the UK fishing industry. The subjects for both debates were determined by the Backbench Business Committee.

FRIDAY 12 FEBRUARY—The House will not be sitting.

We have yet to finalise the full business for the week commencing 22 February, but provisional business will include:

MONDAY 22 FEBRUARY—Second Reading of a Bill—*[Interruption.]*

Hon. Members will just have to wait—anticipation for next week.

I also inform the House that the business for Westminster Hall for 11 February will be:

THURSDAY 11 FEBRUARY—General debate on the persecution of Ahmadiyya Muslims and other religious minorities in Pakistan.

**Chris Bryant:** It has been quite a week, hasn't it! I thought I was hearing things yesterday morning when listening to the "Today" programme, when they said that a "Belgian loon" had given the Prime Minister his backing, I thought, "Is that gross BBC bias? Inappropriate stigmatising language?" Perhaps they were talking about a Walloon? No, it was Mr Sander Loones, the vice-chair of the New Flemish Alliance. So now we know—the Loones back the Prime Minister.

As far as I can see, the only people Leave.EU hates more than the EU are Vote Leave. And Grassroots Out, of course. Oh, and then there is Better Off Out, which I thought was a gay organisation but apparently is not, and is a completely different organisation from Get Britain Out, which also is not a gay organisation. "Splitters!" we might all shout. Leave.EU believes that Vote Leave

does not really want to leave the EU. Vote Leave believes, however, that Leave.EU is a bunch of right-wing homophobes—it is not far wrong. Leave.EU thinks that Vote Leave are a bunch of hippy-dippy, let-it-all-hang-out libertarian lunatics. And everyone hates Iain, apparently. Will the Leader of the House tell us which group he is going to join? Will it be Grassroots Out, Vote Leave or Leave.EU, or will he just sign up to the People's Front of Judea, the Judean Popular People's Front and the Popular Front of Judea all at the same time?

I note that the Leader of the House just announced the Second Reading of "a Bill" for 22 February. That is not an announcement—it is a non-announcement. What Bill will this be, or does the Leader of the House even know? Has the Chief Whip not told him yet? He could whisper in his little ear and tell us all later. For all we know, following what the Minister for Europe said earlier this week, it could be the putting children up chimneys Bill. Frankly, I would not put it past this lot. Now that the new Justice Secretary has consigned yet another preposterous policy that came from the pen of the former Justice Secretary, will the mystery Bill be the Chris Grayling abolition Bill?

Incidentally, Mr Speaker, I can let you in on a secret, as long as you do not tell anybody else. Apparently, members of the Cabinet refer to the Leader of the House as the Dark Lord, although at this rate I think he is going to be the Invisible Lord. Will the hon. Member for Mordor ensure that the Work and Pensions Secretary comes to the House next week to make a statement on the despicable appointment of Doug Gurr, the head of Amazon China, as a non-executive director of the Department for Work and Pensions? Is this some kind of cruel joke or deliberate insult to benefit claimants and people in receipt of pensions?

For years, Amazon has used anti-competitive practices to crush competitors. It has used deliberate and calculated means of avoiding paying its fair share of tax in this country and it has systematically refused to co-operate in tackling VAT fraud. If it was a benefit claimant, people would be accusing it of fraud. The figures are shocking. It took £5.3 billion of sales from British internet shoppers but, according to Companies House, paid just £11.9 million in UK tax. That is a tax rate of 0.002%—not 0.2% or 2%, but 0.002%. Those are best mates rates. Is it not always the same with the Tory Government? There is one rule for the rich and powerful, and quite another for the rest.

When the Work and Pensions Secretary comes to the House, will he explain this to us all? Under his rules, if we take two twins born in 1953—let us call them, for the sake of argument, Jack and Jill—Jack gets £155 in state pension, while Jill gets £131 just because she is a woman. And that is not all. Less than one in four women born in the 1950s will qualify for the full flat-rate state pension. That is a disgrace! It is unfair, unjust and immoral.

On Tuesday, we had the Second Reading of the Enterprise Bill. The Bill has already been through all its stages in the House of Lords. As it started in the Lords, the Public Bill Committee in the Commons cannot take any public evidence. Yet in a case of startling hubris, the Business Secretary announced that the Government intend to add a whole new section to the Bill to liberalise Sunday trading. This was not in the Conservative manifesto. It was not even mentioned in the Lords. Who are the Government frightened of—the bishops or the voters?



Lent starts on Wednesday, so may I suggest a new Lenten discipline for the Leader of the House and the Government? Tell the House first. Today is Time to Talk day, when we talk about mental health. Will the Leader ensure that the NHS England mental health taskforce report, which has been constantly delayed and was originally promised for before Christmas, is not published during the recess, but when the House is sitting next week? Leaks from the report suggest a £1.2 billion gap in mental health provision. Warm words about mental health and parliamentary sovereignty are all very well, but we will judge the Government by their actions, not their words.

I want to end with a few words about personnel in the office of the Leader of the House. I understand that he has decided to do without the services of his head of office, Mike Winter. I cannot say how retrograde a step I believe this is. Mike is a man of complete and utter civil service professionalism. He served Labour and Conservative Leaders of the House with complete impartiality and dedication, working closely with Members of all political parties, putting in extremely long hours and leading his team admirably. He frequently put me right. His total focus has been on serving the House, which I gently suggest to the Leader of the House should be his focus too. I wish Mike well.

**Chris Grayling:** Mr Speaker, your request about the length of the shadow Leader of the House's contribution lasted just one week.

The shadow Leader of the House made several requests for statements. I simply remind him, as I do each week, that I provide him with extensive opportunities to debate matters in the House, but we have established in recent weeks that each week he stands and asks for debates, and almost never do they get tabled when the Opposition are given time for them. He and his party table debates on fewer than one in six of the subjects he asks for debates on. Either he is not seriously interested in them, or his own party is not listening to him.

The shadow Leader of the House asked about tax paid. I simply remind him that our steps to recover tax from companies such as Google are necessary because, during its 13 years in power, Labour did nothing about it. I sit and listen to the hypocrisy of the Opposition—they ask why we are doing this now and they talk about mates rates—but they did nothing about it in government. He also talked about pensions, which they did nothing about in government either. We are introducing a new single-tier pension that will deliver fairness for people in our society and ensure that everybody has a decent retirement. In the 13 years Labour was in power, when did it ever do anything about that?

The shadow Leader of the House talked about the changes in the Enterprise Bill. I simply remind him that we are the elected House, and we will debate a matter related to devolution, which is something that Labour is supposed to support but which it clearly does not any more.

Once again, we heard nothing of this week's events in the Labour party and its latest madcap idea. As if using nuclear submarines as troop carriers was not enough, the shadow Chancellor now wants to get rid of borders. Yes, no borders at all! We would have terrorists crossing borders, organised crime spreading its nets and more and more migration against the wishes of the people of

this country. The Labour party has been seized by a madcap ideology, and the shadow Leader of the House is still sitting there and supporting it. I do not understand why.

**Dame Angela Watkinson** (Hornchurch and Upminster) (Con): Will the Treasury take a closer look at the proposed changes to the disbursement of landfill tax revenues through the landfill communities fund before they become effective in April? Currently, 10% of the funds for every project are raised by a third party—usually the applicant—but the proposal is to transfer that 10% to the landfill operator. The concern is that many small operators might withdraw from the scheme, meaning that fewer projects can be considered. I am sure that this is an unintended consequence.

**Chris Grayling:** I am aware of my hon. Friend's concerns, and I can assure her that the Department for Communities and Local Government is in discussions with industry representatives and is trying to do what it needs to do in the right way. It has to take some decisions, but it is fully aware of her concerns as it looks to reach a decision.

**Pete Wishart** (Perth and North Perthshire) (SNP): I thank the Leader of the House for announcing next week's business. Mr Speaker, I am sure that you and the rest of the House would like to know that today is World Cancer Day. Almost every household in the country is touched by cancer, so this is a great opportunity to pay tribute to all the wonderful staff who work in the hospitals across the whole of the United Kingdom and treat people with this still appalling condition.

This morning, the *Daily Mail* intriguingly asked, "Who will speak for England?" I have no ambition in that department, but I was thinking that the Leader of the House is perhaps the ideal candidate. He is "Dr EVEL of Lore", the man who liberated English legislation from the oppression of we pernicious hordes of Scots MPs and he is also one of the leading Eurosceptics in the Cabinet. Cometh the hour, cometh the man.

We have an opportunity to debate this matter because we have a European debate next week, courtesy of the Democratic Unionist party—I am grateful to DUP Members for bringing it to our attention again. Perhaps we will have another opportunity to discuss the joint letters from the First Ministers of the devolved Assemblies and Parliaments from across the UK. Perhaps it will not be so contentiously dismissed as it was yesterday by the Prime Minister when it was raised here. A little bit more respect for the First Ministers of the various Assemblies and Parliaments would be in order this time round.

We have only one week in which to secure a deal on the fiscal framework—the critical financial arrangement that underpins the Scotland Bill—yet the two Governments could not be further apart. We had only an hour or so to debate it yesterday, unfortunately, as a result of the extended statement, and there will be no further opportunity to look at this before agreement is to be reached next Friday. The Chief Secretary to the Treasury said something intriguing yesterday in front of the Scottish Affairs Committee. He said that if agreement on the fiscal framework is reached, it would have to come back to this House for a possible debate, and he hinted at a possible vote. I do not know what the Leader of the

[Pete Wishart]

House knows about what the Chief Secretary was saying yesterday, but it raises some intriguing questions. If it does come back to this House and the House then rejects the fiscal framework, what on earth happens to Scotland? I want to hear the Leader of the House respond on this matter.

I know that urgent questions are a matter for you, Mr Speaker, and that you decide whether or not they happen. Could we have a little debate or even just a conversation about urgent questions on sitting Fridays? There were two last Friday, and that presents immense difficulty for Scottish Members—in fact, for Members of any constituencies other than those in London—because we cannot get to the House on a Friday morning. We have to make some critical decisions on whether to stay for the urgent questions or go back to serve our constituents on a Friday—the one working day when we have such an opportunity—given that we have to spend a day travelling back and forwards to this place. May we have a conversation about that, Mr Speaker?

May we have a debate on tax arrangements across the United Kingdom? Apparently, Labour wants to tax workers on below-average earnings in Scotland, but also to reduce taxes for the rest of the United Kingdom. I do not know whether this is Labour's Better Together tax or the Tory austerity tax, but I would like to have some clarity about Labour's plans for the whole UK.

Lastly, I come to an issue on which we might all be able to agree—MP4 for Eurovision! The time has come. I know that you are a fan, Mr Speaker, as is the Leader of the House. This is a political contest, as we know, and we have had all these young starlet acts trying to achieve a win, but now is the time for grizzled old politicians to get in there and do their bit for the United Kingdom. I am sure I will secure the support of the whole House for MP4 for Eurovision.

**Chris Grayling:** I think that is a great idea. The hon. Gentleman and I do not always share exactly the same views on European matters, but I can tell him that I will happily champion the cause of MP4 in Eurovision. I just hope that there is a change when it comes to those difficult votes, because countries in eastern Europe unfortunately tend to award the UK entrants “nul points”. Let us hope that MP4 will turn things round. I am sure that the hon. Gentleman will have the support of the whole House in doing so—

**Chris Bryant** *indicated dissent.*

**Chris Grayling:** Oh no. I am sorry to say that the shadow Leader of the House will not be supporting MP4 for Eurovision. I think that is a shame and a betrayal of the principles of the House, but never mind.

The hon. Member for Perth and North Perthshire (Pete Wishart) asks whether I am going to speak for England. I have to say that I speak for the United Kingdom, and I think all of us here should speak for the United Kingdom. He called me Dr Evil—I have been called Dr Evil and the Dark Lord today, so we are mixing our books somewhat—but on the EU vote, we were very clear, as was the hon. Gentleman's former First Minister, that there should be a sensible gap between the Scottish, Welsh and Northern Irish elections and a referendum. The Prime Minister made it clear

yesterday that there will be a gap of at least six weeks, which is the gap requested by the hon. Gentleman's former party leader. He will therefore forgive me if I treat his comments today with a degree of scepticism. We are simply doing what the Scottish nationalists asked for.

The hon. Gentleman is more pessimistic than I am about the fiscal framework. I am sure that the constructive dialogue between the Government at Westminster and the Government in Edinburgh will ensure that there is no problem with it, and that we will reach agreement. We all want to see a Scotland Act, rather than a Scotland Bill, in time for the Scottish elections, and we will continue to work to that end.

Urgent questions on Fridays are, of course, a matter for you, Mr Speaker, but I am sure that the Scottish National party will want to participate in Friday debates just as actively as any other party in the House.

There is one more thing on which we can agree today. The hon. Gentleman talked about Labour's tax rise proposals. I do not think that they are good for Scotland either, and I think that that is why the Labour party is struggling in Scotland. Saying to people, “Vote for us and we will increase your taxes” has never, in my experience, been a good platform for an election.

**Mr Nigel Evans** (Ribble Valley) (Con): Let me give the Leader of the House an opportunity to be a white knight for the people of Lancashire. The county council has embarked on a consultation about the withdrawal of subsidies from bus services. The consultation will close at the end of March, but in the meantime the council has already told bus operators that it will withdraw the subsidies, and some services will cease on 21 February. Will the Leader of the House arrange for a Minister to make a statement about this sham consultation, and about what can be done to help some of the most elderly and vulnerable people, living in villages, who will be isolated if the bus cuts go ahead?

**Chris Grayling:** My hon. Friend has made his point in his customary forthright manner, and he is right. It is not acceptable for a county council—a Labour-controlled county council—to announce a proposal, to consult on that proposal, and then to start to take action before it has even seen the responses to the consultation; but that, of course, is what Labour is really like when it holds power.

**Paul Flynn** (Newport West) (Lab): When can we debate the Government's planned cut in funding for the National Wildlife Crime Unit, which is welcomed only by those sadists who think it fun and amusing to torment defenceless wild animals? Will the Government cancel the threatened cut, or will they proceed with it and reinforce their reputation as the nasty party which does not care about animals' suffering?

**Chris Grayling:** I know that a number of Members have expressed concern about the issue. The Home Secretary will be in the House on Monday week, and I am sure that the hon. Gentleman will be able to raise it with her then.

**Mrs Sheryll Murray** (South East Cornwall) (Con): Last Saturday I sent the Fisheries Minister an image of a chart showing a French-registered fishing vessel inside the United Kingdom's six-mile limit. Looe Harbour

Commissioners would like to know what investigations the Minister has carried out. As today is my birthday, will the Leader of the House give me a present by asking the Fisheries Minister to come here and make a statement? Perhaps he could also tell us how he will deal with the imbalance in the haddock quota, whereby UK fishermen receive about 10% of the total allowable catch while French fishermen receive about 80%.

**Chris Grayling:** Let me begin by wishing my hon. Friend a very happy birthday, probably on behalf of all of us. She is still a very powerful advocate for the fishing industry and the communities that she represents. The Fisheries Minister is, of course, a neighbour of hers, but I will ensure that he is made aware of the point that she has raised. It is a matter of great concern to our fishing communities that such matters are dealt with properly and the rules are followed. We should certainly take action when they are not.

**Nic Dakin** (Scunthorpe) (Lab): I welcome the announcement that DONG Energy is to proceed with Hornsea Project One. May we have a statement on how the project can be used to assist the development of the South Humber bank, and how the Government will use their new procurement guidelines to ensure that UK steel is used in that development?

**Chris Grayling:** We are anxious to ensure that UK steel is used in UK projects. As the hon. Gentleman will know, many of the big infrastructure projects are using it, and we will continue to work to ensure that that happens. We want the sector to be developed on Humberside; it is already a very important part of the local economy. There will be questions on this very subject next Thursday, and I suggest that the hon. Gentleman raise it with the relevant Minister then.

**Dr Julian Lewis** (New Forest East) (Con): It is one thing for the Leader of the House to poke fun at the Leader of the Opposition over his strange ideas about the Trident successor, as he did today. It is quite another thing for No. 10 to adopt this policy on the question of delaying a vote which everyone, including the Ministry of Defence, industry and both sides of the nuclear debate in Parliament, expected to take place in the next few weeks. Can the Leader of the House look the House in the eye and tell us that those at No. 10 are not playing party politics with the nuclear deterrent? If they are, it is beneath contempt.

**Chris Grayling:** My right hon. Friend has been a powerful advocate for our nuclear deterrent—a view that I support wholeheartedly—and he has been effective in highlighting the flaws in the Opposition's policies. He will know that it is the Government's intention to debate this matter in the House in due course. I cannot give him an announcement today on when that will happen, but I will ensure that my colleagues are aware of the concerns that he has raised.

**Ian Paisley** (North Antrim) (DUP): Last year, Dublin's Special Criminal Court convicted Thomas "Slab" Murphy of tax evasion. On Tuesday evening on the BBC, he was exposed as a former chief of staff of the Provisional IRA and a godfather of serious and organised crime. Putting the Accutrace S10 marker in British fuels was

supposed to stop the laundering of British fuels across the whole of the United Kingdom, but this man's crime syndicate continues to launder these fuels. When is the Treasury going to get a grip on HMRC and get a new marker into British fuels that actually works? This week, 59,000 litres of fuel were wrongly seized by HMRC because the roadside test for Accutrace is a dud. Will the Leader of the House urge the Treasury to get this criminal activity stopped?

**Chris Grayling:** We all want to see this kind of criminal activity stopped, because it damages legitimate businesses and it damages the economy of Northern Ireland. I will ensure that the point he has raised is brought to the Treasury's attention, because it is clearly something that it would not want to see continuing either.

**Sir David Amess** (Southend West) (Con): Will my right hon. Friend find time for a debate on pharmacy services? Having visited a local pharmacist in Prittlewell this week, I was horrified to find that as a result of overall reductions in the budget of £174 million, there is every likelihood that the wonderful range of services that our pharmacists offer will be diluted.

**Chris Grayling:** This concern was raised last week, and the Minister responsible, the Minister for Community and Social Care, my right hon. Friend the Member for North East Bedfordshire (Alistair Burt), happened to be on the Front Bench at the time. I was able to provide an assurance to the House that he would treat this matter with great care. He is aware of the concerns that hon. Members have raised and he will be back in the House next week. This is something we have to get right, because pharmacies play an important role in local communities, and the Minister is well aware of that.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): The Leader of the House might not be aware that, before I entered the Parliament, I had a proper job outside this place—

**Chris Bryant:** In the 19th century.

**Mr Sheerman:** No, in the 18th century, with you! One of my employers was ICI—Imperial Chemical Industries—which has now become Syngenta. Is the Leader of the House aware that Syngenta is one of the three largest chemical companies in the world, and that it now looks as though it could be taken over by ChemChina, a Chinese Government-based organisation? This will put thousands of UK jobs in danger and could eradicate them from the market. May we have an urgent debate to discuss this? Just like steel, the chemical industry is a big employer at the heart of our economy.

**Chris Grayling:** I am not aware of the details of the proposals, but as ever the hon. Gentleman certainly makes a powerful case. I am sure that his comments will be listened to by the Business Secretary, but may I suggest that he seek to secure an Adjournment debate in order to bring Ministers to the House to discuss the matter?

**Mark Pritchard** (The Wrekin) (Con): In this country, 320,000 people are both deaf and blind, yet local councils are only required to provide a register of those who are

[Mark Pritchard]

blind only. Would it not make more sense for local authorities to have a register to collect information on those who are both blind and deaf in order to better co-ordinate care for all those who suffer in this way? May we have a debate on this matter?

**Chris Grayling:** I congratulate my hon. Friend on the important work he does in this area and on the support he provides for those who suffer from both those disabilities. The relevant Minister will be in the Chamber next week and my hon. Friend will have the opportunity to make that point then, but I will also ensure that his concern is raised with the Department before then.

**Alison Thewliss** (Glasgow Central) (SNP): The Leader of the House may be aware that the House of Representatives in Australia has deemed this week that bairns in arms are no longer visitors in the Chamber and can be brought in to be breastfed or bottle-fed by their parliamentary parents. Would he support such a change in this Parliament?

**Chris Grayling:** There are a few people who believe that such a change is necessary, but of course it would be a matter for the relevant Committees and for the whole House to discuss. We have to make sure we have a family-friendly Palace of Westminster and House, but we must also be careful to maintain some of the traditions of the House as well.

**Pauline Latham** (Mid Derbyshire) (Con): May we have a debate to celebrate the work done in this country by organisations such as the Arts Council and the Royal Ballet, which bring in so much tourism, and by the wonderful organisations in my constituency that add to the different tourism offer we have in the area? That has been recognised by the Chancellor in his autumn statement.

**Chris Grayling:** My hon. Friend makes an important point, and I am glad that the Chancellor did recognise that in the autumn statement. It is very important that we maintain the strong arts bodies in this country. They make a valuable contribution to our culture, as well as attracting business from overseas. She makes an important point, and may I take advantage of this opportunity to wish her a happy birthday, too?

**Paula Sherriff** (Dewsbury) (Lab): Last Saturday, the extremist group Britain First came to Dewsbury town centre, carrying crucifixes and proclaiming the Prophet Mohammed a paedophile. There was understandable concern among our community, with many businesses closing for fear of violence. A huge police operation took place, which clearly cost a lot of money. I pay tribute to the wonderful people of my constituency and the police, who carried themselves in an exemplary manner. Does the Leader of the House agree that we should now have an urgent debate on where the balance lies between freedom of expression and incitement of racial hatred?

**Chris Grayling:** I very much agree with the hon. Lady on that; we benefit from being a multicultural, multi-ethnic society. The different communities in the United Kingdom bring great strength to it. Those who would seek to

divide us should be unreservedly condemned. I pay tribute to her constituents and to those police officers, who often put themselves at risk in dealing with incidents of this kind. There can never be an excuse for the incitement of racial hatred. We have strong laws in this country, and it is of course for the police and the prosecuting authorities to decide when and how to use them, but I am sure she would find universal support in this House for what she says. Racial hatred is something to be abhorred and to be prevented at all cost.

**Fiona Bruce** (Congleton) (Con): The Government are rightly taking steps to counter the threat of violent extremism and to promote community cohesion, and I am sure everyone in this House supports that. The Leader of the House will, however, be aware of the recent Westminster Hall debate on the registration of out-of-school settings, which highlighted considerable concern about that issue. Does he agree that it is essential that there is widespread consultation on any other proposals in the Government's counter-extremism agenda before a counter-extremism Bill is brought before this House?

**Chris Grayling:** I absolutely accept the point my hon. Friend is making. It is very much the intention of those in the Department for Education who are working on this to listen carefully to representations from hon. Members to try to get this right. We all share a common objective in these matters. What we do not want is inappropriate, unnecessary regulation placed on small groups that do small amounts of work each week to the benefit of local communities.

**Christian Matheson** (City of Chester) (Lab): Further to the question from my hon. Friend the Member for Newport West (Paul Flynn), I learned from my constituents this week that the snaring of wild animals is still not illegal. It is, of course, cruel and sadistic, so do the Government have any plans to introduce legislation to ban snaring and to protect our wild animals?

**Chris Grayling:** I am aware that this matter is subject to campaigning at the moment, and my right hon. Friend the Secretary of State will give careful consideration to it. I am not aware of any current plans, but given the concerns raised in this House, it is certainly something we need to give some consideration to.

**Chris White** (Warwick and Leamington) (Con): May we have a debate on unitary authorities and the potential efficiencies that they can create?

**Chris Grayling:** Many in this country believe that unitary authorities are a better way of running local government. Equally, there are parts of the country where the two-tier approach works extremely well. What we are seeking to do through the changes we are pushing through to the relationship between central and local government is give greater freedom to local authorities to decide what is right for their area and to give them the opportunity to put forward reforms that will involve both change and greater devolution. If my hon. Friend feels that is right for his area, I encourage him to get into discussions with the relevant Department about it.

**Roger Mullin** (Kirkcaldy and Cowdenbeath) (SNP): Can we have a statement from the Government on when they will review the 1955 treaty on tax treatment

that operates between the UK and Malawi, as the treaty operates to the considerable disadvantage of one of the poorest countries in the world?

**Chris Grayling:** I am not aware of the specific detail of that treaty, but I will ask the Foreign Office to ensure that the hon. Gentleman gets a proper response to the concerns that he has raised.

**Henry Smith (Crawley) (Con):** I am pleased to say that employment levels in Crawley are at a record high, with the jobless claimant count now at 1.5%. Of course there is always more that can be done and, one month today, I am holding an apprenticeship fair in Crawley civic hall. May we have a debate on the importance of further encouraging apprenticeships to help promote economic growth?

**Chris Grayling:** I congratulate my hon. Friend on the work that he is doing locally on this matter. One of the most important parts of achieving our collective goal of 3 million apprenticeships in this Parliament is the work done by individual Members to encourage local employers to provide apprenticeship places. I commend him and other Members around the country for the work that they are doing in this regard. Apprenticeships are a central part of our future economic success.

**Louise Haigh (Sheffield, Heeley) (Lab):** Yesterday, we heard from the Prime Minister that in-work benefits for EU migrants are a pull factor, but we cannot judge that to be the case as the information has repeatedly been withheld after freedom of information requests. Given that the Leader of the House is such a fan of FOI, will he request Ministers to put that information before this House alongside a statement?

**Chris Grayling:** We will be debating the renegotiation and the package that we have been offered, and statements will be made by the Prime Minister in this House once the renegotiation is complete. I have no doubt that all the information required by Members will be there when those debates take place.

**John Stevenson (Carlisle) (Con):** Carlisle and Cumbria are starting to experience recruitment issues, and, in time, there could well be a skills shortage. In many respects, that is partly an indication of success, but that success will be further exacerbated by the potential large investment into Cumbria, which will raise issues about attracting the right people with the right skills into the county. Will the Leader of the House agree to a debate on those issues, and on what central Government can do to assist in creating the opportunities from which Cumbria can benefit?

**Chris Grayling:** The challenges to which my hon. Friend refers are a symbol of the success of this Government in generating real economic improvement in parts of the country that have, all too often, been left behind. In many respects, I am pleased to hear of the pressures that he describes, but clearly we have to react to them and help businesses in Cumbria to secure the skills it needs. That is why this Government's programme to build apprenticeship numbers and other measures that we will take to improve our skills base are so important. My hon. Friend is absolutely right to raise the issue.

**Joan Ryan (Enfield North) (Lab):** November 2015 is the latest month for which we have A&E figures. The Royal Free recorded 1,592 patients not seen within four hours, and the North Middlesex a shocking 3,306 patients. Both hospitals are now supposed to serve the people of Enfield North, as the Government have closed the A&E at Chase Farm hospital. May we have an early debate on the Government's mismanagement of the NHS, as the people in Enfield and across the country are being badly let down when they arrive at A&E in need of treatment?

**Chris Grayling:** The right hon. Lady will have an opportunity to raise her concerns on Tuesday when the Secretary of State for Health is in the Chamber. I simply say that, under this Government, the NHS is receiving more money than ever before and is treating more patients than ever before.

**Oliver Colvile (Plymouth, Sutton and Devonport) (Con):** As my right hon. Friend knows, I have been campaigning to save the hedgehog for several weeks now. On Monday, we have the hedgehog summit with my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs and my hon. Friend the Under-Secretary of State. Next week, I plan to launch a petition to make the hedgehog a protected species—I very much hope that everyone in this House will participate in it. Can my right hon. Friend confirm that, if we get more than 100,000 signatures, we will be considered for having a further debate on this very important issue?

**Chris Grayling:** I have to congratulate my hon. Friend on his diligence on this matter; the hedgehog has a much better chance of survival with him around than might otherwise have been the case. If he secures 100,000 signatures on his petition, I am almost certain that the Petitions Committee will feel obliged to have a debate on it. Given how strongly he has pushed the issue in the House, I am sure that his request will also have universal support across the House.

**Liz McInnes (Heywood and Middleton) (Lab):** My constituent David Chamber has raised with me his not uncommon problem: he is a graduate unable to find graduate work. The Prime Minister has said that he does not want foreign graduates doing what he describes as "menial" labour. May we have an urgent debate on what help we can give our UK graduates to get graduate jobs, on which the student loan repayment system depends?

**Chris Grayling:** When I was employment Minister in 2010, and we had inherited unemployment levels almost twice as high as they are now, conversations with young people entering the job market were challenging. Today, the situation is very different—unemployment has come down by almost half and job opportunities for young people in this country are better than they have been for a very long time. Under Labour, things went badly wrong; this Government have sorted them out.

**Kevin Foster (Torbay) (Con):** My constituent Cordelia Law was left with a legal bill of nearly £3,000 after being threatened with a libel action by a developer whose planning application she commented on to her local council. May we have a debate on our libel laws? I

[Kevin Foster]

would not endorse every comment that Cordelia Law made, but that type of reaction from developers could deter many other people from commenting on planning applications in which they have an interest.

**Chris Grayling:** Obviously, I cannot comment on the specific detail of that case, because I do not know enough about it, but it is always right and proper for those putting in planning applications to treat local communities with respect. If people feel that they have been let down by local authority processes, they can and do go to the ombudsman to seek a determination of maladministration. It sounds as if my hon. Friend is doing a fine job of representing his constituent anyway.

**Jeff Smith** (Manchester, Withington) (Lab): Civil society organisations have legitimate concerns about restrictions on their ability to challenge school admission arrangements. May we have a statement about the proposed ban on objections from these organisations so that we can better understand who will and will not be affected?

**Chris Grayling:** These things are, of course, predominantly for governing bodies and local authorities to decide, but the hon. Gentleman is free to raise this issue as an Adjournment debate and bring a Minister to the House to respond to his concern.

**Martin Vickers** (Cleethorpes) (Con): People in the villages of Lincolnshire are desperate to get to Cleethorpes, where they will find excellent shopping and the finest fish and chips in the land. Unfortunately, however, the Cleethorpes economy could be set back owing to cuts in rural bus services. May we have a debate about the funding of rural bus services, which clearly needs a rethink?

**Chris Grayling:** I understand the point that my hon. Friend makes. That is a matter for the Department for Communities and Local Government, which will come before the House on Monday. I encourage him to bring his point to the attention of the Ministers with the most direct responsibility for addressing these issues.

**Stewart Malcolm McDonald** (Glasgow South) (SNP): Yesterday, the Bank of Scotland announced that it will close its Mount Florida branch in my constituency, which serves thousands of people in that community, King's Park, Battlefield and slightly further afield. The bank has announced the closure without having done any community consultation at all; a lot of older people in particular will have to travel quite far to get to their local branch. May we have a debate on how the big banks are able to do such things without proper consultation with the community and to the detriment of local people?

**Chris Grayling:** As the hon. Gentleman will be aware, that issue has been raised by a number of hon. Members in the past few weeks. If the Chair of the Backbench Business Committee were here, I would be saying that there is clearly a demand across the House for a debate on this subject, and I encourage the hon. Member for Glasgow South (Stewart Malcolm McDonald) to make

such a request. I should also say that the Post Office now offers many alternative banking services. I hope local communities will take advantage of the Post Office, to make sure that it can offer those services in their local communities.

**Bob Blackman** (Harrow East) (Con): The Chair of the Backbench Business Committee has been called away on urgent business, so he has asked me to say that the Committee has scheduled every debate that has been requested. We are very much open for business as far as debates after the recess are concerned. As you will be aware, Mr Speaker, debating time in this Chamber and Westminster Hall is extremely precious, so I encourage Members to put applications in.

The Community Security Trust reported this week that the number of anti-Semitic incidents has fallen by a welcome 21%. However, before we all get complacent, that is the third highest level on record, and it follows the highest level ever recorded. May we have a statement from the Home Secretary responding to that report to make clear what action the Government will take to make sure that anti-Semitic incidents are not only treated seriously, but combated across this country?

**Chris Grayling:** I absolutely echo that point. I commend the work of the Community Security Trust. This is every bit as much of an issue as the events in Dewsbury last week, which were mentioned earlier. Anti-Semitic racist incitement in our society is utterly unacceptable, and so is incitement of race hatred against any group in our society. All of us in this House should stand against it when we discover it and see it. It is unacceptable and should never be tolerated.

**Andy Slaughter** (Hammersmith) (Lab): Does the Leader of the House detect any difference between his view of the European convention on human rights—when he was Lord Chancellor, he said:

“We have a treaty right to withdraw...We would exercise that right. There is always a first time for everything”—

and that of the current Lord Chancellor, who said this week that the Government were

“not planning to derogate absolutely from any”

of the ECHR rights? Should we now expect any repeal of the Human Rights Act in this Parliament, or has that vanished with the rest of Leader of the House's programme when he was at the Ministry of Justice?

**Chris Grayling:** I hate to disappoint the hon. Gentleman, but Government Members believe that the Human Rights Act should be replaced. Labour do not. The public support us. Labour are wrong, we are right.

**Robert Jenrick** (Newark) (Con): Hundreds—probably more than 1,000—British nationals have taken the very brave decision to go and fight against Daesh in Syria and Iraq, joining the YPG and the foreign fighter forces of the Kurdish peshmerga. Those people include my constituent, Aiden Aslin, a former care worker from Newark. It is now Home Office and police policy to arrest these individuals under counter-terrorism legislation on their return to the UK. Even if, as is most likely, they are not charged, that will remain on their record, and constituents such as mine, who have taken an extremely brave decision—one could argue that it is foolhardy, but

it is extremely brave—to fight with our allies, will not be able to, for example, enter the United States for the rest of their lives. What can my right hon. Friend do to raise this issue with the Home Secretary and the relevant authorities so that we adopt an appropriate policy towards these brave citizens of this country?

**Chris Grayling:** Of course, this issue has to be treated with great care. I will make sure my hon. Friend's concerns are raised with the Home Secretary, who will be in the Chamber on Monday week taking questions. I encourage him to raise that point with her, but I will make sure she is aware of the concern he has raised.

**Greg Mulholland** (Leeds North West) (LD): May I ask the right hon. Gentleman to nag his colleagues in the Department for Transport? The very expensive public inquiry into the New Generation Transport trolleybus scheme in Leeds concluded in October 2014, but the report has been gathering dust in the DFT for about six months. Can we finally have a statement on the issue so that we can get an answer? I hope it will be a no, so that we can then progress with a genuinely modern scheme involving light rail and/or tram-train.

**Chris Grayling:** The hon. Gentleman makes an important point. I will make sure that it is raised with the Department today and ask it to write to him.

**Andrew Stephenson** (Pendle) (Con): I recently met Noor Mukhtar, Pendle's Member of the Youth Parliament, at Nelson and Colne College to discuss the UK Youth Parliament's anti-racism and anti-discrimination campaign. Given recent Government initiatives on the issue, and the fact that the Prime Minister used his new year's speech to talk about discrimination in Britain today, may we have a debate on this important issue?

**Chris Grayling:** Again, my hon. Friend makes an important point about the need to avoid discrimination and racist behaviour in our society, and I think the whole House would agree with that. On behalf of the House, could I—particularly a few days after you, Mr Speaker, hosted Members of the Youth Parliament in your state rooms to celebrate the achievements of some of those young people—pay tribute to all those involved in the Youth Parliament, who make a really important contribution to discussions between young people and parliamentarians around this country?

**Alan Brown** (Kilmarnock and Loudoun) (SNP): On Monday, I attended the Women Against State Pension Inequality debate in Westminster Hall. It is such a big issue, and the debate was so busy, that I had to sit in seats normally occupied by Tory MPs. The novelty quickly wore off as I had to watch colleagues point their fingers at Members on the Benches opposite. On a

serious point, however, the Minister in that debate yet again hid behind the excuse of the deficit, so can we have a real debate about alternative measures we can put in place to end the injustice to women of the inequality of the state pension increase? We should bear it in mind that this Government recently allocated an extra £6 billion to Trident, with a £10 billion contingency—that is £16 billion right away that could be better spent.

**Chris Grayling:** As the hon. Gentleman knows, I always value the moments when we find ourselves sitting alongside the SNP, as it were, because they are all too rare. We talk about the deficit because it is true: over the past few years this country has had a major crisis in its public finances. We have made good progress in turning that around, but we have a way still to go. It has led to some difficult decisions. The pension issue is about equality. It is about ensuring that men and women have the same state retirement age, and it is also about our retirement age reflecting the good news that we are all living longer.

**Andrew Gwynne** (Denton and Reddish) (Lab): May we have a debate on the impact of relaxing planning rules? Such a debate would give me the opportunity to raise the plight of Haughton Green in my constituency, where, in recent times, residents have seen a loss of their heritage with the bulldozing of the old rectory and have been deprived of a say over the future use of the Methodist church, and where there is likely to be extensive in-fill development, even though that will require the use of already congested medieval road infrastructure.

**Chris Grayling:** The hon. Gentleman will have the opportunity to raise these issues with Ministers on Monday. There is a balance to be found in making sure that we protect local environments and the character of local areas but also provide adequate housing for the next generation, because that is also important.

**Geraint Davies** (Swansea West) (Lab/Co-op): You probably know, Mr Speaker, that children living in low emission zones have a 10% lower lung capacity than children living outside, partly because diesel emissions from cars cause pollution worse than that of many lorries, and Volkswagen has obviously been involved in emissions testing scandals. Will the Leader of the House consider having a debate on improving the cleanliness of the air in our city centres for the sake of our children's health, including the possible restriction of diesel vehicles, given that 52,000 people die each year from diesel pollutants?

**Chris Grayling:** This matter is now attracting widespread concern. It is obviously important to ensure that we have proper air quality and that we look after public health. Ministers are taking the matter very seriously and investigating it carefully.

## Point of Order

11.52 am

**Chris Bryant** (Rhondda) (Lab): On a point of order, Mr Speaker. I want to go back to the issue of the Second Reading on 22 February of a Bill as yet unannounced. There is no Bill sitting waiting to be finished off in the House of Lords, as a Lords starter, and no Bill that has had a First Reading in this House, as yet, so the only possibility is that the Government fully intend next week, by the time we are back here next Thursday, to have the First Reading of a Commons starter Bill that will then have its Second Reading on 22 February. Would it not be grossly discourteous to this House for the Leader of the House, who knows perfectly well what that Bill is going to be, not to stand up and tell us exactly what it is going to be, because otherwise he will have published it by the time he is back here next week?

**Mr Speaker:** Does the Leader of the House wish to respond?

**The Leader of the House of Commons (Chris Grayling):** Can I just say that the shadow Leader of the House is talking absolute nonsense?

**Mr Speaker:** Right. Pursuant to the hon. Gentleman's point of order, I can say only, at this stage, that I have no knowledge of the matter. I heard what the Leader of the House has said. I think it is a fair point to make to the House as a whole that it is not obligatory, but it is desirable, for words uttered to be genuinely meant. On one or two occasions in the past, I have come across language used such as "Second Reading of a Bill" which turns out really just to be a kind of holding statement, if you will, and what eventually transpires is something somewhat different—perhaps quite specifically not a Bill, and not a Second Reading of a Bill, but something else. On a serious note, in terms of the intelligibility of the proceedings of the House and the transparency with which we operate, I know that the Leader of the House will want to hold himself to a rather higher standard than that, and I am sure we can be assured of that.

## Personal Statement

11.54 am

**Mr Geoffrey Cox** (Torrige and West Devon) (Con): In 2009, the House resolved that hon. Members should register all outside earnings within 28 days of their receipt, whether connected with their parliamentary duties or not.

For a prolonged period last year, I very much regret that I failed to comply with that rule in respect of my professional earnings as a barrister.

The House has a right to expect of its Members, particularly those on the Standards Committee, as I was, that they will uphold its rules to the fullest extent. For that reason, I have stepped down from the Standards Committee, and I hope that the House will accept my sincere and full-hearted apology for my failure to observe this important rule.

**Mr Speaker:** I thank the hon. and learned Gentleman for what he has said.



## **Collapse of Kids Company**

### **PUBLIC ADMINISTRATION AND CONSTITUTIONAL AFFAIRS COMMITTEE**

#### *Select Committee statement*

**Mr Speaker:** We now come to the Select Committee statement. The Chair of the relevant Select Committee, Mr Bernard Jenkin, will speak for up to 10 minutes, during which, as those familiar with the procedure will realise and those who are not will now learn, no interventions may be taken. At the conclusion of his statement, I or whoever is in the Chair will call Members to put questions on the subject of the statement, and call Mr Bernard Jenkin to respond to these in turn. Members can expect to be called only once. Interventions should be questions and should be brief. Front Benchers may take part in questioning.

11.56 am

**Mr Bernard Jenkin** (Harwich and North Essex) (Con): I am grateful to the Backbench Business Committee for the opportunity to make this statement on our report entitled, “The collapse of Kids Company: lessons for charity trustees, professional firms, the Charity Commission, and Whitehall”.

We found that an extraordinary catalogue of failures of governance and control had taken place in the charity. It is obvious that many will feel blamed by our report. However, we very deliberately set about investigating the matter with a view to find lessons to be learned, not to find blame. Unless we can learn lessons, there will be an increased likelihood that such events will be repeated.

First, on the question of professional firms, the charity’s auditors repeated in every audit letter their concern that reserves in the charity were very low. The charity never acted on that advice. Instead, it was all too keen to trumpet the fact that it had received what it called a “clean audit” in every year of its existence. Under questioning, the auditor said that the charity had been living permanently “on a knife edge”. That sense of urgency was not communicated in formal advice to the charity. He also candidly admitted that the auditors should have notified the Charity Commission of their concerns about the charity, in accordance with the duty placed on auditors of charities under section 156 of the Charities Act 2011. That is a lesson that I hope all auditors will learn.

We also cross-examined Pannell Kerr Forster, which did an investigation into the governance and controls of the charity, on behalf of the Cabinet Office. We were concerned about how it evolved the remit of its report into being an investigation into governance controls rather than governance and controls. The report ended up being of rather limited value in the Cabinet Office, although it was read as what it was originally intended to be. That gives rise to the question of how the Government manage professional firms, as well as of how professional firms conduct themselves in respect of their responsibilities.

The charity also commissioned advice from PricewaterhouseCoopers, but it had so little time to produce anything in the run-up to the collapse of the charity that what it produced was of extremely little value. The Government took too much comfort from that

report as well, and PwC should have been more candid and direct with the Government about how valuable its work could be to them.

The Charity Commission has a statutory duty to prevent, detect and tackle abuse and mismanagement in charities. It did not do so with Kids Company. Prior to 2015 the Charity Commission did not engage with Kids Company, because it received very few complaints. Why did so few people complain to the Charity Commission, given that this was, for a long period, a charity with a mixed reputation that excited a lot of public comment? In order to attract complaints, the Charity Commission should have a much higher profile as an avenue for complaints. It needs to be much more proactive in responding to concerns that are raised in public about a charity. In the case of high-risk charities with many employees and dependent beneficiaries, it should be equipped and funded to do more to provide scrutiny and, more importantly, advice and support to struggling trustees.

The Government need to reverse cuts to the Charity Commission to enable it to carry out its statutory function. We also recommend that the Charity Commission take new powers to hold hearings and to produce reports and recommendations about charities. It really should not fall to a Select Committee of the House to produce reports on the activities of individual charities. Kids Company received more than £42 million in grants from central Government across several Administrations, and it has not had to compete for a grant since 2013. Other charities have voiced bitter discontent at the unfairness of that. Government will need to work hard to restore faith in the grant-giving system of Whitehall.

Kids Company enjoyed unique, privileged and significant access to senior Ministers, and even to Prime Ministers and Leaders of the Opposition, throughout successive Administrations. Some witnesses stated that they were intimidated by that high-profile support, and questions have been raised about whether it affected funding decisions; it certainly discouraged people from raising concerns. Government lacked any objective assessment of Kids Company’s activities and outcomes, and the effectiveness of its governance. Government must improve their capability so that they are less reliant on external reviews when making assessments about charities.

The civil service should be commended for resisting the hold that Kids Company seemed to have over so many others, but the advice of the civil service was, in the end, overridden. Ministers should not allow charity representatives to exploit their access to Government in a way that might be construed to be unethical. Ministers should not override, or risk creating the perception that they are overriding, official advice to hand over funding to charities on the basis of personal prejudice or political considerations. That raises questions about how conflicts of interest for Ministers are addressed in Government with respect to charity funding. The awarding of commercial contracts could never have been conducted on the same basis.

The real message of the report is about charity trustees. It is the same as the message in our report about charity funding last week, in which we found that trustees of some of the most famous charities in the country had failed to understand what was being done in their name. Both reports highlight the role of trustees of charities. The primary responsibility of trustees is the good governance

[Mr Bernard Jenkin]

and the maintenance of the reputation of their charities. The primary responsibility for Kids Company's collapse rests with the charity trustees, who failed in their duty concerning the governance of the charity. I do not for a moment doubt the good faith of every trustee who served the charity, and I have evidence that some tried very hard to do the right thing. The only conclusion that anyone can reach is that either they did not know or understand the implications of what was going on in the charity, or they knew and failed to act.

The Charity Commission's guidance requires trustees to "make decisions solely in the charity's interests. They should not allow themselves to be swayed by personal prejudices or dominant personalities."

That seems to be exactly what happened in Kids Company, however, and it must be in danger of happening in every large charity that has been built up by a powerful and influential founder. The lesson is a universal one for all trustees. The trustee body of Kids Company did not have the necessary knowledge or experience of, for example, psychotherapy or youth services to be able to interrogate the operating model and safeguarding procedures.

In conclusion, it would be wrong to scapegoat any single individual for what occurred in the charity, but there are lessons that the House, the Government, the Charity Commission and professionals should draw from the situation. Most importantly, the Government need to understand what went wrong and how it can be rectified in future.

**Anna Turley** (Redcar) (Lab/Co-op): I pay tribute to the hon. Member for Harwich and North Essex (Mr Jenkin) and the members of the Select Committee for this important report. It has shone a light on what is a very sorry saga for all concerned, not least the vulnerable children who turned to Kids Company in their hour of need. I also pay tribute to the thousands of volunteers and workers in the sector who do so much to support vulnerable young people, usually without the same levels of funding and freedom that Kids Company clearly enjoyed. It is a deep shame that so much good work is at risk of being tarnished by this unique, high-profile failure. Having read the report, particularly the evidence given to the Committee by the senior civil service, I want to ask the hon. Gentleman about the way in which grants were administered, and whether he feels anything has changed since his report.

The Government have just passed the Charities (Protection and Social Investment) Bill, which was supported by Labour, to beef up the Charity Commission's regulation of the sector, particularly when it comes to trustees. Does the hon. Gentleman feel that the Government have learned their own lessons? For example, it is clear that rules applying to other charities did not apply to Kids Company. As he said, it had not had to compete for a grant from central Government since 2013. The Committee was told by a former Conservative Minister that Kids Company

"appeared to have a lower threshold of proof in order to get money from public funds"

and that its chief executive

"was almost the poster girl at the Big Society summit".

I ask the Minister whether the Government—both Ministers and civil servants—have actually acknowledged their role in this sorry saga, and whether they have taken any concrete steps to ensure that they are never complicit in such a tragedy again.

**Mr Jenkin:** I am grateful to the hon. Lady for her comments. Let me emphasise, as she did, that it is plain to see that there was much good work going on in the charity, and that has been lost; that many vulnerable young people were dependent on the charity, and they have been left forlorn and bereft; that many of the employees and volunteers were deeply committed to the charity's work, and they feel deeply betrayed and let down by what has happened; and that this has caused a great deal of distress. I am pleased to be able to inform the House that there is already evidence of things being salvaged from Kids Company and of things being rebuilt in the sector. We wish every success to those who are going to fund and support those things, because there is a gap, which the charity was seeking to fill, in meeting the needs of our society.

Yes, we are recommending even more powers for the Charity Commission than those in the Charities (Protection and Social Investment) Bill. We very much want the Charity Commission to recommend courses for charity trustees, so that they have somewhere to go to learn. The Institute of Directors runs courses for non-executive directors. Where is the equivalent for charity trustees, who have just as onerous a set of responsibilities? It is not the executives and the chief executive who are responsible for the conduct of a charity, but the trustees, who are jointly and severally liable, and it is not just the chairman who is responsible, but all the trustees.

We want the Charity Commission to have the power to hold legally privileged hearings, like those of a statutory inquiry, so that it can hear and receive evidence that cannot be impugned in the courts. That would mean that people with concerns about charities could go to the Charity Commission without the fear of losing their job, of reprisals or of being traduced in the press. The Charity Commission would be able to hold proper hearings and people could speak to it without fear or favour, as they do before Select Committees.

The hon. Lady raised the question about conflicts of interests that Ministers did not quite understand and that the system has not quite grasped. If the senior executive of a charity appears on a public platform with someone who then becomes the Prime Minister or is photographed in the Cabinet room with the Prime Minister at the launch of a Government initiative, they have a mutual interest, and that was not reflected in the way decisions were made in this case. If the political interests or the financial interests of the charity become aligned with the political interests of certain Ministers, those Ministers should recuse themselves from those decisions, as they would in any commercial arrangement. There is going to be a new arrangement. We are going to require the Government to think about this very seriously and possibly even amend the ministerial code accordingly.

**Mr David Jones** (Clwyd West) (Con): As my hon. Friend has said, the ultimate responsibility for the failure of Kids Company lay with the board of trustees. Does my hon. Friend agree that, among the many lessons to be

learned from this sorry episode, is that the board of trustees should include members with appropriate qualifications for the sort of charity they are operating, and in addition that the board of trustees should be regularly refreshed? In the case of Kids Company, the chairman had been in that role for many years. That, I would suggest, led him to become far too close to the chief executive, and ultimately to be dominated by her.

**Mr Bernard Jenkin** (Harwich and North Essex) (Con): I am grateful to my right hon. Friend for his question, and I am grateful to him and all members of the Public Administration and Constitutional Affairs Committee, who were all so fully engaged with this inquiry, which made our report so much more valuable. My right hon. Friend is right about the appropriate skills that trustee bodies need. Very often people think they need business skills, whatever those are, or accounting skills or some kind of technical skills. Actually, they need other skills. They need skills in the sector in which the charity operates. As I pointed out in my opening remarks, there was nobody with psychotherapy experience, and the charity was a psychotherapeutic charity. There was nobody with youth sector experience, and this was a charity in the youth sector.

Boards of trustees also need people who are able to hold the right kind of conversations, who are fearless about hearing what needs to be heard, and who are capable of confronting people if necessary, but with kindness and understanding, in order that the truth reaches the charity trustees and the messages are heard. This charity prided itself on being open and consensual. I am afraid the evidence is that it was precisely the opposite. There were many people in the charity who were fearful of those who wanted to suppress the truth because the truth was so difficult to deal with. The truth was very difficult for individuals to deal with, and if there is no truth, there will be no enlightenment and no judgment. There is no substitute for charity trustees exercising broad and enlightened common sense and judgment. It is not just about sets of skills.

**Several hon. Members** *rose*—

**Mr Deputy Speaker (Mr Lindsay Hoyle)**: Order. The answers have been very thorough, but they need to be a little shorter.

**Kate Hoey** (Vauxhall) (Lab): I pay tribute to the Chairman of the Committee. The inquiry was quite a harrowing experience for all of us and he handled a difficult situation extremely well. Will he comment a little further on the role of journalists and the media in the inquiry? Incredibly detailed work was done by Miles Goslett, for example, and *The Spectator* was willing to publish when no one else was prepared to do so. That journalist had to go round all the media, which did not want to know because of some of the issues that have been referred to. Does the hon. Gentleman agree that the role of media in such investigative journalism and the role of freedom of information are even more important now?

**Mr Jenkin**: I agree with everything the hon. Lady says. There were journalists who tried to get things published, but the editors and the publications that might have carried those messages were also scared of confronting

what appeared to be a very powerful charity with very great influence leading to the heart of Government. There is a message there.

There is a message, too, for the Charity Commission. Even when things were published, why were those journalists not invited to the Charity Commission, and why did it not say, “Tell us what you think is going on here, because we probably ought to know”? I hope journalists will feel a sense of obligation, not necessarily to reveal their sources or anything like that, but where they think a big charity is in serious trouble, to offer their advice to the Charity Commission. It would be a public-spirited thing to do. They would do that in respect of a serious risk to national security; they should do so for the security of the charitable sector as well.

**Mrs Cheryl Gillan** (Chesham and Amersham) (Con): I join my colleague, the hon. Member for Vauxhall (Kate Hoey), in paying tribute to our Chairman, who led the inquiry, and to the staff of our Select Committee, who did some very valuable work in the course of the inquiry. The last tranche of Government money, £3 million, was given to facilitate restructuring, but I was surprised to see in the television programme aired on BBC 1 last night the impression given that the management and the chief executive had other ideas about how that money was going to be spent. Do we know whether the £2 million balance of the unspent £3 million that was given has been recovered by the Government? Will there be any further investigations into that money passing to Kids Company virtually 24 hours before it shut down, or is this report the end of the matter?

**Mr Jenkin**: That last question is very interesting. There is an ongoing investigation by the official receiver, which should be able to tell us what happened to that money and if any money is due to be returned to the Government. I am not a legal expert, but I think that once the Government handed over the money, it belonged to the charity. It no longer belonged to the Government and, although the Government might be a creditor, they will probably have to queue up behind other creditors. I very much hope that the Government might accept that the employees who lost their employment very abruptly are entitled to some measure of recompense, perhaps out of those funds. The answer is that I do not know. What was evident from that programme last night was how the restructuring was resisted to the very end. I am not sure whether that was known to the Minister who signed the letter of direction.

I, too, would like to pay tribute to the staff of the Committee. They do not usually like their name up in lights—it is not the tradition of the House service—but we are very fortunate in our Committee. We have very good staff.

**Ronnie Cowan** (Inverclyde) (SNP): Having watched the BBC documentary last night and seen the founder of Kids Company laugh about breaking the law and be dismissive of a vast amount of UK taxpayers' money which was handed out so freely by both Labour and Conservative Governments, it is clear that lessons have to be learned. One of the lessons that we failed to learn in the past was that brash, bright, colourful, flamboyant characters who are favoured by senior politicians should be open to the same scrutiny as the many conscientious

[Ronnie Cowan]

hard-working individuals who work tirelessly for a charity with only the best of intentions. Does the hon. Gentleman agree that the report should be only an opening salvo and must be followed up?

**Mr Jenkin:** I am grateful to the hon. Gentleman for his remarks. Yes, this is an opening salvo—both reports are opening salvos—about governance. The question of governance extends beyond charities to how the whole of Whitehall is governed—all the public bodies and the civil service, and how we govern the contractual exchanges between the public and the private sectors from Whitehall. Governance is not just about compliance and box-ticking. Governance is about the exercise of judgment by the people who are accountable for what occurs, and I hope that fellow Select Committee Chairs and I will pursue the matter of governance across the whole of the public sector and the parts of the private sector that are funded by the public sector.

**Mr Philip Hollobone (Kettering) (Con):** I commend my hon. Friend and his Committee for his report and for his statement to the House today. On pages 47 to 49 of his excellent report he is excoriating in his criticism of the two Ministers who signed off the direction in June 2015 to give Kids Company £3 million, against the advice of the permanent secretary to the Cabinet Office. One of those Ministers, the Chancellor of the Duchy of Lancaster, was good enough to give evidence to the Committee and has shown courtesy to the House by being here today. The other, the Paymaster General, does not appear to have given evidence to my hon. Friend's Committee and is not in the House today. In his report, the Chairman writes:

"In neither his letter of direction nor his oral evidence has Mr Letwin provided convincing justification for his and Mr Hancock's decision to ignore the comprehensive advice of senior officials . . . This grant should not have been authorised contrary to advice."

In the Government's response to his Committee's report, can we expect a ministerial apology from both Ministers involved and a clear explanation of how the £2 million which is still missing will be found?

**Mr Jenkin:** I have heard everything that my hon. Friend has said. The report speaks for itself. I hope very much that the Government will give a full and clear explanation in response to the report. I am sure that they will. I have never doubted the integrity of the two Ministers who signed the letter of direction at all. We must wait for the Government's response. In the end, I am not responsible for the Government's response.

**Paul Flynn (Newport West) (Lab):** May I add the name of Harriet Sergeant to that of Miles Goslett as she, too, exposed this fraud? This was British journalism at its very best and the report shows our Select Committees at their very best in the way that it exposes the waste, extravagance and delusions of this sad episode, which robbed far better charities of vital funds to help children in distress.

Is it not vital that the conduct of the Ministers who ignored the advice and wrote the letter of direction is considered by the adviser on Ministers' interests? Is it not crucial that we get to the nub of this terrible waste? The buck stops with the Prime Minister. We should

have broken the taboo that exists—I would like the Chairman to make this suggestion. As this charity was linked in every way with the big society stunt that was being run by the Prime Minister at the time, the person who should have given evidence to us was the Prime Minister.

This matter will not be put to rest until the Prime Minister explains why he set up what was virtually a slush fund, by getting funds moved from the Department for Education, where Ministers might have stopped this, to the Cabinet Office, from where the money was going out. That was wrong, it was damaging to many of the children who were allegedly being helped by Kids Company and it was very damaging to those charities that could prove the worth of what they were doing through statements and evidence, which Kids Company never did. Should we not look forward to this never happening again and to moneys being moved out of the Cabinet Office's control?

**Mr Jenkin:** It is in the nature of politics that some people will always be readier to pin the blame and extract some action as a result. I hope that I am conducting the Committee in a way that all its members support. I think that we get so much more from witnesses and that our reports have more authority if we do not try to pin blame on individuals, but the House will have heard what the hon. Gentleman said.

The hon. Gentleman touched on the important issue of why youth funding was moved from the Department for Education to the Cabinet Office. We really did not get an explanation of that, except for a denial that it had anything to do with wanting to be able to continue funding Kids Company, which the Department for Education had clearly become reluctant to do. One of our conclusions is that Departments should be responsible for allocating funding to outside bodies, rather than the Cabinet Office, because it is, by its nature, too close to the political centre of power in Government and a suspicion can be created, at the least, that decisions are being influenced.

We made a recommendation about the LIBOR fund, which was set up by the Chancellor of the Exchequer to support military charities. It is clearly a very worthwhile initiative, but any possibility that it could be construed as a fund under the personal control of the Chancellor of the Exchequer should be very clearly checked.

**Mr Speaker:** Somewhat tighter answers would be appreciated. They are way too long.

**Mr David Nuttall (Bury North) (Con):** I thank my hon. Friend for his statement and his Committee for the work it has done in preparing the report. Does the Committee plan to review the extent to which the valuable and important recommendations in its report are complied with and carried out?

**Mr Jenkin:** We always make sure that our recommendations are followed up and the Government have to give a very clear response to them.

**Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op):** I commend the hon. Gentleman and his Committee for this very good report. He is absolutely right that a focus on governance is vital. The Public Accounts

Committee is very clear that we will follow governance and accountability in respect of taxpayers' money wherever they lead. In the evidence that we heard from senior civil servants about the use of ministerial directions, there was clearly a reluctance on the part of permanent secretaries to call for a ministerial direction because of the relationship that they had with their Secretaries of State. Has he had any thoughts about undertaking further work with his Committee on the use of ministerial directions and whether that system is working well in Whitehall?

**Mr Jenkin:** There has been controversy about the role of ministerial directions. The former Minister for the Cabinet Office, who was responsible for civil service policy, urged permanent secretaries to ask for ministerial directions to facilitate the making of decisions. That was understandable because he felt frustrated that, as he saw it, decisions were being blocked. On the other hand, senior civil servants pride themselves on having a good relationship of trust and understanding with their Ministers and are therefore reluctant to reach for the requirement for formal direction. They would far rather have a relationship with their Ministers that is based on a shared understanding of the concerns about a particular issue. I am bound to say that I rather side with civil servants on that one. If we had a system that was run just on instructions, it would be impossible for civil servants to give their best advice to Ministers. That is the system that Northcote-Trevelyan set up and that we should attempt to sustain.

**Kelvin Hopkins** (Luton North) (Lab): I apologise to hon. Members and to you, Mr Speaker, that I have only just arrived in the Chamber. I was speaking to a group of schoolchildren from my constituency in the education centre and I could not miss that.

I want to say a few words in support of the Chair. This was a difficult report to achieve consensus on and he did a very good job of getting us as close to consensus as was possible. I caught the tail-end of what my hon. Friend the Member for Newport West (Paul Flynn) was saying and I sympathise with a lot of what he said. I also heard my hon. Friend, the Chair of the Public Accounts Committee. The National Audit Office ought to have a stronger look at all of this, particularly at where Ministers are instructing civil servants on matters of funding in this way. I hope that this sort of thing will never happen again and that this report will go some way towards mending fences for the future. That being said, I think that this is the tip of the iceberg and that the story will continue. There is probably a lot more that we have not reported on.

**Mr Speaker:** I feel sure that the House will agree that the Chamber's loss was the school students' gain.

**Mr Jenkin:** I am grateful for the hon. Gentleman's support and for his work on the Committee. The one point that I will pick up on is his comment that this must never happen again. I can tell you for certain, Mr Speaker, that it will happen again. The question is whether we have a system in place that allows us, each time it happens, to learn, rectify and prepare for the future to make sure that it happens less and less often. That is what our recommendations are really about.

**Neil Coyle** (Bermondsey and Old Southwark) (Lab): I congratulate the hon. Gentleman and his Committee on bringing forward this report. Many points have been made about the governance of the Charity Commission and I welcome the specific recommendation that he mentioned, but what role should the Care Quality Commission have played in inspecting some of the services that Kids Company claimed to be providing? There seems to have been a gap there. It might have helped to identify the fact that the numbers did not stack up. Will he join me in congratulating the director of social services at Southwark Council, David Quirke-Thornton, who stepped in to make sure that vulnerable young people received support quickly when Kids Company collapsed?

**Mr Jenkin:** I am certainly very grateful to David Quirke-Thornton. There are still discussions to be had between statutory social services and the charitable youth sector about what gaps in provision exist. Those would be productive discussions.

The question of inspection that the hon. Gentleman raises is a very important one. Ofsted did go into parts of Kids Company, but the senior executives of the charity did not find that very welcome. If social services are inspected, perhaps there is a case for inspecting charities of this nature, particularly if they are in receipt of public funds and if they have caring and safeguarding responsibilities. The private sector is investigated in that way—boarding schools and so on—and charities should be treated in the same way.

**Mr Speaker:** Notwithstanding what I said earlier about the prolixity of some of the answers and the relatively slow progress, the hon. Gentleman has received, and warmly deserves, the appreciation of the House for bringing before us this very important report on behalf of his Committee. It is a practical expression of his decades-long commitment to this House, its integrity, and its centrality in the affairs of the country, and he deserves our thanks.

## Backbench Business

### Parliamentary Sovereignty and EU Renegotiations

*[Relevant Documents: Fourteenth Report from the European Scrutiny Committee, on UK Government's renegotiation of EU membership: Parliamentary sovereignty and scrutiny, HC 458.]*

**Mr Speaker:** To move the motion I call not a baron, but the Baron in the House.

12.30 pm

**Mr John Baron** (Basildon and Billericay) (Con): As ever, you have been very generous, Mr Speaker.

I beg to move,

That this House believes in the importance of Parliamentary sovereignty; and calls for the Government's EU renegotiations to encompass Parliament's ability, by itself, to stop any unwanted legislation, taxes or regulation.

I thank the Backbench Business Committee for granting this debate, and Members on both sides of the House who supported the application for it.

There can be no greater issue for this Parliament to debate and defend than the country's sovereignty, as that goes to the heart of everything we do. Without it, we cannot truly have the final say on a host of issues, including the primacy of our laws, the integrity of our borders and the extent of burdensome regulation. As our EU renegotiations proceed, however, it appears that little effort is being made to truly restore parliamentary sovereignty. It is not a priority, which I suggest is a great opportunity missed.

We have a golden opportunity to pitch for fundamental change in our relationship with the EU for the benefit of both parties, as the Prime Minister promised in his Bloomberg speech, but we are missing it while No. 10 tinkers at the edges. Without consulting his parliamentary party, in my view the Prime Minister is sidestepping the issue completely by arguing for temporary measures, and measures that require us to club together with other Parliaments, in the vain hope of stopping the EU. That is not restoring parliamentary sovereignty. If we as a Parliament and a country cannot on our own stop any unwanted EU taxes, directives or laws, then it is clear that if we vote to stay in, we vote to stay on the conveyor belt towards ever closer union, as laid out in the EU's founding treaty. Parliament will become nothing more than just a council chamber of Europe.

To those who say that the UK already accepts a certain pooling or loss of sovereignty when joining other international organisations, I say that only the EU can force us to take in economic migrants despite the strain on our infrastructure, override our laws, and foist burdensome regulation on our companies, despite the vast majority not even trading with the EU.

**Kelvin Hopkins** (Luton North) (Lab): I congratulate the hon. Gentleman on raising this important issue, and I agree with everything he has been saying. The great 19th-century constitutionalist, Walter Bagehot, divided politics into the "effective" and "decorative" parts of

the constitution. Does the hon. Gentleman agree that this place must be the effective part of our constitution, not just a decoration?

**Mr Baron:** I completely agree, and that is why I suggest that the issue of sovereignty goes to the core of our relationship with the EU. If we do not take the opportunity to address it now, it could be lost for a generation.

**Sir Edward Leigh** (Gainsborough) (Con): I wonder whether all those years ago Enoch Powell was right, and that we have been dodging this issue ever since 1972. The question he posed was that if we join the EU, this Chamber and democratically elected House loses its sovereignty. Now an historic moment is approaching, and the British people have to make that choice. Will they reclaim that sovereignty or not?

**Mr Baron:** I can only repeat what I said to the hon. Member for Luton North (Kelvin Hopkins)—I completely agree, and that is why this debate is important. It is not easy to say some of these words, but I regret that there has been a lack of consultation on the proposals in this renegotiation. Better engagement, certainly with the parliamentary party, and perhaps with Parliament generally, given that we are representatives, would have been useful.

**Peter Grant** (Glenrothes) (SNP): Would the hon. Gentleman include in that statement of regret the complete failure to consult the national Parliaments of Scotland, Wales and Northern Ireland during the process?

**Mr Baron:** What I regret is the lack of wide consultation generally with regard to renegotiation. When many of us were campaigning in the last Parliament for a referendum in this one, it was in the hope that we would have a meaningful debate prior to the renegotiation, and then a meaningful debate afterwards as we headed towards a referendum.

**Several hon. Members** *rose*—

**Mr Baron:** Let me make a little progress, and then I will take further interventions. I am also conscious of the time.

Let us be clear about the so-called "red card". We appear to have a system that has more holes in it than a Swiss cheese—so much so that it is more like a lottery ticket that has been through the wash. The question is: is it valid? The idea is that we club together and form a majority with other national Parliaments to stop unwanted EU taxes and laws, but that would not enable our Parliament, by itself, to reject anything that it did not want. This would be an extension of the ineffectual "yellow card" system currently in operation, but with an even higher threshold.

Lord Hague once referred in this Chamber to the system then in operation, which was similar to what is now being proposed:

"Given the difficulty of Oppositions winning a vote in their Parliaments, the odds against doing so in 14 countries around Europe with different parliamentary recesses—lasting up to 10 weeks in our own case—are such that even if the European Commission proposed the slaughter of the first-born it would be difficult to achieve such a remarkable conjunction of parliamentary votes."—*[Official Report, 21 January 2008; Vol. 470, c. 1262.]*

The “lottery ticket” system will not work. It would be like a football referee getting out his fraction of a red card, only then to consult with 14 other officials before deciding what to do, by which time the game is over. If we are serious about regaining control of our borders and fisheries, and about having the ability to set our own trade deals and the power to set our own business regulation, sovereignty must be restored to Parliament. It is quite simple. Everything else is a cop-out, a sell-out, a lottery ticket fraud. Let us be honest about the washed-out lottery ticket.

**Dr Julian Lewis** (New Forest East) (Con): I am glad that I did not interrupt my hon. Friend in the midst of that wonderful metaphor. One of the real problems with the mentality of those who subscribe to the EU project is that instead of being honest enough to say “no” to those of us who want our sovereignty back, they put forward devious and deceptive and pretences to say yes, when in reality they know it means no.

**Mr Baron:** I can only agree with my right hon. Friend. Having said that, the Minister for Europe is nothing but a courteous and able Minister, and I am delighted that he is in his place. I would not want him to be under the illusion that we are suggesting that of him, but there has been a tendency to act out a charade, when actually we have been on the conveyor belt of ever closer union. We need greater honesty in this debate.

**Mr Bernard Jenkin** (Harwich and North Essex) (Con): My hon. Friend has raised the issue of sovereignty, and the draft decision document published this week by the European Union contains a section called “Sovereignty”. If ever there was a misnamed section of a document, it is this—perhaps my hon. Friend will come on to that. The one thing that this document does not return to the United Kingdom Parliament is sovereignty over the laws that are made for this country. Indeed, it promises a “red card”, which is no more than an extremely cumbersome method of qualified majority voting in the European Union.

**Mr Baron:** I cannot but agree with my hon. Friend.

**Sir Edward Leigh:** Does anybody want to disagree?

**Mr Baron:** There will be people who want to disagree—don’t worry.

I will just turn, if I may, to the immigration emergency brake, which again is questionable. I speak here with a tinge of sadness, because I think the Government have framed this part of the debate in the wrong manner. Let us first of all be clear that the emergency brake access to in-work benefits will last only four years, with the EU, not Britain, judging whether the emergency brake is declared. Not even here do we have control. It is also unclear what happens after the period expires. In addition, access to benefits would gradually be increased, meaning it is moot how much of a deterrent to immigration a brake would actually be.

My sadness—I have said this many times in this place—is that I believe the Government are wrong to couch the debate in these terms. It feeds into a negative narrative about immigrants. It ignores the fact that almost all—the vast majority—immigrants from the EU come to Britain to work hard. They are not looking for benefits. It ignores the fact that large-scale EU immigration cannot be stopped, in all truthfulness, while we adhere to the

EU’s founding principle of freedom of movement, particularly as the rise in the national living wage picks up speed. Let us have real honesty about this debate. I am fed up with listening to politicians focus on benefits and play to the gallery. It is absolutely wrong to do so. It feeds a negative narrative. The vast majority of immigrants—let us make this absolutely clear—come here to work hard and we should acknowledge that fact, so let us have clarity about the emergency brake. After all, it can only be used by the EU backseat driver, and we all know how dangerous that can be.

There are massive holes in the two key planks of the Government’s renegotiations. Is that important? For some, it will not be. I say it is important, because while the general view may be that we are standing still while inside the EU, we are in fact standing still on a conveyor belt towards ever closer union. Let us be absolutely clear about that. Indeed, the lesson of the eurozone crisis is that the EU usually finds a way of achieving what it wants, ever closer union, even at the expense of violating its commitments. As Mr Juncker once said, “when it becomes serious, you have to lie”.

Those are the words of the President of the European Commission.

The EU is developing all the trappings of a nation state: a currency, a body of law and a diplomatic service. It makes no secret of its ambitions or its determination to succeed, even if this results in a democratic deficit with its own peoples. We only have to hear what has been said by some of the key people in the EU. Mr Juncker has made his position very clear:

“if it’s a ‘yes’, we say ‘on we go’; and if it’s a ‘no’, we say ‘we will continue.’”

Angela Merkel has made her wishes clear:

“we want more Europe, and stronger powers to intervene”.

Martin Schultz, President of the European Parliament, has been particularly blunt:

“the UK belongs to the EU”.

Mr Barroso, the former President of the Commission, has cast light on the EU’s integration process:

“they must go on voting, until they get it right”.

If things do not change, the UK is captive on a journey to who knows where. Looking into voting at the EU’s Council of Ministers, academics based at the London School of Economics—there has been very little research on this—have shown that, in recent years, Britain has voted against the majority far more often and been on the losing side more than any other member state. It is not as though it is even getting better within the internal structures of the EU. The British people never signed up to this and it is therefore right that they are finally having their say in a referendum. Do the British Government truly believe that they can muster sufficient votes to stop this inexorable vote towards ever closer union? That is one of the key questions Ministers should try to answer today.

**Kate Hoey** (Vauxhall) (Lab): The hon. Gentleman mentions various eminent and well-known persons in the EU. Is not one thing that binds them all together in relation to this debate the fact that they are not elected? We in this Parliament had no say in who they are and we cannot get rid of them. The hon. Member for Gainsborough (Sir Edward Leigh) mentioned Enoch Powell. Tony Benn said that if we cannot get rid of the people in an institution, it is not democratic.

**Mr Baron:** I very much agree with the hon. Lady. There is a democratic deficit in the EU. It is no coincidence that the European Parliament, after the most recent elections, is probably the most Eurosceptic European Parliament in the EU's history. There is a connection there and the EU needs to recognise that it needs to put that democratic deficit right.

**Mr Andrew Turner** (Isle of Wight) (Con): Does my hon. Friend agree that even elected people do not get thrown out? We cannot get rid of Dan Hannan, for example, because he is No. 1 of 10 or 11 Members of the European Parliament.

**Mr Baron:** There are many flaws in the system. The peoples of Europe—although one can generalise too much in this respect—are asking more and more questions as the system fails to deliver, in particular on the economic front. Mass unemployment is causing great hardship in many countries and the EU is failing to deliver.

**Sammy Wilson** (East Antrim) (DUP) *rose*—

**Mr Baron:** I think I have allowed the hon. Gentleman to intervene once already. No? In that case, please do.

**Sammy Wilson:** The hon. Gentleman is being very generous in giving way. He is hitting the most important point here. Does he accept that this is not just an academic debate about sovereignty? This is an issue that goes to the very core of social cohesion. If people feel they cannot change those who make decisions, we will have all kinds of trouble and tensions on our streets. That is the core of the issue. Democratic institutions are important for the wellbeing of society.

**Mr Baron:** I completely agree and that is very well put. It is terribly important that there is an element of democratic accountability. If there is not, we will alienate sections of society and issues such as unemployment will not be properly addressed. How are people going to voice their opinion without moving to the extremes of the political divide, and feeding that extremism because they do not feel they can be democratically represented within the existing structures?

**Mr Philip Hollobone** (Kettering) (Con): Does my hon. Friend agree there is a practical side to the issue of sovereignty, too? As a member of the EU, we have lost our sovereign ability to negotiate friendly or free trade agreements with major economies around the world. It would be in this country's interests to have a friendly trading agreement with the big economies, such as America, China and Japan. We cannot do that, however, because we have lost our seat at the World Trade Organisation and our membership of the EU forbids us from making such negotiations.

**Mr Baron:** That is absolutely right. It is a question of sovereignty, at the end of the day. If we cannot take our seat at the WTO and negotiate our own trade deals, indirectly that is a loss of sovereignty. There is no doubt about that. I am conscious that time is ticking on, so I will make some progress if colleagues will forgive me.

The Prime Minister misses the importance of parliamentary sovereignty in the EU debate. That is a mistake No. 10 is in danger of making when it focuses too heavily on Project Fear issues, such as immigration and jobs. We all know it is the loss of parliamentary

sovereignty that really lies at the heart of our uneasy relationship with the EU, and which has rankled since we first joined in the 1970s. Over the course of the referendum campaign, I do not believe Project Fear will bite. Ever-increasing numbers of big businesses, including the likes of JCB, Toyota, and Unilever, make it clear that they will not pull out in the event of a Brexit. Indeed, a recent Barclays report suggested a Brexit would be beneficial to the UK. Jobs are linked to our trade with Europe, not to our membership of the EU. Given that our vast trade deficit is in the EU's favour, it would want to sign a trade agreement in the event of a Brexit.

Furthermore, even if the EU wanted to get awkward, it could not. Falling global tariffs since the 1970s mean that both the UK and EU are bound by the WTO's "most favoured nation" tariffs—the USA's average being under 3%. One can easily lose 3% in a currency swing in a week. Many smaller countries outside the EU easily trade with it. Does the "in" camp think the public believe we could not do likewise?

What excites voters' imagination is the ability to restore sovereignty to our ancient Parliament. I rather suspect the Prime Minister knows this, and that consequently he is holding something in reserve—we are hearing something about a sovereignty Bill, for example—but details are scant. If it is true, however, does it not acknowledge that the "washed-out lottery ticket" and the EU "backseat driver brake" are not fit for purpose? Will the Minister supply the House with more details?

In conclusion, there has never been a better time to renegotiate our relationship with the EU, and nor are we ever likely to be in a stronger position to win meaningful concessions. I therefore urge the Prime Minister, at this critical stage, to return to the renegotiations and seek nothing less than a true restoration of parliamentary sovereignty. Let us step back for one brief moment. If the EU did not exist today, would we really invent it? I cannot understand why this and other Governments have acquiesced in this charade. I can only surmise it is because it is easier not to correct it and to do nothing, than to put it right and take action. But inaction is costing this country dear, not just by way of our £10 billion a year net contribution, but in terms of our sovereignty and responsibility to the people of this country.

**Several hon. Members** *rose*—

**Mr Speaker:** Order. On account of the number of hon. Members who wish to contribute, I am afraid we must start with a six-minute limit on Back-Bench speeches.

12.51 pm

**Kelvin Hopkins** (Luton North) (Lab): I am grateful for the opportunity to speak in this important debate, and I congratulate the hon. Member for Basildon and Billericay (Mr Baron) on his excellent speech.

I want to address those of my Labour colleagues who mistakenly remain in favour of staying in the EU. The hon. Gentleman talked about being told, "No", but we have some opt-outs, which is good, because they have saved us some of the pain of being a member of the EU. I think, in particular, of the opt-out from the euro. Had we been a member, we would have been destroyed by the crisis in 2008. The fact that we could depreciate by



30% protected our economy, to an extent, from that terrible experience. Other countries in southern Europe had much greater difficulties and are still suffering. Currency flexibility, which means that countries and economies can adjust to appropriate parities with other economies, is fundamental to a successful world economy, let alone national or European economies.

**Mr Jenkin:** Is not one of the more ridiculous parts of the document published yesterday the idea that we need the EU to recognise more than one currency in the EU? Given that Sweden voted in a referendum to stay out of the euro, when it did not have an opt-out, as was negotiated in the Maastricht treaty for the UK, is it not clear that if a country has its own currency, the EU cannot take it away, and that we do not need a treaty change or anything to tell us we can have the pound?

**Kelvin Hopkins:** I agree absolutely with the hon. Gentleman. I have had the pleasure of being a member of the European Scrutiny Committee for some years now, and in that capacity I meet representatives from other Parliaments. Swedish Parliament representatives tell me that support for joining the euro is at 11% in Sweden, so I do not think it will be joining any time soon. We heard from the Czechs recently. As soon as anyone suggests they might join the euro, they basically say, “Never”. One or two countries that joined the euro now think it was not such a good idea and might like to withdraw if they could. It is true that there are several currencies in the EU: several countries retain their own currency. Some years ago, I met Polish representatives, and I said, “Whatever you do, don’t join the euro, if you want to run your economy successfully, because you would be pinioned, and it would not be good for Poland.” I do not think my advice mattered; nevertheless that country has not joined the euro, and I see no prospect of its doing so in the near future.

I want to talk about other opt-outs. I have long campaigned in the House on the bizarre and nonsensical common fisheries policy. Thousands, if not millions, of tonnes of fish are being destroyed by being dumped back into the sea dead, and fish stocks have been savagely cut. The only way forward is for countries to be responsible for their own fish stocks, along traditional lines, to husband their own resources and to fish in their own seas, as the Norwegians do.

**Stephen Gethins** (North East Fife) (SNP): Is it not a pity that the Government have missed the opportunity of treaty change around the CFP, which has been an absolute disaster for the Scottish fishing community?

**Kelvin Hopkins:** Indeed. I raised the matter when a former representative from UKRep spoke to the Committee a few years ago. I said, as I had suggested to the coalition Government, “What would happen if we gave notice that in five years we would withdraw from the CFP, restore the 200-mile and 50% limits and start to manage fish stocks properly, in the interests of our own fishing industry, monitoring every boat and catch sensibly, as happens in Norway?” He said, “You’d be expelled from the EU,” so there is no possibility of that happening.

If the Government put that in their negotiations, however, they might be a bit more persuasive. I have a list of things I would have in the negotiations—sadly,

the Government have not followed it—and getting rid of the CFP is one of them. We have the largest fishing grounds and used to have the most successful fishing industry in the EU, but it has been devastated by overfishing and the appalling discarding of bycatches. The point is that, if we made a real change, we would apparently be thrown out, so the substantial changes I want would not be acceptable.

Even yesterday, people were talking about the common agricultural policy—another nonsensical policy that has cost us dear—under which we make massive net contributions to the EU. Every country ought to manage its own agriculture. Some, like the Norwegians, would choose to subsidise it for strategic reasons, as would be perfectly acceptable. We could do the same and choose either the current subsidy regime or a different pattern of subsidies. Each country should do its own thing. One of the nonsenses is that some countries are paid not to grow food. I was in Lithuania a couple of years ago with the hon. Member for Stone (Sir William Cash), the Chair of the European Scrutiny Committee. It used to be self-sufficient in food, but now thousands of acres are lying fallow because it is paid not to grow food. That is nonsense, and it is all to do with the CAP.

**Sammy Wilson:** The hon. Gentleman is making an important point. In Northern Ireland, a big issue is what would happen to farming subsidies were we to leave the EU, but is not the point that farming subsidies are better tailored to the needs of individual countries than is a common policy that often fails to meet the needs of farmers in our countries?

**Kelvin Hopkins:** The hon. Gentleman is absolutely right. If we withdrew, we could eliminate the net loss of our contribution to the budget—some say £19 billion, others £14 billion, but either way it is in the billions—and still subsidise regional and other policies, and tailor them to our national and regional needs.

I turn now to the sham of so-called “social Europe”. It is used as a lever to persuade social democratic and socialist parties to say yes to the European Union, but when it comes to the crunch—this would not necessarily impress Conservative Members and certainly not Labour Members, I hope—the EU always finds in favour of employers. Free movement is not about being benign; it is about bidding down wages, ensuring that wages are kept down and profits kept high. It is part of the neo-liberal package of measures that is being driven by the European Union.

In the case of Greece and other southern European countries that have had bail-outs, one of the conditions for bail-out is to put a brake on collective bargaining: “You’ve got to calm down your employees, especially in the public sector. We’re not going to give you the bail-out unless you cut back on collective bargaining.” That is hardly “social Europe”. What about the rights supposedly involved in the charter of fundamental rights? Then, of course, another condition of bail-out is forced privatisations, and we have seen fire sales of public assets in these countries. All these things have damaged social welfare in those countries.

The biggest problem of all has been mass unemployment, falling national output and falling living standards. Greece provides the most extreme example, but other countries have suffered, too. Greece has seen its living

[*Kelvin Hopkins*]

standards cut by 25%, and its unemployment is at 25%—50% among young people. Across southern Europe as a whole, youth unemployment stands at 40%. It is nonsense—it does not work economically. The idea that is all about “social Europe” and that it is beneficial to workers is, I think, complete nonsense and simply not true.

**Kate Hoey:** Does my hon. Friend agree that what he has said is predominantly why—

**Mr Speaker:** Order. The hon. Gentleman’s time is up—a point that I had not spotted. I am being more courteous than I need to be, but it seems discourteous to deprive the hon. Lady. Would she like to finish blurting out what she wanted to say?

**Kate Hoey:** I am saying that my hon. Friend provides a reason why the trade union movement and trade unionists across the country are catching on to this more and more. Is this not why trade unionists are speaking out and beginning to join and get involved in the campaign to leave?

**Kelvin Hopkins:** Yes.

**Mr Speaker:** Excellent. I was about to say that a single -sentence answer would suffice, but the hon. Gentleman has provided a one-word sentence—magnificent!

1.2 pm

**Sir William Cash (Stone) (Con):** I congratulate my hon. Friend the Member for Basildon and Billericay (Mr Baron) on introducing this debate so well.

I have to say that this has been a very long journey—30 years, I suppose, in all. I do not want to speak about the technicalities of negotiation; we will deal with that when the Foreign Secretary appears in front of the European Scrutiny Committee on 10 February. I had the opportunity to say a few words yesterday in reply to the Prime Minister’s statement, but today I simply want to indicate what I really feel about this question and explain why I am so utterly and completely determined to maintain the sovereignty of this United Kingdom Parliament.

It is really very simple. We are elected by the voters in our constituencies. We come here, and have done for many centuries, to represent their grievances and their interests, to fight for their prosperity and to support them in adversity. The reason why this House has to remain sovereign is that it simply cannot be subordinated to decisions taken by other people. This is about this country and it is about our electors. This is what people fought and died for.

As I mentioned yesterday, my right hon. Friend the Prime Minister referred in his Bloomberg speech to our “national Parliament” as the “root of our democracy”, but I would also mention that in our history, this Parliament has been steeped in the blood of, and nourished by, civil war. When your great predecessor, Mr Speaker—

**Peter Grant:** Will the hon. Gentleman give way?

**Sir William Cash:** Certainly not at this moment.

I was about to say that Speaker Lenthall, in defiance of prospective tyranny, refused to accept armed aggression by the monarchy. Pym, Hampden, ship money—this

was all about sovereignty and defending the rights of the people from unnecessary and oppressive taxation, which was being imposed on them without parliamentary authority. Through subsequent centuries, we saw the repeal of the Corn laws, and parliamentary reform through the 1867 Act to ensure that the working man was entitled to take part in this democracy; and after that, through to the 1930s when we had to take account of the mood of appeasement.

With respect to the Prime Minister and the Minister for Europe, I take the view that in completely different circumstances what has happened in these negotiations in terms of parliamentary sovereignty can be seen when the die is clearly cast and we now have an opportunity for the first time since 1975 to make a decision on behalf of the British people. That is why we need to have regard to the massive failures of the European Union and to its dysfunctionality—whether it be in respect of economics, immigration, defence or a range of matters that are absolutely essential to our sovereignty.

All those issues have, within the framework of the European Union, been made subject to criticism. We are told that we would be more secure if we stayed in the European Union and that we would preserve the sovereignty of our electors who put us in place to make the decisions and make the laws that should govern them. Would we really be more secure in a completely dysfunctional, insecure, unstable Europe? No, of course not.

The issues now before us in Europe are actually to do with sovereignty. If we lose this sovereignty, we betray the people. That is the point I am making. Yes, there are certain advantages to co-operation and trade, for example, and I agree 100% with that. I have always argued for that, but what I will not argue for is for the people who vote us to this Chamber of this Parliament to be subordinated so that we are put in the second tier of a two-tier Europe, which will be largely governed, as I have said previously, by the dominant country in the eurozone—Germany.

**Mr Jenkin:** Does my hon. Friend agree that one of the most worrying sentences in the document published this week relates to what will occur if the eurozone seeks to deepen its integration? This sentence reads:

“member states whose currency is not the euro shall not impede the implementation of legal acts directly linked to the functioning of the euro area and shall refrain from measures which could jeopardise the attainment of the objectives of the economic and monetary union.”

Given that there is going to be a new treaty and we do not know how it is going to affect us, is this not in effect giving up our veto?

**Sir William Cash:** It is. We were promised that in 1972. Our membership of the European Union is entirely dependent on the same Act that was passed in 1972. It was a voluntary decision based on certain assumptions. The 1971 White Paper, which preceded that debate, said that we would never give up the veto, and went on to say that to do so would be against our vital national interests and would endanger the very fabric of the European Community itself. They knew which way it could go. They knew they had to keep the veto, but it has been taken away from us progressively by successive Governments. If we cut through all the appearances, this is a sham. That is the problem and this is the real issue.

**Sir Edward Leigh:** My hon. Friend is so right to raise the debate above mere technicalities. He will remember that at his school he was told that the blood of the martyrs is the seed corn of his church. Is not the blood of all those parliamentarians who died in defence in this House the seed corn of our liberties?

**Sir William Cash:** I agree 100% with my hon. Friend. This is not about technicalities. It is about freedom of choice—freedom of choice at the ballot box for people to have their own laws that can be challenged accountably—not by proportional representation, not by the European Parliament, not by COREPER getting together in unsmoke-filled rooms to hatch deals on behalf of the people who are actually being affected in their daily lives. That is the problem. We have wordsmiths, and we have people running around in big chauffeur-driven cars making decisions—unelected bureaucrats—just as Monnet and Schuman intended in the first place.

We have reached the point of no return. We have to say no: we have to leave. That is the position. I do not need to say any more. As far as I am concerned, this is about the liberties of this country. It is about the liberties of our people. That is why I say that we must leave the European Union.

Let me end by quoting from G. K. Chesterton and John Gower:

“Smile at us, pay us, pass us; but do not quite forget,  
For we are the people of England, that never have spoken yet.”

1.10 pm

**Kate Hoey (Vauxhall) (Lab):** I shall be very brief, because I know that many Conservative Members wish to speak. I am disappointed that so few of my own colleagues are here, wishing to defend the European Union and to speak against the sovereignty of this Parliament, but they are not here, so I shall say a few words.

Actually, what I really want to do—because we are talking about Parliament, and about great parliamentarians—is quote some of the things that were said in the House by one of the greatest parliamentarians, sadly now dead, the right hon. Tony Benn. They follow on from what was said by the hon. Member for Stone (Sir William Cash)—and I agreed with every word of it. This is not about technicalities and “wordsmiths”, as the hon. Gentleman put it, and it is not about bureaucrats. It is about, fundamentally, our belief in our country, and our belief in our country’s ability to run itself.

Let me first quote from a letter that Tony Benn wrote to his Bristol constituents on 29 December 1974. I am not sure whether you had been born yet, Mr Speaker, but I think you probably had been. Tony Benn wrote:

“Britain’s continuing membership of the Community would mean the end of Britain as a completely self-governing nation and the end of our democratically elected Parliament as the supreme law making body in the United Kingdom.”

So he was showing some foresight back in 1974. The following year, he made a speech during a meeting at which the Cabinet was discussing the Labour view on how Members should vote in the 1975 “leaving” referendum. As we know, the party was very split at the time. He said:

“We have confused the real issue of parliamentary democracy, for already there has been a fundamental change. The power of electors over their law-makers has gone, the power of MPs over

Ministers has gone, the role of Ministers has changed. The real case for entry has never been spelled out, which is that there should be a fully federal Europe in which we become a province. It hasn’t been spelled out because people would never accept it. We are at the moment on a federal escalator, moving as we talk, going towards a federal objective we do not wish to reach. In practice, Britain will be governed by a European coalition government that we cannot change, dedicated to a capitalist or market economy theology. This policy is to be sold to us by projecting an unjustified optimism about the Community, and an unjustified pessimism about the United Kingdom, designed to frighten us in. Jim”

—I think that he meant Jim Callaghan—

“quoted Benjamin Franklin, so let me do the same: ‘He who would give up essential liberty for a little temporary security deserves neither safety nor liberty.’ The Common Market will break up the UK because there will be no valid argument against an independent Scotland, with its own Ministers and Commissioner, enjoying Common Market membership. We shall be choosing between the unity of the UK and the unity of the EEC. It will impose appalling strains on the Labour movement...I believe that we want independence and democratic self-government, and I hope the Cabinet in due course will think again.”

On 13 March 1989, he told the House of Commons:

“It would be inconceivable for the House to adjourn for Easter without recording the fact that last Friday the High Court disallowed an Act which was passed by this House and the House of Lords and received Royal Assent—the Merchant Shipping Act 1988. The High Court referred the case to the European Court...I want to make it clear to the House that we are absolutely impotent unless we repeal section 2 of the European Communities Act. It is no good talking about being a good European. We are all good Europeans; that is a matter of geography and not a matter of sentiment.

Are the arrangements under which we are governed such that we have broken the link between the electorate and the laws under which they are governed?

I am an old parliamentary hand—perhaps I have been here too long—“

He was here for a lot longer after that!—

“but I was brought up to believe, and I still believe, that when people vote in an election they must be entitled to know that the party for which they vote, if it has a majority, will be able to enact laws under which they will be governed. That is no longer true. Any party elected, whether it is the Conservative party or the Labour party, can no longer say to the electorate, ‘Vote for me and if I have a majority I shall pass that law’, because if that law is contrary to Common Market law, British judges will apply Community law.”—[*Official Report*, 13 March 1989; Vol. 149, c. 56-8.]

That was very, very apt all those years ago, and it is even more apt today, which is why I absolutely believe that this House must be sovereign. The Prime Minister’s negotiations have failed to take account of any of that. When we are given the referendum, the people will finally have a chance to say no to this undemocratic, anti-democratic system—a system that is opposed to the democracy that we want in this country.

1.15 pm

**Mr Geoffrey Cox (Torrige and West Devon) (Con):** On this day of all days, let me commence by striking—I hope—a note of humility. The truth is that I do not know whether the conclusion I have reached is right or wrong. I think that the problem we face in questioning our consciences in relation to whether or not our country should take this historic step to depart from the European Union is almost too big for a single individual to compute. All the potential economic consequences, and all the other consequences for our social and other fabric, are of a complexity by which individuals, and even Members of Parliament, would rightly feel daunted.

**Mr David Nuttall** (Bury North) (Con): Will my hon. and learned Friend give way?

**Mr Cox:** Not just now.

I think that the Prime Minister was right—completely right—when he said to the House this week, “Do what is in your heart.” We can never be sure, if we leave the European Union, that the economic consequences of doing so will play in one way or another, but we can have faith that they will, and, speaking for myself, I have that faith. Ultimately, we must ask ourselves, “What do we believe is right? What is important to us, as Members of Parliament and as representatives of our country and our constituents?”

That is why I think that my hon. Friend the Member for Stone (Sir William Cash) struck the right note. For a long time I have remained silent on this issue, trying to wrestle with the rights and wrongs of it, and waiting until we have seen the final version of the proposals to be made by the Prime Minister. The draft decision was published by the Commission the day before yesterday; I have read it, and I have to say that I do not believe that it is a sham. I believe that it represents the best that the Prime Minister could do within the parameters that he had set himself. I think that there is much useful stuff there. If it is worked on, and if detail is provided and is sufficiently substantial and well drafted, no doubt it will provide some modest measure of satisfaction, and some ring-fencing for us in a thoroughly, fundamentally unsatisfactory position. However, I do not believe that it amounts to the rewriting of the DNA of this organisation which I believe the country is crying out for.

For that reason, I have concluded—and this is the first time that I have said so—that I shall be obliged to vote to leave the European Union. Like my hon. Friend the Member for Stone, I believe that it is a question of freedom: the freedom of this country to be true to itself, and to follow the policies that the House and its Executive believe are the best policies, fitted and suited for the interests of this nation: not diluted, not representing an accommodation of, and a constant adjustment to, the competing interests of 29 member states, but following the path that this nation sets and that is right for this nation’s interests. For 40 years we have shifted, adjusted and felt uneasy in our skins at the compromises we have had to make as a consequence of our adherence to the Union.

I say to our partners in the European Union that this is not an act of hostility. It is a rebirth of our country in its full independence and its full freedom, to enable us to set our commercial policies, to be decisive and clear and give a lead to the international community in foreign policy, to set our own defence policy in the way we judge to be in the best interests of those we represent, to enable us to have clear lines of democratic accountability and to fulfil the spirit and genius of our own nation.

I say to this House and to those who listen outside: let us trust in the genius of our own people. Before 1974, did this country do so badly? Were we not leaders in the development of human rights? Did we not have 400 years of peaceful political evolution? This country does not have to be afraid of resuming its own independent self-governance. We can offer more to the world by that means than by being a muted voice in a big organisation with whose objectives and outcomes we do not feel at ease.

I shall not attempt to address now the technicalities of this issue or the economic rights and wrongs. I shall conclude on a note of freedom with the words of John Milton himself:

“Methinks I see in my mind a noble and puissant nation rousing herself like a strong man after sleep, and shaking her invincible locks. Methinks I see her as an eagle mewing her mighty youth, and kindling her undazzled eyes at the full midday beam.”

When he spoke those words, he spoke in defence of freedom and truth. Let us believe in the genius of our country.

1.22 pm

**Peter Grant** (Glenrothes) (SNP): I have had to remind myself what motion we are debating today because it strikes me that if it had been phrased to say what most of its sponsors want it to say—namely, that this House could not care less what the Prime Minister achieves because we are voting to get out anyway—I am not convinced that anyone, with the possible exception of the last speaker, the hon. and learned Member for Torridge and West Devon (Mr Cox), would have said anything different.

I would never have thought that, almost exactly nine months after becoming a new Member of Parliament, I would be giving a lesson in English parliamentary history to one of the most esteemed and experienced parliamentarians to grace this Chamber, the hon. Member for Stone (Sir William Cash). However, this Parliament did not witness the English civil war, because it did not exist at that time. One of its predecessors, the Parliament of England, most certainly did, but at best this Parliament has existed since 1707. Some would argue that the Parliament of the United Kingdom and Northern Ireland is less than 100 years old. I say that not to knock the pride of those who justifiably believe that the previous Parliament of England delivered a lot and was a trend setter for democracy in many parts of the world, but if you have a strong hand to play, you damage it by overplaying it. I fear that some of those on the Conservative Benches are overplaying the significance of the history of previous Parliaments that have met not in this exact building but close by.

**Sir William Cash:** I would simply say that when Scotland joined us in the Union, it was in order to combine our fight for freedom. Indeed, the Scots fought with us in all the great battles including Waterloo and the Somme and right the way through the second world war. It is that freedom that we fought for together.

**Peter Grant:** The hon. Gentleman is absolutely correct. The Poles, the French, the Hungarians and many others also fought alongside us.

What actually happened in 1706-07 was that the two Parliaments were combined; it was not a takeover of one Parliament by another. I entirely respect the clear pride and positive English nationalism that we have heard from some Conservative Members today. That is a positive thing; as long as nationalism is based on pride in and love for one’s country it is always to be welcomed. I congratulate the hon. Member for Stone on his pride in declaring that “we are the people of England”, but we are not the people of England; we are the people of Scotland. We are the sovereign people of Scotland, in whom sovereignty over our nation is and always will be vested. For Scotland, sovereignty does not reside in this

place, and it does not reside in those of us who have been sent to serve in this place. It resides for ever in those who have sent us to serve here.

I am genuinely interested in the concept that the institution of Parliament is ultimately sovereign, even over the people. Perhaps someone who speaks later can tell me who decided that that should be the case, and who gave them the right to decide that. I suspect the answer will be that it was the people who agreed that Parliament should be sovereign, in which case it is the people who retain the right to change that decision.

**Sammy Wilson:** Does the hon. Gentleman accept that this debate is not about the sovereignty of this place but about the sovereignty of the people who elect us to this place? Therefore, if we become pawns, the sovereignty of the people he is talking about—the people of Scotland, Northern Ireland, England and Wales—is diminished.

**Peter Grant:** I have a lot of sympathy with the hon. Gentleman's comment, but I have to draw his attention to the wording of the motion. It does not mention the sovereignty of the people; it talks about the "importance of parliamentary sovereignty"—[HON. MEMBERS: "They are the same thing."] The two are most definitely not the same thing. If Parliament is sovereign, does it have the legal and constitutional right to pass any legislation, however morally repugnant it might be, with the people's only recourse being to wait five years and then vote for different Members of Parliament? That is not a version of parliamentary sovereignty that I recognise, and it is not a version of parliamentary sovereignty that the people of Scotland recognise or will ever be prepared to accept.

**Mr Jenkin:** Will the hon. Gentleman give way?

**Peter Grant:** No, I need to make some progress and the hon. Gentleman made a lot of interventions earlier this afternoon.

I want to look at the second part of the motion, which goes to the nub of the EU membership debate. We have heard the term "ever closer union" being repeated as though it was some kind of threat and we were going to be swallowed up by a big two-headed monster, probably in Germany but possibly in Brussels. I urge Members to look at the wording of the preamble to the European treaties to see what the term was originally intended to mean. The exact wording varies from time to time, but we are talking about ever closer union between the peoples of Europe so that decisions can be taken as close as possible to the people.

I want to ask those Conservative Members, and some on the Opposition Benches, who are determined to argue against the concept of ever closer union: are we really saying that we want to drive the peoples of Europe further apart at a time when we are facing the greatest humanitarian crisis in our history, which nobody believes can be addressed by individual nations acting on their own? Are we really saying that we are against the concept of ever closer union between the peoples of Europe? I also draw Members' attention to the fact that my use of the word "peoples"—plural—is not some kind of mistake written by Alexander the Meerkat. I am using it deliberately to recognise the diversity of cultures, faiths and beliefs among the peoples of Europe.

Are Members against the idea that decisions should be taken as close to the people as possible? I believe that the term "ever closer union" can still be turned into one of the greatest assertions of the rights of the peoples of Europe that we have ever seen. However, I willingly accept that it is a vision that has not been followed by the institutions of the European Union. Those institutions have failed, and continue to fail, to fulfil the vision that was set out in the original treaties. I would much rather we continued to be part of the European Union so that that vision can be delivered, because I find it not only welcoming but exciting. Just imagine living in a Europe in which monolithic power-mad Eurocrats, whether in Brussels or closer to home, were no longer able to ride roughshod over the will of the people. I remind the House that there was a Prime Minister not long ago who chose to ride roughshod over the will of the people, when the immovable object that was the late Margaret Thatcher met the irresistible force that was the will of the people of Scotland over the imposition of the poll tax. Within two years, that immovable object had been moved. The irresistible force that is the sovereign will of the people of Scotland is still there and will be there forever.

**Richard Drax (South Dorset) (Con):** I assure the hon. Gentleman that the one thing the irresistible force would not be able to compete against would be an irresistible force from Brussels—he would never get his way, ever again.

**Peter Grant:** Nobody knows; during the independence referendum, when people asked why I was still happy for Scotland to be in Europe, I said it was because we have never had a chance to be a part of the European Union with a voice. Questions were asked about fishing earlier, and I can tell hon. Members that Luxembourg gets a vote on fishing policy whereas Scotland does not. Scotland's fisheries Minister was not allowed to be part of the UK delegation; an unelected Lord who knew nothing about fishing was sent, instead of possibly the most respected fisheries Minister—one who is actually respected by fishermen. My constituency has a bigger coastline than Luxembourg, yet Luxembourg gets a vote on fishing policy and nobody in Scotland does. These are the kinds of areas where we need to see reforms.

I long to see the day when the dream of Europe, as originally set out, is realised, when the peoples of Europe are genuinely brought closer together—not the institutions, the civil servants or the Governments, but the peoples of Europe—and when decisions are taken closer to the people than they are now. I long to see a Europe where "Man to Man, the world o'er, Shall brothers be for a' that."

1.30 pm

**Mr Andrew Turner (Isle of Wight) (Con):** I thank the Backbench Business Committee for recommending this important debate. In 2013, the Prime Minister set out the future of Europe in his Bloomberg speech. He acknowledged that the status quo was no longer working for us, so he promised us change, reform and even a new treaty. Having received the draft negotiation earlier this week, I ask myself, "Where are these grand promises of fundamental reform?" There are none; there is not a single clear-cut promise of any treaty change. The Prime Minister said that the European Union cannot progress

[Mr Andrew Turner]

with “more of the same”, but so far that is all I have heard. It has been more of the same complex rules, restricting and burdening us; more of the same inability to change; more of the same foreign domination that we have not asked for and that we do not want. The European Union is its own biggest threat. How many times will we be promised a more competitive environment? How many times have we been told that red tape will be cut and the single market strengthened? We have yet to see real proposals and we have yet to see proper results—enough, is enough.

I am interested in Mr Tusk’s definition of sovereignty, because the proposals can hardly be called “sovereign”; nor do they let power flow back to this Parliament. Instead, we could receive a “red card”—a red card that can be used only when a group of national Parliaments decide to stop a legislative proposal. A majority of 55% of member states is to constitute a red card, whereas my majority would be 100% of the United Kingdom.

What about this “emergency brake”? It is an emergency that needs to be objectively justified. Whereas it is jolly good that the Commission tells us that the UK would qualify to pull this brake, it is outrageous that the final word lies not with us, but with other member states. We may not, says the EU, have to pursue an “ever closer union”. When the UK is neither allowed to pull its own brake, nor to decide its own emergency, that is when I feel that the ever closer union is still very much upon us.

The Prime Minister described an updated European Union as flexible, adaptable and more open. I can only see a supposedly updated European Union that is inflexible, unadaptable, and blocked. The Prime Minister did warn us, saying:

“You will not always get what you want”,

but it is becoming clearer by the day that with the European Union you never get what you want. If the European Union really wants us to stay, would it not have offered us more? The European Union has sucked up our sovereignty, and trampled all over our ancient rights and freedoms. Are we simply going to carry on with this relationship we have with the EU, when the EU so obviously does not want to change? Is not the only solution just to say “Leave” to this whole spectacle? This renegotiation is a spectacle; it is too much noise, too much of a farce and much too little substance.

**Stephen Gethins** *rose*—

**Mr Speaker:** Order. I am sorry, but the hon. Member for Isle of Wight (Mr Turner) has completed his speech. I call Sir Gerald Howarth.

1.35 pm

**Sir Gerald Howarth** (Aldershot) (Con): May I say what a great pleasure it is to take part in this vital debate? I congratulate my hon. Friend the Member for Basildon and Billericay (Mr Baron) on securing it, and may I pay tribute to you, Mr Speaker, for being in the Chair for this important debate, because I know that you take these matters extremely seriously? As for my hon. and learned Friend the Member for Torridge and West Devon (Mr Cox), his speech was a tour de force and I feel every ounce of the passion that he feels about this subject.

This is not a new issue; this has been going on for well over half a century. When the then Lord Privy Seal, Edward Heath, sought advice from the then Lord Chancellor, Lord Kilmuir, he was given advice in December 1960 in respect of our potential membership of the Common Market, as it was then called. Lord Kilmuir stated:

“I have no doubt that if we do sign the Treaty, we shall suffer some loss of sovereignty, but before attempting to define or evaluate that loss I wish to make one general observation. At the end of the day, the issue whether or not to join the European Economic Community must be decided on broad political grounds”.

He continued:

“Adherence to the Treaty of Rome would, in my opinion, affect our sovereignty in three ways: Parliament would be required to surrender some of its functions to the organs of the Community; The Crown would be called on to transfer part of its treaty-making power to those organs; Our courts of law would sacrifice some degree of independence by becoming subordinate in certain respects to the European Court of Justice.”

Lord Kilmuir could not have been clearer, but in 1975, when people were asked to vote on these matters, this issue of the loss of sovereignty was played down by Ted Heath and his Government at the time. Some of us foresaw the dangers. We saw that the EEC had a president, a flag, an anthem and a court. In 1986, 45 of us voted against the Single European Act. I am the only Conservative who voted against it left in the House, but there are two who did so on the Opposition Benches: the Leader of the Opposition; and the hon. Member for Bolsover (Mr Skinner). I quite accept that I am in rather questionable company, but we did have one thing in common: we believed in our country—in those times, at any rate.

**Mr Jenkin:** We still do.

**Sir Gerald Howarth:** I still do, as my hon. Friend says.

The EEC has now become the European Union, and it has a currency, a Parliament, a high representative and a defence identity, designed of course to undermine NATO. What are those things? They are all the attributes of a sovereign nation state, and we deceive ourselves if we imagine that this process has now somehow come to a halt, been frozen in aspic and will remain ever thus—it will not. The direction of travel is clear. We do not have to prove this to the people, because they can see the direction of travel since 1975 and how this organisation, which we were told was going to be a common market in goods and services, has grown to become so much more—and it intends to continue. As several hon. Members have said, we must look at what is happening in the eurozone, with this absurd deceit that there can be a single currency without a single monetary institution operating a single monetary policy. This process will continue, and the British people must be warned that if they vote to stay in this organisation, they will not be voting for the status quo; they will be voting for further integration and further change.

In his excellent speech at Bloomberg, my right hon. Friend the Prime Minister made it absolutely clear that he believed in maximising parliamentary sovereignty, and he said it again yesterday. The proposals contained in the Tusk arrangements, as my hon. Friend the Member for Basildon and Billericay pointed out, are absolutely absurd. We have to get another 15 or so other Parliaments to agree. That is not the restoration of sovereignty to this Parliament, but basically a cop out.

I salute the European Scrutiny Committee, the illustrious Chairman and members of which are here in this Chamber today, for the work it has done in pointing out the exact situation. Its December report, “Reforming the European Scrutiny System in the House of Commons”, said that

“the existing Article 4(2) of the Treaty on European Union, which requires that the EU ‘shall respect the essential state functions’ of its member states, and that this means respecting the democracy of the member states.”

Accordingly, the Committee’s report recommended that “there should be a mechanism whereby the House of Commons can decide that a particular legislative proposal should not apply to the UK.”

That seems to be the sensible way in which to go, and I am sorry that the Prime Minister did not accept the recommendations of that Committee. There is a way forward. There is plenty of evidence to show that these arrangements that the Prime Minister has put in place are not legally binding. We need to restore sovereignty to this Parliament. The British people have a once-in-a-lifetime opportunity to do that.

I close with the words of Sir Walter Scott, the great poet from the Scottish borders from where I draw so much of my own blood.

“Breathes there the man, with soul so dead,  
Who never to himself hath said,  
This is my own, my native land!”

And I want it back!

1.41 pm

**Mr David Nuttall** (Bury North) (Con): What is parliamentary sovereignty? It is the power and the ability of this elected House to carry out the wishes of the British people. Sovereignty of Parliament is actually the sovereignty—or the power—of the British people. Bit by bit, over the past 40 years, successive Governments have handed over the power of this House, and therefore the power of the British people, to the European Union.

Of course it was not always the European Union. Back in 1973, and when people voted in 1975, it was the common market, the European Economic Community. It then dropped the middle E, so that it became the European Community. It gradually attracted all the attributes of a state as it moved towards its goal of becoming a united states of Europe, with its own Parliament, its own flag, its own anthem, its own court, and its own foreign service.

We do not have to be Einstein to work out where the EU is going. It is heading in that direction, and in doing so it means that, in so many areas, the European Union, and not this Parliament, is sovereign. This loss of sovereignty from this Parliament is at the heart of my opposition to our membership of the European Union.

Handing over powers to the European Union means handing over the powers of my constituents in Bury North and of the British people. Why is that important? Well, it is important for this reason: when my constituents come to me and ask for help, they expect this Parliament to have the power and the ability to be able to sort out their problem. In so many areas, that is no longer the case. Whether we like it or not, the reality is that the power has been handed over to Brussels.

**Sir William Cash:** As my hon. Friend knows, a very good example is the ports regulation. The industry, the employers, the unions, the Government and the Opposition did want not it to happen, yet we were powerless to do anything about it. The regulation will become a European regulation and imposed on this Parliament, unless we can obstruct it, as we have done so far.

**Mr Nuttall:** My hon. Friend is absolutely right. That is an excellent example of where this House no longer has the ability to control its own affairs. In passing, I pay tribute to the great work that my hon. Friend and his Committee have done in drawing to the attention of this House and therefore the British people the enormous number of rules and regulations that come out of Brussels and that have to be enforced by this Parliament.

As I was saying, our constituents come to us expecting that we will be able to help them. When they find out that we cannot do so, what does that result in? It results in their having a lack of confidence and faith in MPs and the political process. That is evidenced by a reduced turnout in elections. People think, “Well, why bother? These people have no power anymore.” That is why we have seen a fall in the turnout. It also means that there is a lack of engagement in the political process, because people lose faith and confidence in the whole democratic process, and that is dangerous. Societies break down once democracy breaks down, which is why it is so important that the people of this country seize this golden opportunity—this is their one opportunity—in the forthcoming referendum to take back the powers. They should do so for the sake not of us in this House, but of themselves, because if they do not like what we are doing, they can get rid of us and appoint someone else in whom they have faith. This is where we have common cause with those on the left of British politics. We might disagree with them—they want a socialist system, which is an honourable position, but I prefer a capitalist system and I will stand up and defend that—but we both can agree on democracy and on the fact that the power lies with our constituents. If my constituents do not want me, they can replace me with someone else, and we all stand on that basis.

This is a golden opportunity. I hope that this debate will show the British people that this is the one chance probably in their lifetime to get back their powers. I do not believe that this renegotiation has changed in any meaningful way the sovereignty of this House. It will not give us back any powers. We do not have time to examine these documents in detail, but I have looked at them and I am sure that they do not give us back any more powers, which is why I hope, in my heart of hearts, that the British people will ask themselves from where they want to be governed—from here in Westminster or by the foreign powers in Brussels.

1.48 pm

**Dr Julian Lewis** (New Forest East) (Con): If the British people miss this unique opportunity to reject the undemocratic EU superstate project, it will be the fault of people such as me—not me as I am today, but me as I was in 1975 when I had the chance to vote to withdraw from the then EEC and I wasted it. Why did I waste that chance? Well, it was very simple: I was intimidated by the establishment. My instincts were to vote to leave, but all around me, in Oxford—in that home of lost causes—the great and the good were saying that it was

[*Dr Julian Lewis*]

beyond question that the prosperity of the United Kingdom depended on remaining in the EEC. I thought, “What do I know about it?” After all, in those days, as my hon. Friend the Member for Bury North (Mr Nuttall) pointed out, it was only about an economic community. It was not about my pet subject of the defence and security of the United Kingdom. How that has changed, now that it is—and now that we know where we are heading.

When the time comes for me to advise my constituents about what I think they should do, I will give them six good reasons to leave the EU. First, I will tell them that every year the United Kingdom pays £20 billion to this organisation and gets less than half of it back. Secondly, I will tell them, as we have heard today, that the EU wants ever closer political union and that we cannot opt out of that while remaining within the European Union. So-called “associate membership”—the trick they are waiting to give us at the final stage of the great concessionary charade in which we are currently engaged—would make no difference at all. It might even diminish our own powers still further.

Thirdly, I will tell my constituents that the European Union wants a single European population with no borders between EU countries, so that we cannot restrict immigration into the United Kingdom. Fourthly, I will tell them that the EU wants to develop its single European currency into a single European economy controlled from Brussels. Fifthly, I will tell them that the EU wants a single European army, a single European foreign policy—that did a lot of good for the Ukraine, didn’t it?—and a single European justice system, all outside UK Government control. Finally, I shall tell my constituents that all of that is designed to create a single country called Europe under a single European Government, thus finally taking away the power of the British people to govern ourselves.

In his excellent opening speech, my hon. Friend the Member for Basildon and Billericay (Mr Baron) gave a long list of statements made by European bigwigs. As he pointed out, some of them did actually stumble across the truth; when they do, however, they usually pick themselves up, brush themselves down and carry on as if nothing had happened, as Churchill once said of a lesser British politician.

One occasion when a European Union bigwig told the truth was on 31 December 1998, the new year’s eve before the introduction of the single European currency. I happened to be up, waiting to see the new year celebrations on television, and on to my screen came the visage of Romano Prodi, who, as we all know, was then the President of the Commission—or, as these people always like to call themselves, the “President of Europe”. He was asked a simple question about the European single currency: “It’s a political project, isn’t it?” Now, remember: this was the single currency that had been sold to people over and over again as being vital for their economic prosperity. So that was what they asked him. And because it was too late for anyone to do anything about it, he told the truth, and he told the truth in an entirely cynical way when he replied, “It is an entirely political project.”

So we know what they are trying to do, and what we have to achieve is to make sure that people, when they come to make their decision, are not intimidated by the

great and the good on economic grounds, when the real aim is political, and they should reject the EU by voting to leave.

1.54 pm

**Mr David Jones** (Clwyd West) (Con): I congratulate my hon. Friend the Member for Basildon and Billericay (Mr Baron) on securing this very important debate. The principle of parliamentary sovereignty is the central pillar of the British constitution. In modern history, it flows from the Glorious Revolution of 1688. It is the very fountainhead of our freedoms and democracy in this country, and I believe that every Member of this House should seek to defend it.

I have been concerned about parliamentary sovereignty since 1972; I was a very unfortunate, sad youth. I remember the debate about accession to what was then the European Economic Community, and being told by Edward Heath that we would not be losing our sovereignty, merely sharing it. I felt at the time that that was a nonsensical proposition. Sovereignty cannot realistically be shared; it can either be preserved or surrendered. So in 1975, unlike my right hon. Friend the Member for New Forest East (Dr Lewis), I voted against remaining in the European Union. My view has not changed since.

My view is that we have ceded—temporarily, I hope—our sovereignty to the supranational entity now known as the European Union. I believe that that sovereignty can be recovered, and that it is not completely lost. But the concern is that the unremitting accretion of power to the European Union, which the EU is clearly intent on pursuing if the Five Presidents report is anything to go by, carries with it the danger that at some stage our parliamentary sovereignty will indeed be extinguished. No one in the House, from the Prime Minister down, should be prepared to accept that.

The Prime Minister said in his Bloomberg speech:

“There is not, in my view, a single European demos. It is national parliaments, which are, and will remain, the true source of real democratic legitimacy and accountability in the EU.”

That is certainly the case in the United Kingdom. But we must look at the draft decision that the Prime Minister unveiled to the House yesterday. The question is whether that would, if agreed, be sufficient to restore the sovereignty of the United Kingdom that has been ceded to the EU. I have huge concerns that it would not.

In the first place, as my hon. Friend the Member for Stone (Sir William Cash) pointed out in his Committee’s report, the legal force of a decision, which is a political agreement of Heads of Government and Heads of State, is open to debate. The draft decision details the various areas of provisional agreement struck between the British Government and the President of the Council. Other hon. Members have referred to freedom of movement and to benefits, and I do not propose to repeat their arguments. However, I would like to refer to what the draft decision says about sovereignty.

The significance of the repeated references in the European treaties to the creation of an “ever closer union” is played down considerably. The decision declares that the words should not be used to support an expansive interpretation of the competences of the EU or of the power of its institutions; instead it suggests that the words are intended simply to signal that the European Union’s aim is to promote trust and understanding among the peoples of Europe.



**Sir William Cash:** Does my right hon. Friend agree that even if the expression “ever closer union” is taken out in respect of the United Kingdom, that will not change one word of any of the existing treaties or laws? We will continue to remain subject to those laws and treaties.

**Mr Jones:** My hon. Friend is entirely right. In fact, the decision acknowledges that the competence conferred by member states on the Union can be modified only by a revision of the treaties following the agreement of all member states. Although the commitment to ever closer union is stated to be symbolic, the reality is that competences have been transferred from the sovereign nations of Europe—Britain included—to the EU and its institutions. The extent of that transfer is very great indeed, as other hon. Members have pointed out.

The institutions of the EU have become ever more powerful. So powerful are they that even the proposal to limit benefits to EU migrants and the new rules on child benefit, set out in the draft decision itself, would, it seems, be vulnerable even if agreed by all Heads of Government and Heads of State. Today’s newspapers report that Members of the European Parliament will have the right to veto all the proposed reforms, including the so-called emergency brake.

**Mr Douglas Carswell (Clacton) (UKIP):** Does the right hon. Gentleman not agree that if we are unable to secure substantive reform now, when the Union’s second largest member, and its fifth largest economy, is threatening to walk away, the chances of our ever getting substantive change that we can be comfortable with are nil?

**Mr Jones:** I agree entirely with the hon. Gentleman. That is the direction of travel that the European Union is hellbent on pursuing.

A document circulated in the European Parliament asserts:

“The European Parliament will defend the fundamental principles and objectives of the EU and will be cautious of setting dangerous precedents which could undermine such principles and objectives.” The issue of parliamentary sovereignty could not be thrown into any sharper relief.

Nor do the “red card” proposals protect British parliamentary sovereignty. They require reasoned opinions to be submitted within 12 weeks of transmission of a draft EU law, and they require more than 55% of the votes allocated to national Parliaments. That is another attempted exercise in so-called pooled sovereignty.

**Sir Gerald Howarth:** I wonder whether my right hon. Friend can help the House. On this business of voting, are we talking about the number of Parliaments or the weighted votes? Germany has about 16% of the weighted votes and France has about 12.5%, so between them they have 30% towards the 45% blocking threshold.

**Mr Jones:** My understanding is that it is the latter.

The proposals do not amount to a reassertion of the sovereignty of the Queen in Parliament. Yesterday, in response to a question from my hon. Friend the Member for Uxbridge and South Ruislip (Boris Johnson), the Prime Minister said:

“asserting the sovereignty of this House is something that we did by introducing the European Union Act 2011. I am keen to do

even more to put it beyond doubt that this House of Commons is sovereign. We will look to do that at the same time as concluding the negotiations.”—[*Official Report*, 3 February 2016; Vol. 605, c. 934.]

All hon. Members will be looking forward to the announcement on that, and it would be helpful if my right hon. Friend the Minister could give us an inkling of what is proposed, so that we can achieve at least some comfort.

If what is done is insufficient, the British people will be right to conclude that a vote to withdraw from the European Union is the only way to preserve the valued constitutional integrity of our country.

2.2 pm

**Richard Drax (South Dorset) (Con):** More than 70 years ago, our great island nation stood alone against the tyranny of the jackboot and the lash. Our freedom, our democracy and our sovereignty were in mortal peril. Led by Winston Churchill, we did not flinch in protecting them. Hundreds of thousands of our brave men and women—whether in uniform or not—gave their lives to defend our island and everything we stand for. Because of their sacrifice, we have a daunting responsibility to respect what they fought and died for. I must therefore ask: why are we so prepared to hand the destiny of our proud island nation to an unaccountable bureaucracy with barely a murmur? How dare we? How dare we? How would anyone dare to go down that road? I simply cannot understand it.

We have a duty to those who fought and died to stand up for our country and to ensure her sovereignty is kept intact. This sham of a renegotiation does not do that, and we all know it. Sadly, one treaty after another has undermined our will to resist. We have already handed over the UK’s head, torso, arms and legs. Now we propose to surrender our very soul. And to whom? The answer is a group of unelected Commissioners who sit in their multimillion-pound glass towers, surrounded by all the trappings of cars, secretaries and expenses, pontificating over lobster and Chablis about plans to create a wonderful new centralised state—a federal Europe—where uniformity is pressed on an unwilling electorate by guile, persuasion or threat. Democracy my foot!

**Sammy Wilson:** Is that not the central point about the EU’s unwillingness to devolve sovereignty to individuals—to voters—and Parliaments? The EU cannot afford it. If it is going to centralise functions right across Europe, forcing states and individuals into arrangements they do not want, sovereignty is the last thing it is going to tolerate.

**Richard Drax:** I could not have said it better, and I will expand on that very point a little later in my speech.

Who will lose out? It is the voters—the man and woman in the street—whom Opposition Members claim to represent, and who will increasingly rail against an authority over which they have no control and no say. Meanwhile, our political elite march on, deaf to the cries of those who elected them.

This madness will continue, at least in the short term—Germany has too much to lose. To control the experiment further, closer integration is not only necessary but inevitable, with more and more power going to the centre, whatever our Prime Minister says to the contrary.

[Richard Drax]

We are told we are safe from all this. We are not. I am sure that the Prime Minister, who is an intelligent man, knows that in his heart. I have watched, appalled and dismayed, as we have ceded powers to the EU in an insidious and gradual erosion of our sovereignty. There was a time when all the laws affecting the people of this country were made in this House by directly elected Members like us. As we know, that is no longer the case. As we have been dragged kicking and screaming down this truly undemocratic path, we have been assured by one Prime Minister after another, “Don’t worry. We have a veto over this, and a veto over that. We have a red card we can wave.” Now, apparently, to block laws we do not like, we have to persuade at least 15 EU members to agree with us. Will they hell!

To me, sovereignty means the ability to govern ourselves free from outside interference. We are not free to do that today. For heaven’s sake, we have to ask 27 countries for permission to change our welfare rules. Meanwhile, our borders remain dangerously porous, permanently open to EU citizens and horribly vulnerable to infiltration by those who would do us harm. What staggers me is how we wandered into this trap.

I have always been suspicious when political parties agree, and with the notable exception of a few Members, our future relationship with the EU is a very good case in point. As a member of the European Scrutiny Committee, I see first-hand the raft of legislation that comes in boatloads from across the channel. It interferes in every single facet of our lives.

**Peter Grant:** Will the hon. Gentleman give way?

**Richard Drax:** I will not give way.

The arrogance is mind-blowing, the intrusion truly terrifying, the accountability non-existent. We have nothing to fear from leaving the EU except fear itself. That is what the Europhiles are peddling in their genuinely misconceived belief that we are better in than out. I often hear the retort that we are more secure inside the EU than out. Why? As the problems of the euro, unemployment, the refugee crisis and uncontrolled immigration tear the EU apart, I can see no logic in that argument. It is NATO that has held the peace over the past decades, not the EU.

As ever closer union forces more conformity on member nations, the wider the chasm between the electorate and the elected will grow. That is where the wound will fester, and there are clear indications of that already across Europe.

Who would have thought that the biggest threat to our freedom, democracy and sovereignty since the second world war would come from within? I shudder at the implications of staying in the EU and the consequences that that will have for everything that I, and millions of others, hold dear.

What we need is the enterprise, flair, intelligence and determination of one nation to get out there and do business with the world, safe in the knowledge that the country is sovereign, free and truly democratic. Let the lion roar!

2.9 pm

**Craig Mackinlay (South Thanet) (Con):** I pay tribute to the Backbench Business Committee for allowing this debate, which is the right debate at the right time. I fear that during the referendum period we will often hear

people say, “The EU is just something about free trade and you needn’t worry yourselves that it’s any different from the institution we joined back in 1973”—or thought we were joining. I very much fear that we will not hear much said about sovereignty, so I am very pleased that we are having this debate today.

Much of the debate, as we heard from Opposition Members yesterday, will be about the idea that we would lose trade through Brexit. Rarely cited, though, are the 5.5 million jobs in the EU that are reliant on trade with us, and the £60 billion trade deficit that we have with the other 27 EU countries. We are a premier market for EU nations’ products. We abide by the rule of law; we are a decent country to do business with. Are we really to believe that on the stroke of our leaving the EU, BMW would not want to sell us its cars? Are we really to believe that a Frenchman would look at a Range Rover and say, “Ah, they’re not in the club any more, so I’m not going to buy their product”?

**Peter Grant:** The hon. Gentleman is making some valid points. This is why it is important that the “stay in” campaign is positive rather than negative. Does he realise that the arguments he is rubbishing about what would not happen if Britain left the EU were advanced by his party in almost exactly the same terms in relation to what would happen to Scotland if we left the United Kingdom—that nobody would buy our whisky any more? Does he now accept that the arguments advanced by “project fear” at that time were complete and utter nonsense?

**Craig Mackinlay:** I think the hon. Gentleman would find that 300 years of history makes things rather different. I find the SNP’s arguments really curious, and I really struggle with this one. As for the arguments you make about trade, you are somehow twisting them round to your enthusiasm for the European Union. I tended to agree with you: I did not think that trade would have been at risk if Scotland had left, but you now think that in respect of the European Union.

**Mr Speaker:** Order. The hon. Gentleman keeps using the word “you”. He is a partisan and enthusiastic advocate of the British Parliament, and a key tenet of our debates is that debate goes through the Chair. There is no “you” involved, because I have not expressed any views.

**Craig Mackinlay:** I apologise, Mr Speaker; it is always exciting when there is an intervention from an SNP Member.

We have to recognise that trade has changed—that the world is now a global place and trade barriers have come down. A lot of these trade areas are good, friendly nations—Commonwealth nations. I always find it very strange that our friends—our kith and kin; our family—extract their wallets and purses and find, lo and behold, a note with a very familiar and loved face on it, but we deny them access to our country, and we are not allowed to speak to them on trade terms, because of course that is done by a Swedish Commissioner—Cecilia Malmström, a former university lecturer. You could scarcely make this up. We have enthused about having the Premiers of China and India over to our country—you entertained them, Mr Speaker, in your House and in this place—and yet it was nothing much more than a charade.

Those on the contra side of this debate will say that the EU is moving in our direction and we have to stay in it to be of influence. Well, I am sorry, but we have tried that argument for 40 long years. We have tried to change things; we have tried to reduce its powers. Try arguing that with the small fishermen in Ramsgate or the small businesses across our country, given all the regulations and red tape! What is the recent history of being at that high table and working from within? In the Council of Ministers, Britain is always on the opposing side. Our PM has been outvoted under qualified majority voting rules 42 times since 2010. It is time, I think, that he was honest with himself and with us that the EU is moving in a different direction.

We will also hear much in the referendum debate about what might be—what could be—with regard to security and justice. I am afraid that that will all just be part of “operation fear” to encourage the electorate merely to acquiesce quietly and gently as we continue the destruction of the sovereignty of our Parliament and this place.

I think we need to go back in time a little. We will go back to 1971—to Edward Heath’s White Paper, in which he said:

“There is no question of Britain losing essential...sovereignty.”

In 1973, he said:

“There are some in this country who fear that in going into Europe we shall in some way sacrifice independence and sovereignty. These fears, I need hardly say, are completely unjustified.”

Papers have been written since by the Foreign and Commonwealth Office that, I am afraid, reveal what was really happening.

What has developed since then? Obviously those papers were produced in the very infant days of what the European Union was trying to become. It has since amassed a number of treaties, directives and decisions, and of course the bulk of ECJ law. For brevity, I shall concentrate on a couple of fiscal matters. With regard to VAT, in particular, we are entirely and completely subservient to EU law. Some months ago, we had a rather entertaining debate about the tampon tax. That really did highlight the fact, perhaps accidentally, that we in this place are completely unable to enact any changes to a very key stream of national legislation. We merely walk through the Lobbies, supplicant to what Brussels has told us we must do.

When the Chancellor prepares his annual Budget, he has to start with the £20 billion of gross contributions to the EU—some 30% of our current deficit. Across corporate taxes, in dividends and losses, the primary authority is increasingly ECJ cases. When he seeks new rules to enhance Britain’s investment and entrepreneurial spirit—I cite the enterprise investment scheme and, more recently, the seed enterprise investment scheme—he has to seek permission from Brussels in case they flout state aid rules.

The direction of travel of the European Union is very obvious. I merely quote Angela Merkel:

“we need a political union—which means we need to gradually cede powers to Europe and give Europe control.”

We are simply on the wrong bus. If we do not take this opportunity to leave, it is probably just as well that there is a proposal for a major renovation of this palace to be conducted, because dear old museums need care. This referendum gives us the opportunity to restore this place—to restore to the public of the UK that which should never have been taken away from them.

2.17 pm

**Marcus Fysh** (Yeovil) (Con): I believe in the primacy and sovereignty of this House which flow from the people who send us here. It is a great honour to follow such rousing and passionate speeches in that regard.

The position that I put to my constituents before I was elected was that I would try to give them my dispassionate assessment of what the referendum choice means in real terms for people and their families, that I would try to explain the logic of that so that others can see it and make their own choice, and that I would make a constructive attempt to approach whatever happens next to make sure that we get the best deal for those people. So if the House will bear with me for a moment, I want to run through a ledger on each side of the argument as to what some of the advantages of leaving or otherwise might be.

First, on an issue that is so important to people—can they get a house? I believe that, on balance, they will be a lot less likely to be able to get houses if we do not leave, partly because there is such an influx of migration from the EU that will not let up because of what is being proposed in the renegotiation. I would score that as a five on a one-to-five scale of effects.

The second aspect is people’s access to services such as school places and hospitals. Again, on balance, unless we leave it will be a lot less likely that they will have that access. Next is whether the cost of living will be manageable. I think that that is less likely, although not a lot less. There will be benefits of less regulation and tax if we leave. I am worried about the proposed VAT impositions on food and clothes, in particular, and potentially fuel duty. I would give a score of four on that aspect.

Will people be able to move in search of work to a big city in this country? I think that unlikely, unless we leave, so I score it five. Demand for housing and jobs in London is massive because foreign demand is crowding out domestic supply. I think that the answer to the question of whether people will be able to get a job where they are is the same either way. There may be one or two surprises on trade, but I think that, at the very least, they would be offset if we negotiated our own trade arrangements.

Will jobs pay better? Overall, I think that would be the case if we left, but not a lot more, so I score that four. Will people be able to go on holiday and work in Europe? That would be marginally less likely if we left, although I do not think it is a particular issue. Visa arrangements with non-EU countries, such as Australia, are perfectly normal and work quite well, so I score that two—a marginal negative—out of five.

Will people be safe under domestic security arrangements? I think that the answer is the same either way. We already share our data with our friends and allies in Europe, and that would not cease to be the case. It is only very recently that we have started sharing passenger manifests for aeroplanes, which is amazing. I think that will continue.

Will we be safe with regard to international security? I think that the answer to that question is also the same either way. As we have heard, we rely on NATO and that would not change. Our bilateral alliances will be constructive, I am sure. Will our environment be secure? I think it might be marginally less secure, so I score that two on my little scale.

[*Marcus Fysh*]

Turning to the local level, one of my constituents' concerns is that big, international exporters such as Westland might run into trouble if we were to leave the EU. Personally I am not too worried about that. We would need to preserve the same sort of regulation with regard to Government procurement of large defence orders. We would also need to consider replacing some of the science and technology research investment money that the EU currently provides, but that is certainly not beyond the wit of man. Those things are doable. We would also need to look at farming subsidies, which have been mentioned.

**Sir Gerald Howarth:** My hon. Friend is making a very good case. Does he agree that if we no longer had to pay about £10 billion net to the European Commission, we would have an awful lot of money to be able to institute a proper arrangement for support for, and investment in, the research he has mentioned?

**Marcus Fysh:** I agree with my hon. Friend that there is scope for that. Clearly, we would need to spend a lot, so I do not buy the argument that we would have lots of extra money.

In summary, in respect of the 10 things I have listed, my score is 36 out of 50. By my logic—it is not an emotional logic to do with sovereignty, which I will come on to in a moment—I am leaning towards thinking that it is in our interests to leave. I would need to feel a fairly strong emotional attachment to the EU project and its institutions in order for it to outweigh that inclination. Although I do not have that emotional attachment, I realise that others do and that they might also make slightly different assessments of their interests. They will happily be able to choose for themselves. On the question of whether a sovereignty clause would make a major difference to the renegotiation, that is not clear, particularly with regard to restriction of immigration.

I do not think we can reform the EU dramatically by staying in. Clearly, the devil will be in the detail, which I will certainly look at. I have not made up my mind fully, but I believe in Britain and its people. The emotion I feel at the moment is for them. Personally, at this stage, I would be inclined to leave.

2.24 pm

**Mr Jacob Rees-Mogg** (North East Somerset) (Con): It is a great pleasure to follow my near neighbour in Somerset, my hon. Friend the Member for Yeovil (*Marcus Fysh*), who gave a fantastic calculation as to why, on balance, it would be right to leave. I know that the people of Somerset will respond warmly to the lead he has given them.

I want to pick up on a couple of threads mentioned by the hon. Member for Glenrothes (*Peter Grant*) and my hon. Friend the Member for Bury North (*Mr Nuttall*) relating to parliamentary sovereignty. We sometimes get into the idea that parliamentary sovereignty comes out of a vacuum, but in fact it is a means to an end; it is not an end in itself. It is the way we represent the sovereignty of the British people. They delegate to us, for five years, the right to make laws in their name, but at the end of those five years they expect to have the sovereignty returned to them intact, so that they can decide how it should be used in future.

In that sense, I am very close to the Scottish understanding of the sovereignty of the people, because it comes from them and belongs to them. It is not ours to give away; it is ours to protect, return and operate within. It is not about us as individual Members of Parliament or these grand rooms; it is about the rights of the British people and their ability to achieve through us the things that they have expected to achieve for centuries. I am thinking primarily of redress of grievance and the right to hold the Government to account.

That is why the issue is so difficult. Although it is possible to hold a Minister to account and to seek redress of grievance through this House in those areas that remain a domestic competence, as soon as an issue goes beyond these shores and becomes a European competence, it is impossible to obtain redress of grievance through this House. Indeed, in my correspondence with a Minister on behalf of a constituent, I was told that, although the Minister was sympathetic to my constituent's plight, if he were given the redress he needed the British Government would themselves be fined. He could not, therefore, get that redress. That is a fundamental attack on parliamentary sovereignty which is there for the right reason.

On the renegotiation, the hon. Member for Glenrothes made an interesting point. He said that he thought many of us would vote against anyway, because we are so desperate and gasping at the bit to leave, and that, whatever happened, we would not have been willing to accept what the Prime Minister came up with. I do not accept that. I think that this was an opportunity for fundamental reform, but that has not happened. I do believe that the Government have acted in good faith—I do not believe they have got it right, but I do accept their good faith.

The Government have, however, negotiated around the edges. They are, perhaps, so steeped in the ways of the machinations of the European Union that they have failed to see the big picture and think that, when negotiating with 27 other countries and the Commission, it is an amazing achievement to get the right to hold a discussion on the difference in view between the Euro-outs and Euro-ins. It is like dealing with a brick wall—for want of a better cliché coming immediately to mind—so even being allowed a discussion results in them thinking, “Whoopie! We’ve achieved something very important that we can present to the British electorate.”

If we look from a further distance at what the Prime Minister has said over a number of years, what he promised in his Bloomberg speech and what we put in our manifesto, we see that they were not about pettifogging changes around the edges; they were about fundamental reform and the reassertion of sovereignty. Because the renegotiations were in that sense so narrow, so weak and so uninspired, the status quo is not an option in the referendum. As my hon. Friend the Member for Aldershot (*Sir Gerald Howarth*) said, the choice is not between leaving and staying exactly as we are; it is between leaving and remaining in a Union moving towards ever closer union.

If we look at our past opt-outs, we will see that that is true. The Prime Minister said yesterday that the social chapter no longer exists. It is incorporated in the treaty, so our opt-out came and went, as frost on a winter morning might disappear as the sun comes out. Our opt-out on Schengen is there and it is important, but recently we agreed that we would be part of an EU border force:

there is a migration problem, and the solution to it is of course more Europe and more European integration. We are going along with that, although we are not formally part of it. The Dublin treaties on returning people to the place where they first sought sanctuary are coming under threat, which would make our position outside Schengen very difficult to manage.

On justice and home affairs, we got an opt-out under the treaty of Lisbon, but again and again we have given more away. We have given away the arrest warrant and we have given away Prüm, so investigation and arrest are now in the hands of the European Union.

**Mr Andrew Turner:** Why was there no referendum on the things that were first taken out and then sent back?

**Mr Rees-Mogg:** The European Union Act 2011 was a protection, but it was also part of a coalition deal, so it ensured that things that the Lib Dems were quite keen on would not automatically trigger a referendum. I agree with my hon. Friend that we ought to have had a referendum on giving back the things that we had claimed when we opted out of justice and home affairs matters a little over a year ago. Now that arrest and investigation are determined at a European level, the argument for some European centralised oversight will only become stronger. If a Bulgarian issues an arrest warrant that is effective in the United Kingdom, surely there needs to be some European common standard to ensure that that is done properly.

The direction of travel is towards more Europe. Even in the context of monetary union, we should bear it in mind that we only have an opt-out from stage 3. We are committed to stages 1 and 2. The European Union has not enforced those in recent years, for obvious reasons, but that will not always be the case. We are committed—article 142 of the treaty on the functioning of the European Union is relevant to this—to our currency being of interest to the European Union.

**Dr Julian Lewis:** Does my hon. Friend agree that part of the problem is that there is a huge degree of unification among the elites at the heart of the European Union, but there is no such sense of common identity among the peoples of the countries that make it up?

**Mr Rees-Mogg:** My right hon. Friend has hit the nail on the head. He is absolutely right: there is no common people, but there is an elite who have this vision that more Europe is the answer to a maiden's prayer. Let us look at the treatment of Greece, and how it suffered through its membership of the euro, which was forced upon it. Greece was encouraged and egged on by the European Union and the Commission to adopt the euro, partly because it was the birthplace of democracy, and how outrageous it would be if it did not join in this grand political scheme. When it got into difficulties, which economists knew it would get into, what was the answer from the European Union? More Europe, more control over its affairs, more direction over what it does and less domestic democracy. In what happened in Greece, we see the clash that is in the motion before us. We have a choice between moving to a single European state or maintaining the sovereignty that is still ours. To do that, we have to vote to leave. Texas maintained that it had the right to leave the United States; it did not.

**Several hon. Members rose—**

**Mr Speaker:** Order. I would like the debate to finish at 3 o'clock, if possible, and certainly no later. I do not know whether there will be a Division of the House; we shall have to wait to see, but I would like the debate to finish by 3 o'clock if we can manage that.

2.33 pm

**Stephen Gethins** (North East Fife) (SNP): I thank the hon. Member for Basildon and Billericay (Mr Baron) for bringing the debate to the House, and for his earlier comments. I will tackle the issue of sovereignty first. I refer those who have come late to the debate, and those who read my comments at another time, to the excellent speech given by my hon. Friend the Member for Glenrothes (Peter Grant), who said that popular sovereignty lies with the people. The hon. Member for North East Somerset (Mr Rees-Mogg) also touched on that in his excellent contribution.

Fundamentally, we think that the negotiations have been a missed opportunity. When we hear people blaming the European Union, we wonder whether we should instead be thinking about how the UK uses its role as a member state. That may be where the fault has lain over the years.

**Peter Grant:** I am grateful to my hon. Friend for his thoroughly unwarranted praise. At this moment, there are no fewer than 16 documents from Europe that the European Scrutiny Committee has asked to have debated in Parliament. Some are scheduled and some are not. Some have been waiting for more than two years. Does my hon. Friend agree that, all too often, people point the finger of blame at the European Union for being unaccountable and not subject to scrutiny, but perhaps we should look more closely at the Government's unwillingness to be scrutinised over how it interacts with Europe?

**Stephen Gethins:** My hon. Friend raises an important point, and I know that it is a frustration of his—as a member of the European Scrutiny Committee—and of others that the UK Government appear reluctant for their actions in the EU to be properly scrutinised. Perhaps the Minister can deal with that in his summing up.

We saw this missed opportunity from the very start. There was a lack of consultation with the devolved Administrations, on which the matter will have a significant impact. When it comes to Europe, the Government need all the friends that they can possibly get. The failure to take on board the devolved Administrations, who have done a much better job of making friends and influencing people in recent times in the European Union, was a missed opportunity.

Another missed opportunity was the chance to think about what really constitutes a member state. I was interested earlier to hear Conservative Members trying to compare the debate on Scottish independence with this debate. Let me tell the House this: the European Union could not impose the poll tax on the United Kingdom against its will, the European Union could not send nuclear convoys through the United Kingdom against its will and the European Union could not impose Trident on the United Kingdom against its will. Those are all things that could be imposed on Scotland. The role of a member state and Scottish independence are two totally separate issues.

**Mr Baron:** I am delighted that my friend and colleague on the Foreign Affairs Committee is giving way. I suggest to him gently that when the Scottish people voted for the Union, they voted for its ability to make decisions on behalf of all the peoples of our Union. That needs to be recognised by the SNP.

**Stephen Gethins:** I thank the hon. Gentleman for his contribution, which was thoughtful, as usual. On that point, of course the Scottish people did. It is a matter of respect. We may not have liked that decision, but it is the decision that they made, and it is why we are here in record numbers to make our contribution. Let me draw out the point about respect, because I believe that the hon. Gentleman may agree with it. If we are going to have a referendum, we should not have it too soon. That means respecting the electoral process in Scotland, Wales, Northern Ireland, London and the English local authorities. My right hon. Friend the Member for Gordon (Alex Salmond) and Members from every single party in the House have signed my early-day motion stating that a June referendum would be “disrespectful”, and I think that goes to the heart of the matter. That is why the European Union referendum will be a huge test of the Union that the voters of Scotland voted to remain in.

As well as considering the respect agenda and allowing a long time, the Government—Opposition Members may agree with me on this—should have the courage of their convictions and have a proper debate about membership of the European Union. My right hon. Friend the Member for Gordon announced the date of the independence referendum 545 days before it was held. I am not quite suggesting that we should wait 545 days before we sort this out, but I am suggesting that June is too early and that if, as the Government suggest, this is a once-in-40-years decision, we should make it properly and have the courage of our convictions. I fully believe that the case for remaining in the European Union stands up to that scrutiny, and I look forward to making that case. I know that Conservative Members have different views, and I respect them, but let us have a proper debate on the matter.

As my right hon. Friend quite rightly said, and the hon. Member for Basildon and Billericay mentioned this point as well, we do not want another “Project Fear”. I have been concerned by some of the arguments that have been made. Do not get me wrong, Mr Speaker, because I believe—I will say this to put it on the record—that the United Kingdom could be a successful independent country outside the European Union and that it could stand on its own two feet. The question is whether or not we are better off by doing so. Let us not have another “Project Fear”.

There is the issue of Scotland being taken out of the European Union against its will. While we have been in the Chamber this afternoon, an opinion poll has been produced by TNS. It shows that 44% of Scots want to remain within the European Union, and 21% want to leave, with the remainder undecided. We look forward to that debate, but the poll shows that the overwhelming majority of the people of Scotland want to remain within the European Union.

**Sir Gerald Howarth:** Is the hon. Gentleman aware that serious vested interests in the European Union will in no way allow Scotland to accede to the European Union? If he does not see that, he need look no further than Spain.

**Stephen Gethins:** If the hon. Gentleman seriously thinks that the European Union would somehow vote not to have its most energy-rich country and the one with its longest external border as part of its union, I think he seriously misunderstands the European project. I have never heard anything so ludicrous. In the same sense, I have heard Conservative Members say that Scotland would somehow be in a queue behind Albania. I think that that is disrespectful, and I hope he will not continue the debate in that tone of disrespect.

Mutual respect, which is the reason why Scotland should not be taken out of the Europe, also extends to respect for immigrants, which has also been raised in this debate. Immigration is and has been good for this country, and I want it to continue. It is good for my constituency and the businesses within it. We need to be careful how we conduct the debate on immigration.

I am wondering whether the Minister will comment on the principle of subsidiarity. I do not know what difference this deal will make to strengthening Scotland’s national Parliament, or indeed the Parliaments and Assemblies elsewhere in the country. Does the principle of subsidiarity end in this place? It most certainly should not do so.

Let us make the positive case for membership of the European Union. I want to see a long and proper debate, as I am sure do Members from both sides of the House. I hope that they will vote with us when it comes to setting the date of the referendum. Let us talk about where we should have more Europe. I do not think that we should be afraid of that on issues such as climate change—yes, it does exist—as well as security policies and so on. Let us also talk about having less Europe. We have raised the issue of fisheries. Let us bear in mind that Scotland’s fishermen were described as expendable not by the European Union, but by the United Kingdom Government who sought to represent them. On that point, I will sit down. Thank you, Mr Speaker.

**Mr Speaker:** Very good, indeed. I call Pat Glass.

2.42 pm

**Pat Glass** (North West Durham) (Lab): This has been a very long debate, and I have sat through the whole of it. I counted 14 speeches in total, not including the winding-up speeches, and it started with that of the hon. Member for Basildon and Billericay (Mr Baron). The speeches were all passionate and eloquent, and we have heard some very strongly held views. The last Back Bencher to speak was the hon. Member for North East Somerset (Mr Rees-Mogg), who is always eloquent and entertaining—so much so that, on occasions, I find myself nodding along, even though I do not agree with a single word he says.

It is depressing that we have heard a rehash of many of the same, often ill-informed, myths and stories about how Britain no longer has control over its own sovereignty, having yielded everything to Europe. What I found most disappointing is that, for people outside Parliament watching the debate in the Chamber, the speakers have largely been older, grey-haired men in grey suits—

**Kate Hoey** *rose*—

**Pat Glass:** I said “largely”.

I do not believe that that represents the country we are here to serve or the views of the people outside Parliament. It has been yet another debate—I am sure there will be many more up to the referendum—in which members of the Eurosceptic right wing of the Tory party have been able to grandstand, while positioning an ice pick firmly in the back of their own Front Benchers and lining up to rubbish their own Prime Minister's negotiations. Two of my Labour colleagues have joined in enthusiastically, but given that over 96% of the members of the parliamentary Labour party, including every member of the shadow Cabinet, are members of the PLP pro-EU group, it is absolutely clear that Labour is a pro-Europe party and that it is campaigning actively for a remain vote in the referendum.

I am conscious that the debate has been very long and that we have heard an awful lot from one side of the argument, but I want to be respectful of the House and to give the Minister time to sum up, so I intend to be brief.

Right at the beginning, the hon. Member for Basildon and Billericay said that the electorate got very exercised about our sovereignty. Not in my experience: people in my constituency are concerned about jobs, youth unemployment, housing, the bedroom tax, tax avoidance by large companies and, yes, immigration, but the people I speak to never talk about the sovereignty of the EU, EU bureaucracy or Britain's rebate. That just does not happen on the doorstep.

**Mr Baron:** Will the hon. Lady give way?

**Sir William Cash:** Will the hon. Lady give way?

**Pat Glass:** No. I am sorry, but we have heard an awful lot from one side of the argument.

People in the Westminster bubble, particularly Conservative Members, are exercised about all those things, but given that I have no reason to believe that the people of North West Durham are any different from people across the country, they are simply not the top priorities of people working hard outside Parliament.

**Mr Baron:** Will the hon. Lady give way?

**Pat Glass:** No.

This is largely a Tory party drama—a blue-on-blue issue—with very little relevance to the lives of ordinary people who are struggling to pay their rents and mortgages, and to get their kids to school. The Prime Minister has repeatedly given in to his own right wing, seeming not to understand that they will never be satisfied on these issues. In doing so, he has risked this country's future prosperity, safety and place in the world.

I will not go over them in great detail, but there are many reasons for remaining part of the EU. There is the economic case and the environmental case, as well as issues involving this country's future safety and security and our place in the world. The Labour party is committed to keeping Britain in the European Union, because we believe it is in the best interests of the British people. For us, it is simple: Britain is a stronger, safer and more prosperous country as part of the European Union.

The world is becoming more and more globalised. The problems that we face are complex and they need complex international responses. We cannot solve the

problems of climate change, international terrorism, international crime, people trafficking or mass migration across the world on our own; we can tackle those issues only by working with our partners in Europe. We are part of NATO and the UN, as well as of other organisations across the world, which means that we have given up some of the things we used to do ourselves for the greater good, the safety and sometimes the prosperity of our country. I do not see a problem with any of that.

I will move quickly on to what should happen in the future. I want our sovereignty to be enhanced through seeking democratic reform that will make EU decision makers more accountable to its people and not so metaphorically and physically distant from our communities. I want economic reform that will put jobs and sustainable growth at the centre of European policy, and that will bring in labour market reforms to strengthen workers' rights in a real social Europe. I believe that we enhance our sovereignty by negotiating with our EU partners for policies and agreements that benefit us as a country and improve the lives of our citizens.

Ultimately, the referendum will come down to a decision to remain or leave, and I believe that the people of this country will vote for the future and not for a past that only ever existed in the minds of the Eurosceptics on the Conservative Benches.

**Mr Speaker:** Order. I should say to the Minister that I would like to call the hon. Member for Basildon and Billericay (Mr Baron) to wind up no later than 2.58 pm.

2.48 pm

**The Minister for Europe (Mr David Lidington):** The hon. Member for North West Durham (Pat Glass) said that this had been a long debate. I confess that for me it passed in a twinkling of an eye. As the hon. Lady gains in experience of these occasions, I think she will find that this was quite a brief encounter with some of the arguments about this country's place in Europe.

I congratulate my hon. Friend the Member for Basildon and Billericay (Mr Baron) on obtaining the debate. I shall move straight to addressing the central arguments that he described in his speech. He is right that parliamentary sovereignty lies at the heart of how the United Kingdom thinks about its constitutional arrangements, and it is true that Parliament remains sovereign today. As I think he himself said in his speech, there is only one reason why European law has effect in the United Kingdom at all, and that is because Parliament has determined that that should be so and has enacted laws which give European law legal effect here.

To avoid any misunderstanding about the fact that any authority that EU law has in Britain derives from Parliament itself, we wrote into the European Union Act 2011, in section 18, that the principle was clear—that European law has direct effect in the United Kingdom only because of Acts of Parliament. As my right hon. Friend the Prime Minister said yesterday, if there is more we can do to make that principle clear, we would be keen to do that. It is open to Parliament, too, to pass laws to rescind the European Communities Act 1972 to end Britain's membership of the European Union. If that were not the case, if ultimate sovereignty did not continue to lie here, there would be little purpose in our having this national debate about a referendum on British membership.

[*Mr David Lidington*]

My hon. Friend the Member for South Dorset (Richard Drax) is right that standing alone in 1940 should continue to be a source of pride and inspiration to everybody in this country from whichever political family they happen to come, but let us not forget that that was never a situation that this country or Winston Churchill sought. It was one forced upon us by defeat, and only a few days or weeks before Churchill's speech about fighting on alone, he had gone to France and offered France a political union with the United Kingdom in order to try to maintain the struggle against Nazism. If we look back at our great history, we can see how leaders such as Marlborough, Pitt, Wellington, Castlereagh and Disraeli sought to advance the interests of the United Kingdom and the British people through building coalitions of allies and of support among other nations on the European continent.

**Sir William Cash:** Will the Minister give way?

**Mr Lidington:** My hon. Friend will forgive me—I have very limited time. Many colleagues have spoken and I want to respond on behalf of the Government.

As a number of hon. Members said, there is concern about the question of ever closer union—about Britain being drawn against its will into a closer political European Union. There are a number of clear safeguards against that. As the hon. Member for Luton North (Kelvin Hopkins) pointed out, we remain opted out of such things as the single currency. We can decide for ourselves whether to participate in individual justice and human rights measures. There are issues such as taxation and foreign and security policy where the national right of veto continues.

We wrote into the European Union Act 2011 a requirement that a referendum of the British people would be needed before this or any future Government could sign up to treaty changes that transferred new competencies and powers from this country to Brussels—to the European institutions. That referendum lock also applies to any measure that moves the power to take decisions at European level from unanimity, with the national veto, to majority voting.

What the draft documents from President Tusk this week explicitly recognise is that there should be different levels of integration for different member states, and that the language and the preamble to the treaty about ever closer union does not compel all member states to aim for a common destination. The fact that this is a draft declaration by the European Council is significant, because the treaty itself says that it is for the European Council to set the strategic political direction of the EU as a whole.

We need to recognise in this House that there are other European countries for whom the objective of ever closer union may be welcome and in line with their national interests. Ministers from the Baltic states have said to me, “When you’ve been through our experience of being fought over by Soviet communism and Nazism, when you’ve lost a quarter of your population to those tyrannies and to warfare, when you’ve lived under Soviet rule for half a century, and then you get back your independence and your democracy, you grab any bit of European integration that’s going because you want

that appalling and tragic history not to repeat itself.” We should respect their wish for closer political union, in return for their respecting our clear wish to remain outside such a process.

My hon. Friend the Member for Basildon and Billericay asked whether we would reinvent the EU today. I say to him and to the House very plainly that if we were starting from scratch, I would not start with the treaty of Lisbon, but we are where we are. The debate both in this place and in the country, when assessing the results of the Prime Minister's renegotiation and the wider issues at stake, should be about whether the interests of the British people whom we represent—their security, their prosperity, their hopes and ambitions for their children—are better served by remaining in the European Union, which I hope will be successfully reformed, but which will still not be perfect, or by leaving and attempting from the outside, *de novo*, to secure some kind of new arrangement with that bloc of countries. That is the context within which we should consider the specific issues that have been raised in this debate.

I will take trade as an example, because a number of hon. Members have mentioned it. Outside the European Union, we would have the theoretical freedom to negotiate free trade agreements on our own behalf. However, it is not just a matter of speculation, but what leading trading nations say to us, that they are much more ready to negotiate trade deals with a European market of 500 million people, with all the leverage that gives us as a player in that single market, than to negotiate with even a large European country on its own.

**Mr Jenkin:** Will my right hon. Friend give way?

**Mr Lidington:** No; I apologise to my hon. Friend, but time is very limited.

The reality is that the World Trade Organisation and other international organisations are largely directed by blocs of countries and very large nations such as China and the United States. I believe that the interests of the British people are better served not simply by having a separate flag and name plate on the table, but by playing a leading role in shaping the position of the world's biggest and wealthiest trading bloc, using its leverage to advance our national interests and winning new opportunities for businesses and consumers in this country.

I am disappointed by the pessimism of some hon. Members. Look at what we have achieved through positive British action at the European level. It was Margaret Thatcher who built the single European market that has made possible, for example, affordable aviation for ordinary British families in every part of this country. It was Margaret Thatcher, John Major and Labour Prime Ministers who made possible the entrenchment of democracy, the rule of law and human rights in central European countries where those things were crushed for most of the 20th century. We did that through support for the enlargement project. The work that my right hon. Friend the Home Secretary is leading to strengthen co-operative European work against terrorism and organised crime is doing more to aid our security and defend the safety of the British people than we would be able to achieve through unilateral action.

I want us to be in a reformed European Union and in the single market, playing a leading role in creating a safer and more prosperous Britain and a safer and more



prosperous Europe. We should be in the things that matter to us and that benefit us, but out of ever closer political union—out of the euro, the European army and Schengen. There is a real prize available to us. That is why I am supporting so enthusiastically the work that my Prime Minister and this country's Prime Minister is doing to secure that future for the United Kingdom in a successful and reformed European Union.

**Mr Speaker:** The hon. Member for Basildon and Billericay (Mr Baron) must certainly have a couple of minutes in which to wind up the debate.

2.59 pm

**Mr Baron:** Many thanks for remaining with us during the course of this debate, Mr Speaker.

I suggest that we are approaching a seminal point in our history, when we will either choose to remain inside the EU and continue down the road of ever closer union, at the expense of our sovereignty, or vote to leave the EU and, thereby, regain our ability to have the final say on issues such as the primacy of our laws, the integrity of our borders and the extent of business regulation. The fact that No. 10 seems now to be talking about a sovereignty Bill clearly illustrates that the Government's so-called red card system, or watered-down, washed-up lottery ticket, and the emergency brake controlled by an EU backseat driver, is unravelling as we speak.

Such measures will not stop us being drawn into ever closer union with the EU should we remain, and they certainly will not restore our parliamentary sovereignty. The British people want to be represented by their MPs, not governed by the EU. Sovereignty is ours to cherish, not to sacrifice. I am afraid that the Minister and the Government have been unable to answer our questions, so I therefore intend to press to a vote the motion which clearly says that the Government's EU renegotiations must encompass Parliament's ability to stop any unwanted legislation, taxes or regulation.

*Question put.*

*A Division was called, but no Members being appointed Tellers for the Ayes, the Speaker declared that the Noes had it.*

*Question accordingly negatived.*

**Mr Speaker:** The Division is off. Perhaps the hon. Members were locked in a room by somebody. Good heavens. Well, there we are. I was all ready to sit in for the Division—I have been here for the last two and a half hours for the debate, so I was perfectly prepared to be here for the Division, but a Division must take place in an orderly way, or not at all.

## Yemen

*[Relevant documents: Oral evidence taken before the International Development Committee on 27 January 2016, on the crisis in Yemen, HC 532; Correspondence between the International Development Committee and Rt Hon Justine Greening MP, relating to the crisis in Yemen, reported to the House on 2 February 2016, HC 532.]*

3.5 pm

**Kirsten Oswald** (East Renfrewshire) (SNP): I beg to move,

That this House has considered the conflict in Yemen.

I am very pleased to have secured this important debate. I am grateful to the Backbench Business Committee for allowing it to take place here today.

We meet against a background of continuing conflict and death, with further reports of Saudi-backed strikes on populated areas, most recently a cement factory in the city of Amran. That resulted in reports of further deaths, including of people inside cars parked nearby, of shopkeepers and of residents going about their daily business. This is a very pressing issue. The humanitarian situation in Yemen is dreadful and it is getting worse. Recent estimates by the United Nations suggest that over 8,000 people have been killed in Yemen since March last year. At least 1,500 children are reported to have died. Much of the civilian infrastructure has been destroyed by air strikes and armed fighting on the ground, effectively cutting families off from essential services, including clean water, sanitation and medical treatment.

My hon. Friend the Member for Central Ayrshire (Dr Whitford) has already raised in this House the incident in which a Médecins sans Frontières hospital in Saada was hit by missiles. That was the third MSF facility to come under attack in recent months. People are dying there from what should be preventable diseases because there are not the hospitals, medical supplies or infrastructure to prevent it. With hospitals reduced to rubble, thousands of children are at risk of malnutrition. In fact, Save the Children has reported a 150% increase in cases of severe acute malnutrition among children. Some of its facilities, which should be safe havens, have been destroyed.

It is no surprise, therefore, to see Médecins sans Frontières and others declare that the conflict in Yemen is being played out with total disregard for the rules of war. The UK Government have been aware of mounting evidence of civilian deaths and of the destruction of civilian infrastructure. Among other growing voices, Amnesty International has raised concerns about air strikes targeting heavily populated civilian areas with no military targets nearby. That would clearly constitute a violation of international humanitarian law.

The numbers of civilians dying as a direct consequence of the conflict are stark. According to the UN, 73% of child deaths and injuries during the second quarter of 2015 were attributable to air strikes by the Saudi-led coalition. Some 60% of all civilian deaths and injuries have been attributed to air-launched explosive devices. Increasing numbers of children are being pressed into military service, used as pawns by both sides in the conflict, and placed in increasingly dangerous and vulnerable situations. More than 3 million children are now out of school. Education has fallen by the wayside,

[Kirsten Oswald]

setting the children of Yemen up perfectly to be another lost generation, with significant long-term consequences for the country and the region.

More than 21.2 million people in Yemen, including 10 million children, are now in need of humanitarian aid. This staggering figure gives Yemen the dubious distinction of being the country with the highest number of people in humanitarian need in the world. Yemen relies almost entirely on imports for its food, so the de facto blockade imposed by the Saudi-led coalition at the start of its military intervention in March 2015 has had an extremely damaging impact. There is a very high level of food insecurity. According to the UN, 14.4 million Yemeni people are in this situation. In basic terms, that means one in every two people is not getting enough to eat.

One of the most distressing features of the conflicts that have plagued the middle east for too long is the re-emergence of the barbaric practice of siege as a weapon of war. When I raised the issue in the context of Syria, I was pleased to receive confirmation of the UK Government's position that the imposition of starvation and deliberate destruction of the means of daily life for civilians may be a matter for the International Criminal Court. The practice must be stopped. It is vital that support be given to ensure that supplies and humanitarian aid can enter the country and be safely distributed to the population, including in the southern city of Taiz, where humanitarian access has been extremely constrained. Parties to the conflict must be pressed to allow this access. Unless we address those issues, we should not be surprised to see continued outflows of refugees from countries that are being bombed back into the dark ages. Such an outcome is exactly what Daesh is working towards. Those who claim the status of legitimate Government cannot continue to act like medieval warlords and expect to receive the backing of the international community.

It is important to acknowledge the brave and tireless work of many non-governmental organisations working in the area, despite the huge dangers they face in this volatile situation. The conduct of the war means that NGOs are having to put their workers in peril. This raises significant questions about how much longer they will be prepared to do so, and about the consequences for Yemeni civilians if they decide they cannot continue. The Government must now listen to these organisations and consider the evidence. They must acknowledge what is happening and the scale of the issue. It is vital that they put pressure on all parties to allow humanitarian agencies a safe space in which to operate.

I acknowledge the important and welcome role of the Department for International Development in supporting the Yemeni population. Its response has been flexible and responsive and would appear to provide a constructive way forward, were it not for the astonishing mismatch between its welcome work and the Government's military dealings with Saudi Arabia, which severely impact on life in Yemen and the country's future prospects.

World attention on difficulties in the middle east is focused on the conflicts in Syria and Iraq, and sadly the catastrophic situation in Yemen is often overlooked. Yemen's status as only a minor oil producer—it is not even a member of OPEC—perhaps makes the country less

likely to feature on the western news radar. The International Red Cross described Yemen as one of the world's forgotten conflict zones. While the world looks elsewhere, economic and political power-plays in the middle east cause ever more chaos and destruction to the country. The UK cannot continue to look the other way or sit on the fence. If it does, it must accept that its foreign policy is morally bankrupt and that its lack of action is both knowing and deliberate.

Yemen is facing one of the worst humanitarian crises in the world. Meanwhile, the daily intensive use of explosive weapons, often in populated areas, continues to rain down death on the civilian population. Many of these civilians have been killed by air strikes conducted by the Saudi Arabian air force, using British-built planes flown by pilots trained by British instructors, including at RAF Lossiemouth in Scotland, dropping British-made bombs—they are probably made in Scotland—and with operations co-ordinated by Saudi Arabia in the presence of British military advisers.

Figures from the Department for Business, Innovation and Skills show that in the third quarter of last year, the UK granted more than £1 billion of arms export licences for Saudi Arabia, despite overwhelming evidence of human rights violations committed by the Saudi-led coalition in its aerial bombing campaign.

**Stephen Gethins** (North East Fife) (SNP): Does my hon. Friend agree that if the Government consider that there have been breaches of international humanitarian law, the Government should investigate and report to the House?

**Kirsten Oswald**: I agree entirely with my hon. Friend.

Through their substantial support for Saudi Arabia, the Government are exacerbating the desperate plight of the people of Yemen. Since the conflict reignited in March, there have reports of serious violations of the laws of war by all sides. Human Rights Watch has documented several apparently unlawful coalition airstrikes between April and August. In all these cases, it either found no evident military target or considered that the attack failed to distinguish between civilians and military objectives. There are legal questions to be answered about the UK supplying weapons to Saudi Arabia in support of its military intervention and indiscriminate bombing campaign in Yemen.

It is important that we take stock of other UK interventions in this part of the world. Not only in Yemen but across the region, we have a very chequered past. The UK has a history of subjugating the interests of the population in the region, who are bit players in UK conflicts with other powers. Although we still have significant relationships with the rulers and leaders of the region, the UK is, perhaps unsurprisingly, mistrusted for its failure to deliver on promises. As Tarek Osman says,

“the wave of Arab uprisings that commenced in 2011 is this generation's attempt at changing the consequences of the state order that began in the aftermath of World War One.”

**Kevin Foster** (Torbay) (Con): The hon. Lady is making an interesting speech. The World Food Programme made the point that both sides in the conflict—not just one—are impeding the distribution of food aid to those millions of people who desperately need it. Does she agree?

**Kirsten Oswald:** The hon. Gentleman makes a valid and important point, but what we need to do is to ensure that everyone engaged in that region co-operates, wherever possible, to ensure that people get the food and other support that they need.

This new generation in Yemen, who are searching for a better future, have been abandoned to a conflict influenced by others, none of whom have the needs of the Yemeni people in mind.

The Minister said in a speech last week that Saudi Arabia should do a “better job” of trumpeting its human rights successes. What an astonishing statement to make. I think we can safely assume that the civilians in Yemen suffering as a result of this terrible onslaught will feel that they have no human rights whatsoever. Human rights, and particularly those of the people of Yemen, evidently did not loom large in that statement—but they must. The UK Government must admit that they have been front and centre of the Saudi bombing campaign in Yemen, and that yet again we are putting profit before basic human rights and international law.

**The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr Tobias Ellwood):** I agree that the hon. Lady is making a powerful and pertinent speech. However, I ask her to be cautious in quoting from *The Independent*, which used a Google translator to translate a press release of a statement that did not accurately represent the meeting I had in Saudi Arabia. I did make that point last week in response to the urgent question and I repeat it today—I would never use such language. I made it very clear to the Saudi Arabians that they have a long way to go, and that we wanted to work with them on improving their human rights.

**Kirsten Oswald:** I thank the hon. Gentleman for his intervention. I echo his sentiment that there is a significant way to go in respect of human rights, which is a matter of great concern. I was in the Chamber last week, so I am pleased that I can recall the sentiment, if not the words, that the hon. Gentleman said. I will be interested to look back at the discussion, because I thought the sentiment was quite clear.

The UK Government must fully consider the situation in Yemen. There is no doubt that it is challenging in many ways, but this does not mean that we should disregard either the credible evidence coming from the area or the realities and scale of the problem. A UN panel of experts has documented 119 coalition sorties relating to violations of international law in Yemen—including the targeting of civilians. It is worthy of note that the International Development Committee, while observing that this UN report was leaked, did not consider that this affected the credibility of what it was asserting.

**Edward Argar (Charnwood) (Con):** Does not the hon. Lady agree with the representative of UNICEF who appeared before the International Development Committee—chaired by the hon. Member for Liverpool, West Derby (Stephen Twigg)—who said that he did not believe that there was “deliberate targeting” of civilians?

**Kirsten Oswald:** I thank the hon. Gentleman for his intervention, and it is important to hear from as many organisations as possible. I must tell him that in the

research I conducted, I encountered many organisations that have indeed suggested that there was targeting of civilians, which gives us all the more reason to have a proper investigation into the situation.

I must ask the Minister today whether he doubts the credibility of the UN panel of experts, and if so, why he feels that way. As in other parts of the region, we must do all we can to facilitate and support a peace process. We should be encouraged that the parties have previously come to the table, but it is disappointing that these talks have so far been delayed. One issue that needs to be addressed—this can come only with good first-hand information, as was suggested—is just how much control those who claim leadership really exercise over the myriad groups in conflict across the country. The leaders of al-Qaeda and Daesh-linked groups have no interest in peace, and we must not let them scupper every peace effort by destroying attempts to bring about a ceasefire. We know that, across Yemen today, chaos reigns. Disparate forces and agendas clash and bombs rain down from the air, destroying infrastructure, homes and lives.

**Wendy Morton (Aldridge-Brownhills) (Con):** Does the hon. Lady accept, however, that the Yemen conflict is spilling over the borders from Yemen and outwith?

**Kirsten Oswald:** I think that conflict in any area is cause for concern, but today we must focus on this particular conflict, and on the question of where the United Kingdom Government’s responsibility lies. I believe that it is inconsistent for them to give aid to Yemen with one hand while, with the other, selling weapons that will be used to bomb the country to smithereens.

The Minister and the UK Government need to come clean about the specific involvement of the UK military in arms sales, training and logistics in relation to Saudi Arabia’s military operations in Yemen. I do not think that conflict by proxy is the policy of the Conservatives, but given what is happening in Yemen, it is difficult to see how that is not the case. The Belgian Government have felt able to suspend arms sales to Saudi Arabia, yet we continue to ignore human rights issues both in Saudi Arabia and in respect of Yemen, and continue to sell arms.

The delay in the establishment of the Committees on Arms Export Controls may have had an influence on the position. The Committees should have been established months ago, as has been highlighted by the continued pressure exerted by my right hon. Friend the Member for Moray (Angus Robertson). Let me ask the Minister this: what has been the cost to human life of that delay?

I agree wholeheartedly with the Chair of the International Development Committee, who said in his letter yesterday:

“It is a longstanding principle of the rule of law that inquiries should be independent of those being investigated.”

It is very disappointing that the UK Government did not take the opportunity in September 2015 to endorse the proposal of the Government of the Netherlands for the establishment of an international fact-finding mission to investigate the conduct of the war. That would have provided the information sought by the Minister, who recently said that if weapons systems had been abused and genuine intelligence was available to verify that, action would be taken in relation to export licensing.

[Kirsten Oswald]

It is time for the UK Government to stop running away from scrutiny, and to take urgent action to suspend all sales of arms to Saudi Arabia until it can demonstrate that they are not being used against civilians, and not being used in violation of international law. The UK must do more to alleviate this humanitarian crisis and ensure that there is access to areas where people are besieged and starving, and every effort must be made to ensure that the delayed peace talks begin. We cannot stand by any longer as Yemen descends further and further into terror and chaos. It is time for the UK Government to step up and do the right thing.

3.21 pm

**Edward Argar** (Charnwood) (Con): I congratulate the hon. Member for East Renfrewshire (Kirsten Oswald) on securing this important debate, although I did not agree with every word that she said. I must say that I believe the British Government are more than open to scrutiny: the presence of this Minister in the House on numerous occasions, responding to questions and debates about Yemen, is testimony to that.

It is with some sadness that I speak in a debate about a country that is very close to my heart, but is suffering the horrors of conflict so eloquently described by the hon. Lady. The current war in Yemen has been described as the “forgotten war” by, among others, the hon. Member for Hammersmith (Andy Slaughter) during a recent debate. The hon. Gentleman will be reassured to know that, while I agree with him about very few things, I do agree with him about that.

Sadly, the war in Yemen is still the forgotten war today, despite the work of many non-governmental organisations and many Members of Parliament. I think particularly of the work of the right hon. Member for Leicester East (Keith Vaz), and of all that he has done to ensure that the House remains cognisant of what is happening in Yemen. I should add that he and others have always sought to highlight the joys of the country, and to explain why it is such a wonderful country. I know that Yemen is also very close to the heart of my hon. Friend the Member for Tonbridge and Malling (Tom Tugendhat), who knows it very well.

As well as being vice-chairman of the all-party parliamentary group on Yemen, I have had the pleasure and privilege of visiting and travelling around the country on a number of occasions, and seeing such wonderful places as Sana’a and Aden, but also Taiz, Ibb and Hadhramaut. I fear that, sadly, my visits to Yemen will not be repeated for some years, but they gave me an insight into this complex, ancient land and its generous, hospitable and fiercely loyal people. Along with, I am sure, many other Members, I am proud to declare myself a friend of Yemen and its people; and, of course, the United Kingdom has a long-standing friendship and an historical and trusted relationship with the country.

All that makes it even sadder to see what has become of Yemen. Its former President, Ali Abdullah Saleh, described ruling the country as akin to “dancing on the heads of snakes”, so complex are its history and its religious, tribal and political make-up.

Yemen faces many challenges, as we have heard. It is the most populous country in the Arabian peninsula, with a population of almost 30 million, but it is also one of the poorest, with an annual income per head of less than \$1,500. Yemen does not have the advantage—although these days perhaps it is a diminishing advantage—of oil revenues to swell its coffers and budget, and it has historically relied heavily on imports of food, goods and, crucially, diesel fuel in order to function. All this is compounded by the challenges of a burgeoning young male population with limited economic prospects. Those conditions, overlaid with a fractured polity and a security situation that is fragile at the best of times, mean that Yemen has always been in a precarious situation, even before the current conflict.

Yemen has always been more of a loose confederation of tribes than a nation state with strong central control on the Westphalian model, and for centuries its location has placed it at the centre of proxy wars waged by other powers. Today, in some ways, it finds itself in that situation again, with an Iranian-backed Houthi militia fighting a Saudi-led coalition supporting the legitimate Government of President Hadi, with regional and dynastic geopolitics also playing their part in the conflict.

The conflict and its consequences are clear and stark, and I shall reiterate just a few of the comments made by the hon. Member for East Renfrewshire. More than 20 million people are at risk of starvation and humanitarian disaster, with 82% in need of some assistance, according to Save the Children. Of course it is often the children, the most innocent, who are the most likely victims of any conflict.

Our effort to play our part in helping to end this ruinous conflict has a number of major component parts. The most immediate is of course the provision of humanitarian relief. The witness from Oxfam at a recent hearing of the International Development Committee, chaired by the hon. Member for Liverpool, West Derby (Stephen Twigg), said that the support by DFID had been “really profound and fundamental”. UK aid already totals more than £85 million, and its scale is constrained only by the situation on the ground and the ability to distribute it safely. The UK’s aid contribution is not in doubt, and I hope that the Under-Secretary of State for Foreign and Commonwealth Affairs, my hon. Friend the Member for Bournemouth East (Mr Ellwood), will convey to his counterparts in the Department for International Development the expressions of support from me and the hon. Member for East Renfrewshire for the work that it has done. I sincerely hope that that work will be built upon so that we can build an international coalition of aid givers. As we look across Parliament Square today, we see that there is rightly a focus on the situation in Syria, but we must make every effort to ensure that the situation in Yemen receives the same priority.

After food and medicines, getting fuel and water into Yemen remains one of the biggest challenges. Ports such as Hodeidah are barely functioning, and when they do, ships sometimes have to wait offshore for weeks before being able to offload. For a country that was already reliant on imports for its food and fuel needs, this is a disaster. Getting supplies into and around the country is vital, and I hope that the Minister will be able to update the House on that work later.

The humanitarian response and the UK's continued role in it are vital, but we are to a large degree tackling the consequences rather than the causes of the problem, and we must strive to tackle both. The Minister has made it clear—in statements to the Select Committee, I believe—that the UK is not a party to this conflict, and he is right. The UK is not an active participant in the coalition, although we rightly support it as a reflection of our support for the legitimate Government of Yemen headed by President Hadi. We must make it clear, as was mentioned earlier, that it is unhelpful to focus on only one party to the conflict as being responsible for the civilian casualties. Both sides bear responsibility for the consequences of the conflict.

**Kevin Foster:** Does my hon. Friend acknowledge that there is a UN resolution that the coalition of states is seeking to enforce?

**Edward Argar:** My hon. Friend is absolutely right, and displays his usual erudition and eloquence on this topic, as on so many others.

It is vital that renewed impetus is given to peace talks to find a lasting settlement to bring stability to the country. I pay tribute to my right hon. Friend the Member for Rutland and Melton (Sir Alan Duncan) and to this Minister for their work on this issue. I alluded earlier to the fact that Yemen could have no greater friend in the British Government than this Minister. I know he cares passionately and personally for the plight of the people of Yemen, and is working day and night to do what he can to alleviate it and bring peace to that country.

We must always remember that a peace settlement that is imposed from outside or that does not recognise and heed all voices in Yemen is doomed to fail. We in the UK have the potential to continue to play a significant role in bringing all sides together, but any settlement to bring lasting peace must emerge from within Yemen itself. I am reminded of what I believe is an old Arab proverb, “Me and my brother against my cousin, but me and my cousin against a stranger.” We must always remember that peace must come from within the country. The final element, in the longer term, must be support and a clear commitment over a prolonged period to rebuild this shattered country and its infrastructure, primarily its fuel and water infrastructure.

Before concluding, let me briefly deal with the comments made by the hon. Member for East Renfrewshire about the need for any suspected or reported abuses of human rights or civilian casualties to be investigated. The Minister has always been clear that where allegations of civilian casualties or about the consequences of actions are made, he and others have raised them with the Saudi Arabian Government, as appropriate. What was agreed in September at the Human Rights Council by all those there represents the right way forward: the United Nations High Commissioner for Human Rights, working with the legitimate Government of Yemen—that is important in terms of access—will investigate, as appropriate, any such allegations. I believe it is due to report in March. That agreement, built on a consensus at the HRC, represents the right way forward. These things are always confusing through “the fog of war”—I believe that is the title of a well-read piece of research by my hon. Friend the Member for Tonbridge and Malling in respect of broader legal challenges sometimes faced by our armed forces, in which he highlighted the complexity of

conflict situations. There are competing versions of events and competing understandings of what actually happens, so I strongly urge all Members of this House to support the proposals agreed in September and see what the High Commissioner for Human Rights concludes in March.

As the hon. Lady has said, it is time that the international community gave the crisis and conflict in Yemen the focus and priority they deserve, as we quite rightly do with Syria. I know that the British Government are doing their bit, and I hope that today's debate helps to raise the profile of this forgotten war and that peace will soon be a reality for all the people of that suffering country.

**Several hon. Members** *rose*—

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. It will be obvious to the House that we have very little time for this debate and a lot of people want to speak. I would like to try to do this without a formal time limit. If people could keep to five or six minutes, everyone will be able to get in. If not, we will have a time limit, be it three minutes, two minutes or whatever is necessary, later in the debate.

3.33 pm

**Keith Vaz** (Leicester East) (Lab): It is a great pleasure to follow the hon. Member for Charnwood (Edward Argar). We share a border in Leicestershire and now we share a cause, and it is good to see someone who was elected only last year become passionate about an overseas country and become such an expert on it. I know that his interest in Yemen preceded his election, and I am glad to see him as a strong and effective vice-chair of the all-party group on Yemen. I speak not just as a Yemeni by birth, but as the chair of the all-party group for the past 27 years. I must rival President Saleh with the years that I have spent in office—that is not a good comparison, I know. It has been a huge honour to serve in that capacity and to be joined recently by my hon. Friend the Member for Walsall South (Valerie Vaz) and the hon. Member for Portsmouth South (Mrs Drummond), both of whom are Yemenis by birth.

We now have three Yemenis sitting in the House of Commons. That should help everyone to understand that for us this is not just business; it is very personal. The situation matters greatly. My fondest memories of my childhood were watching the boats coming in. They went past Steamer Point as they were about to enter the Suez canal. Indeed, only Leicester beating Liverpool last Tuesday could match that kind of warm feeling that I had as a child. Sadly, those wonderful memories of our childhood have gone, and we face in Yemen a roll call of catastrophe, which was set out so eloquently by the hon. Members for East Renfrewshire (Kirsten Oswald) and for Charnwood.

I know that the Chairman of the International Development Committee, my hon. Friend the Member for Liverpool, West Derby (Stephen Twigg), will have more horrifying statistics that we will struggle to understand—some 21 million in need of aid, millions of children without food and people starving to death. We hear such figures as if this is a piece of fiction, but it is fact.

[Keith Vaz]

I thank the hon. Member for East Worthing and Shoreham (Tim Loughton) who came on one of the all-party group's last visits to Yemen. He caused us a lot of worry. He had been told to stay in the Sheba hotel, but, as everybody knows—especially the Prime Ministers and Secretaries of State who worked with him in Government—he cannot be told what to do. When we got up one morning and found that he was missing, we thought that he had been kidnapped. In fact, he was out in Sana'a, a world heritage centre, taking photographs. Like all visitors to Yemen, he had fallen in love with the country.

What is this country now? It is a country in poverty; a country facing the possibility of civil war; and a country that is being fought over by other foreign powers. It is not the people of Yemen who want this conflict. The conflict arises because those from outside want to topple the democratically elected Government of President Hadi, and because of that there is outside intervention.

**Tim Loughton** (East Worthing and Shoreham) (Con): I was touched by the care that the right hon. Gentleman showed for my welfare. It was indeed an extraordinary trip. Talking about children, at the time, the British Council was matching 1,000 schools in the middle east with schools over here. On our journey, I was able to twin a school in Worthing with a school in Aden. Does he agree that, as well as the killings and the injuries, one of the biggest tragedies is the fact that about half of all children in Yemen are not in education? So much is being done to ensure that Syrian children have some continuity in their education, but the situation in Yemen is so much worse. If we do not have the future in mind for those children, the future of the whole country will be in peril.

**Keith Vaz:** The hon. Gentleman is absolutely right. He is the House's expert on education. When he talks about the need for education, he is absolutely right, because it offers a life chance. Some 1,500 people have died, and 9.9 million people are in poverty. The fact that the children cannot go to school will affect the rest of their lives, and childhood passes so quickly. They will not have the advantages of education, and we need to concentrate on that.

I join the hon. Member for Charnwood in praising the Minister—Members on the Opposition Benches do not tend to do that very often—because he deeply cares about the situation in Yemen. Whenever the all-party group has asked him to address us, whenever we have made suggestions, and whenever the right hon. Member for Rutland and Melton (Sir Alan Duncan) has made suggestions, which I am sure that he does on a daily basis, the Minister responds. If he had half a chance, he would be on a plane via Dubai to Sana'a international airport to try to stitch together the patchwork of international diplomacy that now exists.

Much mention was rightly made by the hon. Member for East Renfrewshire of the involvement of Saudi Arabia. Saudi Arabia's involvement has been important; had that not happened, I believe that the country would have been overrun and that President Hadi would not have returned to Aden. We now need to pause. The all-party group, individual Members and the Minister

have been clear that there has to be a ceasefire. The airstrikes have to stop, and we have to find other methods of trying to secure the country without the scenes that have taken place. Civilians may not have been targeted, but they have died. We need to make sure that we work with the Saudis, who are the regional power—we cannot do this without them—to make sure that we get peace in Yemen. They have a big responsibility to ensure that that happens. If Yemen falls, that will affect every other country in the middle east.

As the Prime Minister has said on numerous occasions, the frontline in Sana'a is the frontline in London. Many of the terrorist plots that I have come across as Chair of the Home Affairs Committee have come from people plotting in places such as Yemen. Indeed, many of the Paris bombers were involved in some way with what was happening in Yemen; I think one of them was trained there. We are not talking about a country far away that we do not need to care about; it really matters to our future, not just because of the humanitarian crisis but, more importantly, because of how it will affect Britain and the rest of Europe.

I thank this Minister and the Minister of State, Department for International Development, the right hon. Member for New Forest West (Mr Swayne), who has also listened carefully to what we have said. One of the great things about how the Government have approached Yemen is that they have continued what was started by the previous Government. There is no party politics in this; the whole House is united, as were the previous Prime Ministers, Gordon Brown and Tony Blair, in ensuring a focus on Yemen. The current Prime Minister is also very focused on it. I have written to him on numerous occasions and his responses are detailed and relevant. He wants to make sure that peace is restored. We are all on the same side.

As I conclude, I have a few asks. First, as he also supports the ceasefire, will the Minister give a commitment to intensify the support of the UN to try to bring peace to Yemen and to ensure that we continue the dialogue with all sides, especially with Saudi Arabia? There has been a lot of criticism about the use of British weapons by the Saudis in this conflict. That will go on, of course; we live in a parliamentary democracy and we have to raise these issues. The Government have to respond, and they have.

However, we need to work with the Saudis and the Omanis. Oman has not been mentioned enough in these debates, but the Sultan in particular has a big role to play. Here is a border in the Arab world: to the north, Oman is as peaceful as a country can be but to the south is the turmoil in Yemen. The Gulf Co-operation Council also needs to be involved. It cannot be absent from the table.

It is not the Minister's job to chase up debts, but I remind him of the great donor conference in London before the last but one general election. Billions were pledged but very few countries have paid up. We should go back to the countries that pledged and make sure that something is done.

Let me end by saying this. We still have a lot of friends in Yemen. My two children were very friendly with the son of one of the Yemeni ambassadors who came here. His name was Salman, and we have lost touch with him. The last time we saw him, he had come up to Leicester to see a football match with my young son. I think of

that bright young boy and his sisters, who came to this country for a short time as the children of diplomats, and the bond of friendship that we formed with them. To think of them in a house in Sana'a without electricity, schooling or food is terrible. I hope that, if Salman is listening to this debate or hears about it in some way, he will contact us so that we know that he and his family are safe.

My real worry is that Yemen is bleeding to death. Unless we are prepared to stop the bleeding, the consequences will be horrendous.

From the bottom of my heart I beg the Minister to continue doing what he is doing, to make sure that this issue is centre stage. I thank parliamentary colleagues from all over the country, who have so much on their agendas, for coming here in such numbers to think and talk about Yemen. I also thank my hon. Friend the Member for Leeds North East (Fabian Hamilton), who has just joined the Front-Bench team, for coming. He will be a wonderful shadow Minister. I hope he makes this issue a priority. I know we talk about the big countries, but Yemen matters to us. Please let us not allow Yemen to bleed to death.

**Several hon. Members** *rose*—

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. I make no criticism of the right hon. Gentleman, who has spoken with passion and taken lots of interventions, but we will now have a formal time limit of five minutes. I call Kevin Foster.

3.45 pm

**Kevin Foster (Torbay) (Con):** Thank you, Madam Deputy Speaker. I will bear in mind the time limit. It is a great pleasure to follow the thoughtful speech by the right hon. Member for Leicester East (Keith Vaz), given the passion he brings to this issue as a result of his background.

The first point for me is this: why does this conflict matter to us in the UK? Why has the MP for Torbay taken time on Thursday afternoon to come along to this debate? For me, there are three clear reasons. The first is Yemen's geographical location. Back in Victorian times—I made this point recently during an urgent question on this issue—Suez was one of the key trade links for the then British empire, and it is still one of the seven key maritime pinch points. Therefore, stability in Yemen matters to global trade. Given that Aden was, for many years, a British protectorate, there is also a moral duty on us to retain an interest in the area and how it has developed. In many ways, as the hon. Member for East Renfrewshire (Kirsten Oswald) touched on, we have played quite a significant role as a country over the last 100 years in shaping what governance on the modern Arabian peninsula looks like.

The second point is that problems do not stay within one nation's borders. We have seen that dramatically illustrated in Syria, with the refugee crisis. The UN warned back in December that 14 million people are what it terms "food insecure"—an interesting way of describing people who may starve if they do not get assistance.

The third point is humanitarian concern. My predecessor in Torbay brought to my attention on social media today some of the heart-breaking images coming out of Yemen as a result of the conflict. Those very much reminded me of a statement by Robert E. Lee:

"It is well that war is so terrible, otherwise we should grow too fond of it."

The right hon. Gentleman very personally illustrated the impact on people on the ground.

It is also worth remembering the security threat that exists in the midst of this conflict, and that is what I will focus my brief remarks on. In the middle of the battle between the Houthis and the forces loyal to President Hadi is al-Qaeda. Both President Hadi and the Houthis oppose al-Qaeda in the Arabian Peninsula, which has staged numerous deadly attacks from its strongholds in the south and south-east. Western intelligence agencies now consider al-Qaeda in the Arabian Peninsula the most dangerous branch of al-Qaeda because of its technical expertise and global reach.

**Wendy Morton:** Does my hon. Friend agree that regional instability makes this issue even more urgent? We need to find a peaceful solution to the problem so that we do not create a bigger vacuum, into which organisations such as al-Qaeda can move.

**Kevin Foster:** I completely agree with my hon. Friend. Where we have spaces in conflicts—especially spaces where no Government and no system of law and order exists—these groups are able to fester, grow and develop their abilities. We saw that in Afghanistan during the time of the Taliban, and we are seeing it in Syria, where a civil war has allowed Daesh to grow, fester and build its capabilities. As we have seen in Yemen and other parts of the middle east, having these spaces where no Government exist creates a danger to our security and global security, and we cannot just ignore that.

With President Hadi's co-operation, the US has been carrying out operations, including drone strikes, but the advance of the Houthi rebels has seen that US campaign scaled back. Therefore, a quarrel between two enemies of al-Qaeda is making it easier for al-Qaeda to develop and become more of a threat. As we have heard, there is the prospect of the fighting spilling over into neighbouring countries, not least into Saudi territory. While we all have our views about some of Saudi Arabia's bluntly appalling domestic policies, such as the lack of religious freedom and the use of the death penalty in a way that we in this country find unacceptable and certainly would not contemplate, we must sometimes be careful what we wish for, because some of the potential alternatives in that country are not those of a modern, liberal, western democracy.

Looking back to the Arab spring of 2011, many of us, perhaps naively, hoped that it would be very much like the 1989 "velvet revolution" that swept through eastern Europe, sweeping away dictators and despots and replacing them with the relatively modern democracies that we have today. Yet experience shows that some of the forces that have been unleashed since 2011 have not been those of freedom and tolerance—in fact, quite the opposite.

It is therefore right that we work with the Saudi Government and the wider coalition to try to bring peace to Yemen based on a United Nations resolution. With regard to our supporting the Saudi armed forces, I have to say—this may be a point of difference with some Opposition Members—that I would rather that is done by our forces, who have human rights and international law ingrained in their operations, than potentially by some other countries' forces who have within the past 30 years engaged in things that we would find unacceptable.

[Kevin Foster]

We cannot just ignore this situation. We cannot turn a blind eye while we see children being dragooned into fighting for rebel groups and terrorist organisations, and a three-way war threatening to spill over and threaten the security of some key maritime routes and the stability of the wider region. It is not for the UK to do this on its own, and we are not doing it on our own. We need to make sure that international law is applied and that all parties to the conflict respect their obligations. I think that ultimately, working with our partners through the United Nations, we can bring peace. I welcome the interest in this subject expressed in this debate.

3.51 pm

**Stephen Twigg** (Liverpool, West Derby) (Lab/Co-op): It is a pleasure to follow the hon. Member for Torbay (Kevin Foster). I congratulate the hon. Member for East Renfrewshire (Kirsten Oswald) on bringing this very important and timely debate to the Chamber today. The International Development Committee is currently undertaking an inquiry into the situation in Yemen. Last week, we heard such powerful and convincing evidence that DFID's excellent humanitarian response is being undermined by the wider Government approach to Yemen that this week we felt compelled to write to the Government setting out our serious concerns, to which I will refer in turn.

Let me start by addressing the scale of the humanitarian crisis. Every speaker has described the horror: more than 21 million people—over 80% of the population—are in need of assistance, more than 14 million people are struggling to find enough food, and 2.5 million people are displaced. The effects of this conflict are devastating. Atrocities have been committed by both sides. We heard evidence that 62% of the killings and maimings have been caused by the Saudi-led coalition, and that Houthis have recruited over 700 children to armed groups that have laid siege to cities such as Taiz, denying their populations access to humanitarian aid and medicines.

**Valerie Vaz** (Walsall South) (Lab): As a Member who was born in Aden, I was concerned to hear that a church in Ma'alla where I used to worship was hit, along with a hospital. What steps are being taken to ensure that aid will be allowed to get through? Access to aid is very important.

**Stephen Twigg**: My hon. Friend is absolutely right. In evidence from DFID itself we were told that the very welcome UK aid of £85 million could have been more, but that it is simply proportionate to what can currently be spent by our partners given the difficulties of access. She is absolutely right that that is one of the major considerations.

Let me turn to the need for an independent international inquiry into alleged abuses of international humanitarian law. We received overwhelming evidence that is contrary to the position that the Government have taken on this matter. The UN expert panel report documented 119 alleged abuses. There is evidence from Amnesty International, from Human Rights Watch, and from Médecins sans Frontières. Saferworld told us in its evidence last week:

“In other contexts, the Government will cite”

the Human Rights Watch and Amnesty reports on Syria, Libya and Sudan to support a British Government position, but

“they are referred to as not good enough to be considered evidence compared with a reassurance from the Saudis, one of the belligerents to the conflict, that there are no violations of international humanitarian law.”

It is true that a resolution was agreed at the UN Human Rights Council last September, but the original wording of the motion tabled by the Government of the Netherlands was much stronger. In my view, the British Government should have stood with our Dutch partners, rather than with Saudi Arabia in watering down the need for an independent inquiry. We do not have that independent inquiry. Once again, I urge the Minister to reconsider the UK's position, so that we support a genuinely independent, UN-led inquiry into the serious allegations of the violation of international humanitarian law.

Let me finish by talking about the central issue of UK arms sales to Saudi Arabia. DFID is consulted when arms are sold to a country in receipt of DFID assistance. Saudi Arabia does not receive such assistance, so DFID is not consulted on the question of arms sales to that country, even though those arms are being used in Yemen, which does receive DFID aid. The scale of our arms sales to Saudi Arabia is eye-watering. The £3 billion received in just six months last year represents 40% of total UK arms sales for that period, with £1 billion of it received in just three months for bombs. The Royal Saudi air force has more UK planes than our Royal Air Force.

United Kingdom, European and international arms trade law is clear that licences cannot be granted if there is a “clear risk” that they may be used in the commission of violations of international humanitarian law. That is all that is required—a clear risk—and we have a very powerful legal opinion from Matrix Chambers that the UK has breached its obligations under international arms law.

I urge the Government to think again on this central issue. As has been said, the Committees on Arms Export Controls will be established when we meet next week. The issue must be on their agenda. It is absolutely vital that we take seriously our responsibilities under our own law as well as international and European law. The International Development Committee met members of this country's Yemeni diaspora two weeks ago and their voices were very powerful on that question. The evidence that we heard from the UN panel of experts and international humanitarian organisations last week, and from the diaspora, is very strong that the UK should support a truly independent inquiry into what is going on, and in the meantime we should suspend arms sales to Saudi Arabia.

3.57 pm

**Fiona Bruce** (Congleton) (Con): I welcome this debate and the inquiry by the International Development Committee, of which I am privileged to be a member. The suffering of the people of Yemen is acute, and the world needs to know about it. I urge people who have knowledge and can provide an account of the situation in Yemen to contribute to our inquiry. As the Chairman of the Committee has just said, we heard some powerful accounts during a meeting with members of the diaspora just a couple of weeks ago. I hope to refer to some of them in a moment.



I applaud my hon. Friend the Member for Charnwood (Edward Argar) for his excellent speech, because of which I shall have to remove substantial parts of mine. I will, however, reflect on some of the points that have been raised during the debate. As several Members have said, 21.2 million people are in need of humanitarian assistance in Yemen, making it the country with the highest number of people in need of humanitarian assistance in the world. Forty per cent. of the country's population are under 15 years old, so the children really are suffering substantially. Since March 2015, 1,012 grave violations against children have been documented; the figure is now likely to be much higher. Forty-one schools and 61 hospitals have been damaged and, as has been said, more than 700 children have been recruited or used by armed groups. As we heard from those in the diaspora, those youths join extremist groups simply to feed their families.

Not only are 47% of schoolchildren in Yemen out of school but, as a university professor from the diaspora group told us, higher education has been affected. He taught in a university that once had 4,000 students; there are now only 400 left. Those statistics will have a significant bearing on the long-term development of the country. We were told that there had been outbreaks of dengue fever and measles, and that they fear polio. They told us that health facilities have been gutted, and that there are 2 million people in an area that is at grave risk of a malaria outbreak.

Those who are in business told us that the banking system, which is vital if people are to survive, is crippled. One businessman said that before the conflict, there were 15 banks that he could work through, but now there is only one left and he worries that it will close soon. Will Ministers do what they can to try to ensure that what remains of the banking system stays open, so that those involved in business can continue to trade? That is vital.

Much of the food in Yemen—80% to 90%—is imported. We were told, however, that the economy is crippled and cannot function. Manufacturing and what food production there is in Yemen have stopped. Products, including medicines, which are in short supply, now cost on the black market 300 to 400 times more than they used to. Major cities have had no electricity for six months. The UN report of last August stated that 26% of private businesses had closed in a five-month period, but the diaspora representatives told us that the true number was much higher. On their estimates, 77% of private sector businesses have closed and 71% of private sector workers have lost their jobs. That is critical because, as they told us, although aid can help, it will never be enough to feed and support the more than 20 million people we are talking about. A healthy economy is what is needed.

Finally, I pay tribute to all who are working in Yemen, including Save the Children and the UN workers, for the sterling work that they are doing in such difficult circumstances. Let us hope that the world continues to hear and take note of the suffering of Yemen. For too long, too little information has been put out, and I congratulate all Members of the House who are determined to ensure that that changes.

4.2 pm

**Alison Thewliss** (Glasgow Central) (SNP): I am glad to be able to participate in this debate on the situation in Yemen, which is clearly not getting the international

attention that it should. I commend to Members the coverage that Scotland's newest newspaper, *The National*, has given the conflict over the past few months. The newspaper has consistently endeavoured for some time to get the matter into the consciousness of the Scottish public.

My interest in Yemen was sparked by my constituent Fahim, who came to see me last year on the day the exam results came out in Scotland. He passed the courses that he had been studying, but his pride in doing so was overwhelmed by the devastating news that his application to stay in the UK had been rejected and the Home Office had decided that he had to return to his native Yemen. This adoptive Glaswegian has been in the UK since 2009. He was a pharmacist back home, and since coming to Glasgow he has participated in voluntary groups and tried to make a life in the city. He would love to be able to go back home but, as he explained to me, it would be incredibly dangerous. He has no certainty about what has happened to his family in Yemen, so he could not even return to the people he knew, never mind the place he knew.

Since I spoke to Fahim he has been made destitute by the Home Office, and he has been sleeping in shelters and on sofas. Today the Home Office tried to contact him at an address that it evicted him from in August. I have been fighting for him to be able to stay here, because the more he told me about the situation, the more worried I became. I discovered that UK citizens are advised by the Foreign and Commonwealth Office that if they find themselves in Yemen, they need to get out. Its website says that the FCO

“advise against all travel to Yemen. This includes the mainland and all islands. If you're in Yemen, you should leave immediately.”

There has been no British embassy in Yemen for over a year, and the FCO has advised people against travelling there since 2011.

But what of the citizens of Yemen? If Yemen is not safe for you, Mr Deputy Speaker, or for me, it is not safe for Fahim and it is certainly not a safe place for the citizens of Yemen. The last figures I obtained from the Home Office show that, for the first half of last year, only 14—I repeat, 14—asylum claims by Yemeni nationals were successful, while 31 were refused and 221 souls are still awaiting a decision. I hope, when the new figures come out, that they will have improved, but I urge the Government to give some certainty to those in the same situation as Fahim who are ill with worry about their future. If we can keep more Yemenis safe in this country, we have an absolute humanitarian duty to do so.

I attended the excellent meeting of the all-party group on Yemen last week, but I was absolutely shocked by the stories told by the representatives of Oxfam, Save the Children and Saferworld. They reported on a broken country, with severe shortages of fuel, water, food and other resources. Save the Children says that 21.2 million people, including 9.9 million children, are in desperate need of humanitarian aid. They are among the most desperate in the world.

The aid agencies tell us that they do not have all the funds they require. They are very much asking for their partner agencies in other parts of Europe to get more money from those countries. It has been mentioned that the UK has been generous, and we have been generous, but we need to get more aid to those agencies. The agencies

[Alison Thewliss]

cannot get access to all the people who need their help. People have been displaced in the country multiple times, and much of the infrastructure is struggling to cope.

The situation in Yemen is deteriorating daily. Twitter brings me news today of more bombs dropped on civilian areas. The *Yemen Post* reports today that, in the past 24 hours, 25 civilians have been killed by air strikes, 45 have been injured and 17 homes have been destroyed. Yesterday, 16 were killed and 31 injured when a factory was attacked in Amran. If such a level of carnage was happening in this country, we would be outraged and we would act. If a hospital here got hit by bombs or missiles, as no fewer than three Médecins sans Frontières medical facilities have been in the past three months, we would find that unacceptable.

As well as those struggling with the humanitarian crisis, medics in Yemen are struggling to do their job of patching up the people hit by bombs and injured in conflict, because they are coming under attack themselves. It is clear that the conflict in Yemen is being carried out with no respect for international humanitarian law. Hospitals are supposed to be off limits. Dr Joanne Liu, the international president of MSF, has stated that,

“the UK Foreign Secretary claimed that there have been no deliberate breaches of international humanitarian law in Yemen... This implies that mistakenly bombing a protected hospital would be tolerable.”

It is not.

**Mr Ellwood:** The hon. Lady makes a very important point. She is illustrating the horrors of war, which largely occur in populated areas when one adversary chooses to hide within such populated areas. Unfortunately, that leads to casualties. We are not in any way saying that when a civilian area or facility is attacked or destroyed that is somehow acceptable; it absolutely is not. When there is collateral damage of that form, it is important for whichever side has done it to put its hand up and say that it will conduct an investigation. We are not saying it is right, but we are making it clear—

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Order. In fairness to the Minister, he cannot take advantage of the situation. We are struggling to get everybody in, and interventions are meant to be very short. He cannot make a speech now, given that he will be making a speech later. That is unfair to everybody.

**Alison Thewliss:** The point is that such bombings have now happened three times, and those involved in the conflict are not taking responsibility for their actions. Médecins sans Frontières is struggling to get the support it needs when it says that such a situation is unacceptable. People being taken to hospital in ambulances have been hit in this conflict, so it is clear that huge errors have been made in the conduct of the conflict. We could say that such hospitals are not being targeted, but what is worse is that bombs are being dropped in crowded areas, which is where the danger arises for many of the people living there. Cluster bombs, which are illegal, are being used in the conflict, as we can see from the pictures that appear on Twitter and other media sources. Who would bomb a hospital? It is completely wrong, and it is completely against all the rules of warfare. We should challenge that on every possible occasion.

If we have troops embedded with the Saudis, they should be making that clear and not allowing such attacks to happen. The Saudis are getting their bombs from us, so we could stop this happening. We could suspend arms sales to Saudi Arabia today, and we could be an honest broker in bringing peace to the people of Yemen. I ask the Government to act, and to act now.

4.9 pm

**Wendy Morton (Aldridge-Brownhills) (Con):** I thank colleagues in the Chamber for securing this important debate. As has been said, the conflict in Yemen has been described as the forgotten war. In recent weeks and months the conflict has escalated significantly and has begun to attract international attention.

In the time available, I shall focus on the humanitarian situation. It is a privilege to be a member of the International Development Committee. It is estimated that some 21 million people in Yemen—more than 80% of the population—are in need of life-saving assistance and protection. Recently at the IDC we heard evidence from a number of NGOs—Oxfam, Save the Children, UNICEF and the Yemeni diaspora. We heard about the difficulties in getting humanitarian aid into the country and into the areas where it is most needed. We heard that in Taiz people need food, water and medical supplies. They even need oxygen. Many civilians have been displaced and are forced to live on the edge of the city.

In these circumstances it is the children who are among the most vulnerable. It is estimated that more than 9 million children are in urgent need of humanitarian assistance. There are reports of grave violations against children and of schools being attacked or destroyed. The indirect consequences of conflict such as children falling ill who would not otherwise have fallen ill, are often worse than the conflict itself. It is vital that the UK continues to play its part in the humanitarian aid effort. I am always grateful to my hon. Friend the Minister and his colleagues from DFID for taking the time to come to the Chamber, answer questions and update us on the dreadful situation in Yemen.

DFID has doubled its aid and recently the Secretary of State announced a further £10 million of aid. We must recognise the very difficult conditions in which DFID and FCO staff are working. One of the biggest challenges is getting that humanitarian aid to where it is most needed. It is therefore vital that the international community does all it can to secure safe humanitarian corridors so that aid relief can pass through unimpeded. Those who work tirelessly on the ground in those difficult circumstances have to manage and mitigate the risks on a day-to-day basis.

I shall touch briefly on defence and defence co-operation. Politically, the UK supports the Saudi-led coalition's intervention. It is important that we remember that that came at the request of the legitimate President, President Hadi, to deter aggression by the Houthis and the forces loyal to the former President, and to allow the return of the legitimate Yemeni Government. Nevertheless, it is worrying to hear of airstrikes on civilian targets. With all that is going on in Yemen, I urge the Government to continue to monitor the situation closely and to take seriously the allegations of violations of international humanitarian law.

With conflict in the wider middle east region—Syria, Iraq—and Daesh continuing to make the headlines, it is easy to see why Yemen's has been described as the forgotten war. Let us hope that after today we can play a part in changing that. The situation in Yemen is different from that in Syria, but that does not make it less important. I urge the Government to continue to do all they can to secure a comprehensive and peaceful solution for Yemen, as that is the only way to bring about the long-term stability that the country, the wider region and the world want.

4.14 pm

**Dr Lisa Cameron** (East Kilbride, Strathaven and Lesmahagow) (SNP): I congratulate my hon. Friend the Member for East Renfrewshire (Kirsten Oswald) on bringing about this important debate, particularly at this time. Given the time pressures, I shall focus on the humanitarian situation in Yemen.

Recent figures reported by the United Nations indicate that the conflict claimed 2,795 civilian lives in 2015, and that there have been thousands more casualties. Nearly 1.5 million people have been displaced by the conflict, and many thousands may die from malnutrition and the impact of the humanitarian crisis.

Even before the conflict, Yemen was the poorest country in the Arab world. Poor governance, poor human development indicators and rapid population growth meant that millions of people were suffering greatly and already experiencing poverty and hunger. The country is now experiencing a significant humanitarian crisis. It is reported that more than 80% of the population is in need of humanitarian aid. That equates to approximately 21.1 million people, including nearly 10 million children.

In Yemen, it is the civilians who are bearing the brunt of the conflict. Many public facilities have been damaged or destroyed and people have lost access to essential services, including clean water, sanitation, energy and medical services. It is reported that nearly 600 health facilities have closed, and, as we have heard, hospitals have been hit. Food prices have soared, creating a desperate situation for millions of people, including particularly vulnerable groups of children. Of the 10 million affected children, nearly 8 million do not have enough to eat on a daily basis. UNICEF estimates that 537,000 children, or one in eight under-fives, are at risk of severe acute malnutrition.

Many children have been forced out of school by the conflict. Although differing figures are quoted, it appears that the number of children who need access to education may be between 2.9 million and 3.4 million. Furthermore, with medical centres being shut down and supplies diminishing, children are at risk of dying from treatable diseases. That is in addition to the risk of death or injury in the conflict itself. Save the Children has reported that since the start of the conflict, at least seven children have been killed or injured every day.

On human rights issues, it has been highlighted that there has been a significant recent increase in the recruitment and use of children in conflict in Yemen. I have spoken in previous debates about the impact of using children in combat. The effects are often felt long after the physical scars have healed. It psychologically damages them for life. In addition, it has been highlighted that children, particularly refugee children, are falling victim to human traffickers and are at risk of trauma, such as physical and sexual violence.

As we have heard, Yemen relies on imports for the majority of its food and fuel supplies. The blockade has had a significant impact on the quantity of vital supplies that are able to enter the country. The unpredictable and dangerous situations that agency staff on the ground have to work in have severely impeded their ability to distribute crucial humanitarian supplies around the country to affected populations. I pay tribute to the work of aid agencies in the area. Substantial obstacles continue to impede the passage of essential goods into and around Yemen. Much more needs to be done to create a humanitarian corridor.

I want to focus on the need to place increased diplomatic pressure on all parties in the conflict to support UN efforts to find a political solution. We must pressure those who are involved to comply with their obligations under international humanitarian law, to take all possible measures to protect civilians and to ensure that humanitarian agencies are given a safe space in which to operate. The UN declared Yemen a level 3 crisis on 1 July—a category reserved for the most severe and large-scale humanitarian crises. We need to put pressure on all those involved to ensure that humanitarian aid reaches vulnerable people, such as women, children, the disabled and those in need of medical aid and oxygen, as well as the general population. I beseech the Minister to do everything possible to increase the pressure for a ceasefire, an independent inquiry and a political solution, and to ensure that the ordinary civilians in Yemen who are affected, many of them helpless children, are protected and supported.

4.19 pm

**Mrs Flick Drummond** (Portsmouth South) (Con): I thank the hon. Member for East Renfrewshire (Kirsten Oswald) and the Backbench Business Committee for initiating this debate.

It is a pleasure to take part in this debate following our earlier discussions in Westminster Hall. As the right hon. Member for Leicester East (Keith Vaz) said, I was born in Aden, and I have always taken a close interest in the affairs of the middle east. It is regrettable that the crisis in Yemen has been carrying on in different ways and far from the attention of the rest of the world, and even since our last debate, the situation has deteriorated and the civil war in the country has carried on into yet another year. I am hopeful that through diplomatic means the conflict can be resolved, but that depends on the willingness of external powers to make that happen, just as much as it does on the willingness of the two sides in Yemen.

This current civil war is the latest in a series of conflicts that reach back centuries and are one strand of the wider conflict between Sunni and Shi'a in the Muslim world. Whatever our aims to restore peace, we must understand that there is a problem at the heart of that issue, which very few settlements in the middle east have managed to resolve. Any settlement in Yemen is likely to require the engagement and attention of the outside world for a long time.

Whatever we say about our involvement as an arms exporter to the region, it is clear that we have an historical and moral role in the affairs of that part of the world. Almost since 1945, the situation in Yemen has been one of civil war of some sort. The coalition includes Saudi

[Mrs Flick Drummond]

Arabia and the Gulf countries—those countries are our friends; we have influence with them, and we must work with them closely to stop this humanitarian catastrophe.

Throughout this period, Yemen has been one of the poorest areas of the world. Save the Children has been working in Yemen since 1963, and it is a damning comment on the lack of political progress and commitment to solve the conflicts there that it is probably helping the grandchildren and great-grandchildren of families that it worked with more than 50 years ago. The humanitarian position is one of deep crisis, and I am reassured that it fully engages the attention of the Government through DFID, and that that engagement is respected by non-governmental organisations working in Yemen. We are a leading donor, along with the US and the UAE, and I welcome the Secretary of State's recent announcement of an additional support package.

**Kevin Foster:** Does my hon. Friend agree that the humanitarian disaster presents the biggest risk of the situation spilling over into neighbouring states as people try to escape?

**Mrs Drummond:** Absolutely, and there is also the fear of al-Qaeda and Daesh getting into a country that is failing.

However desperate the crisis is in Syria, that country benefited from a degree of infrastructure, education, and general health of population that was miles ahead of the Yemeni equivalents. The poor of Yemen have no resources of any kind to fall back on except for external aid, yet there has been a blockade of Yemen across all routes by the coalition engaged in the war. The impact of that on a country that depended on imports for 90% of its food has been significant, despite the best efforts of relief organisations.

**Edward Argar:** Does my hon. Friend agree that the impact of the blockade on the fuel supplies on which Yemen depends for its water and energy needs is a huge problem for that country?

**Mrs Drummond:** I thank my hon. Friend because he has just saved me from reading out quite a lot of my speech. I totally agree with him, and I can now move on quickly to the next bit.

The role of the Saudi-led coalition has come under scrutiny because of the alleged human rights violations during their involvement. Those allegations are balanced by equal concerns about the attempts of the Houthis to overthrow a legitimate Government by force. The coalition is in a position of moral authority to call a ceasefire. The Government are securing Aden against al-Qaeda, and are moving towards Sana'a and the Houthis. I am concerned at reports of large casualties already as the push to Sana'a gets under way, with news outlets talking of "dozens" of deaths last night alone. Saudi forces have entered north Yemen for the first time, and I hope that we can get an assurance from the Saudis that their presence on the ground is temporary, and operates under clear rules of engagement.

The role of Iran in this conflict also needs to be addressed. The west has engaged with Iran in the hope that the Iranians will contribute towards pacifying the middle eastern situation, but we have yet to see evidence

that they are willing to do so. There are already widespread concerns about human rights breaches, which the Government so far seem to believe are confined to the rebel side. Evidence on the ground suggests that the air campaign has been carried out with little regard for target verification by some coalition pilots. Our allies may well assure us that they do not mean to harm civilian targets, but it is fair to question whether they have operational control over sorties, and the discipline that we expect from our own forces. We are in danger of being found in breach of international law unless the coalitions control its forces.

I hope we will also learn about how breaches of international law by all sides will be independently investigated. We have heard assurances from several Ministers that the Government support investigations, but we have not yet heard any details of how we will support them in practice. In the discussion following the urgent question on 28 January, the Minister indicated that discussions with the Saudis about human rights concerns would take place this week at the Syria donor conference. I hope that those discussions will take place, and given that the Iranian Foreign Minister is also in London, I hope that discussions with him can take place as well. I hope the Minister will update the House on those discussions once they have taken place.

I want to add to hon. Members' comments on the help of NGOs and others with the humanitarian crisis. I did have a longer speech and have had to take the part relating to this out, but that is not to say it is not incredibly important. I am very pleased that DFID has long had an operational plan for channelling aid to Yemen. I am confident that further stepping up our commitment will be efficient and effective. I am sure other hon. Members will support calls from NGOs and charities for our continued and increased involvement. I agree with them.

Finally, I hope the Syria conference this week will provide the opportunity for meaningful talks. The only way we will ever get a settlement in Yemen is by talking, not fighting. I hope that, with our long history with Yemen, we can be a major contributor to the peace process.

**Several hon. Members rose—**

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Order. I have to bring the time limit down to four minutes. I call Mike Wood.

4.25 pm

**Mike Wood (Dudley South) (Con):** With the humanitarian situation deteriorating, we must ensure that all sides in the conflict are clear about the urgent need for a political solution. Yemen has descended into widespread armed conflict since March and is classified by the UN as a level 3 emergency. Despite that, this in some ways remains a neglected crisis. Government institutions are no longer able to deliver basic services to people in need, including basic healthcare and nutrition services, water and electricity. According to Amnesty International, four out of five Yemenis today rely on humanitarian assistance to survive. There is no access to essential services and food prices have soared, creating a desperate situation for millions of people.

According to the UN Office for the Co-ordination of Humanitarian Affairs, women and girls in Yemen face entrenched gender inequalities that limit their access to

basic services and livelihoods. The conflict has exacerbated the impact of those inequalities. By October 2015, an estimated 52% of internally displaced persons were female and 22% were girls. Displaced women often bear the burden of supporting their families despite challenges in accessing assistance, especially outside their communities. These challenges are even more acute for female-headed households, which assessments have found comprise over 30% of the displaced households in some areas: conflict and displacement; increased gender-based violence, especially sexual violence; domestic violence; early marriage; and trading sex to meet basic survival needs. Despite uneven reporting, recorded instances of gender-based violence show a clear upward trend since March. Overall, women are also more acutely affected by a decline in living conditions and service availability. Even before the recent conflict escalation, Yemen had the second-worst malnutrition and stunting levels globally, with half of all children malnourished and one in 10 dying before the age of five.

The United Kingdom cannot stand idly by. This is why it is not only morally right but essential that the UK has more than doubled its humanitarian funding to Yemen in the past year, with new funding announced last week bringing the annual total to £85 million. The new £10 million emergency support package announced by the International Development Secretary will provide much needed help for people affected by a conflict that has disrupted the delivery of essential food, fuel and medical supplies to those most in need, putting millions of lives at risk. This new aid, which will go to UN and NGO delivery partners on the ground, will include critical medical supplies and rehabilitation of health centres to improve the health of children in particular, with 320,000 children suffering severe malnutrition. It will include emergency food assistance and the protection of livestock to help people who are facing critical food shortages. Thermal blankets will keep displaced families warm during winter as 2.5 million people have been displaced by fighting. The aid also includes treatment for potentially fatal diseases, such as diarrhoea, cholera and malaria.

The UK can be proud of its humanitarian effort, but there is more to be done. I welcome the unity displayed today and the clear commitment from the Minister to ensure that further assistance is provided.

4.29 pm

**Tom Tugendhat** (Tonbridge and Malling) (Con): I am grateful for the opportunity to speak in this important debate, which I thank the hon. Member for East Renfrewshire (Kirsten Oswald) for organising, because Yemen is an important country to many of us.

Yemen is important to me personally because I studied my Arabic there some 20 years ago. Though I was not born in Khormaksar, as some of my hon. Friends were, and though I did not grow up overlooking Crater lake, as so many did, the country has marked itself on me. It has done so because it is a country of such wonderful contrasts. It is a very rich, green and beautiful land. It grows some of the world's finest coffee, as well as khat, which, although banned in this country, is very popular in certain parts of the world. It is extraordinary in its richness. It is the place where the Arabic language was formalised and the domestication of the camel happened and therefore the place from which the colonisation of the deserts of Arabia and the rest of al-Jazeera al-Arabiya began.

Yemen is, then, at the heart of Arabia, and that is one reason why the conflict matters so much. For the Saudis, it is not some minor adjunct to their territory or some neighbouring state that they can ignore. It is a country with which they have such close relationships of blood and history that they cannot cut it off. Many tribes that now live happily in Saudi Arabia have cousins and links across the border. I remember as a soldier watching as convoys of donkeys crossed the Saudi border—forgive me, Mr Deputy Speaker, for taking a slight diversion. They would load up donkeys with hay and take them on the route five or six times, and when the donkeys knew where they were going, they would remove the hay, take away the donkey driver and load them up with heroin, and the donkeys would follow the same route. And so these self-propelled donkey caravans of drugs would come straight out of Yemen.

The Saudis have a real and personal interest in Yemen, and we should recognise, therefore, that they are defending their own interests. I will not argue, however, that they are doing so in the most humane way; they are not. They are behaving in ways that frankly call into question the training they have received from some of the finest pilots and servicemen in the world. I would urge them, therefore, to remember the lessons and doctrines they learned at Shrivenham and Cranwell and to remember that civilians are not a target.

This is an extremely important moment for Saudi Arabia. It is just beginning again to assert its presence in the region, as it has the right to do, being an important country. It is also right to do so given the expansion of the Iranian empire into traditionally Arab areas, such as Iraq, the eastern seaboard of Saudi Arabia and Bahrain, where the Iranian influence is growing. The Iranian encirclement of Saudi Arabia is certainly a threat. I welcome the fact, therefore, that the Saudis are reacting and that Britain is playing her role, as a good ally, in supporting her, but I urge them to think hard about how it conducts this campaign.

The campaign, in the heart of Arabia, is being played out perhaps not in our broadsheets, but in the broadsheets of the cafés of Cairo, Algiers and Baghdad. People are watching the leadership of Riyadh and its conduct, and they are thinking, “Are these the allies we want? Is this the example for Arabia and the post-Arab spring generation?” I ask the Saudi Government to think hard about the human rights and lives of the people they are affecting, not just in Yemen, but around the Arab world.

**Mr Deputy Speaker (Mr Lindsay Hoyle):** I suggest that the Front Benchers take eight minutes each.

4.33 pm

**Patrick Grady** (Glasgow North) (SNP): I congratulate my hon. Friend the Member for East Renfrewshire (Kirsten Oswald) and others on securing this debate and the Backbench Business Committee on allowing us the time. It has been an important and timely debate, and we have heard some powerful and personal speeches, not least from the hon. Members for Tonbridge and Malling (Tom Tugendhat) and for Charnwood (Edward Argar), the right hon. Member for Leicester East (Keith Vaz) and the hon. Member for Portsmouth South (Mrs Drummond). We have also heard useful contributions from the members of the International Development Committee, whose recent report and letter I strongly endorse. I look forward to hearing the Minister's response to it.

[Patrick Grady]

This is not the first time that Yemen has been discussed on the Floor of the House recently. On 20 January, my right hon. Friend the Member for Moray (Angus Robertson) asked the Prime Minister to explain why the use of UK built planes, with pilots who are trained by instructors from the UK, dropping bombs made in the UK and co-ordinated by the Saudis in the presence of UK military advisers does not add up to UK complicity in this conflict and potentially, therefore, in the war crimes allegedly being perpetrated. That is perhaps the single most important question arising from today's debate. Others have expressed it in different ways, but I look forward to hearing the Minister's answer. This also speaks to bigger issues that I shall explore briefly such as the humanitarian situation, the need for a peace process and the broader question of the use of weapons and the UK's human rights record.

We have heard in moving detail about the humanitarian situation. Yemen has the highest number of people in humanitarian need of any country in the world right now, and the impact on children is particularly worrying. The right hon. Member for Leicester East spoke about the lifelong and generational consequences of denying children their education. Much of the humanitarian situation could be preventable, or at least be capable of being mitigated, even in the face of the conflict, because the threats of food insecurity and the challenges to infrastructure are a result of coalition restrictions on shipping and the damage that has been done to infrastructure, severely limiting the ability of commercial deliveries such as food and medicines, stopping them getting through.

My hon. Friend the Member for Glasgow Central (Alison Thewliss) made the point that the Foreign Office advises against travel to the country, which starkly illustrates the humanitarian situation, yet the Home Office is trying to deport people back to it. It would be good to hear a response from the Minister on that. It is important to have a sustained return to pre-conflict levels of commercial supplies and humanitarian aid, and the establishment of a UN mechanism to simplify and streamline that. It would be helpful to hear how the Government are supporting that at the UN. Allowing a humanitarian response is, of course, the first step to a peace process.

We heard from the hon. Member for Charnwood that peace must come from within the country. That is correct, but it needs to be supported by an international process. The right hon. Member for Leicester East was right to say that the bombing has to stop. Now is the time for a ceasefire—first to allow humanitarian access and then to provide time and space for negotiations. The hon. Member for Torbay (Kevin Foster) was right to point to the geographical and geopolitical significance of Yemen and the real risk of violence spreading elsewhere.

Peace across the middle east is a complex and inter-related process. If we are going to build peace in Syria or anywhere else, we must have peace in Yemen, and the UK Government should not undermine their position and their credibility as peacemakers across the region by their links to this conflict. As I have said, that is one of the crucial issues. A major characteristic of the conflict has been the use of explosive weapons, especially

in populated areas, intensive aerial bombardments and ground attacks, destroying not only military but civilian targets—and there is real concern that that is deliberate.

Yesterday, my hon. Friends the Members for Glasgow Central and for East Renfrewshire met Yemeni human rights campaigners who told us of destruction and showed us horrific images of civilian death and destruction in the country. They rightly say that this is no way to restore the legitimacy of any Government, let alone by a foreign power such as Saudi Arabia. That reflects the findings of the UN report.

There is a bigger and more serious concern about the influence of the United Kingdom. Serious allegations have been made in a comprehensive legal opinion commissioned by Amnesty International, Saferworld, Professor Philippe Sands, QC and others in Matrix chambers, which concluded on the basis of the information available that the UK Government are acting in breach of their obligations arising under the UK consolidated criteria on arms exports, the EU common position on arms exports and the arms trade treaty by continuing to authorise the transfer of weapons and related items to Saudi Arabia within the scope of those instruments.

Several times the Minister has asked to see the evidence and asks us to give him the evidence and information on which to launch an inquiry. If this legal opinion by some of the most respected human rights lawyers in the United Kingdom is not the basis on which the Government can act, what is? As we have heard, the Government of Belgium have suspended its arms trade, and why the UK Government cannot follow suit has yet to be made clear. As has been expressed, we hope that this will be high up on the agenda of the Committees on Arms Export Controls when it meets next week.

I want to leave time for Front Benchers, especially the Minister, to respond to the debate. This has been described as a forgotten conflict. I hope that today's debate has helped to change that and that the Yemen conflict will not be forgotten. Serious questions are being asked of the Government about their humanitarian response, their role in the peace process and, above all, their possible complicity in military action by Saudi Arabia and thereby their connection to alleged war crimes. The Government now have a chance to respond to all those issues. They should heed the questions asked by Members and by many of our constituents. Let us hear some answers and see some action.

4.39 pm

**Fabian Hamilton** (Leeds North East) (Lab): Some of what the hon. Member for Glasgow North (Patrick Grady) said slightly cut across some of the things that I was going to say, but I shall say them none the less.

Let me begin by thanking the hon. Member for East Renfrewshire (Kirsten Oswald) for securing the debate. We have heard some passionate arguments and some important facts and statistics, but, above all, we have heard that this conflict will continue to have profound effects, not just on the region but on the rest of the world, unless peace can be secured. That is not to ignore the terrible desperation and the terrible death and destruction of the people of that country, including so many children.

As for the Labour party's position on the conflict, we recognise the legitimacy of President Hadi and the coalition. In particular, we note that the coalition's action is backed by a United Nations resolution, and that Saudi Arabia has been attacked by Houthi rebels from northern Yemen. However, it is clear to us that both sides should be doing considerably more to reduce the humanitarian cost. Ultimately, as many Members have said this afternoon, peace talks are the only way to bring about an end to the conflict, and a negotiated settlement must be the priority for everyone.

In her opening remarks, the hon. Member for East Renfrewshire said that Yemen was being bombed back into the dark ages. She also quoted the Red Cross as saying that this was a forgotten conflict, a phrase that many other Members repeated. My right hon. Friend—my good friend—the Member for Leicester East (Keith Vaz) observed that the conflict was having an effect in the United Kingdom. He should know, because, as Chair of the Home Affairs Committee, he will have seen much evidence that that is the case.

**Keith Vaz:** I warmly congratulate my hon. Friend on his promotion to the Front Bench. I was very moved by the case that was raised by the hon. Member for Glasgow Central (Alison Thewliss). Bearing in mind what she said, does my hon. Friend agree that we should think very carefully about sending people back to Yemen when they have committed no criminal offences, but are here legitimately, and would be returning to a country in great conflict? Does he agree that the Home Office should look at that policy again?

**Fabian Hamilton:** If I had had a little more time, I would have responded to the main point that was made by the hon. Member for Glasgow Central (Alison Thewliss), who wondered how we could even consider sending vulnerable people who have been here—in the case of her constituent for more than six years—back to a conflict zone that we will not allow our own citizens to go anywhere near. That seems to me to be totally inhumane. I know that it is not strictly the Minister's responsibility, but I hope that he will at least shed some light on whether the Government will reconsider the position of those vulnerable refugees and asylum seekers from Yemen, as well as that of the Syrians whom we are already taking in. I thank my right hon. Friend for making that important point.

Many Members have referred to the humanitarian crisis, and that is the issue that really upsets and depresses so many of us when we hear statistic after statistic about the effect of conflict and war on our fellow human beings. As would be expected, the Opposition are deeply concerned about it. A number of Members cited statistics showing that 14 million people currently rely on food aid, and that more than 2.3 million—four times the number of people who were displaced at the beginning of 2015—have fled their homes in Yemen in search of safety. Peter Maurer, the president of the International Committee of the Red Cross—whom I was privileged to meet, along with Members who are present today, when I was a member of the International Development Committee, as I was until last month—has said that the situation in Yemen is

“nothing short of catastrophic.”

That sentiment was echoed by my right hon. Friend the Member for Leicester East when he spoke about the humanitarian effects of the conflict.

The hon. Member for Charnwood (Edward Argar) praised DFID's efforts in Yemen but said that we needed a coalition of aid givers to ensure that sufficient aid was received. However, as the hon. Member for Congleton (Fiona Bruce) pointed out, aid cannot resolve the problem. The economy has to be rebuilt and that can happen only if there is peace. That peace agreement has to be negotiated.

My right hon. Friend the Member for Leicester East said in his passionate contribution that Yemen was a catastrophe, with 21 million people in need of aid. The hon. Member for East Worthing and Shoreham (Tim Loughton), who is no longer in his place, emphasised the effect that the conflict is having on children, as did many other hon. Members. The children in Yemen are in a worse position than the children in Syria at the moment. To echo something that my right hon. Friend said, Yemen is bleeding to death.

The Chair of the International Development Committee, my hon. Friend the Member for Liverpool, West Derby (Stephen Twigg), pointed out that terrible atrocities were being committed by both sides. He said that evidence had been given to the Committee that DFID's humanitarian effort was being undermined. He also told the House that hugely respected non-governmental organisations such as Human Rights Watch and Amnesty International had provided overwhelming evidence of human rights abuses.

Let me turn now to the role of Saudi Arabia. I want to mention cluster munitions, because widespread reports from NGOs state that such munitions have been used in this terrible conflict. The response to a written parliamentary question from the shadow Foreign Secretary, my right hon. Friend the Member for Leeds Central (Hilary Benn), suggests that the Government might be conceding that that is true. The reply from the Foreign Secretary stated:

“We are aware of reports of the alleged abuse of cluster munitions by the coalition in Yemen and we have raised this with the Saudi Arabian authorities. The UK does not supply cluster munitions to any members of the coalition in Yemen. In line with our obligations under the Convention on Cluster Munitions we will continue to encourage Saudi Arabia, as a non-party to the Convention, to accede to it.”

I hope that the Minister will give us further information on that terrible situation.

The SNP spokesperson, the hon. Member for Glasgow North quoted Philippe Sands, and I should like to quote something equally relevant from his important opinion given on 11 December 2015. Philippe Sands is not only a professor of law but a Queen's Counsel. In his concluding paragraph he said this of the UK's trade in weapons with Saudi Arabia:

“In the current circumstances we can be clear in concluding what the UK is required to do to bring itself into full compliance with its legal obligations: it should halt with immediate effect all authorisations and transfers of relevant weapons and items to Saudi Arabia”—

**Andy Slaughter** (Hammersmith) (Lab): I have been struck by the recent words of the international president of Médecins sans Frontières, Joanne Liu, who said:

“Is this the new normal: an MSF hospital bombed every month?”

We do not know that these are British munitions, but we do not know that they are not. Until we know the answer, should we not be stopping these arms sales completely?

**Fabian Hamilton:** Clearly there is a strong case to stop the arms sales immediately. I am pleased that the Chair of the International Development Committee and the Chairs of the Business, Innovation and Skills Committee, the Defence Committee and the Foreign Affairs Committee have now re-formed the Committees on Arms Export Controls, which we used to call CAEC. I served on it during three Parliaments, so I know how it works, and I believe that it could examine carefully how British munitions and arms are being used by Saudi Arabia. In the meantime, I believe that the sales should be stopped.

I shall give the House the complete quotation from Philippe Sands:

“In the current circumstances we can be clear in concluding what the UK is required to do to bring itself into full compliance with its legal obligations: it should halt with immediate effect all authorisations and transfers of relevant weapons and items to Saudi Arabia, pending proper and credible enquiries into the allegations of serious violations...that have arisen and that could arise in the future, as addressed in this opinion and the sources here referred to.”

In other words, those sales should stop immediately.

I wish to conclude by making two more points. First, I have three key questions that I would like to put to the Minister. As we have heard, there have long been serious and credible allegations of war crimes against both sides. Now that these reports have been corroborated by a UN report, the Opposition have called for the suspension of arms sales to Saudi Arabia while that is being investigated. As we have heard, that has been backed by the Select Committee on International Development. Last week, the Minister said he was yet to read and study the UN report. He has now had the time to do that, so what does he make of it? Last week he promised to raise the report with the Saudis at the “highest level” this week, either at the counter-Daesh meeting or at the Syrian donors’ conference, which is taking place today. Has he had the chance to do so? Thirdly, the Government have consistently said that the reports must be investigated. What would he consider to be an adequate investigation?

Finally, we have heard some remarkable speeches today, not just from my hon. Friend the Member for Liverpool, West Derby and the hon. Members for Congleton, for East Kilbride, Strathaven and Lesmahagow (Dr Cameron), and for Aldridge-Brownhills (Wendy Morton), all of whom I had the privilege of serving with on the International Development Committee until last month, but the hon. Members for Charnwood, for Torbay (Kevin Foster), for Glasgow Central for Tonbridge and Malling (Tom Tugendhat) and, of course the Yemenis in this House—those who were born in Yemen—the hon. Member for Portsmouth South (Mrs Drummond) and my right hon. Friend the Member for Leicester East. I hope that the Government can take the hints, listen to what has been said this afternoon and play a vital role in securing peace for the people of Yemen and the rest of the world.

4.51 pm

**The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr Tobias Ellwood):** I have just under six minutes to answer this too short debate, and I cannot do justice to the quality and the detail of the questions and concerns that have been raised. As I have done in previous debates, I assure hon. Members

that I will write to them to give them my best answer. This debate, short though it is—I join others in saying that we should have longer debates—has shown that there is interest, concern and expertise in this House.

I pay tribute to the hon. Member for East Renfrewshire (Kirsten Oswald) for securing this important debate. As many hon. Members did, she started by talking about the humanitarian devastation in Yemen and said this was the forgotten war. I had the opportunity at the current conference on Syria to speak to the UN Secretary-General, Ban Ki-moon. I said, “Look at the support that Martin Kobler is given in Libya and that Staffan de Mistura is given in dealing with the Geneva talks, and compare that with the support given to Ismail Ahmed, the UN special envoy for Yemen. They are not on the same scale.” There is an acknowledgement that more needs to be done by the international community because of the scale of the humanitarian catastrophe taking place there.

The hon. Lady also mentioned concerns about oil and other assets needed to keep people alive getting into the country, as did others. She said that the UK is looking the other way, but, as we have heard in passionate speeches from Members on both sides of the House, Britain certainly is not looking the other way. We are one of the largest donors and supporters of the country. We are working to support the UN envoy and we are working towards a political solution. She touched on the 119 incidents mentioned by the UN report, and I intervened on her to qualify my own comments. The Opposition spokesman, whom I welcome to his place, asked me about that. I did raise the issue with the Saudi representatives at the Syria conference, and I also spoke to President Hadi on the phone today, raising the concerns about what is happening in Yemen. I also had the opportunity to speak to the UN envoy to raise the concerns about the scale and profile of what is happening. I am sorry that there has been a delay in the talks following the ceasefire that took place in December, and we are working hard to establish what needs to come first, before the ceasefire. I am referring to the confidence-building measures, which are the prelude to then making sure that the ceasefire can last.

My hon. Friend the Member for Charnwood (Edward Argar) gave a passionate speech, again calling this the forgotten war and talking about Yemen being a complex and ancient land. He also commended the role DFID is playing and our contributions there, and I concur with him on that.

The right hon. Member for Leicester East (Keith Vaz) articulated his own experience of Yemen. Indeed, there are others in the House who have lived in or who were born in that country as well. I am grateful to the right hon. Gentleman for his kind words of support. He touched on the wider concerns of extremism in the Arab peninsula, not least with al-Qaeda, which was responsible for a number of attacks on the mainland, and he made an important link between what is happening in the region and the security that we have in our own country as well, and that should not be forgotten.

The day before yesterday, I met the culture Minister of Oman and raised some of those concerns with him. It was a private meeting, but it was very helpful to have such a frank conversation.

My hon. Friend the Member for Torbay (Kevin Foster) stepped back and looked at the wider regional picture. He reminded the House that, from a maritime perspective,



Yemen is one of the seven global pinch points in the world. He also talked about the threat from other extremist organisations, such as Daesh, which recently killed the governor of Aden. Indeed, al-Qaeda runs the town of Mukalla, which is a port on the southern coast. He also mentioned the effect of change by asking what would happen if the Administration in Saudi Arabia were changed. It is a liberal wing that is running that very conservative country. Of course we want change and modernisation, but it must be done at a workable pace.

Let me turn now to my friend, the hon. Member for Liverpool, West Derby (Stephen Twigg), whom I have known for a couple of decades—we used to represent different student unions at university. It was a pleasure to stand in front of the International Development Committee, of which he is Chairman. I offer on record to meet him in private to talk about some of the detail, as I appreciate that he and his Committee members were a little frustrated in my not being able to answer all their questions. He talked about the city of Taiz. Sadly, President Hadi has confirmed that the city has again been cut off and that humanitarian aid cannot get in. The hon. Gentleman again raised the matter of the report of the UN expert panel. I can confirm that we are looking into its findings, but there is a UN process as well, which was pre-empted when the report was leaked. None the less, there is a process, and we will be following it and looking at the findings.

The hon. Gentleman talked about the formation of the Committees on Arms Export Control. It is absolutely fantastic. Why has it taken so long? It is an important aspect from a legislative perspective of holding the Executive to account. I am pleased to see that it is to be reformed. He also touched on the Human Rights Council resolution in October. There is a consensus there, and he will be aware of that. As much as any individual would want to push forward a particular line, we have to leave the room with what will actually work, and it was decided that the resolution would work. I should make it clear that the council then determined that it would provide assistance to Yemen's national independent

commission of inquiry, which will look into the details. It will then report back to the Human Rights Council. If it is felt that the inquiry is not independent enough, then that is the vehicle that can be used for that to be recognised, rather than having a general call for an independent inquiry.

Time is against me. I have so many other comments to make and answers to provide. As I have said, I will write to Members with my response to this debate. I can say that this Government take what is happening in Yemen very seriously. I personally have devoted an awful lot of time trying to remain at the forefront so that I have some influence. I recognise the concern that this House has over the human rights issues, and I will take them away with me. I am grateful that we have had this opportunity to debate these matters. I certainly hope that, the next time we do so, we are not limited to a 90-minute debate.

4.59 pm

**Kirsten Oswald:** I thank everyone who has taken the time to come here and speak today. It is very heartening to see such a high turnout on a Thursday afternoon, which reflects, I think, the importance of the subject. There have been some very impassioned speeches, some of which reflected a great knowledge of Yemen. However, we are talking about a forgotten war, and I hope that our debate has had a positive impact in that regard.

I reiterate my calls for the UK Government to consider very carefully our position in relation to the arms that we sell and the training that we offer to Saudi Arabia. Humanitarian aid, access, and the need for a consistent and coherent peace process are key to providing the stability that Yemen and that whole area of the world need in order for it to move forward for the benefit of the people of Yemen and for the wider benefit of the global community.

*Question put and agreed to.*

*Resolved,*

That this House has considered the conflict in Yemen.

## Delay Repay Scheme: Rail Commuters

*Motion made, and Question proposed,* That this House do now adjourn.—(*Kris Hopkins.*)

5 pm

**Tom Brake** (Carshalton and Wallington) (LD): I thank the Rail Minister for being here to respond to this debate. I am going to speak about many painful personal experiences of delays on the trains; the Minister can share some of those with us as well, as I am sure that she has also had experiences of train delays. Like her, no doubt, I have received a huge quantity of emails, letters, Facebook messages and tweets from various constituents unsatisfied or very unhappy with the services currently provided by Southern and Thameslink, the two major train operating companies that run in my area.

The companies are providing a completely unacceptable standard of service. As the Rail Minister knows, they are consistently among the three lowest-scoring train operating companies in the national rail passenger survey carried out by the watchdog Transport Focus; it covers issues such as overall satisfaction, value for money, punctuality and reliability.

Delays and cancellations are often announced at the last minute, and overcrowded trains and bad customer service are a daily occurrence for suburban London commuters. We now have to add to the list of excuses the wrong kind of sunlight—a novel one for me. In the past, I have heard the excuse of a pheasant having been stuck in the shoe of a train brake; that was another novel explanation for a train delay. Combine those problems that passengers face with yearly rail fare hikes, and we see that there is a lot of pressure on commuters, who have not only to pay for the shambolic service but suffer lost time and increased stress.

The passenger compensation schemes are not fair and are largely unknown to passengers, which means that the train companies are getting away with a shocking service. How bad are things? The public performance measure gives the percentage of trains that arrived at their final destination within five minutes of their scheduled arrival time. Five years ago, over a period of one month in 2010-11, more than 1,000 Thameslink trains were delayed. Move on five years and the figure is 5,000 trains. In 2010-11, more than 2,000 Southern trains were delayed in one month; five years later, the figure is more than 8,000. I accept that part of that will simply be down to the fact that train companies are running more services, but to see train performance going down rather than improving over five years is a cause for concern.

The Minister knows about the current compensation schemes. The old-fashioned passenger charter is being phased out. Most train operating companies now operate the newer Delay Repay scheme, which is included in all the new franchise contracts. The scheme works in different ways for different train operating companies, but broadly speaking the one operated by Govia is representative. Passengers delayed by 30 minutes or more are entitled to 50% compensation of the single-fare price, which goes up to 100% for delays of 60 minutes or more. Compensation usually takes the form of rail vouchers to be collected from the relevant operator's ticket office, but it can be paid out in cash if requested by the passenger—that is also not widely publicised.

What are the problems with the scheme? First, the compensation threshold is too high. For many suburban commuters the typical journey will be 30 to 45 minutes, so receiving compensation after a delay of 30 minutes, with full compensation for a delay of over 60 minutes, is an insult because that often means that the delay has to be the same length as, or longer than, the actual journey.

There is also a complete lack of standardisation. The only common element of Delay Repay schemes across the train operating companies is the 30-minute threshold for compensation—everything else differs. The circumstances in which compensation can be paid vary; some compensation schemes include the weather and planned engineering works, whereas others exclude them, so there is no clarity about what passengers will get.

The ways to claim compensation also differ from one train operating company to another, with compensation sometimes paid as vouchers and sometimes as cash. The preferred method—at least some train operating companies are moving towards this, and the sooner the better—would be for companies automatically to compensate passengers through their Oyster cards, smartcards and contactless cards or through the other electronic means that passengers use to pay for tickets.

The variety of ways in which compensation is paid, and the different schemes in operation, are clearly a source of confusion for staff as well. Which? is doing a lot of good work on this issue, and when its researchers looked into it at stations, 37% of them were given no information, or only part of the information they needed, about how long a delay needed to be before a refund was due. If even the staff in the station do not understand how or when compensation is payable, what chance do commuters have?

Compensation schemes are badly publicised, and it is hard to claim. A 2013 survey by Transport Focus, the independent watchdog, found that 88% of those eligible for compensation did not claim. A 2014 survey by the rail regulator showed that 67% of respondents knew not very much, or nothing, about their rights to compensation. A Which? survey revealed that only 36% of passengers remembered being informed of their rights after their last delay.

That points to a significant problem with train operating companies' passenger information policies. It implies an unwillingness on the part of companies to make claiming compensation as easy as possible for their customers. On many occasions I have called on companies to make sure that, for every train that is delayed, where passengers would be entitled to compensation, that should be announced on the train. Preferably, as passengers get off the train, there should be members of staff handing out leaflets so that everyone knows they are eligible and everyone is certain how they can claim. Indeed, now that there are electronic displays on trains, they could also be triggered to ensure that passengers know.

The procedures for claiming compensation vary, and passengers can use different forms. Some companies offer email claims with a photo of the ticket. Others require an original ticket to be sent in—an option that I have used.

As to the forms of compensation, rail vouchers are the standard form, but train operating companies fail to advertise the fact that cash compensation is available on request, as per condition 42(d) of the national rail conditions

of carriage. The Which? survey I referred to carried out an anonymous investigation at 102 stations, revealing that 63% of the time during the investigation people were not told they could receive compensation in an alternative form to vouchers, even after staff were prompted—perhaps to encourage them to remember that that was the case.

The fact that vouchers need to be picked up from ticket offices is another hurdle, and it means that passengers cannot necessarily get the best fares, given that online tickets booked in advance are often the cheapest.

There is currently a lack of enforcement. There is no ombudsman for rail companies, and that makes it very difficult to hold the train operating companies to account. Transport Focus, the independent watchdog, has no powers to make TOCs pay a refund. I am not alone in expressing concern about these issues. A super-complaint has been presented to the Office of Rail and Road outlining evidence of the consumer detriment in this market and inaction by train companies in making customers aware of their rights, with unnecessary complexities and barriers within the system. We expect the ORR to respond to that complaint by mid-March. I hope the Minister will say what she expects to come out of that and what action she might expect to take.

What is my proposal? Perhaps surprisingly, it will not necessarily encounter the degree of resistance, certainly from some of the train operating companies, that one might expect, as I understand that some are willing to entertain it. I propose that the delay threshold should be reduced such that commuters are entitled to compensation after 15 minutes of delay, when they would get 50% compensation, and after 30 minutes, when they would get 100% compensation. Rather than 30 and 60 minutes, the thresholds would be 15 and 30 minutes. Season ticket holders' rights to compensation would have to be adapted accordingly.

What other things need to happen? As I have said, much better publicity is needed about the existing Delay Repay scheme, even if the scheme is not improved in the way that I suggest. I recently signed up to the email notifications that Southern and Thameslink give when there is disruption on their services. I do not know whether there has been a case of a train falling foul of the current 30-minute delay threshold since I have been receiving those emails—presumably many other passengers will now be receiving them—but I hope that if that happens in future they will make it very clear that people are entitled to claim compensation and include a link and an explanation about how they can do so. As I said, we need electronic announcements on trains. We need staff at stations handing out information. We need a degree of standardisation so that commuters, many of whom use different train operating companies, understand that there is a simple, standard process that they can follow, with the same claims procedure in every case. That would also help staff, who will often move from working for one train company to another. If they do not understand how the system works at the moment, then at least if there was only one system in place, there would be a better chance of their doing so.

Given the volume of rail complaints, we need to establish an ombudsman with real teeth to impose sanctions on the train operating companies. It was suggested to me in an email—I have no clear view on this at the moment, so I would be interested to hear the Minister's view—that

we should allow nominee companies, which are now active in the field of claiming compensation for airlines, to operate in the rail market as well, to get economies of scale and help passengers with associated charges. Perhaps if that happened, more passengers would claim, but we would not want to get lots of phone calls from them saying, "Have you had a train delay? Would you please call this number?" which would be very frustrating.

What are the advantages of my proposals? First, there is no doubt that a scheme where compensation kicked in at 15 minutes and 30 minutes on any train service anywhere would put more pressure on the train companies. If they knew they were going to get financial pain from running trains late or not having enough drivers, which is the usual excuse in the Southern area, they would make sure that they had more drivers, and so on. It would put more pressure on them to improve their performance. As I said, better advertising of the scheme would ensure that far more passengers were able to take advantage of the compensation. Although that would not necessarily reduce their stress levels on delayed trains, at least it would give them a bit more money in their pockets through part-compensation for the very poor services.

I will finish where I started by asking the Minister whether she will support my call for Delay Repay to kick in at 15 and 30 minutes.

5.14 pm

**The Parliamentary Under-Secretary of State for Transport (Claire Perry):** I thank the right hon. Member for Carshalton and Wallington (Tom Brake) for securing this debate. Some people say that I seem to have drawn the short straw by having to participate in Adjournment debates on successive Thursdays, but I am always happy and keen to talk about the railways and what this Government are doing to try to improve them.

I agree with many points made by the right hon. Gentleman, including the fact that the compensation system is not working as well as it should and his comments about performance issues. Indeed, I chair a taskforce comprising the operators, Network Rail, Transport Focus and anyone who might be able to help us drive up performance in this crucial region.

May I crave your indulgence, Mr Deputy Speaker, and put on the record my personal thanks to the Network Rail team that has managed to fix the Corbridge landslip, which had completely disconnected the vital east-west line between Newcastle and Carlisle? The team has moved 35,000 tonnes of soil, the line is open and trains will run from next week. That is proof that the orange army really can deliver, and I want to make sure that that happens in the right hon. Gentleman's region as well.

It might be helpful if I set out some of the improvements that are already happening. Delay Repay is a universal, standardised offer of compensation that has been adopted by 80% of rail companies. That addresses the right hon. Gentleman's point about variability in what people are entitled to. As he has said, under Delay Repay passengers can claim 50% of a single fare for delays of 30 to 59 minutes; 100% of a single fare for delays of more than 60 minutes; and 100% of a return fare for delays of more than two hours. Ten operators use the scheme and it is being introduced nationally, along with franchising.

[*Claire Perry*]

Interestingly, the scheme is among the most generous compensation schemes for rail passengers in Europe. I know that sometimes it does not feel like that, particularly if there are persistent delays, but there are countries that do almost nothing for customers who are delayed.

**Tom Brake:** Will the Minister reflect on the fact that the compensation scheme can afford to be generous because so few passengers actually claim compensation?

**Claire Perry:** The right hon. Gentleman anticipates a very important point—on which I also agree with him—that I will come on to address.

It is not enough to rest on saying that a general scheme is in place and being rolled out. The right hon. Gentleman raised two main, vital issues. First, he asked what passengers can do if there are shorter delays. I have had a look at journey times from his constituency. The average journey time for constituents of his travelling from Wallington to London Victoria is about 38 minutes, and for those travelling from Carshalton and Mitcham Junction it is 25 to 29 minutes. Clearly, it would be a bad day if the delay lasted as long as the journey time. That is why the Chancellor made it absolutely clear in the autumn statement that we will introduce a compensation level starting at 15 minutes. I want to do that quickly. We are, of course, working through the numbers. I cannot yet say what percentages will be paid and when, but the right hon. Gentleman can have an absolute assurance that in the near future a compensation scheme will be introduced right across the Delay Repay franchises, including the Govia Thameslink Railway: the clock will start ticking, quite rightly, at 15 minutes. That is absolutely appropriate.

Improvements were made to the scheme last year. The right hon. Gentleman is right to ask what other industry pays us in travel vouchers. We need to pay people in their own currency, to demonstrate respect for the time they have lost. Three main changes were made to the GTR compensation scheme last year, to the benefit of his constituents. First, when calculating compensation, it used to be assumed that a season ticket holder travelled every single day of the year. Now, holiday entitlement has been included in that. The net result of all those calculations is that if annual season ticket holders claim compensation, they will get £3.70 per journey instead of £3.30, which is a 12% increase in the compensation level. If they experience a 60-minute delay, which would be unlikely, and, indeed, catastrophic, the compensation will be substantially more—an additional 10%.

The second change that the right hon. Gentleman rightly focused on is that the industry now pays compensation in cash, not in vouchers. He will share my disappointment that there is not widespread knowledge about that, certainly among staff. I will talk a little about my expectations of the ORR super-complaint in a moment.

The third change is, I think, the most important. People do not have time to faff about trying to claim compensation. These are busy people, trying to get to work and home to their lives and families. I am sure the right hon. Gentleman will welcome the introduction of automatic compensation. It is already happening. Certain operators offer automatic compensation if passengers

buy a ticket online, so it can be linked to a specific journey. Others, including GTR, are linking automatic compensation payments to the use of a smart card, which has been rolled out for season tickets.

C2C, which, like GTR, has benefited from the south-east flexible ticketing programme—the Government's great investment in smart ticketing in the south-east—will, from this month, provide automatic compensation of 3p per minute for every minute's delay after two minutes. If someone is sitting on that train, even if they are only delayed for five minutes, their time is worth something. That is exactly the sort of scheme that works well for constituents such as those represented by the right hon. Gentleman, who take shorter journeys and for whom those persistent minutes of delay are very annoying. That is something that we are monitoring and we would like to see it rolled out, particularly across the metro franchises.

The right hon. Gentleman raised an important point: it is completely unacceptable that all these measures are being put in place but, as Passenger Focus found, only 12% of passengers claim the compensation to which they are entitled. That is made doubly annoying by the fact that train companies receive compensation from Network Rail and from each other if delays are created—the so-called section 8 compensation payments. Money is flowing into those train companies, and it should be flowing out to all passengers who are entitled to compensation.

Southern and GTR have a “reasonable endeavours” clause in their franchise about making announcements. We are determined that they should meet that, and one of the measures I am looking at is whether to get all the train companies to publish their numbers for compensation claims so that we can see, relative to the number of passengers they are carrying, which ones are doing well. As the right hon. Gentleman says, making announcements is not rocket science. Indeed, some companies do so, particularly on their Twitter feeds, where they say: “This is a delayed train, and you are entitled to claim compensation. Here's how you do it.” By the way, rather than having people muck about with bits of paper, the claim forms now can generally be downloaded or completed online. In fact, GTR has an app that enables passengers to submit their delay claims straight from their mobiles.

The right hon. Gentleman made an interesting point about nominee companies and airlines. Such companies exist in the rail sector. I do not know whether I am supposed to say this, but companies such as Delay Repay Sniper will do all the work and take all the hassle out of the process. I want people to get the compensation that they are entitled to. I mentioned the smart card, on which GTR will offer an automatic refund by 2017. We will not stop here; we will keep pushing for better compensation.

The right hon. Gentleman made a suggestion about announcements on trains. The new fleet of class 700 trains that will start running on the franchise this year have lots of onboard information, and it is perfectly reasonable to have an electronic message that states, “You are entitled to compensation if you are on this train.” Those are all good suggestions.

The right hon. Gentleman mentioned performance. In an ideal world, compensation would be zero, because the trains would all get there on time. I am sure that we all want that. There might be an element of apples and pears in the statistics that he cited about historical cancellations, because the franchise was re-let in a very

different from two years ago. It is now the biggest in the country, with about 20% of Britain's passenger journeys, and that may have something to do with the big increase in the cancellation numbers.

I would be the first to say that the performance level is not good enough. I have pulled out the performance statistics. They show that about four out of five trains on the Southern metro service, which serves the right hon. Gentleman's lines, arrive on time according to the public performance measure, which is about 77%. I am interested in trains arriving at the right time, for which the figure is 51%, and that is substantially better than what it was last year.

The point that so many people have collectively missed is that the impact of a crowded train of 1,000 people arriving late on the British economy is very substantial in terms of the productivity of that train load of passengers. My view is that performance on that very crowded part of the rail system should be driven up and made substantially better, because the aggregate level of human misery created by delays is higher and the hit to the productivity of the British economy caused by delaying millions of people is also higher.

I have therefore challenged the entire group of people operating that part of the railway, from the head of Network Rail downwards, to drive it back on to a high-performance route by the end of 2018. By then, the London Bridge works will be substantially complete; we will have the new class 700 fleet, which will offer so much relief in terms of better trains and increased capacity; and we will largely be through the Thameslink programme, which has created disruption for so many people. We must stay focused on how we can deliver a high-performance railway at that time. However, it is not enough to wait until then. I have made it absolutely clear to the operators and Network Rail that performance needs to improve now, so that although people can claim compensation, they will not necessarily need to do so because their trains will be on time.

**Tom Brake:** Will the Minister clarify one point? She said that at some point in the future—perhaps she will speculate on when—compensation might kick in after 15 minutes. Given that only 80% of TOCs have currently signed up to Delay Repay, does she expect 100% of them to sign up to that new, enhanced system for 15-minute delays?

**Claire Perry:** The current intention is to put Delay Repay in the franchising commitments. Delay Repay may cover 80% of the TOCs, but the vast majority of passengers are covered by it.

I want to say a few words about the ORR super-complaint. It is absolutely right that something that is clearly not working for consumers is picked up by Which?—a great organisation—and I have met Which? to discuss the super-complaint. My expectation of what will come out of it is that there will be a clearer understanding of who is ultimately responsible for sanctioning companies that do not pay compensation. Companies do pay compensation: there is very little evidence that they do not pay customers who are entitled to it, but the process is tortuous and much more difficult than it should be. We absolutely expect that, through a combination of the ORR, the Department for Transport and normal consumer measures, the situation will improve. Compensation will continue to improve, and pressure will be applied to ensure it is paid to those who need it. We are absolutely committed to driving up performance on this vital part of Britain's railways.

However, I want to say a final word about the cost of rail fares, which the right hon. Gentleman rightly mentioned. In fact, a season ticket from Carshalton costs £1,676 a year, not including a travelcard. That is only £6.45 a journey, which is not necessarily a huge amount, but people need to feel that that is money well spent and that they will have a reliable journey for that amount.

By the way, that is why we have frozen rail fares at RPI plus zero for the duration of this Parliament, which is the first time that has happened in many years. While the disruption is going on, we do not want rail fares to outstrip wage inflation, as has happened for the past few years. For the first time in a decade, wages are rising quite a lot faster than rail fares.

Fundamentally, we are making a record level of investment in the railways, but unless passengers see and feel the benefits, both in the right hon. Gentleman's constituency and right across the country, that investment is not delivering. We are determined to make sure it delivers.

*Question put and agreed to.*

5.29 pm

*House adjourned.*



# House of Commons

## Riot Compensation Bill

*Consideration of Bill, not amended in the Public Bill Committee.*

*Friday 5 February 2016*

### Clause 3

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

#### REGULATIONS ABOUT CLAIMS PROCEDURE

#### PRAYERS

[MR SPEAKER *in the Chair*]

#### DEATH OF A MEMBER

**Mr Speaker:** It is with great sadness that I must report to the House the death of Harry Harpham, the hon. Member for Sheffield, Brightside and Hillsborough. Harry entered the House at the last general election, following careers as a miner, a researcher for David Blunkett, now Lord Blunkett, and a representative of the National Union of Mineworkers at Clipstone colliery. Harry was also a councillor on Sheffield City Council for 15 years, holding important cabinet responsibilities in that time, and serving as deputy leader of the council. Harry was a diligent constituency Member of Parliament, who held the Executive to account on behalf of his constituents. Most recently, on Wednesday 20 January, he asked the Prime Minister what support the Government were providing to world-class companies such as Sheffield Forgemasters.

I must tell the House that Harry informed me a few weeks ago of his circumstances. Let it be recorded that he first fought bravely his illness, and then bore it with stoicism and fortitude, continuing to battle on behalf of his constituents to the very end. Harry will be sadly missed by us all, and our thoughts are with Harry's wife, Gill, and the wider family at this very sad time.

**Mr David Nuttall** (Bury North) (Con): On a point of order, Mr Speaker. As the House knows, I come from Sheffield, which is where I was born and brought up, so I associate myself—as, I am sure, does the whole House—with your remarks. I offer my condolences to the family of Harry Harpham and to all those who knew him. It is a tragedy that he spent so little time with us in this House, and that we have been robbed of his help and advice. We will all mourn his loss today.

**Mr Speaker:** I thank the hon. Gentleman for what he has appropriately and graciously said.

**Mr Nuttall:** On a further point of order, I beg to move, That the House sit in private.

*Question put forthwith (Standing Order No. 163), and negatived.*

9.34 am

**Mike Wood** (Dudley South) (Con): I beg to move amendment 1, page 3, line 16, at end insert—

'( ) Regulations under subsection (3)(b) or (3)(d) must provide that—

- (a) the time period within which a claim may be made ends no earlier than 42 days from the date of the riot;
- (b) the time period within which details and evidence must be submitted ends no earlier than 90 days from the date the claimant first made the claim."

**Mr Speaker:** With this it will be convenient to discuss the following:

Amendment 2, in clause 8, page 5, line 23, at end insert

“, except in the circumstances described in subsection (2A).

“(2A) Where a claimant's home is rendered uninhabitable, the amount of compensation may reflect costs that the claimant incurs as a result of needing alternative accommodation.”

Amendment 3, page 5, line 26, at end insert—

'( ) considerations that decision-makers must take into account in deciding the amount of compensation payable as a result of a claimant needing alternative accommodation (and the regulations may include provision limiting the amount of time for which the costs of alternative accommodation may be claimed),”

Amendment 8, page 5, line 29, at end insert—

'(3A) Money received by the claimant from emergency or recovery funds, whether funded publicly or privately, in the aftermath of a riot must not be taken into account by the decision maker when deciding the amount of compensation to be paid.

*This amendment would ensure that money received by the claimant for the purposes of emergency relief or recovery in the immediate aftermath of a riot is not seen in the same category as compensation under the purposes of this Bill and therefore reduce the amount a claimant might receive.*

**Mike Wood:** May I convey my sympathies and add to the tributes that you paid to Harry Harpham, Mr Speaker? I know that the sympathies of all right hon. and hon. Members will be with his family and friends at this difficult time. Even from the short time in which we saw Harry in this House, it is clear what a loss he will be.

Amendment 1 is a consequence of amendments that were tabled by the right hon. Member for Tottenham (Mr Lammy) but not voted on in Committee, and it seeks to clarify and extend the time limit allowed for someone to communicate their intention to make a claim, and the provision of details, evidence and support of such a claim following a riot. Following concerns raised in Committee, the amendment would allow a 42-day period as originally set out in the Bill, but it clarifies that that is from the date of the riot. As Ministers

[Mike Wood]

have made clear, that time limit should come with some flexibility, and I hope that in interpreting the date of the riot, authorities will have the good sense to show flexibility in making that date start at the end of the riot where appropriate, rather than necessarily the date on which the damage was suffered.

The main change in amendment 1 relates to the second period: the 90 days from the date the claimant first made the claim. That would mean, potentially, a minimum of 132 days from the date of loss in which we expect businesses or residents to submit details of their claim and to provide the evidence to support it. I hope that that will provide some reassurance to Members who raised concerns in earlier stages.

Amendments 2 and 3 were tabled following comments made on Second Reading and in Committee, and representations made directly to me outside the Chamber, in particular by the right hon. Member for Tottenham and my hon. Friend the Member for Croydon Central (Gavin Barwell). As I made clear on Second Reading, while there are very good reasons for excluding consequential losses from the claims that can be made against the police in the event of a riot, concerns were raised about what would happen if people's homes were left uninhabitable following a riot. Social tenants would usually be rehoused, and for owner-occupiers with building and contents insurance, the insurance would normally pay for the additional costs of rehousing. However, that would still leave a significant number of people, particularly in the private rented sector, who could find themselves, through absolutely no fault of their own, having to find new housing. They could struggle to find new housing at the same cost as their current mortgage or rent, and that is what amendments 2 and 3 intend to tackle. They seek to cover the costs of alternative accommodation, whether in a bed and breakfast, a hotel or other short-term rent. Amendment 3 clarifies that and allows the regulation that could include in the provision time limits for such additional costs.

During the passage of the Bill, in particular on Second Reading, Members on all sides brought to the attention of the House heart-wrenching stories of hardship as a result of the 2011 riots. Those stories explain the thought process behind amendments 2 and 3. I still do not believe that consequential losses should be covered, but it would not be just if people were made to suffer unnecessarily in their hour of need. I am certainly not prepared to see people effectively rendered homeless while they wait for their homes to be inhabitable once again. I must stress, however, that covering a consequential loss in this way must be the exception, not the rule. It is intended only to assist individuals to recover costs incurred while staying in alternative accommodation following a riot. The details of the provisions will be clarified in regulations.

I turn to amendment 4 tabled by the right hon. Member for Tottenham. At every stage of the Bill, he has raised a number of valid concerns. He has been an extremely effective spokesman for his constituents and for businesses in his constituency. Ministers made it clear on Second Reading and in Committee that we would not expect payments made through charitable funds, or other appeals of that kind, to affect the

payments made through the compensation scheme. It would certainly not be right for such payments to be deducted from compensation due under the Bill.

9.45 am

That said, while I strongly support what the right hon. Member for Tottenham seeks to achieve, I cannot support his amendment because I do not think it would be right to extend the assurances given by Ministers in relation to private funds to also cover public payments, whether from local government or central Government. Having spoken to the right hon. Gentleman, I know that a particular concern is where funds, particularly business-led, have been set up in the private sector and initial funding has come from contributions by local authorities.

**Mr David Lammy** (Tottenham) (Lab): I am grateful for the manner in which the hon. Gentleman is putting his points. Central Government or local government will often put up the money to persuade big business to get engaged, because businesses want to see match funding. In those circumstances, I am concerned that that money will then be counted against those who go on to claim compensation.

**Mike Wood:** The right hon. Gentleman makes an extremely important point, one with which I think we would all agree. That is why, to make sure that in that kind of joint venture we do not preclude local authorities or central Government from contributing to what are essentially private, business-led appeals, I would not expect that kind of fund to be deducted from riot compensation payments. This is not a black and white issue, however, and there are points on the spectrum where that kind of detail is far better dealt with in regulations than in a clause of this kind in the Bill. I therefore cannot support the amendment. It is sensible that payments from public funds should not be provided for the same purpose twice, because we have a duty to limit unnecessary burdens on the taxpayer. The right hon. Gentleman is absolutely right in saying that there are occasions when public funds contribute to private appeals. I hope the regulations drawn up to implement the provisions in the clause will allow for such initiatives.

**Mr Lammy:** Having heard what the hon. Member for Dudley South (Mike Wood) has had to say this morning, I am satisfied that regulations are the right place for clarity on double funds. I will not press my amendment.

**Anne Marie Morris** (Newton Abbot) (Con): I rise to give my support to amendments 1, 2 and 3 in the name of my hon. Friend the Member for Dudley South (Mike Wood). I congratulate him on his hard work in getting the Bill to this stage. He deserves a great deal of credit.

Amendment 1 seeks to insert substantial time limits in the Bill and introduce a two-tier system for making a claim. That will allow those affected by the riots to register a claim within 42 days of the riots starting and then submit evidence within a further 90 days after that. As my hon. Friend says, that gives those affected 132 days from the start of the riots to make their claim and submit evidence. It is crucial that those affected have adequate time to make their claim, especially considering the likelihood that paperwork and/or laptops will have been destroyed in the riots.



Riots are not only physically destructive but emotionally draining. With that in mind, it is important to consider the priorities of those forced from their homes and stripped of their possessions. The immediate reaction is probably not to call the insurance company but to consider urgently where they and their families are going to sleep that night and to ensure that everyone in the family is safe and well. Time will also be needed to process what has happened. I have no doubt we have all been in a position where something so distressing has happened that we fail to take in all the details straightaway.

The days available to make a claim also give the police force in an area struck by riots the ability not only to get the community back into some sort of order but to get their own house in order. There may well be internal processes to decide the best way to proceed or establish the date the riot started. I am sure that many cities, since the 2011 riots, will have put in place better protocols. We hope they will not have to use them, but every police force would need time to get everything in order before considering compensation claims. It has taken us 130 years to modernise the law on riot damages and compensation. I am happy we are doing it and that it is being considered in a measured way on both sides of the House. I therefore support amendment 1.

Amendment 2 is another very good amendment. I am thankful that my constituency was fortunate enough not to experience the riots that gripped many areas of the country in 2011. Despite threats on social media of rioting in Exeter, Plymouth and Truro, Bristol was the only area in the south-west unfortunate enough to be confronted with violent disorder. During the riots in London, more than 100 people were forced from their homes, driven from their livelihoods and forced to make alternative arrangements while their homes were under repair. While unfamiliar with riots, the west country is sadly very familiar with flooding. Floods in my constituency in 2012 caused damage to more than 180 homes, with many forced to seek alternative arrangements, so I know how important the provision of alternative accommodation is when exceptional circumstances occur.

A person's home is at the centre of their life. People's day-to-day lives revolve around it. The home is a place of stability, and when that is taken away, it is the most traumatic experience, particularly given the circumstances of a riot. Many who were caught up in the riots across the country experienced activity totally unknown to them. Vandalism, arson, violence and theft are not day-to-day happenings, so we need to make the healing process as smooth as possible, which includes support with alternative accommodation, should we face a similar situation again.

Without the amendment, victims of riotous offenders would be left to pick up the bill for the alternative accommodation required through no fault of their own. I have no doubt that some people who took out insurance will have been told, after their home was destroyed and deemed uninhabitable, that the insurance would not cover the additional costs incurred while essential repairs were carried out on the home. The British Insurance Brokers Association said in 2011 in an article in the *Financial Times* that

“some insurance policies will also cover people for alternative accommodation costs if they cannot stay in their home”.

I emphasise the word “some”. It means that some were not covered, and although I am not sure on which side the majority falls, if it affects anyone, it is too many.

The amendment is purely a reflection of the clauses normally included in commercial insurance policies that pay out compensation for financial loss caused by disruption. In the instance we refer to, we are compensating the loss of a home due to disruption. Not having a home can inconvenience essential tasks, such as going to work to continue earning or taking children to school. Although neither the amendment nor the Bill replaces insurance, they do provide a safety net for the unexpected circumstances we are all exposed to at some point in life. In the instance of rioting, it is imperative we legislate to compensate people sufficiently, and that is why the amendment is particularly important.

Amendment 3 gives the Secretary of State the power to make regulations setting out the

“considerations that decision-makers must take into account in deciding the amount of compensation payable”.

It is right that she have the power to take these situations into account when making regulations regarding the amount payable to those who need it after riotous behaviour. The ability to curtail the amount one can claim is welcome. Although we must help those who genuinely need support to get back on their feet, we must not allow the taxpayer to pay for the support longer than is necessary.

The extra cost incurred from having to stay in hotels or other rented accommodation would put pressure on most people, but those who have also lost a business are in even greater need of support and assistance. Business owners are the backbone of the British economy, and it is only right that we support them, after they have contributed to our growing economy, by helping them back on their feet and back into their own homes. Of course, the Secretary of State does not have to use the powers—with any luck, she will not have to—but her having them at her disposal will I hope be a comfort to those affected previously by reassuring them that the House has heard their cries for help and support and is taking them seriously. On that note, I add my support to amendments 1, 2 and 3.

**Andrew Gwynne** (Denton and Reddish) (Lab): On a point of order, Mr Speaker. I tabled a named day written parliamentary question to the Prime Minister for answer today. That question was whether the Prime Minister himself had seen a copy of the draft childhood obesity strategy document, which we suspect the Government have long-grassed. I received a letter from No. 10 Downing Street today advising me that the Prime Minister had asked for the question to be transferred to the Secretary of State for Health for answer. Surely the Prime Minister knows whether the Prime Minister has seen said document. In my 10 years as a Member of the House, I have never been treated with such contempt. Can you advise me whether it is in order for the Prime Minister to refuse to answer a very simple question?

**Mr Speaker:** I am grateful to the hon. Gentleman for his point of order and his characteristic courtesy in giving me advance notice of his intention to raise it. My initial reaction, off the top of my head, is that it is not disorderly, though it might be considered unhelpful. In my experience, it constitutes a somewhat odd transfer.

[Mr Speaker]

Transfers are commonplace, but where the question is as specific as his, it is an odd, perhaps unconventional transfer that might have been requested by people acting on behalf of the Prime Minister who are perhaps not as well versed in our procedures as the hon. Gentleman is or as the Chair likes to consider himself to be. I advise him to make the short journey from the Chamber to the Table Office to seek guidance on how he can take the matter forward. Knowing him as I do, I think it improbable in the extreme that he will allow the matter to rest there.

**Mr Steve Reed** (Croydon North) (Lab): Hon. Members will be aware that Croydon was hit very hard in the 2011 riots. Many members of the public, seeing the damage caused to local businesses, homes and property, wanted to help those seeking to recover and deal with the losses incurred, and they generously gave money to a fund set up by the mayor of Croydon for precisely that purpose.

I rise to speak in favour of amendment 8, which was tabled by my right hon. Friend the Member for Tottenham (Mr Lammy). I am sorry I missed the start of his contribution, but I heard the end, and it was typically magnificent. I would like those who give generously to help their neighbours who have suffered a loss to have the reassurance that the money they contribute will not subsequently be deducted from official compensation payments, but tragically that is exactly what happened in Croydon in 2011. Money was donated to the mayor's fund and was then distributed to individuals and businesses that had suffered a loss, but those generous payments were then deducted from the official compensation payments that were made. That is clearly wrong and a disincentive to people to give generously, as they did in Croydon to help their friends and neighbours. It is entirely wrong that such generosity should be discouraged by the deduction of those contributions from official payments. I strongly support my right hon. Friend's amendment, which I hope will have the support of the House.

10 am

**Mr David Nuttall** (Bury North) (Con): I rise to support amendments 1, 2 and 3, which my hon. Friend the Member for Dudley South (Mike Wood) has tabled. It is encouraging that he took the opportunity afforded to him in Committee to listen to the representations made to him and tabled these amendments for consideration this morning. They are relatively modest but important amendments. It is important that the Bill should set out clearly the time period within which claims should be made, as amendment 1 provides, so that there is no confusion and it is not left up to others to make such a determination by way of regulation. It is for the House to decide that claims must be brought within 42 days and further evidence provided within 90 days after that.

I particularly support the intention behind amendment 2. It seems perfectly reasonable that where someone's home is rendered uninhabitable as a result of a riot, the costs of their moving into alternative accommodation should be taken into account. I am grateful to my hon. Friend for tabling amendment 2 and the consequential amendment, amendment 3.

**Lyn Brown** (West Ham) (Lab): If it is okay with you, Mr Speaker, I would like to associate myself with your kind and apposite remarks about Harry. My sympathies go to his wife Gill and all those who mourn him. My friends on these Benches are in real shock and great sadness at his passing.

I rise to speak to amendments 1, 2 and 3, which have been tabled by the hon. Member for Dudley South (Mike Wood). I shall also speak to amendment 8, which has been tabled by my excellent right hon. Friend the Member for Tottenham (Mr Lammy).

Amendment 1 would ensure that victims of rioting had at least 42 days in which to make a claim for compensation and then a further 90 days in which to submit the necessary evidence. We support that amendment. The Bill is about supporting riot victims, and in order to do that we need to give them adequate time to complete claims for compensation. Can any of us imagine trying to rapidly process a legal claim when our papers have been destroyed, we have no access to our home or business, and our life has been completely and utterly turned upside down? That is exactly the situation in which many riot victims found themselves in 2011. That situation was made all the more difficult by the fact that so many of the victims were unaware that they were entitled to compensation. They needed the time to get their affairs in order.

In 2011, the Home Office appeared to recognise that a short time limit on claims was unfair, and extended the time limit from 14 to 42 days. Amendment 1 gives us certainty that any future victims will be guaranteed at least 42 days in future. That has to be right. The amendment also provides an additional 90 days for victims to gather the necessary evidence to complete their application for compensation. Three months' breathing room seems entirely appropriate, given the total upheaval that can be wrought to businesses and individuals by the kind of rioting we saw.

My right hon. Friend—the magnificent Member for Tottenham—spoke movingly in Committee about some of the challenges faced by his constituents in 2011. Many had English as a second language, some had their health devastated by the riots, and all had their daily routines completely shattered. They desperately needed more time to put their lives back together before they could deal with compensation claims. I congratulate him on raising the issue of time limits in Committee. If the House accepts amendment 1 today, he will have played a vital role in ensuring that any future victims of rioting are not left in the lurch, as his constituents and those of my hon. Friend the Member for Croydon North (Mr Reed) were.

**Mr Lammy:** My hon. Friend will know, perhaps more than anybody else in this House, the juxtaposition between shopping centres such as Westfield, where there is big business, and small businesses, which in a constituency such as hers are often run by people newly arrived in this country, making the very best of their lives. Her experience in this matter needs to be recorded.

**Lyn Brown:** My right hon. Friend is absolutely right—the businesses that were affected in my constituency were small businesses along the Barking Road in Canning Town and, indeed, some in Green Street. As he rightly says, they are not like the businesses in Westfield that

have massive resources behind them to enable them to make the claims, clean up quickly and get on with their economic lives.

Amendments 2 and 3 would ensure that victims were entitled to compensation for costs incurred as a result of having to seek alternative accommodation. We support those amendments too. Families should not be pushed into severe financial difficulty because their homes have been rendered uninhabitable by circumstances way beyond their control. Some families affected by the 2011 riots were not able to live in their homes for months, and some for years afterwards, putting them in severe financial difficulty. That was particularly the case in the private rented sector, but it also applied to some homeowners. We all know how expensive short-term rented accommodation can be, particularly here in London. It is only right, therefore, that that should be accounted for in the compensation awarded. I therefore urge the House to accept amendments 2 and 3.

Finally, let me turn to amendment 8, which would ensure that any money claimed in compensation for emergency relief in the immediate aftermath of a riot did not lead to a reduction in the amount of compensation a claimant might receive. It is shameful that this sort of deduction was made in 2011. We support the amendment, because people putting money into charity buckets to help their neighbours through the turmoil of rioting do not expect the compensation due to those victims to be reduced as a result of their kindness. I am not surprised that my hon. Friend the Member for Croydon North reports that his constituents were aghast that their donations led to a reduction in the compensation doled out.

My right hon. Friend the Member for Tottenham also argued in Committee, I thought convincingly, that we do not want to discourage big businesses from helping out small businesses with which they share a high street. Deducting payments as a result of charitable giving would have precisely that unwelcome and rather unpleasant effect. I urge the House to accept amendment 8 so that, in the unwelcome event of future riots, the police and charities can work together to help communities, rather than treating support as a zero-sum game.

I heard what the hon. Member for Dudley South had to say on that matter, but I now look forward to hearing from the Minister on these issues, because I am sure he is going to make us very happy today.

**The Minister for Immigration (James Brokenshire):** I, too, want to associate myself with your comments, Mr Speaker, following the sad loss of Harry Harpham. Members throughout the House can all say that Harry was a dedicated public servant. Although we had the privilege of having him in the House only for a short time, he clearly served with distinction in his community, having sat on Sheffield City Council, and he was dedicated to public service. The fact that as recently as 20 January, Harry was here at Prime Minister's questions standing up for constituents on an issue he believed in, Sheffield Forgemasters, underlines the sort of person he was, the dedication he showed and the fact that he always wanted to stand up for his constituents. The whole House will wish to pass its condolences, thoughts and prayers to his wife, Gill, his children and his whole family, his friends, colleagues and everyone who knew him and who mourns his loss.

I congratulate my hon. Friend the Member for Dudley South (Mike Wood) on the manner in which he has sought to advance the Bill. He has clearly reflected on the helpful debates in Committee, to which the Minister for Policing, Crime and Criminal Justice responded. The Committee worked on themes that were started on Second Reading. I believe that my hon. Friend's amendments are helpful additions and clarifications to the Bill.

Amendment 1 deals with the time limits, which are set at not less than 42 days and 90 days respectively for lodging claims and producing detailed evidence. That is the right approach to the lodging of an initial claim, and then it is right to allow more time for detailed information to be provided. We support placing those minimum requirements in the Bill.

For clarification and for the further assurance of right hon. and hon. Members, I underline that there might be some exceptional circumstances in which more time is required, perhaps when a claimant falls ill and cannot meet the deadlines, when evidence has been destroyed or cannot be accessed owing to riot damage, or when final cost estimates are contingent on other processes such as planning permission or some other regulatory requirements. We expect the regulations sitting alongside the Bill to provide some flexibility in extenuating circumstances and to allow extensions of time, while recognising the framework and the statutory minimums set out in the Bill.

Amendments 2 and 3 deal with payments for alternative accommodation. They will allow compensation to be paid to uninsured individuals whose home has become uninhabitable as a result of a riot, to cover the cost of alternative accommodation. Amendment 3 makes it clear that regulations may provide for further details of considerations to be taken into account when such claims are made, as well as the length of time for which such costs may be covered.

During the passage of the Bill, Members have highlighted a number of cases in which their constituents had suffered significant hardship following the 2011 riots. We have certainly heard that from the right hon. Member for Tottenham (Mr Lammy) and the hon. Member for Croydon North (Mr Reed).

**Mr Lammy:** On the issue of constituents who live in private rented accommodation, I recognise that regulations might be the best place to indicate the length of time for which support will be given, but can the Minister provide us with any clarity about whether he considers that to be a matter of weeks or months? People can be living without virtually everything for a considerable length of time after a catastrophe of this sort.

**James Brokenshire:** At this stage, it is probably best for me to say that we will reflect further before we bring forward the regulations. The right hon. Gentleman has made some important points on behalf of his constituents. I know from our discussions back in 2011 the direct impact of the issues that he rightly took up on behalf of his constituents. Other Members also made direct challenges on behalf of their constituents. We will continue to reflect carefully on the issue as we move towards drawing up the regulations. That is the right

[James Brokenshire]

approach and provides us with an opportunity to reflect further on the important and powerful points that have been made.

It is the Government's position that consequential losses should not be covered by the Bill, particularly bearing in mind the impact on the public purse. We agree that it would be unfair for legislation intended to help those in the greatest need not to provide support to people who have lost their homes, so we support the proposed exception to the prohibition on compensation for consequential losses to permit individuals to recover the additional costs of alternative accommodation following a riot.

10.15 am

As I have said, the best place for dealing with that is in the regulations. I envisage a system that will allow households to claim for additional costs that exceed the amount they would normally pay for rent or mortgage payments. That will include the cost of fees levied by letting agents or landlords for those who need to rent a new home while repairs are carried out, or the cost of reasonable hotel accommodation for those who need only short-term arrangements. It is not intended to be extended to cover other incidental costs that may be incurred, such as increased commuting expenses.

I hope I have given Members at least a sense of what we envisage the regulations appropriately providing. Any such compensation is obviously additional to any claims for direct loss in relation to the home itself—damage to windows and doors, and related items, for example. In common with provisions dealing with motor vehicles, we intend compensation to be limited to those whose insurance policies do not provide such cover; insurers will not be permitted to subrogate these payments. With the help of the Metropolitan Police Service and the Home Office, we have determined that the cost of such provision should be relatively low—perhaps below £10,000 per claim on average. We will obviously reflect further on that as we move forward with the regulations.

Let me respond to amendment 8. I note that the right hon. Member for Tottenham has indicated that he will not press the amendment on the basis that we agree that moneys received from public or private emergency recovery funds should not be deducted from the amount of right compensation paid out to a claimant. On the issue of charities, which the right hon. Gentleman raised on Second Reading, we remain of the view—the Policing Minister made this clear in the Committee and in a subsequent letter to its Chair—that it is not fair to reduce right compensation settlements to reflect any payment given by charity. I am happy to restate that position today.

As for the proposal to prohibit deductions from riot compensation payments for a claimant who has received money from a public fund for losses that are also covered in the Bill, we have to consider the need to protect the public purse and to protect the taxpayer from making double payments.

I have one further piece of clarification. If a payment from a public fund has been given for a purpose not covered by the Bill, a deduction will not be made. For example, if payments were made for personal injury or

to cover a loss of income, which would take us into the sphere of consequential loss, a deduction would not happen. In other words, it will be fine if a payment has been made for a purpose for which the Bill provides through the compensation schemes covered in it, but if payments have been made through schemes designed for other purposes, it will clearly not be appropriate for a deduction to operate. I hope that that clarification is helpful in explaining how we envisage the inter-relationship between compensation schemes under the Bill and other schemes.

**Mr Steve Reed:** I take the right hon. Gentleman's point about the public purse, but what reassurances can he give that charitable donations from members of a community that were given to help victims in the locality will not be—rather than should not be—deducted from official compensation payments?

**James Brokenshire:** Again, the best place to deal with that and give clarity about the operation of the Bill is in regulations. I hope that given what I have said today about the intention to introduce regulations to sit alongside the Bill, hon. Members will be reassured on this important point about charitable donations. The right hon. Member for Tottenham indicated that he thought the best place to deal with that would be in regulations. That is our judgment too, but I hope that what I have said to the House is helpful in providing clarification and setting out the how the Government will seek to operate the provisions in the Bill. Obviously, right hon. and hon. Members will be able to examine the regulations when they are published, following Royal Assent—we hope that will happen, but both Houses need to give the Bill their consideration.

**Mr Nuttall:** I appreciate the points the Minister has made. In the internet age, donations from the public often come through crowdfunding exercises. Will he confirm that the regulations will make it clear that funds raised in that way for the purposes he has just set out—I appreciate the distinction he made with respect to the purposes—will also be excluded?

**James Brokenshire:** The most important thing is that we define the charitable purpose for which contributions have been made, rather than reflecting on the manner in which those moneys have been given. It is about the fundamental purpose, although my hon. Friend makes an interesting point that people will want to examine as we introduce the regulations. I hope that my comments have helped in our consideration of the amendments.

**Mr Speaker:** Does the hon. Member for Dudley South (Mike Wood) wish to contribute further?

**Mike Wood:** No, Mr Speaker.  
*Amendment 1 agreed to.*

## Clause 8

### AMOUNT AND PAYMENT OF COMPENSATION

**Mr Lammy:** I beg to move amendment 4, page 5, line 19, leave out from “compensation” to “that”.

*This amendment would remove the £1 million compensation cap.*

**Mr Speaker:** With this it will be convenient to discuss the following:

Amendment 6, page 5, line 19, leave out from “maximum” to “per”.

*Amendments 6 and 7 together represent an alternative to amendment 4 and to amendment 5. They would make determining the compensation cap subject to parliamentary approval and also provide for its review and revision on the same basis without recourse to further primary legislation.*

Amendment 5, page 5, line 19, leave out “1” and insert “10”.

*This amendment is an alternative to amendment 4 and would increase the £1 million compensation cap to £10 million.*

Amendment 7, page 5, line 20, at end insert—

“(1A) The compensation cap (the “cap”) under subsection (1) must be determined, and revised every three years, by regulations made by the Secretary of State, with the following elements:

- (a) the cap may apply differently, or be set at a different level, in different areas; and
- (b) the Secretary of State must publish:
  - (i) the methodology used; and
  - (ii) the first draft determination of the cap for public consultation within a month of the day after the day on which this Act is passed.

(1B) The Secretary of State must lay before the House of Commons a draft of the regulations making the final determination or revision in a statutory instrument alongside a statement of whether and how the responses to the public consultation were taken into account.

(1C) A statutory instrument under subsection (1B) must be laid in draft before the House of Commons and may not be made until approved by resolution of that House.

(1D) Notwithstanding section 12, section 8 shall come into force on the day after the day on which this Act is passed for the purposes of subsection (1A).

(1E) Until a determination has been approved by the House of Commons, no cap shall apply.

*Amendments 6 and 7 together represent an alternative to amendment 4 and to amendment 5. They would make determining the compensation cap subject to parliamentary approval and also provide for its review and revision on the same basis without recourse to further primary legislation.*

Amendment 9, page 6, leave out lines 16 and 17.

*This amendment is consequential on amendment 4 and on amendment 7.*

**Mr Lammy:** The amendments address the issue of the £1 million compensation cap. It is important for the House and for individuals beyond it who, unfortunately, may find themselves caught up in a riot that we interrogate how the Government reached that figure. In Committee, I raised the issue of the cost of running a business and the fact that it varies across the country. The price of running a newsagent, off-licence or small gift shop in Yeovil is different from the cost in Northumbria and different again from the cost in Tottenham, yet this £1 million figure exists for all those businesses.

I was grateful that the Minister for Policing, Crime and Criminal Justice, who led for the Government in Committee, wrote to my right hon. Friend the Member for Knowsley (Mr Howarth), who also served on the Committee, in response to some of the points I had made and that he shared that with members of the Committee. The letter stated:

“In finding a solution it was important for the Government to come up with a balanced approach that protected the public purse from unlimited liability whilst also ensuring that significant numbers of businesses would not be inhibited from making claims. A further key issue was to minimise the bureaucracy around the administration process.

A number of respondents to the consultation suggested an alternative, and more simple administrative approach, of a cap on the amount of money... We examined data provided by forces and found that 99% of claims from businesses and insurance companies made after the 2011 riots were under £1m.”

It is important to stress that we do not know when there will be another riot. We hope there will not be one, but we are here this morning because we suspect there will be, given the history of our country and the fact that from time to time these things happen. It is important to emphasise that the fantastic nature of our policing model, with policing by consent and our police not routinely carrying guns, means that the public stand alongside them. When that consent is withdrawn and a riot happens, it is not the fault of the business or the homeowner, who have paid their taxes and expect to be protected. Therefore, setting a £1 million cap is an important moment, particularly given the nature of our economy at the moment and the cost of a property in a city such as London. The average price here is now running at half a million, so the average shop front on a high street in Tottenham is about the same and the £1 million cap is an important figure to understand fully.

**Anne Marie Morris:** Clearly the right hon. Gentleman makes an important point about ensuring that people are properly compensated, but does his amendment not give him a concern that it would provide people with a disincentive to be responsible and take out insurance? How does he suggest we get a better balance between the obligation of the taxpayer and that of the individual?

**Mr Lammy:** The hon. Lady makes an important point and there is a balance to be struck, but I hope she will understand that it is important to interrogate why we have arrived at the £1 million figure. It is also important that we recognise something about parts of the country that experience these upheavals from time to time. It remains the case in a constituency such as mine, which has had two riots in a generation, that when someone walks down Tottenham High Road they do not see the sort of scene they would see in Detroit, with boarded-up shops, houses in which people do not live and no-go areas—areas that have failed. Fortunately, in these fantastic islands of ours there are no communities that have failed—we do not allow them to fail. We do not want to see that kind of failure. We need to get the balance right between having people, rightly, insuring themselves, and recognising that in the poorest parts of our country people are often under-insured or not insured, so when there is a riot we must still try to put them back into a situation where they can get on with their lives and with their business, and get on with the economy.

The 2011 riots were unusual, in that, surprisingly, there were riots in Clapham Junction and in Ealing. There were riots in parts of the country where one might not have expected riots. However, riots occur most often in the most deprived communities and we do not want the economies of those communities to disappear completely. Insurance premiums can also be so high in communities such as the one I represent, and such as those represented by my hon. Friends the Members for Croydon North (Mr Reed) and for West Ham (Lyn Brown), that they are a disincentive to insuring or they encourage under-insuring in the first place.

[Mr Lammy]

Amendment 4 seeks to get further explanation about the £1 million cap. Amendment 5 would take the figure up to £10 million, and it is a probing amendment to understand how the £1 million figure has been reached. Amendment 7 is the most important amendment I have tabled and it asks for greater transparency. I have asked for the methodology being used to be put before this House, for Parliament to be able to understand that methodology every three years or so and for this House to be a bigger determinant in reaching the figure for the compensation level.

10.30 am

I say that because there is some tension in the fact that it is the Home Office and the Met that pay out compensation, and it often arises at the point of declaration. On previous occasions there has certainly been controversy when the Home Office and the Met have not wanted to declare a riot. That tension comes up again in relation to how much compensation is paid. Of course they are reluctant to pay more than is necessary, and I understand that, because it comes out of the public purse. That is why amendment 7 would provide for greater scrutiny of the figure; how it is arrived at, what methodology and evidence are used, and whether it might not be more appropriate to lay the draft before this House so that scrutiny can take place here, as is appropriate from time to time.

**Mr Nuttall:** I am a bit confused—I am always confused, but I am particularly so this morning—by these amendments. Could the right hon. Gentleman briefly explain which of his three different proposals he would personally like to see enacted? It seems to me that he is proposing no cap, a cap of £10 million and a cap to be decided by a formula that is yet to be determined.

**Mr Lammy:** The hon. Gentleman will recall, because he was on the Public Bill Committee with me—

**Mr Nuttall** *indicated dissent.*

**Mr Lammy:** Forgive me. The hon. Gentleman was not on the Committee, but if he reads the *Hansard* report of its proceedings he will see that there was quite a lot of debate about this figure. The Government were unable to give much detail of how they arrived at the figure. The Minister has since written to my right hon. Friend the Member for Knowsley, who chaired the Committee—its members were copied in—and given greater clarity on what the Government were told by the insurance industry and on the amount of figures that came under £1 million. I received that letter after tabling these amendments. However, the amendments are probing, because it would be quite wrong for a Bill of this kind to pass quietly through the House without discussion and scrutiny. I see the hon. Member for Croydon Central (Gavin Barwell) nodding in agreement, because his constituency was caught up in the riots. My amendments have been tabled in that spirit.

The hon. Member for Bury North (Mr Nuttall) is right: there is of course a difference between removing the £1 million cap and raising it to £10 million. I suspect that not all of my amendments will be pressed to a vote. However, I emphasise amendment 7, in particular, because it facilitates scrutiny and the need to return to this

figure in future, which must be right. I do not want the House to settle on £1 million and then find in 10 or 15 years that it would leave a lot of people, particularly in London and the south-east, really short if their property were damaged in a riot.

**Anne Marie Morris:** The right hon. Gentleman talks about the challenge of striking a balance between the Home Office and other potential sources for the unpaid sum, but I do not think he has offered sufficient clarity on the role of insurance. He has talked about the challenge of insurance being extraordinarily expensive. In my constituency we have a similar issue with flooding. Flood Re and the negotiations that the Government have had in that regard have clearly been very helpful. What conversations has he had with the insurance industry, and indeed with the Government, on what can be done to make insurance more affordable?

**Mr Lammy:** There are parts of this country that routinely experience flooding, as I said in Committee, and there is considerable experience in the system in relation to how we deal with those communities and how the insurance industry reacts in those circumstances. Floods happen more frequently in our country than riots, but a similar catastrophe befalls those who find themselves caught up. I hope that the bureau that will be set up as a result of this Bill can draw on the experience in those areas.

I have heard hon. Members in those areas raise concerns about loss adjustors and the manner in which they treat our constituents. In circumstances in which everything has been lost in the flood or burnt to the ground in a fire, the individual concerned is expected to go and find a receipt for a stove or oven that they now have to claim for. How are they going to find that receipt? Where is it? It is a miserable situation, and I am afraid that during the riots we found the performance of loss adjustors very patchy, and some of them behaved quite inappropriately to my constituents.

However, as I have indicated before, we have a situation of insurance, underinsurance and no insurance at all. That is why we have the Riot (Damages) Act 1886 and why we should inquire as to what the appropriate levels of this newly introduced cap should be. For all those reasons, this clutch of amendments address that point. As I have indicated, they are largely probing amendments. I look forward to hearing what the hon. Member for Dudley South (Mike Wood) has to say both about regulations and the need for greater clarity. Perhaps this House might have a greater role in determining that figure, scrutinising it and returning to it over time, because I fear that £1 million may well look very different to people in the wider country in 10 or 15 years' time, long after the Bill has passed through both Houses.

**Mike Wood:** Let me start with amendments 5 and 6, tabled by the right hon. Member for Tottenham (Mr Lammy), which would either remove or raise the compensation cap. Although I fully understand his reasons for asking that the level of the cap be considered, I am unable to support either amendment. As I have stated at earlier stages in the legislative process, we simply cannot continue to have a situation in which the public purse is subject to unlimited liability.

Neil Kinghan's excellent independent review of the reforms necessary after the 2011 riots set out convincingly and comprehensively the reasons for retaining the principle of strict liability for police forces when the basic contract to uphold law and order, to which the right hon. Gentleman has referred, breaks down, and that police should be liable for the costs of that. However, Neil Kinghan went on to say that it is not reasonable to expect those liabilities to be unlimited. That is why he put forward a number of alternative ways of controlling liabilities—capping them—in order to deliver a fairer deal for police forces and the taxpayer.

The effect of either amendment would be to impose a still higher liability on police forces and therefore on the taxpayer. The right hon. Gentleman asks how the £1 million figure was reached. The Home Office put the figure forward in response to an earlier consultation, and it received widespread support. At present, the cap is generous. It has been set to make sure that it would have protected as many of the claims made in 2011 as reasonably possible.

Analysis by the Home Office and the Association of British Insurers estimates that, had a £1 million cap been in place in August 2011, 99% of claims paid then would still have been paid in full; that compares with about 33% had we continued with the alternative option of a cap on turnover of business, which Neil Kinghan ended up recommending. The £1 million cap is far more generous to the victims of riots and recognises exactly the points made by the right hon. Member for Tottenham: of course such victims are in no way to blame and could have done nothing to prevent their loss. We want to make sure that they continue to be compensated, within a reasonable limit.

I also take note of the right hon. Gentleman's point about big businesses and the important role they play in our high streets. However, like most businesses, big or small, they have a responsibility to insure themselves adequately—not only against riots, but against a broad range of risks. The £1 million compensation cap applies directly to riots, as defined in the legislation. We would similarly expect such businesses to insure themselves against fire and looting caused by arsonists and against gangs of people rampaging riotously, although perhaps made up of fewer than 12 people and so falling outside the scope of normal riot legislation.

Damage caused by looters or gangs on the rampage is every bit as serious, but police forces would not have liability unless negligence could be demonstrated. There is a need for adequate levels of insurance and it is not unreasonable for businesses with assets running into millions to take out such insurance. Setting a cap at £10 million would largely benefit insurers far more than big or medium-sized businesses on the high street, as they could subrogate those claims under the Bill and the existing scheme. Furthermore, of course, they tend to provide the insurance for big business.

The most pertinent example from the 2011 riots was the claims, which have not yet been settled, arising from the destruction of the Sony warehouse in Enfield. Those run into tens of millions of pounds. That money would go entirely to insurers if the claims ended up being accepted. From the Home Office research, it seems that increasing the £1 million cap to £10 million would have affected six uninsured businesses in 2011—six businesses among all those affected, at a massive cost to the

taxpayer without any real benefit to our communities. That is why the £1 million cap has been widely welcomed by Members as well as by the insurance industry. The Government have published their intentions in response to the consultations following the 2011 riots on reforming the compensation arrangements. The £1 million cap was very widely welcomed in that response by stakeholders who took part in the consultation.

10.45 am

Raising or removing the compensation cap would essentially represent a large-scale transfer of resources from the public purse—our police authorities or the Home Office, funded by taxpayers—to insurers. That enormous cost would threaten the affordability of the other parts of the proposed scheme, such as switching from replacement value to new-for-old—that is common practice among almost all insurers now—and the extension of the riot compensation scheme to cover motor cars with third-party insurance. Those other parts of the scheme have a cost, and if we do not limit the expense of claims while making sure that we cover 99% of the 2011 claims, I do not believe that we could afford those other parts. I urge the right hon. Gentleman to reconsider this, as his amendment would put the substance of the Bill at risk.

The right hon. Gentleman's amendment 7 has a number of provisions that would have the effect of abolishing the current provision but introducing it later after public consultation. I certainly recognise the need to consult widely as regulations are drawn up, but I would not support the amendment. I do not believe that the proposal is necessary as the public consultation has essentially already taken place. There was a White Paper and the Home Office did consult. It has responded to the consultation. As I said, the principle of the £1 million cap was strongly endorsed.

I agree, however, that it is sensible to review the cap every so often. The £1 million figure is extremely generous, but, as the right hon. Gentleman said, in 10 or 20 years' time, inflation would make it rather less so. However, it is unlikely from an economic perspective that there would be significant financial changes within the three years from Royal Assent, after which the Government are committed to reviewing new regulation anyway. For those three years, we should support the £1 million cap, making sure that we can put it into effect as quickly as possible in case the very worst should happen. We want to be in a position to support victims. There is, of course, already a power in the Bill to amend the cap through regulations.

On the proposal to introduce regional variations, I can see the initial attraction, but the reality is that the £1 million cap is primarily determined at the London level. Regional variations would not mean that the cap was higher than the £1 million in London, but that there was a lower cap elsewhere in the country. The proposal is not necessary, and it would add additional complexity to the scheme, so I would want to avoid it.

Having read Neil Kinghan's independent review, I think that, even for London, the £1 million cap is appropriate. Obviously, the report is from 2013, but Neil Kinghan found that the average claim for uninsured losses in London—where we would expect claims to be highest—was running at about £10,000, while it was about £35,000 for uninsured losses. The average is therefore many, many times lower than the proposed cap.

I hope my colleague the Minister will agree that we cannot support a proposal that would mean the Bill was introduced without a cap, given the potential burden that that could place on police and crime commissioners and the public purse. Without having the certainty provided by the cap on liabilities, I certainly would not want to move on with legislation that put additional responsibilities and burdens on the police through new-for-old provisions or the addition of some motor vehicles.

The £1 million cap is set at the right level. As I said, it has been broadly welcomed by stakeholders, including the Association of British Insurers, which I have met. It also addresses the concerns of other respondents to the earlier Home Office consultation, such as the British Retail Consortium and the Association of Convenience Stores, which had expressed concerns at the business turnover cap that the Kinghan review had originally proposed.

The Bill strikes a sensible balance between ensuring that the vast majority of individuals and businesses are fully compensated and that the public purse does not have to pay out on high-value claims exceeding £1 million.

**Lyn Brown:** Amendments 4, 5 and 7, and their consequential amendments, have been tabled by my magnificent and right hon. Friend the Member for Tottenham (Mr Lammy). All the amendments pertain to the compensation cap. As has been said, the Bill caps the total amount that can be paid out in a single compensation claim to £1 million. Amendment 4 would remove the compensation cap, amendment 5 would increase it and amendment 7 would ensure that it is assessed every three years by Parliament.

The Opposition Front-Bench team have a number of concerns about amendments 4 and 5. We therefore suggested in Committee that, if the cap is raised, the Home Office should be liable for costs greater than £1 million. That would spread risk and ensure that police forces are not made financially vulnerable by circumstances that, by definition, are beyond their immediate control. If the House accepts amendments 4, 5 and 7, the Government might wish seriously to consider that proposal.

Amendment 7 would require Parliament to set the compensation cap, and to assess the level of the cap, every three years. We support the amendment because too low a cap—especially in London—may lead to increased insurance premiums in areas afflicted by rioting. We would not want communities and high streets to be damaged by this legislation, and a regular review would allow us to act on the basis of evidence.

It is important to continue to assess the compensation cap. The Bill needs to balance the interests of the community, the police, the insurance industry and the taxpayer. We must ensure that communities are protected and victims are compensated, while not asking the police to write a blank cheque. The compensation cap goes right to the heart of that task. It is right that the cap is continually assessed and that the House plays a central part in that.

I therefore urge the Minister, who has already done remarkably well this morning, to give us some assurances and some comfort, particularly on amendment 7. You know, Mr Deputy Speaker, he is fast becoming a favourite.

**Mr Deputy Speaker (Mr Lindsay Hoyle):** That's killed his career.

**James Brokenshire:** I do not know whether I am going to blot my copybook now or not, but I thank the hon. Lady for approaching this group of amendments in a constructive way, as she and the right hon. Member for Tottenham (Mr Lammy) did in Committee. That is the approach we have taken across the House, recognising that there is an issue in the Bill, and seeking to sensibly examine what is appropriate in terms of the manner in which it has been framed.

In introducing the amendments, the right hon. Gentleman highlighted his desire to probe these provisions and to ensure that the House has the opportunity to scrutinise them properly so that right hon. and hon. Members have the chance to underline important issues. He mentioned the Comptroller of Her Majesty's Household, my hon. Friend the Member for Croydon Central (Gavin Barwell), who has also fought tirelessly on behalf of his constituents. Obviously, his role on the Front Bench means that he is not able to take part in these debates in the manner that we are. However, it is for him, the public and all of us to consider what the right mechanism is and to ensure that the Bill is appropriately examined so that we get it right. That is the overarching theme reflected in our debates on Second Reading, in Committee and on Report this morning.

I want to draw attention to the operation of clause 8(8), which gives the Secretary of State the ability, through regulation, to make changes to the overall cap of £1 million set out in clause 8(1). It is important to look at the Bill's subsequent provisions, which, again, underline the protections that are there. If regulations come forward to increase the level of the cap, that would be by the negative procedure. To have an additional safeguard if, say, the level was to be reduced—that would certainly not be our intention—that would be by the more positive affirmative regulation mechanism. That, again, reflects the spirit in which the Bill has been approached and the manner in which it has been examined.

The right hon. Gentleman highlighted a number of measures in the letter my right hon. Friend the Member for Hemel Hempstead (Mike Penning), the Minister responsible for policing, fire, criminal justice and victims, wrote to the Chair of the Public Bill Committee. Obviously, in previous consultations, we examined different ways in which compensation should be capped. My hon. Friend the Member for Dudley South (Mike Wood), in a very clear contribution to the debate, set out why that is needed and some of the thought processes involved. On further analysis, it was felt that the £2 million turnover cap initially suggested by Neil Kinghan would have meant more claimants not being able to get through the mechanism, with additional bureaucracy attached to the process. It was felt that that was not the appropriate way forward.

Through the different amendments, the right hon. Gentleman has made a number of different suggestions. I know he was not seeking to favour one over the other, but rather to ask, "Have we properly examined this? Have we properly thought this through?" In terms of replacing the £1 million compensation cap by a £10 million cap, the experience of the riots of August 2011 demonstrates that it is not right for the taxpayer to shoulder the burden of unlimited liability. As my hon. Friend highlighted,



liability for the Sony claim alone has already run into tens of millions of pounds, so it is clear that a cap is needed. As a point of principle, it is not unreasonable to expect a business with more than £1 million in assets to take out insurance to protect itself from a wide range of risks. The £1 million compensation cap was generally welcomed by stakeholders. It will provide full protection to the vast majority of individuals and businesses, while ensuring that liability to the public purse is not unlimited.

11 am

**Philip Davies (Shipley) (Con):** On a point of order, Mr Deputy Speaker. I am very surprised that there is not a statement in the House today. You may have seen the reports in yesterday's newspapers that European judges have ruled that a foreign—Moroccan—criminal cannot be deported from the country despite the Home Office saying that she committed serious offences which threatened “the values of society”. My understanding is that the person concerned is the daughter of Abu Hamza, so this is a very serious matter for the security of this country. Surely it should be raised in this House and a Home Office Minister should be making a statement today. Have you had any indication that the Home Office intends to make any kind of statement about this issue?

**Mr Deputy Speaker (Mr Lindsay Hoyle):** I do not think I am going to shock you by saying that I have had absolutely no indication of anybody coming forward with a statement. However, the hon. Gentleman has quite rightly, as ever, raised the matter, it is on the record, and I am sure that people in different Departments will be listening as we continue this debate.

**James Brokenshire:** A £1 million cap strikes the appropriate balance between protecting the public purse and helping those who need it most. Increasing it to £10 million would increase police and public purse liability tenfold, which is neither necessary nor appropriate. If the cap were raised to £10 million, the most likely beneficiaries would be insurance companies seeking to reclaim the costs of any very large claim from the relevant police and crime commissioner. I do not think that that was the intent behind the right hon. Gentleman's approach in his amendment, but I respect the manner in which he has sought to draw the House's attention to how we have reached this point and why we judge that £1 million is the appropriate level.

The right hon. Gentleman has proposed, as an alternative, that there should be regulations following a public consultation, with reviews taking place every three years. As I said, we believe that there is a compelling reason for having a cap in place. There are benefits that attach to having certainty on the level of the cap, with it being clearly defined, rather than perhaps having further uncertainty in the future as to what it might be. Leaving it to be set by regulations after a public consultation would serve only to remove certainty and increase bureaucratic burdens. A public consultation would achieve very little, given that 99% of claimants would have been paid in full from August 2011.

**Mr Lammy:** As this Bill and its consequences are a matter of public record, will the Minister undertake to write to hon. Members who have one of the six businesses

beyond the Sony claim in their constituencies? I would certainly like to know whether there were any businesses in Tottenham that experienced a claim of more than £1 million, and the nature of those businesses. That would be helpful for the record as we move forward.

**James Brokenshire:** I do not know whether I am able to give the right hon. Gentleman the assurance he seeks, on the basis of legal constraints or data protection issues, but I note his point. I will reflect on it, and if there is anything more that I may be able to add, then I will obviously be happy to write to him. However, I draw the House's attention to the fact that this might not be quite as straightforward as he suggests and there may be inhibitions that would prevent that sort of broader disclosure.

The Bill already provides for the power to amend the compensation cap through regulation should it be necessary to adjust it to reflect inflation. It would be a relatively simple task to examine cost of living and property price changes in the period since the cap was last set and apply any change to its level before making compensation payments.

In Committee and again today, the right hon. Gentleman raised the issue of regional variations that might affect the cap. The £1 million cap was determined using claims information from the London riots in 2011. One could say, therefore, that the analysis was conducted on claims from one of the most destructive riots in a generation in one of the most costly regions in which to live. It was a very serious example and the right benchmark. On that basis, the cap would not only adequately cover Londoners in the event of a future riot, but more than adequately cover those in other regions. That is the approach we have taken. I reiterate that according to our analysis and that of the Association of British Insurers, had the £1 million cap been in place for the August 2011 riots, then 99% of claims would still have been paid in full.

I hope that in the light of those comments the right hon. Gentleman will be minded to withdraw his amendment.

**Mr Lammy:** As I indicated, these are probing amendments. The whole House has heard what the Minister and the hon. Member for Dudley South (Mike Wood) said, and I understand that the Bill will now go to the other place and receive further scrutiny. On that basis, I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

*Amendments made:* 2, page 5, line 23, at end insert “, except in the circumstances described in subsection (2A).

“(2A) Where a claimant's home is rendered uninhabitable, the amount of compensation may reflect costs that the claimant incurs as a result of needing alternative accommodation.”

Amendment 3, page 5, line 26, at end insert—

“( ) considerations that decision-makers must take into account in deciding the amount of compensation payable as a result of a claimant needing alternative accommodation (and the regulations may include provision limiting the amount of time for which the costs of alternative accommodation may be claimed),”—(*Mike Wood.*)

**Mr Lammy:** I beg to move amendment 10, page 6, line 17, at end insert—

- (a) after any riot in relation to which compensation was paid under this Act; and
- (b) after each period of five years beginning on the date that section 8 came into force.”

*This amendment would require the Government to undertake post-legislative scrutiny.*

Amendment 10 is about making and returning to the House with a proper assessment after there has been a riot and after the Bill has taken effect. With all that has been written by Mr Kinghan, all the work that has gone into the production of this Bill—I pay tribute to the hon. Member for Dudley South (Mike Wood) for everything he has done—and all that I, and shadow Ministers, have sought to do through it, we have learned a lot from the 2011 riots. Much of what we have learned finds effect in this Bill.

All riots are different. The hon. Gentleman said earlier that the 2011 riots were a particular case in that they were in London, and that he therefore believes that, in terms of regional impact, the £1 million cap is set about right. He will understand, though, that in the past few years we have seen anarchist groups marching in our country and things sometimes getting out of hand. They have marched in parts of the capital that have very expensive retail areas. We do not know where a riot could take place; they are all a bit different.

Given the impact of those riots and our understanding of them, and in terms of how this Bill works and its effectiveness, the issue of what compensation was paid out is hugely important. That is what amendment 10 speaks to. I sincerely hope that Conservative Members understand that and might be able to indicate that they do see the need for a mechanism, given that we are now updating the legislation. We are putting in place new mechanisms such as the bureau, which has not been discussed this morning but was discussed in Committee and on a previous occasion. It would therefore be very beneficial to provide for some assessment after a riot takes place; we do not know when. I hope that I might get some comfort from the hon. Member for Dudley South or the Minister following my decision to table this amendment.

**Mike Wood:** Although I absolutely agree with the right hon. Member for Tottenham (Mr Lammy) that the effectiveness of legislation needs periodically to be reviewed, I am less convinced of the need to set that out in the Bill. Of course, we all hope and pray that there will be no repeat any time soon of the kinds of riots we witnessed in August 2011, but should such riots occur in future it would be absolutely appropriate to consider how well the legislation is working and whether any changes are required, which is what happened following the 2011 riots.

The amendment proposes that the legislation should be reviewed after any riot, but that means that that provision would be triggered by any relatively small disturbance that leads to a claim being made under the riot compensation scheme. That would be unnecessarily bureaucratic and it is certainly not needed, because, as I have said, there is a Government commitment in place to review all new legislation within three to five years of the date it receives Royal Assent. That timeframe provides an opportunity for post-legislative scrutiny in the early years and consideration of non-legislative processes

and support systems. I would like us to go further after that three to five-year period.

**Mr Lammy:** Does the hon. Gentleman agree that, if there had been an assessment mechanism in the ineffective Riot (Damages) Act 1886, it might have been better legislation in the first place? There might be a riot—we hope not—during the period of three to five years. I understand that he may not accept the amendment as drafted, but surely the Government should be prepared to consider some sort of assessment mechanism after a riot, which, thank God, happens so infrequently in our country. Perhaps that could happen in the other place when the Bill receives further scrutiny.

**Mike Wood:** The right hon. Gentleman makes the point that I was about to move on to. Although the initial three to five-year period provides an important chance to reflect on the early years and to consider whether all the commas are in the right place and all the details are right, it is important that regular reviews take place after that period. I hope the regulations will allow for such reviews. If there is a repeat of anything like what happened in August 2011, it is inconceivable that there would not be a review. That should be a given. Outside of the times of serious riots—which, of course, we hope will last many years or even decades—it is important to have some sort of periodic review, but I do not believe that there is a particular case for this Bill to carry a specific provision for post-legislative scrutiny. As I have said, such a provision could be triggered by a fairly small and limited disturbance, but we must make sure that it does not take another 130 years before we next review whether the legislation is working.

**Lyn Brown:** I completely get where the hon. Member for Dudley South (Mike Wood) is coming from—frankly, if I were the Minister in charge of his Bill, I would encourage him to say exactly what he has just said—but I am worried about where we are going with this. It has taken us 150 years to revisit the issue and there have been a number of disturbances—nay, riots—in this country during that time, and even when there have been really big riots, the system of dealing with victims has been wholly inadequate. I am concerned that we will find ourselves in 150 years’ time—well, we won’t, because we’ll be dead by then—saying, “Oh, yeah, we didn’t have very effective legislation. We had things for those old-fashioned things called cars, but the hover vehicles we’re driving around in now aren’t covered by this Riot Act.”

I say gently to the hon. Gentleman that even minor disturbances can wreck lives. We must make sure that any future Government have not only warm words to say to victims of riots, but effective legislation on the books so that they can help those victims effectively. I gently say to the Minister, who I have got a lot of time for—he has done an excellent job so far this morning—that we need to be more warm in our consideration of this Bill, so that we can ensure that the people who come after us in 150 years do not say the same kinds of things that we have been saying, with a little frustration, over the past few weeks.

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Minister, follow that!

11.15 am

**James Brokenshire:** We are verging the language used on Second Reading when we discussed how the terms of the existing Riots (Damages) Act 1886 are not fit for the purpose of providing compensation in the event of a riot. The Bill provides good flexibility. It is important to recognise that it enables matters to be dealt with by way of secondary regulation. If certain changes are required, we would not necessarily have to address them through primary legislation, with all that that entails. Indeed, as has been discussed, the Bill enables us to increase the overall cap by negative procedure.

In essence, our debate on amendment 10 is about whether primary legislation should include a mandatory requirement to review. In our judgment, that is not necessary, because of the flexibility given by the Bill, which has been well debated. The scrutiny the House has given it means that it is now fit for purpose for the years ahead, because of the latitude it contains. It enables changes to be made in a relatively straightforward way through the processes and procedures of this House and the other place.

The amendment addresses the question of the regularity of scrutiny and whether a review should be undertaken every time some form of riot takes place. In our judgment, that is bureaucratic and we question whether it would achieve the desired result. It is always open to Government to review legislation, and it is absolutely right and proper that they keep it under close review. That may not necessarily happen on a timed basis, but an event may occur to which the Government will respond—indeed, the House may prevail on the Minister in question to do this—by conducting a review of the legislation, to judge whether it is still appropriate. The Bill does not prevent that flexibility—far from it. It can still happen.

My hon. Friend the Member for Dudley South (Mike Wood) has spoken of the general approach to reviewing all legislation within three to five years of the date of Royal Assent. Therefore, in any event, come what may, there will be an assessment of the Bill. Rather than having fixed points, the Bill provides flexibility to make changes. The regulatory framework enables the issue to be contemplated in that way—it provides latitude—and that is the appropriate way to deal with it. Indeed, it is right and proper that, if such events were to happen, the House could say to the Government, “Look at the Bill now. This is the right time to do it,” without that being reflected formally in the Bill. For those reasons, we judge that the amendment is not needed.

**Lyn Brown** *rose*—

**James Brokenshire:** I will, in due deference, give way to the shadow Minister.

**Lyn Brown:** Very brave. I say gently to the Minister that I was a bit flabbergasted by the length of time that passed before the introduction of such a Bill. There was a period of unrest in the 1980s, during my early childhood, and I can recall being in a restaurant in Leicester Square on my way to a concert during the poll tax riots. I am surprised, therefore, to be debating a Bill on a matter that has not been revisited during that time. Given that these things happen, given that there can be long periods of time between such occurrences and given that our predecessors did not see fit to revisit the legislation despite some fairly appalling riots in our

capital city and elsewhere, why does the Minister genuinely believe and take comfort from the fact that the Bill is somehow different, and that 150 years will not pass before it is revisited?

**James Brokenshire:** The hon. Lady makes a fair point. I am sure that anyone who has been caught up in a riot, and who has suffered loss or damage as a consequence, feels that hugely keenly. We are talking not just about the immediacy of the situation and the fear that it creates, but about what that means in restoring a life, putting property back into place and dealing with adverse effects on a business. That has been at the heart of our debates on the Bill, and that is why I welcome and strongly endorse the approach of my hon. Friend the Member for Dudley South in bringing forward the Bill and seeking to address the problem.

There are a couple of points that I would make. First, the Bill has been drafted in a manner that allows greater latitude than the Victorian legislation. I return to the point about not requiring primary legislation. Dealing with things in secondary legislation gives greater latitude and flexibility to make changes to the regulatory framework more swiftly. That reflects the fact that other items may need to be covered, or the cap may no longer be appropriate. The Bill provides a real benefit in offering that level of flexibility.

Secondly, the hon. Lady made a point about individual occurrences and events, and she pointed to some serious incidents that might have made a review appropriate. The latitude provided by the Bill lends itself well to that, because it will not be necessary completely to recast primary legislation. Some riotous disturbances may not lead to a significant number of claims, so it might not be appropriate to trigger a formal procedure such as that proposed in the amendment. The student riots in 2010, for example, involved significant policing challenges but attracted fewer than five compensation claims. We have the ability to carry out such a review, but we do not need anything with quite such a rigid structure. I suggest to the House that the Bill gives the Government the flexibility and the latitude that they need. In that context, I hope that the right hon. Member for Tottenham will be minded to withdraw his amendment.

**Mr Lammy:** The shadow Minister, my hon. Friend the Member for West Ham (Lyn Brown), has expressed my views strongly from the Dispatch Box, and I hope that the matter will receive greater scrutiny in another place. Self-evidently, issues arise in the peculiar event of riots, and the Government ought to think seriously about producing some sort of impact assessment, which need not be onerous. I undertake to write to colleagues in the other place to ensure that that receives further examination.

As I have listened, not to myself but to my hon. Friend, I have been convinced of my own argument. Nevertheless, I will not press the amendment to a Division. This is an important Bill, and it must find its way to the other place. I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

*Third Reading*

11.25 am

**Mike Wood:** I thank right hon. and hon. Members from all parts of the House who have participated in debates on Second Reading, in Committee and here

[Mike Wood]

today. In particular, I thank Ministers and shadow Ministers for their supportive and constructive approach. I thank the right hon. Member for Tottenham (Mr Lammy), who has spoken persuasively and passionately on behalf of his constituents, and my hon. Friend the Member for Croydon Central (Gavin Barwell), who has done a lot of work in support of the Bill but cannot speak in the Chamber today because of his other responsibilities.

On Second Reading, I stressed our responsibility as Members of Parliament to bring forward legislation that protects the most vulnerable from harm. That is why I am proud to promote this Bill, which proposes to help individuals and businesses recover from the devastating impact of widespread public disorder in communities. I spoke on Second Reading about my family connection, growing up as the son of a west midlands police officer during the football riots and other disturbances of the 1980s. I told the story of my father being bitten in the stables, and I said that I thought it was safe for me to do so, because my father rarely watches BBC Parliament. Sadly, he listens to BBC WM, so I was not able to keep that as secret as I had hoped.

Like all right hon. and hon. Members, I hope that the Bill will never be used. However, following Neil Kingham's review, it is abundantly clear that we need modern legislation that gives us clear guidelines and provisions in the event of any future riots. After the 2011 riots, many vulnerable communities were left counting the cost. The coalition Government responded by pledging to cover the costs incurred by the police to compensate homeowners and businesses under the measures set out in the Riot (Damages) Act 1886. Then, as today, it was clear that the "current"—130-year-old—legislation is outdated and inadequate in providing compensation in the modern world. The language is archaic, and it is unclear in what circumstances claims can be made. That means that decision making after a riot is difficult and time-consuming. There are too many inconsistencies, and it is not fair to those who need support or to those who pay the bill. That is what we need to change with this Bill.

The aim behind the Bill is to protect communities from the devastating losses to which I have referred. It makes much needed changes to address the concerns that have been raised, while still providing support to households and businesses affected by riots. It proposes to end the unlimited compensation afforded through the 1886 Act, while making sure that victims of riots receive the support that they need. The new compensation cap has been discussed at some length, so I will not add anything further. Suffice it to say that the new provisions will not just save money but improve and modernise the claims process to bring it up to date and make it fit for the 21st century.

The old Act's short timescales for submitting and evidencing a claim are simply not feasible for many potential claimants. As the House will remember, temporary changes were made to the timescales at the time of the 2011 riots in order to provide a more realistic timeframe. The Bill is intended to put that change into legislation.

The time period set out in the original legislation is clearly not long enough. Many homes and places of business are inaccessible for a considerable period after disturbances of the kind we saw in 2011. Allowing a

period of 42 days after a riot to submit a claim and a further 90 days to evidence the claim and provide the details to support it will provide people with a fairer deal at a time when they need the extra breathing space and time to think about and prepare such a claim. As has been said, in many cases they will have to work out whether they ever had a receipt, let alone whether they know where the receipt is after a fire or a riot.

The minimum time allowed is now stated in the Bill. I emphasise that it is the minimum time: it remains entirely within the Government's competence to decide to have a longer period if and when they think that that would be appropriate. As the Minister said earlier, we must ensure that there is flexibility so that people are not unfairly disadvantaged in extraordinary circumstances—for example, when, whether through illness or for another reason, it is not reasonable for them to submit paperwork within the timeframe set out in the Bill.

The reason for switching away from replacement value—old-for-old, as it were—to new-for-old is one of basic fairness for the victims of riots. It is not reasonable to expect people whose homes or businesses have just been devastated by riots, first, to find out what loss adjusters think is the current value of machinery, equipment or property however many years after their purchase, and then to try to source a replacement product of equal value. On Second Reading, I gave the example of a four-year-old dry cleaning machine. It would be difficult to source it, because such machines do not show up every day on eBay. Switching to new-for-old, as most of the insurance industry has done, is sensible, more efficient and, above all, fairer.

Many Members have welcomed the riot claims bureau, which will have responsibility for managing riot compensation claims. The Bill is intended to ensure that there is greater consistency, particularly, as we saw in the 2011 riots, when riots spill over into more than one police force area. In such a case, it may be appropriate for the Secretary of State to assume such powers to ensure that someone can expect the same kind of service, timescales and treatment wherever they make a claim. Again, that is an issue of basic fairness for people affected by riots. The provision will be used if the rioting breaks out in or spreads across more than one area, and for that matter, if the local police decide that they do not have the capacity or expertise to consider such claims—why should they do so? That will particularly affect smaller police forces.

The Bill will allow local policing bodies and the riot claims bureau to place the day-to-day management of claims in the hands of experts. That is significant because although we expect our police forces to do an extremely important job—they do their job extremely well and we can be proud of the role they play—it is not reasonable to expect them to carry out claims handling or loss adjusting. Allowing police and crime commissioners to utilise people trained to play such a role makes sense and enables commissioners to retain full control over financial decisions.

As I have said, the Bill provides for the first time for motor vehicles covered by third-party insurance. It was pointed out on Second Reading that 1886, the date of the current legislation, was coincidentally the same year that the diesel engine was first demonstrated. Unsurprisingly, therefore, the legislation on which we currently rely was

not designed around the world of the motor car. We do not know what the nature of riots will be in the future, but there may be widespread damage to motor vehicles. It does not seem fair, and it would not be equitable, for people's motor cars—if they do not own their own home, their car is probably the most expensive thing they own—to be outside the scope of a compensation claim if they are not covered by their own insurance.

The purpose of the compensation scheme is not to pick up bottomless bills for criminal activity, but to provide a safety net for those in greatest need, while recognising the police's responsibility to maintain order. That is why we must absolutely recognise the serious implications for communities recovering from major public disorder. Since the 2011 riots, my right hon. Friends in government have worked tirelessly, first by commissioning the Kinghan review and then by holding the Home Office consultation that followed it.

It would be wrong for millions of pounds of public money to be handed over—in essence, to insurance companies—for people who are in a position to insure themselves. That was the thinking behind the cap, and it is also why I limited the extension for motor vehicles to people who would not be covered by their motor insurance.

The provisions in the Bill provide a balance between the responsibility of the police to maintain order and the Government to protect the vulnerable, and the interests of the taxpayer. It retains the principle that the police are responsible for maintaining order, ensures that local accountability remains in the right place and provides local communities with the mechanisms they need to recover quickly from serious disorder.

We all hope and pray that riots of the kind, and certainly of the scale, that we saw in August 2011 will not happen in the future, but hoping for the best can never be an alternative to preparing for the worst. The Bill is about preparing for the worst. I hope it will proceed through the other place as swiftly as reasonably possible so that we can put in place the system we will need should riots take place. The Bill provides a fair deal for the victims of riots and for those who will have to pick up the bill for serious damage caused by them in our communities. I commend the Bill to the House.

11.39 am

**Lyn Brown:** The Opposition will support the Bill this morning, as we have throughout the legislative process.

The 2011 riots were a traumatic event for London and for other cities and towns up and down the country. More than 5,000 crimes were committed in a few short days, five people lost their lives, and it is estimated that the material cost of the London riots alone was over half a billion pounds. They were truly devastating. The unfortunate truth is that when those wounded communities needed help to get back on their feet, the help that was available proved utterly inadequate.

My magnificent right hon. Friend the Member for Tottenham (Mr Lammy) has demonstrated to the House yet again this morning his true understanding of and commitment to his constituents. His passionate and well-spoken words showed that he understands the devastating impact the riots have had on the wider community. Frankly, it was not possible for the Government to respond as quickly as was needed to that impact.

I also pay tribute to my hon. Friend the Member for Croydon North (Mr Reed) for his work on this issue. His constituency was hit hard by the 2011 riots and he has worked tirelessly to highlight the difficulty that his constituents have had in receiving the compensation to which they should have been entitled. He used the Freedom of Information Act to show that three years after the riots, 133 victims in London were yet to receive a penny in compensation. Just 16% of the requested compensation had been paid out at that point.

Those victims of rioting must have felt really let down, especially considering the Prime Minister's promise that they would not be left out of pocket by those unprecedented actions. Without the tireless work of my hon. Friend the Member for Croydon North and others, including my right hon. Friend the Member for Tottenham and my hon. Friend the Member for Ealing Central and Acton (Dr Huq), I doubt that the Bill would be before the House today, but it is and that is to be celebrated.

To be fair to the Government, they recognised the problems that people had had in receiving compensation and commissioned an independent review. The Kinghan review was published in 2013 and, as we have heard, the Bill before us has the support of the Government and takes up many of the review's recommendations.

I warmly congratulate the hon. Member for Dudley South (Mike Wood) on making such an important contribution so early in his parliamentary career. I hope his father forgives him for the horse story, which I remember well. How amazing it is that an Act will be published in his name. I hope that he celebrates this momentous event suitably over the weekend. I know that he has had a lot of support from the Government, which makes these things a lot easier and gives a Bill a fair passage. None the less, it takes a lot of work and commitment to get a Bill through, and I congratulate him on being equal to that task—congratulations!

I have to thank the Minister for being so accommodating, unlike some other Ministers. I look forward to seeing him opposite me when we consider further Bills, because he has been really quite good.

I thank my Labour colleagues who have worked on the Bill—my hon. Friend the Member for Birmingham, Erdington (Jack Dromey), who led scrutiny of the Bill in Committee, and my hon. Friends the Members for Ealing Central and Acton, for Birmingham, Ladywood (Shabana Mahmood) and for Croydon North, and my right hon. Friend the Member for Tottenham, who also sat on the Committee. They have all helped to improve the Bill.

The amendment that the House accepted today to give riot victims a guaranteed time in which to claim compensation was the result of probing by the Opposition in Committee, so we are grateful to the hon. Member for Dudley South and the Government for accepting it. The Bill is better for it.

We are happy to support this legislation. Like the hon. Member for Dudley South, I hope and pray that it is rarely, if ever, used because even the most effective legislation for riot compensation can but lessen the terrible pain that is inflicted on communities by looting, violence and wanton damage.

11.44 am

**James Brokenshire:** I pay tribute to my hon. Friend the Member for Dudley South (Mike Wood) for his excellent stewardship of the Bill. It takes enormous

[James Brokenshire]

focus, dedication and drive to take a private Member's Bill through this House. It is not straightforward. I commend him for identifying this important issue, which has affected so many of our communities, and for having the ability, early in his parliamentary career, not only to bring the Bill forward, but to chart its passage through this House. It will now go on to the other place and, I hope, become law so that he achieves what he wants, which is to provide the protection and benefit of a safety net for those who are drawn into something that we hope will never happen, but which experience tells us might happen. We need those protections to be properly in place so that we no longer need to fit into the Victorian legislative framework, with concepts such as "riotous or tumultuous assembly", but have legislation that reflects the needs of our modern society.

As we prepare to send the Bill to the other place, I want to express my gratitude to Members on both sides of the House who have engaged in a constructive and thoughtful debate on these measures. They have added to our scrutiny and consideration, and have added benefit to the Bill. We have reflected on how best to support communities, families and people in recovering from the often devastating impacts of riots.

Some of the contributions with the greatest impact have been made by Members who represent riot-affected constituencies. They have spoken movingly and with passion about the difficulty and distress that is caused to individuals, families and business owners by riots, particularly those of 2011. Five people—Trevor Ellis, Haroon Jahan, Shahzad Ali, Abdul Musavir and Richard Mannington Bowes—lost their lives in those riots. It is right that we remember them at this time. Our sympathies remain with their families, friends and all who loved them. Their memory reminds us of the impact that these appalling events can have. Although our debate has rightly and inevitably been about issues of compensation, it is people's lives that we are talking about. The contributions of many right hon. and hon. Members have underlined that point. This Bill is important because it will help people build their lives back up after such appalling events.

The Bill will not prevent riots, nor will it tackle the base criminality that often surrounds them, but it will provide the legislative platform for a modern, well thought-out package of compensation for people who, through no fault of their own, find themselves facing damage and loss to their homes and businesses. It will also help

those caught in the wake of a riot to recover from the violence and criminality more easily.

The amendment that my hon. Friend the Member for Dudley South proposed to cover the cost of alternative accommodation for those who are left homeless in a riot is important. When these measures become law, the Government will work to ensure that the compensation can be accessed quickly by individuals in the aftermath of a riot, recognising that rapid support and reassurance are of the utmost importance. The further amendment to set out the time limits on the face of the Bill demonstrates our commitment to provide a more generous approach to the submission of claims and evidence. As I have indicated, further flexibility on deadlines to cover extenuating circumstances will be provided for in regulations.

The Bill provides an important legislative platform for outlining what individuals and businesses affected by riots will be entitled to. It will be supplemented by regulations that will cover a number of important aspects, such as underlining our commitment to afford new-for-old replacements in most circumstances, providing more detail on the riot claims bureau, and confirming that charity payments will not be deducted from riot compensation payments. In addition to the regulations, as stated in previous stages of the Bill, we will also publish guidance for the public and decision makers, to provide further awareness and understanding of the legislation. As has been said, this is not simply about the law; it is about how the schemes are applied so that people know how they can claim, what they need to provide, and when they need to do that. We must respond to those practical realities, and consider how we can learn from the experience of the 2011 riots, incidents of flooding and other events where support needs to be provided.

In conclusion, the Bill sets out the framework for a modern, fair and affordable compensation scheme that supports communities that are recovering from riots, without placing unreasonable burdens on the taxpayer. The amendments and improvements that have been made are in keeping with that principle, and the Government support them. I pay tribute to my hon. Friend the Member for Dudley South for using the time afforded to him to promote a private Member's Bill to deal with an important issue that has affected so many lives. As the Bill proceeds to the other place, I believe that it will provide assurance and protection into the future, and the framework that it provides means that it will remain as relevant as it is now for decades to come.

*Question put and agreed to.*

*Bill accordingly read the Third time and passed.*

## **Criminal Cases Review Commission (Information) Bill**

*Bill, not amended in the Public Bill Committee, considered.  
Third Reading*

11.52 am

**William Wragg** (Hazel Grove) (Con): I beg to move, That the Bill be now read the Third time.

I thank colleagues from across the House who have joined me to support my Bill before it goes to the other place, where it will hopefully complete all necessary stages before we reach the guillotine of running out of parliamentary time. It has been an honour and a privilege to embark on the process of piloting a private Member's Bill through our legislative process. I was fortunate to be drawn in the ballot in my first year as a Member of Parliament, and when I was elected just nine months ago this Sunday, I never imagined that I would be standing here and leading a debate on a new Bill. At the time I had no idea where the Public Bill Office was, let alone how it performed such a vital role in our legislative process. Neither did I know how skilled, kind and helpful its Clerks and staff would be to me, and I put on record my thanks to the Clerks of that office in particular, because without them this Bill would surely have fallen by the wayside long before now.

The process has proved to be a steep yet valuable learning curve. Before coming here I watched several Bill progress through Parliament and be debated and voted on in the Chamber, and I understandably believed that that was where legislation got made. Only once I went through the process myself did I understand how much work goes on away from the Chamber. Speaking here is the easy part. I know how much of our legislative process relies on negotiating and navigating timetables and calendars, or on running down corridors with five minutes' notice to get the co-signature of one last Member before the deadline.

I congratulate my hon. Friend the Member for Dudley South (Mike Wood) on his Bill passing its Third Reading some moments ago. It is an important piece of legislation, and I am pleased that we have been able to mutually support each other as we muddle through this strange but enlightening process. However, we have made it, and I am delighted and honoured to promote the Third Reading of my Bill today. I do so not only because at several points over the past nine months I feared that it may not come to pass, but because of the Bill's importance as a valuable piece of legislation.

Following my selection in the ballot, I discussed with colleagues potential topics for my Bill. I wanted to be involved in something that would do good and make a real difference to people's lives, and improve the justice system in an important way. The Bill seeks to make a small but significant improvement to our criminal justice system, and specifically to the appeals process surrounding miscarriages of justice and the gathering of available evidence and information for such cases to be investigated.

If enacted, the Bill would allow the extension of powers for the Criminal Cases Review Commission to obtain information of evidence, testimony, documents and other material that would assist in the processing of appeals and review cases where a miscarriage of justice is believed to have taken place. In essence, it would

allow the CCRC to obtain such information from a person other than one serving in a public body, to which it is currently restricted. That new measure would apply to private sector organisations, persons employed by or serving in private companies, and private individuals. If passed it will strengthen the CCRC's ability to overturn wrongful convictions and miscarriages of justice, and improve further our system of law and order, which is rightly the envy of the world.

To set the Bill in context, I intend to set out the working of the CCRC and the problem that my Bill seeks to resolve. I will then go on to detail what the Bill does and say how the amended law would work in practice. Lastly, I will explain why I believe that the Bill is necessary, how it would improve justice in our country, and—critically—why I believe that it deserves the support of the House today. I shall also attempt to provide some answers to the points raised in Committee. I hope to allow time for other Members who may wish to speak, and I am very open to interventions. The Bill has already demonstrated its cross-party support by its broad range of co-signatories, and it is important that the House now shows its full support for these new measures.

The CCRC was set up as an independent public body in 1997 by the Criminal Appeal Act 1995 to investigate possible miscarriages of justice, and it was the world's first publicly funded body to review such cases.

**Mr David Nuttall** (Bury North) (Con): It might not be known outside the House that my hon. Friend had the foresight to secure for his Bill the signature of the right hon. Member for Islington North (Jeremy Corbyn), who is now the Leader of Her Majesty's Opposition. That will no doubt aid the Bill's passage through the House.

**William Wragg:** I thank my hon. Friend for that intervention, and as he will see by the vast numbers of Labour Members here today, the influence of that signature has been a fantastic achievement.

The CCRC was set up in the wake of notoriously mishandled cases such as those of the Guildford Four and the Birmingham Six—two high-profile cases where two groups of men were convicted and imprisoned for connections to bombings carried out by the IRA in the 1970s. On a serious note, it was because of those particular cases that the Leader of Her Majesty's Loyal Opposition was so keen to lend his signature to the Bill.

However, some 10 or 20 years ago these convictions and a review of evidence and police conduct during the investigation revealed serious breaches of due process, and, in the case of the Birmingham Six, serious accusations of police brutality. Therefore, the convictions were eventually quashed and ruled as unsafe. Moreover, senior police officers in both cases were later charged with conspiracy to pervert the course of justice and the Birmingham Six were eventually each awarded compensation ranging from £800,000 to £1.2 million for their wrongful conviction.

The consequences of these cases led, in 1991, to the Government setting up a royal commission on criminal justice. The royal commission reported in 1993 and led to the Criminal Appeal Act 1995, which established the CCRC in 1997. Parliament established the CCRC specifically for the body to be independent of Government and, although sponsored and funded by the Ministry of

[William Wragg]

Justice, to operate its statutory functions independently. However, a drafting anomaly in the 1995 Act meant that a key power was omitted from the CCRC, meaning that it could not require evidence to be provided from privately held sources, whether individuals, corporations or other bodies. It is the need to address that anomaly that brings us here today.

In preparing to present the Bill to Parliament, I visited the Birmingham headquarters of the commission to meet its chairman, chief executive, head of casework, some of its case handlers and investigators, and other staff to see its facilities and operation at first hand. I am delighted to say that some staff have been able either to attend the House today or to watch the proceedings from Birmingham. The House should be clear that the commission is very keen for the Bill to pass and to have these powers, for which it has been calling for some years. I want to take this opportunity publicly to thank the staff of the CCRC for hosting me on my visit, and for all the information, support and advice it has provided to me over the past few months. In particular, I would like to thank long-serving staff member and senior case handler Mr Miles Trent, who has been a very valuable help.

I shall go on in a moment to explain precisely how the Bill will address the original anomaly in the law, which has prevailed for almost 20 years. Before doing so, however, I think it is important that the House bears in mind why the Bill is important. I wish to remind Members of the real human stories behind what can seem the rather dry business of legislation and regulation. Anyone who has ever been subject to a miscarriage of justice will attest that it is a deeply traumatic and damaging experience, often taking years away from somebody's life while they work through the appeals process, trials and retrials, often from the confines of a prison cell. While not an easy or pleasant experience for anyone at any time, the heartache and anguish will be more acute for those who know, in the back of their mind, that they are innocent and that the British justice system has failed them. In such cases, the CCRC is often a victim's only opportunity of salvation.

Although the number of cases the CCRC takes on is small compared with the overall number of criminal prosecutions each year, and the number of cases referred and quashed is even smaller, for those few victims of a miscarriage of justice in prison for crimes they have never committed, and subject to the abuses of process and powers of the system, it must be a truly harrowing existence for both them and their families. If I may, I would like to illustrate this point with one particular case which, although upsetting, contextualises the importance and seriousness of the commission's work. I should say before continuing that this case has already been on the public record.

Sally Clark, a solicitor aged 42, was jailed in 1999 for allegedly killing her 11-year-old son Christopher in December 1996 and her eight-week-old son Harry in January 1998. An appeal in 2000 failed, but she was freed in 2003 after a fresh appeal, following a referral from the CCRC. The jury at the trial was told by an expert witness, Professor Sir Roy Meadow, that the probability of two natural unexplained cot deaths in the family was 73 million to one, a figure for which the

Royal Statistical Society later said there was no statistical basis. However, despite her eventual release from prison after four years, Sally Clark died at her home in March 2007 from alcohol poisoning. At the time, the chair of the CCRC, Professor Graham Zelik, said:

“Sally Clark should never have been convicted. She should have succeeded at her first appeal. It should never have taken two years' work by us and a referral before she was released, by which time she was broken in mind and body.”

Our justice system is one of the most respected in the world, but mistakes can and do happen occasionally. When this is the case, the system to right the wrong and to protect innocent people should be strong so that we avert cases such as Mrs Clark's. My Bill seeks to strengthen that system. I referred to the legislative anomaly in the original 1995 Act, which gave rise to the need for the Bill. Let me explain how the CCRC currently operates.

The CCRC currently has the power to investigate alleged miscarriages of justice in England, Wales and Northern Ireland, and to refer convictions and sentences to the relevant courts for appeal. The commission investigates convictions and applications by the offender, or, in the case where the offender has died, at the request of relatives. It has special powers to investigate cases and to obtain information it believes is necessary to review a case. If the CCRC concludes there is a realistic prospect that the Court of Appeal will overturn the conviction, it can make what is termed a referral and send cases back to court so that an appeal can be heard. Applications are free to make to the CCRC and defendants cannot have their sentences increased on account of having made an application for review. However, as the commission usually deals with cases already appealed once, if the commissioners can send cases for a review, it is usually on account of new evidence or a new legal argument that has come to light. This being so, their ability to gather information is critical to a successful operation.

The subject of the Bill hinges on what are commonly referred to as section 17 powers. Section 17 of the Criminal Appeal Act 1995 gives the CCRC the power to require public bodies and those serving on them to give it documents or other material that might assist it in discharging its functions. This includes the police, local councils, the NHS, the Prison Service and so on. It should be clear how all such bodies could and do serve as vital sources of information in appeal cases: the police provide criminal evidence and interviews; councils often provide CCTV footage; the NHS can supply details of injuries, in the case of violent crime; and the Prison Service can provide vital information about the behaviour or statements of prisoners seeking an appeal.

Those are just the most common examples of public sector sources of evidence on which the CCRC relies to do its work. There are, of course, dozens of others. However, it currently has no equivalent powers to compel private organisations and individuals to provide similar information, and has long found this to be a problem. Incidentally, this is in contrast to its counterpart in Scotland, the Scottish Criminal Cases Review Commission, which has held these powers since its inception. The Bill would allow the CCRC to make an application to the courts to require the disclosure of new evidence held by private bodies and individuals. As I mentioned, it already has those powers for public bodies. The inability to obtain information from private organisations and



individuals has limited the CCRC's actions and can cause unnecessary delay in the review of cases it undertakes and waste its limited resources.

During my visit there, I learned that the CCRC operates with an annual budget of about £5.5 million and employs just under 90 staff, including 12 highly experienced commissioners, among whom were senior lawyers, civil servants, investigative journalists and scientific experts. Each year, it receives between 1,000 and 1,500 appeal applications, and last year, 39 of them were referred back to the Court for review.

**Mr Nuttall:** Does my hon. Friend expect an increase in the number of applications as a result of the power in the Bill to apply for documents from private sources?

**William Wragg:** I will come to that in detail later, but the CCRC is a reactive body—it does not proactively seek cases to review—so I suggest that what my hon. Friend alludes to would not take place. However, I will cover that in more detail in a moment, if he will bear with me.

The CCRC's long-term referral rate—the cases that, following investigation, it believes should be reheard in the Court of Appeal—is just over 3%. However, about half the applications it receives are not taken to the investigation stage, as they must first go through the regular criminal appeals process. For the cases the CCRC goes on to investigate, therefore, a referral rate of about 7% is more representative. Nevertheless, this indicates how uncommon it is to find a sufficient weight of new evidence to overturn previous convictions. That evidence must be relevant, accurate and compelling.

The House will be aware that the current working arrangements and effectiveness of the CCRC were the subject of a dedicated inquiry by the Justice Select Committee in the last Session. The impetus behind the Bill comes directly from some of its recommendations last March. I am grateful to have had the support of Members of both the previous and the current Committee in getting the Bill to this stage.

In its report, the Committee said:

“The extension of the CCRC's section 17 powers to cover private bodies is urgently necessary and commands universal support. Successive Governments have no excuse for failing to do this and any further continuing failure is not acceptable.”

The report went on:

“It should be a matter of great urgency and priority for the next Government to bring forward legislation to implement the extension of the CCRC's powers so that it can compel material necessary for it to carry out investigations from private bodies through an application to the courts. No new Criminal Justice Bill should be introduced without the inclusion of such a clause.”

I stand here today with just such a new criminal justice Bill and hope to put right the failure by successive Governments to which the Committee referred.

Let me turn to the new powers in the Bill and how their implementation would work in practice. The Bill would insert a new section 18A in the Criminal Appeal Act 1995, which would enable the CCRC to obtain a court order requiring a private organisation or individual to disclose a document or other material in their possession. As with the current power to require material held by public bodies, the new disclosure requirements will apply notwithstanding any obligations of secrecy or other

limitations on disclosure, including statutory obligations or limitations. This will mean that companies will not be able to use excuses such as the Data Protection Act to deny the CCRC information, nor will it be possible to cite information that carries a security classification, including restricted and secret information, as a reason for non-disclosure. This could be particularly important in cases of courts martial, which the CCRC has been involved in investigating since the Armed Forces Act 2006.

Even after the enactment of the Bill, the CCRC should always attempt at first to obtain any information voluntarily before reverting to a court order. Not only would that build a better accord with the private individual or organisation concerned, it is also likely to be more expedient than an application to the court.

I should state for clarity that the provisions would extend to England, Wales and Northern Ireland, in relation to which the Northern Ireland Assembly will be invited to pass a legislative consent motion. Scotland will be unaffected because, as I said, it has its own powers.

I mentioned how low, at 7%, the referral rate was for cases that the CCRC investigates and sends back to the Court of Appeal. The shadow Cabinet Office Minister, the hon. Member for Caerphilly (Wayne David), asked in Committee—I am grateful for the opportunity to answer some of these points on Third Reading—whether this Bill, by virtue of increasing the CCRC's powers and therefore its scope for conducting investigations, would increase the rate of referral and therefore the workload, which neatly taps into the point raised by my hon. Friend the Member for Bury North (Mr Nuttall). I must stress that it is not our job, nor is it the purpose of this Bill, to increase the referral rate per se. Far from it; indeed, the low rate is a testament to how robust and rigorous our criminal justice system is, indicating that no evidence of a miscarriage of justice was to be found in the original case.

We must remember that not all information supplied to the CCRC will necessarily lead to an appeal. The commission's mandate is not to secure as many referrals and overturn as many convictions as possible; it is to thoroughly investigate alleged miscarriages of justice. In some cases, privately held material might help to identify these miscarriages, and that material may lead to some convictions being referred to the Court of Appeal and subsequently quashed, in circumstances where those cases would otherwise have been turned down. In other cases, privately held material might persuade the CCRC not to refer a case for appeal where it was otherwise minded to refer.

It would be natural to anticipate that the receipt of the proposed powers should lead to an increase in referrals to the Court of Appeal, as the CCRC believes it is sure that there are miscarriages of justice that have gone unremedied because of the lack of power. However, I want Members to be clear that the referral rate is not a direct proxy for the effectiveness of the commission's work. Increasing referrals is not to be confused with being the objective. Our job as parliamentarians is to ensure that the CCRC—and, more widely, the justice system as a whole—has all the powers and processes it needs to operate in the best way possible.

I want now to elaborate on why this change in the law is necessary, and I thank the House for its forbearance.

[William Wragg]

During my term in Birmingham, those at the commission explained that, in the 18 years of its existence, the powers under section 17 have been an essential tool of that body. The power extends to the information from public sector bodies, as I explained earlier, but it should also extend to public bodies held at arm's length. The commissioners also explained that the absence of power to obtain material in the private sector has often operated to the disadvantage of applicants to the commission.

Currently, where material relevant to the CCRC's work is held outside the public sector, the commissioners are reliant on requesting voluntary disclosure by the relevant individuals or organisations. Although voluntary disclosure is not uncommon, organisations increasingly regard themselves as being unable to assist the CCRC as a result of statutory restrictions on the disclosure of information. Even where voluntary disclosure is made, it will often be after protracted negotiations, causing lengthy—and, indeed, expensive—delays in the case review process.

Solicitors' firms provide one such example. One would have thought that solicitors would be among the most co-operative of sources, but that is not always so. In the past, the commission has seen a good level of co-operation in respect of its requests for case files from solicitors who represented applicants at trial and/or on appeal. In part, that level of co-operation has been thanks to relevant professional codes of conduct that apply to solicitors. In more recent times, however, and perhaps as a result of increasing pressures on legally aided defence firms, the commission has faced greater difficulties. It is often readily apparent that requests from the commission are placed at the bottom of solicitors' lists of priorities. On occasion, the commission has been faced with protracted negotiations over who bears the cost of transferring the materials in question.

The commission tends to encounter four typical situations that, as a result of its lack of powers in relation to the private sector, operate to the applicant's disadvantage. These are, first, the inability to obtain information from a private individual; secondly, the inability to obtain information from private sector organisations; thirdly, partial information or only a summary of information is provided, which the commission is not in a position to scrutinise or verify; and fourthly, information sources are obtained, but protracted negotiations with the private sector create lengthy delays.

Alarmingly, members of the commission told me that, in several instances, with respect to the information it seeks from an organisation, it has experienced significant and repeated difficulties. Against that background, the commission has decided that it would be fruitless to pursue the information in question and therefore does not do so. The current lack of power does not affect isolated cases alone, but can cause a systemic problem relating to a source and a repeated basis, leading to not one but potentially many miscarriages of justice incapable of being remedied.

I know that the commissioners share the view that it is highly regrettable that their inquiries into miscarriages of justice should be impeded by the refusal of a private organisation or witness to provide material. The absence of any compulsion exercised at the instance of the CCRC may result in the victim of a miscarriage of

justice suffering continuing imprisonment, with all the continuing social consequences of having a criminal conviction. That cannot be right.

Moreover, the problem has become more acute in recent years, because much of the responsibility for the material held by public bodies when the 1995 Act was envisaged has since been entrusted to private sector bodies. The number of private organisations holding relevant information has increased dramatically, with the contracting out of public services to the private sector becoming more commonplace. Additionally, recent statutory data protection trends have reinforced the issue of confidentiality and have affected the voluntary co-operation of private bodies. There is a real risk that applicants to the CCRC will be at a significant disadvantage unless the CCRC is afforded the facility to obtain material held in the private sector.

Examples of private bodies that may now hold vital information relevant to the review of a case that may once have been in the public sector and within the CCRC's scope but is now outside it include private health clinics, forensic experts, charities, campaigning groups, law firms, news agencies, probation services—now largely contracted out—banks, private schools, shops, department stores and public transport companies.

Let me illustrate this by using a few examples that the caseworkers from the commission shared with me where they believe the current lack of powers has led to long delays in a case review or even directly to its failure. Private companies can be a vital source of information, as we see in a case I was told about during my visit to Birmingham. The commission was looking into the case of an HGV driver who had been convicted in 2013 of serious sexual offences and sentenced to 15 years in prison. The commission wanted access to some of the data held by an employer which might have supported an alibi. Those inquiries evolved into a search for timesheets within the private company, but the company would not co-operate. It is not really clear whether it even checked its records. The commission was not able to obtain the information and proceeded without it, and the case was not referred.

I mentioned earlier the importance of the Forensic Science Service. A key aspect of the commission's work is re-examining and re-testing material from crime scenes that was submitted as evidence in the original or earlier appeal trials. The recent closure of the nationalised FSS and its replacement with a contracted-out service has also highlighted this gap in the current law, the result of which is that the CCRC no longer has the power to compel the production of forensic material which it had when the FSS was a public body. This type of material will be held by private companies and may not be available to the commission in future.

Another common source of evidence is CCTV. I learned of another example where an applicant, convicted and jailed for a serious armed robbery in a shop, alleged that the expert facial mapping evidence presented at the trial was flawed. The commission wished to instruct an expert to conduct further tests, but the owner of the shop in question refused to provide information about the make and specifications of the CCTV equipment. Without those details, the commission's new expert could not consider the issues. The irony is that, had a similar incident taken place on the street in sight of a council-owned CCTV camera, the equivalent information

could have been requested under section 17 of the 1995 Act, by virtue of the fact that the footage from a council-owned camera is deemed “publicly held”. Therefore, the information required to properly evaluate the appeal investigation would have been available.

Lawyers here will know that witness credibility often proves to be a vital crux of criminal prosecution or defence cases. To that end, we should consider the case where an applicant was convicted of indecently assaulting three former pupils during his employment as a housemaster at a private residential school. He was sentenced to three years’ imprisonment. For the jury at the trial, the consideration hinged on the credibility of the complainants. The commission requested the files on each of the three complainants in order to address issues raised about their credibility. The private school declined the request and the point remains unresolved, yet a state-maintained school would have been compelled to honour the request for information and the outcome of the review investigation may have been different.

Social work or counselling records are another source of vital information to the commission. Charitable bodies such as ChildLine and the National Society for the Prevention of Cruelty to Children, and private counsellors or doctors, often hold vital information relevant to commission reviews, particularly in cases of intra-family abuse. Such organisations may agree to assist when the consent of the individual concerned is obtained. If consent is not forthcoming, such organisations will generally decline to provide the commission with information, on the basis of confidentiality. However, the discrepancy arises in that local authority social workers’ or NHS records are deemed even without individual consent to be admissible by the commission when it considers a review.

I hope the House can see that the distinction between private and public organisations in cases such as these is artificial. Why should the outcome of justice depend on whether key witnesses went to a public or private school, or whether an alleged crime happened in front of a council-owned or privately owned CCTV camera? This false divide is due partly to a drafting anomaly in the original legislation and partly to unforeseen rises in the amount of important evidence generated and held by private sources.

Members should bear it in mind that examples of situations where the commission has been unable to obtain potentially significant information illustrate only a part of the wider issue. At least as important is the extent to which being granted the power to obtain material from private sector sources would allow it to consider new avenues of inquiry that we currently rarely consider because our powers do not allow us to pursue them.

We are unlikely ever to be sure whether the applicants in the cases to which I have referred were truly guilty or innocent, or whether their appeals would have succeeded had the information been provided—truth is likely to be mixed across the cases. But we can be sure that the current law gives rise to question marks over this point, and that is something it is right to change.

As a final but important justification for why the Bill is necessary, it is worth considering the situation of the Scottish Criminal Cases Review Commission. The power to obtain information from the private sector is contained in section 1941 of the Crime and Punishment (Scotland) Act 1997. The legislation is framed in a very similar way to the English commission’s existing power under section 17

of the 1995 Act, but it entitles the Scottish commission to apply to the High Court in Scotland for an order requiring a private individual or private sector body to produce, or allow access to, material that it is believed might assist the Scottish commission in the exercise of any of its functions.

I hope that I have established how the Bill will improve the work and thoroughness of CCRC investigations and why it is necessary. I shall now attempt to anticipate and answer some questions that the new measure is likely to raise—questions that I have indeed asked myself, and on which I have consulted both the commission and the Ministry of Justice over the past few months. Indeed, some of these points were put to me in Committee.

I want to address up front one of the largest concerns that Members are likely to have with the extension of these powers: their possible intrusion into the lives of private individuals. Although consent and privacy are to be valued, where information, even of a personal and distressing nature, could make the difference between a person’s further incarceration or their freedom, I believe that it is right that that information can be requested, subject to due process and the provision of strict safeguards. Members should know that there are significant safeguards in place to ensure that this new power is not abused.

The Bill provides that there would be judicial oversight of the process. The CCRC could only compel a private individual or organisation to provide material by order of the court. All the same safeguards that currently operate for section 17 disclosures would apply, and the commission agrees that such a process would be appropriate. The main safeguard against improper intrusion is contained in the Bill itself: namely, judicial oversight. As specified in clause 1(1), a person will be obliged to provide the CCRC with private documents or other material only if ordered to do so by a Crown court judge.

In practice, the Crown court judge may make such an order only if they are satisfied that the material may assist the CCRC in its investigation of the alleged miscarriage of justice. Furthermore, unauthorised wider disclosure of any information obtained will be an offence under section 23 of the 1995 Act. In addition, the person from whom disclosure is obtained will be able to stipulate that any information obtained is not to be disseminated further without their consent, in accordance with section 25 of the 1995 Act.

As with its current practice when preserving public body material under section 17, the CCRC would not seek to exercise its functions in an unreasonable or disproportionate way, and it would remain mindful of the right to a private and family life under article 8 of the European convention on human rights when selecting those cases where an application for a court order appeared justified.

Even so, if there are privacy implications, I believe that any interference by the new measures with that right would be legally justified. The material will only be sought pursuant to a review of an alleged miscarriage of justice, which is a serious matter. Therefore, arguments regarding intrusion into private life must be viewed in the context of the human rights implications of continued wrongful imprisonment, which is itself a breach of article 5.

The hon. Member for Caerphilly asked me in Committee what provisions were in the Bill to bring about any sanctions for private bodies or individuals failing to

[*William Wragg*]

comply with the court order once issued. I undertook to investigate that point and report back to him. In the intervening period I have made inquiries with the Ministry of Justice, the staff at the CCRC itself and also some hon. and learned Friends in the House, and I am pleased to report back to him.

It is true that the Select Committee's report, which paved the way for this Bill, included an additional recommendation for a new measure for timely compliance, to apply to public and private sources. The Ministry of Justice considered that possibility and how it could be practically applied. It concluded that the evidence that this is needed, or that its implementation would make a significant difference to the timing of reviews by the CCRC, was weak and that it could not consider "sanctions" to be appropriate for the CCRC to apply if bodies failed to comply with the disclosure. Moreover, however, on reflection, the lawyers whom I spoke to and the CCRC considered that there were no such provisions in the Bill because they were unnecessary. That is because the power to demand disclosure is subject to a judge's agreement, and the existing rules on contempt of court would provide sufficient protection. If a private body refused to provide material to the CCRC after a request for voluntary disclosure, there would clearly be no penalty. However, if the CCRC has sought and obtained a Crown court order under the new provision, then non-disclosure by the private body would be a breach of that court order, and would place the body in contempt of court.

The hon. Member for Caerphilly also raised a foreseeable objection: that of cost. The Bill has no financial implications and will not impose a financial cost or charges directly on the CCRC or private bodies. However, Members may be asking themselves whether the new power could place an unjustified financial burden on private companies that would be obliged to retrieve material for the CCRC. I suggest that the best answer to the question is to look at where the equivalent powers have been in operation for a long time—namely, the Scottish CCRC, which has not reported such issues.

I wish to recap the main reasons why I believe the Bill deserves the support of the House. First, the important power to request privately held information is currently lacking, and that is hampering the work of the CCRC. The limits placed on the CCRC by its governing statute have occasionally hindered its work and limited its ability to help victims who may be innocent. Richard Foster, the chairman of the CCRC, has said he is confident that miscarriages of justice have gone unremedied because the commission lacks that power. It is impossible to tell in retrospect whether the outcomes of any cases would have been different had additional information been available, but I hope I have made it clear how the problem is fixed by the Bill.

Additionally, the power has been wanted for a long time. The CCRC has long complained of this weakness, and after a thorough inquiry the Justice Committee has said that there has been a failure of successive Governments to right the situation. I tell the House that the time has now come. Crucially, we must also remember that the Scottish CCRC has enjoyed the powers for 18 years. Not only would the Bill fix a discrepancy between the

two legal systems—as a staunch Unionist, I believe that is surely a good thing—but we already have a working example of how the powers work. There is no record of abuse or invasion of privacy; the Scottish system is largely voluntary and complied with. Given that the commission has the legal recourse should it need it and that information is provided without great cost, only rarely would a court order be contested.

The House will be pleased to know that I have come to my final point. We must consider the human aspect of this debate. Although the British system of justice works well in the vast majority of cases, mistakes occasionally happen. Prisons are not nice places, and they are not supposed to be—that is why we use them as a deterrent. However, what about somebody who has been convicted of a crime and sent to prison when they know that they are innocent, that the system has made errors against them and that the key evidence that could prove their innocence has been withheld? Imagine how their experience is compounded. Those people are victims.

There are countless cases of people wrongly convicted who, owing to psychological pressures resulting from their experience, end up taking their own lives still protesting their innocence and still, sometimes, locked up in prison. We have a moral duty to help those people to ensure that such incidents are minimised and that mistakes are swiftly and thoroughly investigated without hindrance, so that justice can be served. That is the ideal that the Bill will bring us a little closer to realising. I hope that the House will give the Bill its full support.

12.34 pm

**Christina Rees** (Neath) (Lab): First, may I echo the sentiments that have been expressed about the sad passing of our colleague, my hon. Friend the Member for Sheffield, Brightside and Hillsborough? We came into the House together in the 2015 intake, and he was always so supportive and so positive. He was a man with great dignity. We will miss him dearly, and our thoughts are with his wife and family.

I will keep my comments on the Bill brief, as the hon. Member for Hazel Grove (*William Wragg*) set out the case for it clearly and in great detail. The Opposition will not oppose the Bill, for the following reasons.

The CCRC performs a vital function in our criminal justice system. That system is crucial to prosecuting criminals, but also to supporting victims efficiently and effectively. However, sometimes, those processes do not work when someone is in fact innocent. The CCRC's function is to ensure that those innocents can investigate their case and to consider whether there is a real possibility of their conviction not being upheld and of the case being referred to an appeal court.

The Bill will extend section 17 powers to require all persons, corporate and unincorporated, and all natural and legal companies, including partnerships, to provide the CCRC with documents or other material necessary to its investigations. That will put the CCRC in England, Wales and Northern Ireland in the same position as the Scottish CCRC, which has had those powers for 18 years—nearly two decades.

The absence of powers to obtain material from the private sector has often disadvantaged applicants to the CCRC. The powers cover expert witnesses at trials and their personal notes; original contemporaneous notes

of interviews recorded by clinicians in NHS files; information received by forensic medical examiners from victims of crime during their examinations; journalists and legal departments of newspapers; banking organisations; companies that have no direct involvement or interest in a case; companies that provide details of employees; private counselling records; third sector organisations such as the Samaritans, the National Society for the Prevention of Cruelty to Children and ChildLine; and campaign groups. They will now all be caught by the section 18A powers.

The overwhelming number of private individuals approached by the CCRC agree to disclose material, but the Bill is for those who do not. They will not be able to hide behind data security legislation or the fact that information has a security classification. The CCRC re-examines and re-tests material from crime scenes, but the Forensic Science Service was abolished by the coalition Government and replaced with a private organisation from 2012. Material was not, therefore, available under section 17, but it will now be available under section 18A powers.

In the past, the CCRC has had good co-operation with its requests for case files from solicitors representing applicants at trial and/or on appeal. In part, that co-operation has been due to the relevant professional codes of conduct. In recent times, as has been said, pressure on legally aided firms has led to the CCRC having difficulties obtaining legal material. Often, such requests are the last priority on solicitors' work lists, and that has led to protracted negotiations, leading to delays and discussions about who bears the cost of transferring the materials in question. Section 18A will cut those lengthy delays and expedite justice.

The Opposition welcome the safeguards that the Bill will put in place. The CCRC should always attempt to obtain information voluntarily, but if such information were not forthcoming, there would be a court order accompanied by judicial oversight, as specified in clause 1(1). A person will be obliged to provide the CCRC with the relevant information, subject to the order of a Crown court judge.

The Bill will impose no financial costs or charges directly on the CCRC or private bodies. The Scottish CCRC has had only one contested proceedings case in nearly two decades. Will the Minister clarify, however, whether the non-disclosure penalties on private bodies will be the same as they are now for criminal and civil proceedings? In addition, with the CCRC's funding by grant in aid from the Ministry of Justice in 2014-15 amounting to £5.67 million—a reduction of 30% over the past decade—does he anticipate that the creation of the new powers under proposed section 18A will lead to an increased number of cases, increased workload and therefore the need for increased funding?

As I said, the new power is necessary because not being able to request private information has hindered the CCRC's working practices. Labour Members will support the Bill, because a person convicted of a crime that they did not commit becomes a victim. In prison, with all the pressure that brings, some victims of miscarriages of justice have taken their own lives. That cannot be allowed to happen again.

12.40 pm

**The Parliamentary Under-Secretary of State for Justice (Mr Dominic Raab):** At the outset, may I add my condolences to the family of the hon. Member for Sheffield, Brightside and Hillsborough, and say that we feel his loss in all parts of this Chamber?

I add my congratulations to those of others to my hon. Friend the Member for Hazel Grove (William Wragg), who, in getting the Bill to this stage, has achieved no mean feat. Many private Members' Bills fall long before they reach this point, and he has shown considerable tenacity, sagacity and modesty in securing its passage to this stage—[*Interruption.*] But not brevity, he tells me—you can't have it all. He has done so within nine months of being elected to this House, which is also no mean feat.

I thank the other hon. Members who have demonstrated their support for and interest in this Bill. I note that my hon. Friend has managed to amass an interesting range of sponsors, from the Leader of Her Majesty's Opposition to the Conservative chair of the 1922 committee. I am not sure whether that is entirely unprecedented, but it is certainly a rare and potent cocktail of parliamentary support, and I congratulate him on that.

In short, the Government support the Bill. It may be modest in size, but we believe it will make a significant contribution to the effective workings of our criminal justice system. When we think about justice, we usually think about the police, the courts, or perhaps the judges. We rightly focus on the victims and the witnesses, and on ensuring that justice is meted out swiftly and surely. Perhaps we do not spend enough time thinking about what happens when things go wrong. That is mercifully rare, but it does happen on occasions that someone is convicted who, it transpires, was innocent all along. My hon. Friend was absolutely right to talk about the impact of miscarriages of justice on individuals—the human toll. He put it incredibly well. British justice should be firm, but it should be fair, and that is what this Bill is all about.

In the 1970s, as my hon. Friend pointed out, there were some very high-profile miscarriages of justice. He spoke about them, and I do not need to repeat what he said. Those cases exposed the weaknesses in the criminal justice system at the time, and that led to the establishment of a royal commission on criminal justice in 1991. As hon. Members will recall, the commission's remit included considering whether changes were needed in the arrangements for considering and investigating allegations of miscarriages of justice when all the appeal processes have been exhausted. The commission's recommendations led to the Criminal Appeal Act 1995, which established the Criminal Cases Review Commission.

The existence of the CCRC ensures that those who have been wrongfully convicted have someone to turn to who will thoroughly investigate and reconsider their case. If there is a real possibility that their conviction would not be upheld, the commission will refer their case to an appeal court. The commission consists of 11 commissioners, one of whom serves as chair. They are dedicated and experienced people who deserve our support and encouragement. As I say, its purpose is to investigate cases in which it is alleged that the system has gone wrong and a mistake has been made. That is no easy task for the commissioners. It can involve trawling through reams of paperwork and great swathes

[*Mr Dominic Raab*]

of historical evidence. The ability to obtain that evidential material is clearly an essential tool in the commission's work; I think it is the key to its success.

Currently, the commission uses the powers set out in section 17 of the Criminal Appeal Act 1995 to require public bodies to give it documents or other material that may assist it in discharging its functions. Public bodies that the CCRC often deals with include the police, the NHS, councils, Whitehall Departments and the Crown Prosecution Service. Provided that the section 17 power is exercised reasonably, the CCRC's ability to obtain information from the public sector is not restricted by any obligation of secrecy or limitation on disclosure. For example, it extends to information that may be relevant to national security and to personal information held by public bodies.

The CCRC does not, however, have the right to obtain the same information from private organisations and individuals. As we have discussed throughout the passage of the Bill, and as my hon. Friend pointed out, that can cause real issues in some cases, albeit a small number. There is no doubt that that has limited the commission's actions and caused unnecessary delay in some of the reviews of cases it has undertaken. Obviously that is not just unfair but a waste of its resources.

When documents relevant to a particular investigation are held by the private sector, or indeed a private individual, the commission relies on voluntary disclosure. Although voluntary disclosure is not uncommon—most businesses want to try to do the right thing—organisations sometimes claim to be unable to provide the CCRC with the relevant material, perhaps because of a statutory restriction on the disclosure. Even when voluntary disclosure is made, it can often take protracted negotiation, which itself causes lengthy and expensive delays in the review process. As my hon. Friend has said, let us not forget the impact that that has on innocent people, particularly innocent people who are still in prison. The delay has a very real human cost.

The situation under the current legislation stands in contrast to the Scottish Criminal Cases Review Commission, which, when it was established, was granted far wider-reaching powers under the Criminal Procedure (Scotland) Act 1995. The Scottish body has a similar function to that of its counterpart in England and Wales, to investigate miscarriages of justice in Scotland. However, it was established from the outset with powers to obtain material from both public and private sector organisations. It is a shame that there are no Members who represent Scotland present to hear us pay full tribute to the Scottish legal and justice system.

The Bill's insertion of a new section into the Criminal Appeal Act 1995 is very welcome. It means that the CCRC will be able to obtain a court order requiring a private individual or private organisation to disclose a document in their possession or under their broader control. The court will be able to make such an order only if it thinks that the document or other material may assist the commission in the exercise of its functions. We are not talking about licensing or authorising fishing expeditions.

The involvement of the court is an important safeguard in the process. The individual or the company from which any material is requested will be able to put their

case to the court if they think that the information either needs to be maintained for confidentiality or should not be disclosed. There are safeguards for documents that are, for example, commercially sensitive or subject to legal privilege. Clinics may want to safeguard personal medical records whose disclosure could be detrimental to the patient or patients concerned, and journalists want to protect their sources. All such things can be catered for in the process.

In short, there may be a whole range of circumstances where it is justifiable and appropriate that documents or other material remain confidential. The Bill provides a clear process for the courts to consider fully the circumstances of any particular case and to make an informed, sensible decision about how to proceed.

Once a court order has been made, failure to disclose the documents will be punishable by contempt of court. That is a significant sanction. The maximum penalty for that in the Crown court is two years, or a fine, or both. The penalty in any individual case will be a matter for the judges and the court, within the maximum limit. We think that is right and appropriate. Of course, it is not possible to imprison an organisation if it does not comply, but a fine has significant potential to damage a company's reputation as well as to hit it in the pocket, and we think that will be a considerable deterrent. We also think that the prospect of being taken to court will probably be enough to persuade most companies to provide any relevant documents and material, and to do so quickly. Where a miscarriage of justice is concerned, it is even more important that we brook no delay in putting it right.

One reason why the powers are needed now is that more and more services that used to be in the public sector are provided wholly, or partly, by private companies. It was good to hear that the Opposition have no dogmatic objection to that. A good example of where that works effectively is the work that used to be done by the Forensic Science Service. As hon. Members will imagine, a key part of the commission's work involves re-examining and re-testing material obtained from crime scenes. Much of that material is now initially tested and held by private companies.

When it comes to forensic evidence and samples, an important power of the commission under the 1995 Act is to request that samples are retained for later examination and testing. At present, such a request can be made to public bodies, but not to private individuals or companies. That is a good example of the situation that the Bill is designed to rectify. Documents that are in the possession of a private company might be destroyed, inadvertently or otherwise, and not be available for later examination by the CCRC. The Bill will ensure that the commission can request that the court orders a private organisation to retain documents or other material, which will reduce any risk that the company might discard or unintentionally destroy important material that the commission might need later.

Some private companies already have a policy covering what they retain, and they may be restrained by lack of space and facilities. The commission needs a mechanism to ensure that documents are retained in spite of any such policy. We think it will continue to be relatively rare for a company to intentionally destroy documents that later prove to be necessary in an investigation by

the commission, but it is important that the powers in this Bill exist for future such contingencies.

We should, of course, acknowledge that the great majority of private individuals approached by the commission comply voluntarily. Cases in which organisations or individuals refuse to release documents are, thankfully, rare, but some simply refuse to assist. As with witnesses who are reluctant to come forward, there may be many reasons for that refusal. Some just cannot be bothered, others may be scared of reprisals—for example, where a case involves gangs—and others may be hostile to the criminal justice system in general, or to the commission.

We believe that the powers that the Bill gives the CCRC will make cases of non-assistance much rarer. The backstop of a court order will make it more likely that individuals and organisations will comply fully and without delay when approached by the CCRC. That is certainly the case in Scotland.

As we have considered what the Bill is designed to achieve, we have been mindful of the recommendations made by the Select Committee on Justice following its investigation of the matter during the 2014-15 Session. I will not go through all the points that it made, but the Justice Committee clearly felt that there was a need to act in this area. It argued:

“The extension of the CCRC’s section 17 powers to cover private bodies is urgently necessary and commands universal support.”

There appears to be cross-party agreement in the House to that effect. The Committee recommended that the commission should be able to apply to the court, and that important safeguard is in the Bill, so the Bill fulfils that recommendation exactly.

The Secretary of State for Justice wants a justice system that is firm but fair, and which delivers the best possible outcomes and commands the confidence of the public. It is clear from all the speeches, particularly that of my hon. Friend the Member for Hazel Grove, that the Criminal Cases Review Commission has a pivotal role to play in ensuring that the criminal justice system delivers firm but fair justice. I think the whole House agrees about the importance of the commission’s role in performing independent investigations, and that, as it does so, it should have all the information-gathering powers it needs. The Bill is an important, though modest and incremental, addition to those powers.

For all those reasons, the Government are very supportive of the Bill. The powers are appropriate, and the Bill’s terms will ensure that the powers are exercised proportionately and appropriately. The involvement of the courts will ensure that we get the right balance between confidentiality and the broader requirements of due process and justice. I think I will be joined by many colleagues—indeed, I hope by the whole House—in welcoming and supporting the Bill, commending my hon. Friend and wishing the Bill a safe, secure and swift passage in this House and through the other place.

*Question put and agreed to.*

*Bill accordingly read the Third time and passed.*

## Bat Habitats Regulation (No. 2) Bill

### *Second Reading*

12.56 pm

**Mr Christopher Chope** (Christchurch) (Con): I beg to move, That the Bill be now read a Second time.

Madam Deputy Speaker, it is a surprise and a privilege to be able to address the issue of bat habitats again in the House so soon, relatively speaking, since I last spoke about the matter back in January 2015. You may recall that, in the last Session of the last Parliament, my Bat Habitats Regulation Bill attracted a lot of interest. The Minister of State, Department for Environment, Food and Rural Affairs, my hon. Friend the Member for Camborne and Redruth (George Eustice)—I am delighted to see him on the Front Bench today—responded then by promising that various matters would be progressed. I see this debate as an opportunity to find out a bit more about what exactly has happened since he last addressed this issue in the House and about what he thinks should happen in the future.

**Philip Davies** (Shipley) (Con): On a point of order, Madam Deputy Speaker. I am sorry to cut off my hon. Friend in full flow. This is further to my point of order earlier this morning about the security risk this country faces from a European Court of Justice decision to stop the UK kicking out of this country a Moroccan national whom the Home Office believes to be a severe threat to national security. It now appears that the person concerned is Abu Hamza’s daughter-in-law. Whoever it is, this is a very serious matter, and this country and this House should be aware of it. What can be done to get a Home Office Minister to come to the Chamber as a matter of urgency to tell the House about this matter and about what threat this country faces?

**Madam Deputy Speaker (Mrs Eleanor Laing)**: I thank the hon. Gentleman for his point of order and for bringing this matter, which is indeed important, to the attention of the House again. As he knows, I have no power to require a Minister to come to the House, but I am quite certain, now that the hon. Gentleman has raised this matter on the Floor of the House, that those who ought to take note of what he has said will do so. I trust that the matter will be brought before the House in due course, and the hon. Gentleman is of course well aware of the many methods that he can use next week to ensure that it is brought before the House.

**Mr Chope**: I am grateful to you, Madam Deputy Speaker, for what you have said in response to my hon. Friend the Member for Shipley (Philip Davies). I share his concern that this is a very important issue, particularly in the light of what has been said about the need for us to be able, as a result of the current EU renegotiations, to improve our own national security.

The EU is of course a significant issue in relation to the regulation of bat habitats. The only way in which my Bill, as currently drafted, can be put on the statute book is either for the Government to agree to exclude it from the application of the European Communities Act 1972 or for us to leave the European Union. If the Bill does not reach the statute book, the need for such a Bill may be significantly reduced if we can leave the European

[*Mr Chope*]

Union. I do not know whether I will be able to draw out the Minister on that matter in this debate. Last year, I described him as one of the leading Eurosceptics. I hope that in the course of the next few weeks or days, he will re-establish his credentials in that respect.

This morning, I received a written answer to my question. I asked:

“what progress has been made...on developing a toolkit for effective and safe management of bats in churches as recommended in the University of Bristol report on Management of bats in churches, a pilot, published in January 2015.”

The Minister referred to that report when he responded to the debate in January 2015.

The answer that I received from the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Penrith and The Border (Rory Stewart), stated:

“The Government has invested significant resources into research and development to assess how we can reduce the impact caused by bats in churches. This has included a three year research project that concluded in 2013, as well as a pilot project led by Historic England that focused on churches with significant bat issues. Natural England is currently creating a licensing framework to provide the mechanism through which the impact of bats will be controlled in churches.”

I will pause at that point. Natural England seems to be taking an inordinately long time to create the licensing framework. One can only assume that either the matter is incredibly complex or Natural England is not investing sufficient resources in that objective. I hope that the Minister will put more pressure on Natural England to come forward with the licensing framework sooner rather than later.

The second paragraph of the ministerial response to my written question causes me concern. It states:

“A partnership of five organisations, including the Church of England and Natural England, is seeking Heritage Lottery Funding for a five year project to support the creation of a national support network for churches that have bat related issues. The outcome of the bid for funding will be known in March.”

That is an incredibly long timescale. Why can the funding not be provided directly by the Government now? Why do we need to go to the Heritage Lottery Fund to try to get it? Why will it take a similar length of time to the duration of the last world war to come up with a solution, if indeed that funding is available? Why, for all the talk, are we not able to do more, more quickly, to resolve what is for many churches and places of worship a really serious issue?

The seriousness of the issue is recognised in the material that has been produced by the Bat Conservation Trust and the University of Bristol. The Bat Conservation Trust has identified a number of case studies of churches where the problems with bats have been mitigated, rather than resolved. It also sets out in detail all the problems that bats can cause in churches, such as droppings and urine, health concerns, what happens when they fly inside churches and the problems that they can cause when building and conservation projects are under way in churches.

The Bat Conservation Trust has a helpful brief entitled “Solutions to bat issues in churches”, and it answers certain questions such as “Why can’t I get rid of bats in my church? What can I do about bat droppings in my church? Why do churches have to foot the bill for bat

conservation? What help is available to churches with bats?”, and so on. It is clear from the way that those questions are asked that we are a long way short of finding a solution to this intractable problem that is causing an enormous amount of concern to churches.

In the previous debate my hon. Friend the Member for Shipley referred to the fact that it is not just churches that are affected by this issue. The Bat Conservation Trust took up my response to that intervention, in which I said that we should perhaps start with just one small area, such as churches. The fact that I then contemplated the possibility that we might extend that provision to other buildings caused an enormous amount of angst among members of the Bat Conservation Trust, and it placed a riposte on its website. My point is that we have to start somewhere and try to get some urgency into the matter.

**Philip Davies:** I am grateful to my hon. Friend for taking up my point about other buildings as opposed to just churches, and in order for progress to be made, I am very happy to drop my wide ambition to see this measure extended further. If it means that my hon. Friend can make progress on churches alone, I am happy to limit my ambition to that.

**Mr Chope:** I am most grateful to my hon. Friend, and I hope that when he responds, the Minister will accept that dealing with churches would be a good place to start.

One criticism made of the Bill last year was that it contained no definition of a building used for public worship. To address that I have added clause 3, which defines a building used for public worship as

“a building used for the purposes of religious worship by a congregation or religious group whether or not the building is also used for counselling, social events, instruction or religious training.”

I hope that that will overcome the objection raised about the lack of definition in the Bill.

When responding to our previous debate, the Minister said that there were issues that were going to be addressed, and that in light of their vulnerability, bats have been subject to protection under the Wildlife and Countryside Act 1981. At European level, that was augmented by protection under the European habitats directive in 1994, which was transposed into UK law with the Conservation of Habitats and Species Regulations 2010. He said that there would be a review of the relevant European directive, and that

“the European Commission has committed itself to reviewing certain elements of the directive to establish whether they are proportionate. So, in addition to all the work that we are doing nationally, a European-level review is under way.”—[*Official Report*, 16 January 2015; Vol. 590, c. 1199.]

Will the Minister tell the House where we are with that European level review, and say when he thinks it will reach a conclusion? What sort of conclusion does he think it will reach, and what evidence has been submitted by the Government to that review?

It is a great concern to me, and to a lot of my hon. Friends, that we have European legislation to deal with bats who do not fly across Europe. These are bats who reside in the British Isles. What business is it of the other countries in the European Union to dictate to us how we should look after our own bat populations?



This could almost be a starting point for addressing the much-vaunted but totally ignored principle of subsidiarity. If we have a species in our country that does not move from one country to another, it should surely be a matter for domestic, rather than European, law. I would be very interested to know from my hon. Friend the Minister where he thinks we have got to on that.

There is some good news. Last year, I talked about the impact of wind turbines on bats. I put a provision in that Bill largely because of a proposed massive offshore wind turbine project in Dorset. The good news is that the project has now been rejected by the Planning Inspectorate. There will no longer be the adverse impact on bats on the mainland there would otherwise have been if connecting cables had been constructed through forest areas.

In responding last year to the aspect of that Bill concerning the impact of wind turbines on bat habitats, my hon. Friend said:

“That evidence is fairly mixed. Some studies in the United States and Canada suggested that there could be an impact, but, in order to clarify the position in the United Kingdom the Government are conducting their own research, which will be completed later this year.”

The research must therefore have been completed by the end of 2015. I would be grateful if my hon. Friend could tell us the outcome of that research into the wind turbine impacts on our bat populations and habitats. He went on to say:

“If that research establishes that the current approach to planning in respect of wind turbines is insufficient to protect bats, we will review our approach at that point.”

There is a useful purpose to be served by having an almost regular review of progress on issues such as this. The other thing my hon. Friend said last time was this:

“In a changing landscape, where hedgerows and other linear features that are so important to bats have been lost as roosting sites, churches can be important to, in particular, some of our rarer birds. However, the Government recognise, and are sympathetic to, the concern of parishioners who are suffering from the effects of bat droppings on pews, precious artefacts and equipment in the public and private areas of their churches. To address that concern, we have invested considerable resources in research and development to establish how we can reduce the impact of bats in churches.”—[*Official Report*, 16 January 2015; Vol. 590, c. 1198.]

He then went on to refer to the three-year research project completed in March 2014.

At the beginning of my remarks, I referred to the answer to the question of where we are getting to in establishing a toolkit for effective and safe management of bats in churches. The answer seems to be that it is a long way off. In the meantime, what are we going to do? Something has to be done to make things better for churches and for the parishioners and others who use them. There must be a better solution than their having to put up umbrellas in church to avoid being defecated upon.

Why must our fantastic church monuments be covered with paper—not plastic, because it adds to the adverse impact on the artefacts—so that bats can carry on doing their thing inside our churches to the detriment of that important part of our heritage? It must be possible for bats to co-exist with historic churches. The challenge for the Government, which is reflected in the Bill, is to demonstrate a will to make it happen. For that reason, I ask that the House give my Bill a Second Reading.

1.15 pm

**Nick Smith (Blaenau Gwent) (Lab):** I associate myself with the Speaker’s remarks earlier following the sad death of Harry Harpham, the MP for Sheffield, Brightside and Hillsborough. Like many colliers, Harry carried himself with strength and dignity, and we will miss him greatly.

I congratulate the hon. Member for Christchurch (Mr Chope) on the selection of his Bill today. Bat numbers have been in a downward spiral over the last century. The loss of roosting sites and insects from pesticide use sent the bat population into a sharp decline. The habitats directive was an important mechanism aimed at halting this decline, and I am pleased to say that as a result bat numbers have stabilised and even increased in recent years. That is down to the hard work of the public, private and voluntary organisations involved in bat conservation. Together, they have ensured the directive’s success.

Dark, quiet buildings are a natural roosting spot for bats, and it is true that churches are a target. A nationwide survey concluded that one in six contained bats. It also concluded, however, that the number of bats was small and that congregations might not even be aware of their presence. Indeed, a separate survey by the Bat Conservation Trust showed that only 12% of churches expressed any concern about their presence. Having said that, urine and droppings can create problems, and in large quantities, they can make a church unpleasant to use and damage historic fabric.

The Bill, however, ignores the many measures being taken by organisations such as English Heritage and the National Churches Trust to help mitigate these issues. Plenty of advice is available on how to manage buildings, including churches, that contain bats. Most of this is offered free of charge and can even involve visits to affected areas. Indeed, if this requires a monetary contribution, public and non-governmental organisations can fund it for important sites. Furthermore, a Heritage Lottery Fund bid is currently being prepared by a partnership that includes the Church of England, Historic England and the BCT. The hon. Gentleman mentioned that earlier, and I hope, like him, that it is brought forward soon. Those actions are to be applauded and are an example of the system supporting itself without the need to remove vital protections.

In conclusion, there is no reason to water down the important legal protections for bats, and I urge the House to reject the Bill.

1.18 pm

**The Minister of State, Department for Environment, Food and Rural Affairs (George Eustice):** I too associate myself with the comments about the sad death of Harry Harpham.

I thank my hon. Friend the Member for Christchurch (Mr Chope) for giving me the opportunity to respond to his Bill. As he indicated, this is a Second Reading in more ways than one, because, a little over a year ago, I stood at the Dispatch Box debating precisely the same Bill. This is an opportunity, as he said, to update the House on what has happened since, although it is obviously a short time in which to make progress on

[George Eustice]

such a long-term problem. I am afraid, however, that the Government still do not support his Bill, for reasons I will explain.

All bats are subject to protection under the Wildlife and Countryside Act 1981, which makes it a criminal offence deliberately to kill, injure, take or disturb bats. There is also a strict liability offence of damaging or destroying their breeding sites or resting places. The Act's provisions protect bats from disturbance in their place of rest and the obstruction of such locations.

Most of the 18 species of bat found in the UK evolved to live, breed and forage in or around trees and caves, but many have now adapted to roost in buildings, including barns, houses, churches, tunnels and bridges, following the loss of their natural roosting sites through modern agriculture and forestry practices, and also through urban growth. Such artificial roosts are now essential to the survival of many bat species. However, the threat of demolition of old buildings, barn conversions, an increasing use of artificial lighting and the move towards air-tight buildings have highlighted the increasing importance of the remaining roosting sites. Decreasing the protection afforded to bats in these important sites is therefore likely to have a detrimental impact on the conservation status of bats in the UK and would be in contravention of our existing national legislation, which, as my hon. Friend pointed out, is also underpinned by our obligations under, for instance, the habitats directive.

My hon. Friend's Bill proposes that surveys must be undertaken before any new buildings are built, to assess the presence of bats in the area; and if there are any bats present, that building should proceed only if bat boxes or other artificial roosts are provided. The requirement to be aware of the existence of bats and to consider the impacts of any build on their numbers already exists. Local planning authorities have a duty to consider biodiversity and the requirements of the habitats directive when considering developments. Mitigation of damage to bat roosts and resting places may be required, but bat boxes and artificial roosts are only two of the possible measures that can be implemented. Each case should be considered on its merits. Furthermore, bats require not just roost sites, but suitable habitats in which to feed. The Bill does not take account of this.

The Bill also proposes to prohibit the placing of wind turbines in the vicinity of any bat habitat. Again, bat surveys are already undertaken at potential wind turbine sites when bats are nearby. The Department for Environment, Food and Rural Affairs has commissioned research on the impact of wind turbines on bats, and I am told the report will be published shortly. My hon. Friend asked for an update on that report, and the fact that it is being published suggests that either it is nearing completion or the finishing touches are being put on it. We expect the report to be published in the spring. Should that research show an impact, we will consider what changes may be needed in the placing of wind turbines. I would make the point, though, that this is not believed to need new legislation; rather, there would simply be a change in planning policy guidance.

Finally, the Bill proposes that bats should be excluded from a building used for public worship unless it has been demonstrated that their presence would not have a significant adverse impact on the users of such a place. Unfortunately, the Bill does not define what a "significant

adverse impact" would be. Such a blanket prohibition does not take account of either the potential importance of some churches to vulnerable bat populations or the work the Government are doing to alleviate the impact of bats in such places where they are causing a nuisance or distress. In a changing landscape, where hedgerows and other linear features so important to bats have been lost and other buildings used as roost sites, such as farm outbuildings or other traditional buildings, have been lost or demolished, churches can represent one of the few remaining constant resources for bats, thus giving them a disproportionate significance for the maintenance of bat populations at a favourable conservation status.

However, as I have said previously, the Government recognise and are very sympathetic to the concerns of the many parishioners who are suffering from the negative effects of bats in churches, such as bat droppings. To address this, the Government have invested significant resources in research and development to assess how we can reduce the impact of bats in churches. A recent three-year research project led by DEFRA, along with a pilot project led by Historic England, developed techniques to assist churches with significant bat-related issues. Solutions are ready to be implemented in some churches that were involved in this work. Natural England is currently creating a licensing framework, which will be the mechanism through which these techniques will be delivered.

**Mr Chope:** When does my hon. Friend expect Natural England to complete the licensing framework?

**George Eustice:** I do not have a particular timetable, but the framework is being developed based on the evidence from the research project. I imagine that it could be done relatively quickly.

I thought my hon. Friend took a rather "glass half empty" view of the parliamentary question and the response to it that he received today. The reality is that Heritage Lottery Fund money is being sought to support the roll-out of this work across England and to create an effective national support network for churches that have bat-related issues. He might have misinterpreted one element of the response, because it made it clear that this is a funding application, a decision on which is expected in March this year, and that that funding will support a five-year project. It is not the case that nothing will be done for five years or that further evidence gathering will go on for five years. If the project is supported, it will be largely complete after five years. There is more reason for optimism than my hon. Friend showed.

**Mr Chope:** Obviously, I would not expect the Minister to anticipate not getting the funding from the Heritage Lottery Fund, but can he guarantee that, whether or not that application is successful, this work will be carried out, because it would be perverse if it were dependent solely on the success of that bid?

**George Eustice:** When it comes to heritage assets, our churches are almost second to none. We have thousands of churches and they provide incredibly important heritage assets, so I think this bid will be a very strong one. If, however, for some reason the bid were unsuccessful, it goes without saying that we would seek alternative means to fund this important work.

Major positive strides forward are already being made at one church. Work carried out at St Hilda's in Yorkshire led to the impact of bats being removed altogether, while ensuring that the bats were still able to roost in the roof of the building. This is an excellent example of peaceful co-existence between bats and parishioners in churches.

Let me deal with the habitats directive, another point that my hon. Friend raised. The Commission is working on its REFIT—regulatory fitness and performance programme—proposals, looking at the implementation of the habitats directive. We think it unlikely that any major revisions to the list of species protected by the directive will be made, but the Commission is keen to ensure that implementation is proportionate. That work is carrying on. My hon. Friend will know that things do not always move at a pace in the European Union, but I can assure him that we are in regular dialogue with the Commission on this matter, and we are keen to see the REFIT approach to the directive taking place.

My hon. Friend's Bill deals with the habitats directive by inserting a notwithstanding clause. The constitutional position is clear: Parliament has the right to set aside directives in the way he describes if it wishes to do so. It would, of course, cause difficulties for our laws internationally, which is why we have tended not to do this. He should understand that we sign up to other international conventions. He sought to make a distinction between the protection of migrating species and species that are here purely domestically. We have signed up to the Bern convention, which encourages wildlife protection in all the countries that are signatories to it—whether or not they are in the European Union and irrespective of whether the species are migrating. The Bern convention makes some reference to bats in this respect.

**Mr Chope:** May I give an example by referring to what happens with migrating birds in Malta? Although Malta is a member of the European Union, it does not seem that any of these rules apply to that country.

**George Eustice:** The rules do apply to Malta. We have debated in the House some of the challenges posed by dove shooting in Malta, for example. Legal cases have been brought against the Maltese Government on precisely these issues. They have been required, under these regulations, to put in place protection for migrating doves, too.

In conclusion, the current licensing regime administered by Natural England already allows us to address problems caused by protected species such as bats and properly balances the legitimate interest of people in a way that avoids harming wildlife, without the need to change the law. For the reasons I have outlined, the Government oppose this Bill as being both unnecessary and inappropriate. I can, however, assure my hon. Friend that I take the issues he has raised very seriously. I hope he will recognise that although it is just one year on, we have indeed made progress with this application to the lottery project and with the ongoing review of the habitats directive. I hope therefore that he will see fit not to push this to a Division.

1.30 pm

**Mr Chope:** I thank the Minister for his thoughtful response to the points that have been raised. I hope that his optimism about the Heritage Lottery Fund bid is well founded and that that project is able to continue. It is not often that I would describe a piece of legislation that I have put forward as being premature, but in the light of what he has said and of the fact that we are shortly to have an in/out referendum, and on the basis of the Bill's prematurity, I beg to ask leave to withdraw the motion.

*Motion and Bill, by leave, withdrawn.*

## Benefit Entitlement (Restriction) Bill

### Second Reading

1.31 pm

**Mr Christopher Chope** (Christchurch) (Con): I beg to move, That the Bill be now read a Second time.

Again, this Bill is a reiteration of one I introduced to the House previously, but that was first brought forward two years ago, rather than one. It sets out clearly what we need to do in relation to the benefit entitlements of those who are not UK citizens. It would:

“Make provision to restrict the entitlement of non-UK Citizens from the European Union and the European Economic Area to taxpayer-funded benefits.”

Interestingly, the Bill is put in identical terms to the one introduced in the 2013-14 Session. When I introduced that Bill on 17 January 2014, it received a lot of sympathy from the Government at the time, and I shall briefly cite some of the things that were said.

I said that the Secretary of State for Work and Pensions, whom I am delighted to say is still in post, had the week prior to the introduction of my Bill been quoted in *The Sunday Times* with a big headline saying “Ban migrant welfare for two years”. When that issue was examined, it turned out that it could not be done then and it was an “aspiration” rather than a “policy”. I quoted the following:

“Sources close to Mr Duncan Smith stressed he was expressing an aspiration for the future, rather than spelling out a policy.”—[*Official Report*, 17 January 2014; Vol. 573, c. 1138.]

The background is, therefore, that the Government at that stage were keen on limiting welfare for migrants from the European Union and the EEA.

One interesting aspect of that debate was that the problem had also been referred to by Dominic Lawson in *The Sunday Times*. He had pointed out that none other than Milton Friedman, that great free market economist who believed in open borders, had asserted that one

“can have a generous welfare state or open borders, but not both...There is no doubt that free and open immigration is the right policy in a libertarian state, but in a welfare state it is a different story: the supply of immigrants will become infinite.”

That is the issue that my right hon. Friend the Prime Minister has been trying to address in his negotiations with other members of the European Union; we cannot have both open borders and unrestricted welfare. Of course, if we believed in a single superstate, as our European colleagues do, the issue would not arise, because we would all be living in one great state, with people moving freely from country to country with uniform benefits systems. That is not the policy of the present Government, and it is certainly not the wish of the British people.

Two years ago, we were hoping for a renegotiation, followed by a Conservative victory in the general election, with the promise of an EU referendum. The renegotiation is now taking place, but it is very sad to see the extent to which our aspirations have been watered down. Even the then Deputy Prime Minister said that it was wrong that people from countries elsewhere in the European economic area should be able to access child benefit for children living in another country. That issue was addressed

specifically by the Conservative party at the recent general election, because our manifesto stated that we would ensure that nobody could access child benefit from the United Kingdom taxpayer for a child living elsewhere. Again, that seems to have been rejected in these renegotiations, which is very disappointing.

**Scott Mann** (North Cornwall) (Con): How does my hon. Friend think the general public feel about the current renegotiation and the watered-down benefit reforms?

**Mr Chope:** I think that the opinion polls tell the story—I am told that another one was published today. I think that the British public are enormously sceptical about the outcome of the renegotiation, and enormously concerned that those aspects that were spelled out precisely in our manifesto have so far not been realised.

**Scott Mann:** What does my hon. Friend think about the fact that the watered-down version we were presented with seems to have been watered down even further, with countries such as France and Germany suggesting that they might not support the legislation that the Prime Minister has already agreed?

**Mr Chope:** I am grateful to my hon. Friend for his intervention, but I am not going to go down that route, because my view is that, even if the high watermark of what the Prime Minister said in his recent statement, which is reflected in the documents produced by the European Commission, is maintained, it still falls significantly short of what we promised in our manifesto, and we will still be a million miles away from being able to remove access to benefits, which is what this Bill aspires to achieve and what the British people overwhelmingly support.

The Prime Minister answered questions after his statement to the House on renegotiation on Wednesday. He said:

“40% of EU migrants coming to Britain access the in-work benefits system, and the average payment per family is £6,000...I think that more than 10,000 people are getting over £10,000 a year, and because people get instant access to our benefits system, it is an unnatural pull and draw to our country.”—[*Official Report*, 3 February 2016; Vol. 605, c. 939.]

There is a dispute about the extent to which such access brings large numbers of people in, but in any event the British people find it an affront that the money of those who have paid their taxes and into our insurance system for years is being used to fund people from another country who have not made such contributions.

There is a big issue here. Like my hon. Friend the Member for North Cornwall (Scott Mann), I am not convinced that the Government have achieved enough, even at the high watermark, to satisfy myself and others. The only solution is to leave. [*Interruption.*] The hon. Member for Oldham East and Saddleworth (Debbie Abrahams) is laughing, but she will see that clauses 2, 3 and 4 of the Bill have to include the words

“Notwithstanding the provisions of the European Communities Act 1972”.

In other words, in each of those clauses I acknowledge that, under current European Union law, we cannot change our own law as we would wish.

In answering the debate that we had two years ago about this issue, the Minister then responsible, my right hon. Friend the Member for Hemel Hempstead (Mike Penning), said that, although he might be tempted, he could not support the Bill because he would be in breach of the ministerial code in supporting a policy that could give rise to infraction proceedings. I fear that the Under-Secretary of State for Disabled People, my hon. Friend the Member for North Swindon (Justin Tomlinson), whom I am delighted to see on the Front Bench today, is in exactly the same position: despite the temptation, he could not support the Bill because in so doing he would be in breach of the ministerial code for raising the prospect of infraction proceedings.

**Philip Davies** (Shipley) (Con): Is my hon. Friend suggesting that, in a couple of weeks, when it seems that the Prime Minister will allow a free-for-all for Government Ministers, this Minister will be able to say that he agrees with the Bill?

**Mr Chope:** That is an interesting point. Perhaps the ministerial code will have to be adjusted to take account of the fact that those who remain Ministers while supporting notwithstanding clauses, for example, should have an exemption. However, I am sure that there are more important issues at stake than the ministerial code.

**Scott Mann:** I hope my hon. Friend agrees that the decision will not be for this House, but for the country. I am grateful that the Conservatives went through the Lobby to put the referendum on the statute book and give people a say on whether we should be part of the European Union. Does my hon. Friend think that the decision will be made by this place or the great British general public?

**Mr Chope:** The people will decide. We trust the people: that is why we are Conservatives. We look forward to the referendum whenever it comes.

I know other hon. Members wish to participate, but before closing let me turn to the issue of declaration of nationality. All the responses from the Government suggest that the scale of the problem is as the Prime Minister described it on Wednesday. However, the Government do not know at the moment how many people from the European Union or the European economic area are claiming benefits because there is no information about nationality in benefit claims. When my right hon. Friend the Member for Hemel Hempstead responded to the Bill two years ago, he said this would all be put right under universal credit. Well, that is great, but universal credit is taking a very long time to roll out.

That is why I would be interested to hear what the Under-Secretary of State says about my suggestion in clause 1:

“From the date of the coming into force of this Act no national insurance number shall be issued unless the applicant provides a declaration of nationality...no application shall be made for a taxpayer-funded benefit unless the applicant provides a declaration of nationality.”

At the moment, we do not really have detailed information; all we have are some rough and ready calculations.

We know there are large numbers of people in our country claiming from the benefits system who are not UK nationals. The Bill would address that problem full on and ensure that non-UK citizens from the European Union and the European economic area were not able to access our taxpayer-funded benefits. That is why I have the pleasure of begging to move that the Bill be read a Second time.

1.46 pm

**Debbie Abrahams** (Oldham East and Saddleworth) (Lab): May I associate myself with the remarks that have been made about my former colleague, the hon. Member for Sheffield, Brightside and Hillsborough, Harry Harpham? I did not know him well, but at the engagements we did have, he was an absolutely delightful man. I pass my condolences to his family. He will be missed.

I congratulate the hon. Member for Christchurch (Mr Chope). I believe this is the third time he and his supporters have managed to get the Bill, in its various forms, read on the Floor of the House. He will have to give me his secret, because I have had no success with private Members' Bills. I think we can say it is congratulations to the tenacious sextet—not Tenacious D, but Tenacious S.

On more serious matters, the hon. Gentleman alluded to the fact that his timing with the Bill was perhaps a little surprising, given the state of the EU negotiations and the draft settlement that has been produced. I appreciate that the negotiations are tentative and that there are varying interpretations of how successful the Government are being, but hon. Members surely want to wait until the final settlement is known. After all, Mr Tusk has hardly digested the apple crumble and custard he had courtesy of No. 10.

The hon. Gentleman has not yet produced an impact assessment of the Bill's potential effects, which he also failed to do on the previous occasions. I am deeply concerned about the apparent lack of an evidence base to support the measures in the Bill. We must all strive for better, evidence-based policy.

**Mr Chope:** I welcome the hon. Lady's desire to have evidence-based policy. Surely she will recognise that it must be the first duty of the Government to let us know how many non-UK nationals are currently accessing these benefits. I have put down parliamentary questions on the issue and received answers to the effect that the information is not available.

**Debbie Abrahams:** The hon. Gentleman makes a relevant point, but all of us, as Members of this House, must make sure that whatever speeches we make, and whatever proposals or Bills we bring forward, they are evidence based. I would encourage him to do that.

I am incredibly proud to be British, but I am also an internationalist and an unabashed Europhile. Part of that is due to my personal experience. My great-grandparents were migrants from Poland and Germany. My grandmothers were French and Irish. My dad's wife is Dutch, and she and my dad have retired to Spain. My brother's wife is American, and she and my brother live in the US. My husband was born in South Africa. Before I became an MP, my work as a public health

[*Debbie Abrahams*]

consultant took me across the world, and predominantly across Europe. I have seen the immense benefits of that cultural diversity and those employment opportunities, not only in my own personal life but in the economic benefits to the country as a whole.

The EU is our biggest trading partner, alone contributing £227 billion to the economy last year, with £26.5 billion in investment coming from Europe every year. There are 3.5 million associated jobs, of which 14,000 are in my area of Oldham. Britain's EU membership makes us a major player in world trade. As an EU member, we are part of a market of 500 million consumers that other countries want to do business with. The UK is stronger in negotiating deals with countries such as China and the US as part of the EU group of 28 nations than we would be on our own.

It is not just Britain's prosperity that depends on our EU membership. After the horrors of two world wars in the previous century, the EU fosters greater ties and supports struggling regions. I was working on Merseyside in the 1990s when European objective 1 funding was made available to that area. Our working together across Europe with our member state partners has ensured 70 years of peace between European states. Cross-border co-operation is essential for Britain's future safety and wellbeing. Viruses such as Zika and Ebola do not recognise borders, nor do organised crime gangs and tax evaders, or carbon particulates and nitrous dioxide emissions. All those issues require our working closely with EU and other international countries, and the best way to achieve that is by being part of Europe, not on the fringes. That does not mean that we should not be striving for reform within all the EU institutions in strengthening governance, democratic accountability and sovereignty, but if you are going to change the rules, you need to be part of the club.

**Mr Chope:** But surely we, in our country, should be able to decide for ourselves how our taxpayers' money is spent on benefits. If we choose not to allow that money to be given to people from outside the United Kingdom, we should be able to decide that for ourselves.

**Debbie Abrahams:** I think the hon. Gentleman is waving a red herring.

Let me move on to the specifics of the Bill. I regret that the same effort that is rightly being put into ensuring that our social security system remains contribution-based is not being put into preventing the exploitation of workers and stopping UK-based employment agencies recruiting solely from abroad, undercutting wages for British workers. Why is that not a focus of the Government and of the hon. Gentleman's Bill? Although there are many benefits associated with migration and migrants, not least the net positive contribution to the Exchequer—as shown in recognised evidence—we must also recognise that there are associated costs for areas with higher levels of migration, which puts pressure on local services and local communities. That has to be recognised and addressed, and local authorities must be provided with financial support to enable effective migration management and to maintain social cohesion. That was a focus of our manifesto offer at the last election. Again, could it not have been a focus of the hon. Gentleman's Bill?

I object to the tenet underpinning this Bill, which is a failure to consider the evidence that the number of migrants who have been claiming tax credits while working is small. The hon. Gentleman mentioned the data. He will be aware that because of a freedom of information request, HMRC has had to publish the number of migrants who are in receipt of tax credits. It has been shown that in the past year only 84,000 have been involved—just over 16%, not the 40% claimed by the Prime Minister on Wednesday. I look forward to his correcting the record, although I think I could be waiting some time. That does not even take into account the fact that one in 10 couples defined as “migrant couples” include a UK national. The UK Statistics Authority has said that the DWP data the Prime Minister used were “unsatisfactory”, and the National Institute of Economic and Social Research has called the figures “selective and misleading”.

The evidence is that social security is not a pull factor—jobs are. We need to protect and secure our contribution-based social security system. I agree with the hon. Gentleman about that. It is there to provide basic support if someone is living in and contributing to this country's endeavours.

The Bill has little evidence base—that is being kind—and represents a bad case of scaremongering. The Conservative party must be more responsible in its approach to maximising our association with Europe and the economic benefits it brings. It should not deploy the negative divide and rule narrative that is unfortunately prevalent at present. That should not be the language of or the tenet underpinning the Bill. We must respect migrants and social security claimants, so I urge the hon. Gentleman to withdraw the Bill.

1.55 pm

**Philip Davies (Shipley) (Con):** I congratulate my hon. Friend the Member for Christchurch (Mr Chope) on his persistence, as the hon. Member for Oldham East and Saddleworth (Debbie Abrahams) put it. I am very proud to be one of the Bill's supporters. Although this is, regrettably, going to be a very short debate, it has been a useful one. My hon. Friend has set out a case that will strike a chord with many people around the country, and certainly with many people in the Shipley constituency. It has also been helpful to hear the hon. Lady entrench the Labour party as the party of welfare and keep up its 100% record of opposing any attempt to restrict this country's welfare system. At least the Labour party has always been consistent on that matter.

**Debbie Abrahams:** Could the hon. Gentleman give a specific example of where I did that in my speech?

**Philip Davies:** The hon. Lady said she was against the Bill, which is about restricting benefits for foreign nationals. I presume that means that she wants to continue to give benefits to foreign nationals, which means that she is against welfare reform. If I have misunderstood her, I apologise, but I do not think that is a controversial interpretation of her remarks, which were of no great surprise to any of us who have known her for a number of years.

I want to make a few points. The hon. Lady said that she opposed the Bill because it is not evidence-based. The whole point about the Bill is that it is about

principle. It is about the principle of who should be entitled to claim benefits in the UK. Should foreign nationals who come here without having made any contribution to the UK economy be able to claim benefits straight away?

**Debbie Abrahams** *rose*—

**Philip Davies:** I will press on, if the hon. Lady does not mind; time is short, and she made her case earlier.

We do not need evidence to discuss matters of principle. In principle, surely it cannot be right that foreign nationals come to the UK and start claiming benefits straight away. We do not need any evidence about that. I am not even interested in how many people do that. I am arguing that, as a matter of principle, that should not be allowed to happen.

**Debbie Abrahams:** I specifically said that we should protect and secure our contribution-based system and that those people who contribute should be supported.

**Philip Davies:** But this country does not really have a contributory system in the same way as other EU countries. That is part of the problem. It is no good the hon. Lady wanting to protect something that does not exist and opposing something that would actually do what she claims she wants to achieve. Her actions on this issue are more important than her words, and if she opposes the Bill, her actions clearly do not follow on from her words. I do not see the need for evidence. This is a Bill about a principle that is important to many people. It is about fairness, not evidence.

I would have some sympathy with the hon. Lady's opinion if we had to give all these benefits away to secure a free trade agreement with the European Union, and that had a net benefit for our economy. If we had to give away something in order to achieve that, it might be worth doing. Given that we had a £62 billion trade deficit with the European Union last year, and that if we were to leave the EU we would be its single biggest export market, it is perfectly clear that we could have a free trade agreement with the EU for nothing. We do not have to give it access to our benefit system, and we do not need to give it a £19 billion a year membership fee. We can have what we want from the EU—free trade—for nothing. That is the deal that we should be seeking to secure. I do not think anybody can sustain the argument that if we were to leave the EU and stop giving benefits to EU citizens when they came to the UK, Germany would want to stop selling Mercedes, BMW and Volkswagen cars to people in this country. Of course they would not; it is complete nonsense for anybody to suggest that.

**Mr Chope:** Does my hon. Friend accept that people's aspirations for retaining control over our own benefit system are gradually being eroded? It is extraordinary that back in 2014, the then Deputy Prime Minister said that he could not understand

“why it is possible under the current rules for someone to claim child benefit for children who aren't even in this country.”

That was his view then, but he seems to have resiled from even that.

**Philip Davies:** I am grateful to my hon. Friend for raising that, because the situation regarding child benefit is probably one of the most indefensible in the benefit system. It does not matter how much evidence there is of how many people it applies to; it cannot be right, as a point of principle, that somebody can come into this country from Poland to work and claim child benefit for their children, who still reside in Poland and have never set foot outside Poland. It cannot possibly be right, on principle. We do not need any evidence to know that that is wrong; it is clearly and palpably wrong. It is strange that the Labour party is so wedded to its European credentials that it will inevitably have to see restrictions in benefits for all UK citizens to pay the bill for benefits to European citizens. I am sure that that does not go down very well in many of the estates in the hon. Lady's constituency.

I do not intend to speak for long, because I appreciate that we need to press on, but I want to make a point about clause 3, which will ensure that nobody is paid a level of benefit above that of the equivalent benefit in their own country. I think I am right in saying that the Prime Minister is trumpeting something similar in his deal regarding child benefit. As I understand it—my hon. Friend the Member for Christchurch, who is far more knowledgeable on the matter than I am, will correct me if I am wrong—the Prime Minister is saying that under the great deal that he has secured for the nation, Polish people, for example, who claim child benefit will be able to claim only the child benefit rate in Poland, or whichever country the children reside in. That seems very similar to clause 3.

**Mr Chope:** My understanding of the documents that were published this week is that it would not be as simple as that. The amount of child benefit that could be claimed would be related to the difference in the standard and cost of living between this country and the other EU country. That, of course, would be incredibly bureaucratic.

**Philip Davies:** My hon. Friend is absolutely right, but the Prime Minister is trying to secure the same kind of principle that my hon. Friend seeks in clause 3. For the benefit of not only our deliberations on the Bill but those who are trying to weigh up the Prime Minister's renegotiation, I want to say that there is a huge danger in this aspect of the Bill. We have said that if somebody comes from Poland, they can claim child benefit at the UK rate for their children in Poland. If that is changed and the amount of child benefit that they can claim becomes only £2 or £3 a week, or whatever the equivalent might be in Poland, there is a danger that rather than saving the taxpayer money, as we all intend—including the Prime Minister, I might add—we may inadvertently increase the bill to the taxpayer. We are working on the basis that people will just carry on doing as they do at the moment. Who is to say, if we limit the child benefit to the rate in the home country, that they will not take the opportunity to bring their children to the UK in order to claim the higher UK rate? On top of that, there is the cost of schooling, any medical care and all the rest of it. We must be very careful about what we wish for.

A much more sensible approach to matters such as child benefit would be that if a foreign national comes to this country but their children still reside in the home

[Philip Davies]

country, they should not get anything. Whether it is the UK rate, the Polish rate or any rate whatever, the UK Government should not give them anything. That would avoid the unintended consequence of more and more people bringing more and more of their children to this country at a higher cost to the taxpayer.

Having made those points, I will sit down, because we all want to hear from the Minister. We all know that he is a very good man. The Bill did not find any favour with the shadow Minister, but as he is far more sensible, we hope he will have warmer words to say about it.

2.5 pm

**The Parliamentary Under-Secretary of State for Disabled People (Justin Tomlinson):** May I, too, echo the tributes to Harry Harpham, the hon. Member for Sheffield, Brightside and Hillsborough? He was a long-standing servant of his community, including as a councillor for 15 years. I know that he will be greatly missed by all.

It is a privilege to serve in the House today as the duty Work and Pensions Minister, and to respond to my hon. Friends the Members for Christchurch (Mr Chope) and for Shipley (Philip Davies). Their forensic, constructive and diligent work has certainly kept the focus of attention on this area. The British public have sent a clear message that they are concerned that migrants are incentivised to come to the UK because of the attractiveness of our welfare system. That was clearly set out in the speeches of both my hon. Friends.

The Government share those concerns. That is why, during the past two years, we have introduced several far-reaching measures to restrict or remove access to a range of benefits for migrants who come to the UK without a job and who have not contributed to our economy. For example, EEA jobseekers can no longer access housing benefit at all. Their access to income-based jobseeker's allowance is limited to the minimum we argue is allowable under EU law—just 91 days, in most circumstances—and even then only after they have waited for three months. We have also made similar changes to child benefit and child tax credit. On the specific point about declaring a national insurance number, it is the case that the number must be declared when making a benefit claim. It cannot yet be collected through the payment system, but that will be corrected with the introduction of universal credit. As universal credit rolls out, we will remove even such elements, meaning that EEA jobseekers have no entitlement to means-tested benefits whatever.

The Bill goes even further by proposing restrictions that would apply to EEA migrants who are working and contributing in the UK. The current framework of EU law would not allow us to deliver that, since clear European rules compel us to treat EEA nationals working in the UK no less favourably than UK nationals. However, the Prime Minister is renegotiating in Europe so that we get a better deal for Britain. That includes cutting the benefits EU migrants get to prevent our welfare system from acting as a magnet and to create a fairer system for people who work here and play by the rules. That is just part of our ongoing work to make changes.

**Debbie Abrahams:** Will the Minister give way?

**Justin Tomlinson:** No, because I am short of time and we want to make progress.

Other key measures have already been taken by the Government, such as capping economic immigration from outside the EU; clamping down on non-compliant immigrant students while remaining open to the brightest and the best; restricting the right of non-EEA nationals to work in this country and bring in dependants; introducing a maximum fine of £20,000 per employee—more than four times the previous penalty—for employers who pay below the minimum wage; and making sure that only those who secure graduate-level jobs stay on at the end of their studies. The Immigration Act 2014 will clamp down on those from overseas who abuse our public services, and make it easier to remove people with no right to be in this country.

Although the Government clearly share the sentiment behind the measures in the Bill, we are unable to support it because it goes beyond what the EU legal framework currently allows and cuts across the Prime Minister's renegotiation. As my hon. Friend the Member for North Cornwall (Scott Mann) said, this Government and this Government alone trust the British public and have offered an EU referendum. The parties now in opposition opposed such a referendum throughout the last Parliament, but we trust the British public. I have set out how we are making considerable progress in this area, and I hope that my hon. Friend the Member for Christchurch will not feel the need to press the Bill further.

2.9 pm

**Mr Chope:** In responding briefly to this debate, I thank everybody who has participated, particularly my hon. Friend the Member for Shipley (Philip Davies), who supported the Bill.

I join everybody in the House who has paid tribute to Harry Harpham, whose tenure in this place was far too short. He had a distinguished period of public service over many years and it is extraordinary to think that he was deprived of the opportunity to spend longer as the Member for Sheffield, Brightside and Hillsborough.

The Minister basically said that the Government are very sympathetic to what I am trying to achieve in the Bill, but at the moment their hands are tied by European Union law. That point was reinforced this morning in an interview on the "Today" programme, which you may have heard, Madam Deputy Speaker, in which a former advocate-general made it clear that the only way in which we can regain control over our own laws in this House of Commons is to leave the European Union, and that no side deal can be done that would remove the sovereignty of the European Court of Justice in deciding these issues for us.

In looking at the rights of people from the EU and the European economic area who are not UK citizens to access our benefits regime, we are completely stymied by the fact that the European Union regards everybody inside the boundaries of the European Union as effectively members of one country with a common citizenship. I believe that the citizens of this country have a distinct and, frankly, superior citizenship right to those from other European Union countries. Why should we not be able to decide, in our own sovereign Parliament and our own sovereign country, who should and who should not



have access to our benefits system? That is the principle at the heart of the Bill to which my hon. Friend the Member for Shipley referred.

A couple of years ago, the then Deputy Prime Minister, whom I have quoted, expressed amazement that people from outside the United Kingdom could obtain child benefit for their children who were not even living in the United Kingdom. We have not even resolved that matter in the draft agreements that the Prime Minister has brought back from his negotiations.

What is contained in the Bill needs to be introduced and implemented by this Parliament, but that cannot be done until we leave the European Union. Recognising that sad reality, but hoping for the best in the referendum, I beg to ask leave to withdraw the motion.

*Motion and Bill, by leave, withdrawn.*

## **Parks and Playing Fields in Public Ownership (Protection from Sale) Bill**

*Second Reading*

2.13 pm

**Mr Philip Hollobone** (Kettering) (Con): I beg to move, That the Bill be now read a Second time.

**Madam Deputy Speaker (Mrs Eleanor Laing)**: I am sorry, but there is some confusion. The hon. Gentleman has moved that the Bill be read a Second time. Does he wish to speak to the Bill?

**Mr Hollobone**: No.

*Question put.*

*A Division was called; MEL STRIDE and SARAH NEWTON were appointed Tellers for the Noes, but no Members being appointed Tellers for the Ayes, the Deputy Speaker declared that the Noes had it.*

*Question accordingly negatived.*

## Speed Limits on Roads (Devolved Powers) Bill

### *Second Reading*

2.16 pm

**Scott Mann** (North Cornwall) (Con): I beg to move, That the Bill be now read a Second time.

I am grateful for the opportunity to air my Bill today, and I, too, add my condolences to those expressed about the death of Harry Harpham, our honourable colleague and friend whom we have lost.

My Bill sets out to allow parish, town and city councils to set their own speed limits in their designated patches. This came about from recent visits to schools in St Teath, and notably in Werrington, where the young people wrote to me and asked me to come to their school and talk to them about traffic management and how we might adjust speed limits in that area. They wanted a 30-mile-an-hour limit, and I said that I would try to do something about it, which is why I am piloting this Bill. I went to Werrington and had an interesting discussion with the residents there. Indeed, we spoke about all sorts of things, but predominantly about the speed of the traffic.

If we hold a referendum on this issue—we are keen on referendums on the Conservative Benches—it would be done in line with local, national and European elections, and those for police and crime commissioners, and we would run a ballot alongside those elections on the proposals put forward by a local authority. If two parishes that are joined together wanted to change the speed limit in their area because the road crosses between the two, they could submit a joint proposal, and the referendum would be held in both parishes, rather than just one.

I am a firm believer in devolution, and the recent historic devolution deal proposed for Cornwall covers bus services and the European spending programme, among other things. For me, a lot of that devolution takes place in unitary and county councils, and there is not a huge amount of it in town and parish councils. I felt that it was important to get something on the record to state that town and parish councils would like a say. Speed limits are a good thing for them to discuss, because local people know the roads better than people who live hundreds of miles away. They drive on those roads every day. The people who use them should be able to set the speed limits for them.

I would just like to run through a few of the details in the Bill. Parish councils may change speed limits only on minor roads, B roads, and single carriageway A roads with a speed limit of no higher than 60 mph. The Bill does not propose just reducing the speed limit; it would allow speed limits to be increased through a referendum. I have had representations from the National Motorists Association, which was very concerned that we were proposing only to reduce speed limits. I tried to provide some reassurance that the Bill was not just about reducing speed limits, but about providing the possibility of increasing speed limits in some areas so that traffic flow is suitable for a designated area.

Leading up to a referendum, a parish council would carry out a detailed public consultation, including at least one public meeting to outline the proposals.

The proposals would then be put to a vote of the parish council—or town or city council. If the vote is carried, the council would be obliged to put the proposals to a referendum, with ballot papers included in the ballot papers for other elections, such as local, general, police and crime commissioner or European elections. That would mean the cost to parish councils is marginal. They would foot the bill, which would be small, for the printing costs of the ballot. Other than that, there would be no financial implications.

I propose a cooling-off period of 30 days after the full council vote, so that if the unitary council or county council were so minded, it could implement the proposals without the need for a referendum. The referendum would still take place if it was not minded to do so. A referendum would be decided by a very simple majority-based voting system. The town or parish council would come up with a simple proposal, such as “Road A would be transferred from 40 mph to 30 mph,” or “Road B would be transferred from 40 mph up to 50 mph.” The proposal would be on the ballot paper and people could make their minds up on polling day whether they wanted to change the speed limit in their area. If the proposed speed limit is accepted, the emphasis would be on the local authority to implement the change within 12 months, so town and parish councils would pass a proposal for a referendum and the local authority would then be under an obligation to implement the result within a 12-month period.

The Bill sets out that a maximum of three roads can be taken into account at any one time. If we went beyond three, it could become very complicated. The printing costs of the ballot papers would be met by the town, parish or city council, but no additional funds for the cost of the referendum would be borne by those authorities. They could put counting processes in place to plan for referendums.

A county council or unitary authority would still reserve the right to implement speed limits without parish council consent on safety grounds alone. Once a speed limit had been put to a referendum, it could not be altered for five years unless the unitary authority or the police deemed that there were exceptional circumstances, or that safety concerns had changed and the road layout needed to be altered. There is a caveat to that, however. Those changes would have to come back to the town or parish council for them to change the order.

Speed limits could not be raised outside schools. In general, we believe that lowering speed limits outside schools should be encouraged. A county council, unitary authority or the police may block a proposal if it is deemed to be too dangerous—for example, raising a speed limit from 30 mph to 60 mph—and any safety concerns should be represented during the consultation process prior to a referendum. That should alleviate concerns about safety.

Finally, many parish and town councils are developing local plans. The Bill would take housing growth into account. I am very grateful for having the opportunity to air the Bill. I look forward to the Minister’s response.

2.24 pm

**Lilian Greenwood** (Nottingham South) (Lab): I join others in paying tribute to our friend Harry Harpham. He was a great defender of working people and his city

of Sheffield, and his loss will be deeply felt. He will be missed very much, not least in Nottinghamshire, where he worked as a miner. I offer my sympathies to his family.

I am grateful to the hon. Member for North Cornwall (Scott Mann) for his brief introduction to the Bill, and I completely understand the desire of many communities to exert a greater say over traffic movements, especially as the condition of local roads continues to deteriorate. Labour's support for the devolution of powers, our encouragement of more 20 mph zones and our support for the reintroduction of national road safety targets are long-established.

I have concerns, however, that town and parish councils might not have either the resources or the expertise to administer the responsibilities that would be transferred to them in the Bill, and I have not been persuaded that a referendum should be held in these cases, rather than a local consultation. I am sympathetic to the hon. Gentleman's arguments, but I am not convinced that the Bill represents a suitable mechanism for introducing appropriate speed limits at a local level.

2.25 pm

**The Minister of State, Department for Transport (Mr Robert Goodwill):** My hon. Friend the Member for North Cornwall (Scott Mann) proposes giving parish and town councils powers to hold local referendums to determine whether applications for speed limit orders should be made. If the electorate voted in favour, the traffic authority would be required to start proceedings to make the speed limit order.

Moving goods and people around quicker is good for the economy, but speed poses dangers too. In 2013—the most recent year for which we have figures—exceeding the speed limit was a contributory factor in 15% of fatal accidents and travelling too fast for the conditions was a contributory factor in 13%. In addition, where the speed limit was exceeded, there were strong associations with other factors—for example, a stolen vehicle or a vehicle being driven in the course of a crime or where there is impairment by drugs or alcohol.

Setting speed limits at a level appropriate for the road and ensuring compliance with the limits play a key part in ensuring greater safety for all road users. Local authorities are responsible for setting speed limits on their roads, as they have the local knowledge, which makes them the best placed people to do so. While completely sympathising with my hon. Friend's intentions, therefore, the Government oppose his proposal, because speed limits should be evidence-led and based on road conditions. They should also be considered together with other measures, such as traffic calming, signing, publicity and information. This should lead to a mean traffic speed compliant with the signed limit. To achieve compliance with a new limit, there should be no expectation on the police to provide additional enforcement, unless explicitly agreed.

Local authorities are asked to have regard to the Department for Transport's speed limit guidance, issued in January 2013, which is designed to ensure that speed limits are appropriately and consistently set while allowing for the flexibility to deal with local needs and conditions. I suspect that many in a community could not take the decisions that a qualified highways engineer at the local

highways authority could. I am concerned, therefore, that while local communities feel passionate about these matters, they would not be suitably qualified to make those decisions.

Consultation with those affected is of key importance in the process of making a speed limit order, so local people do have an opportunity to make their views known. In my constituency, in the village of Wykeham, local campaigners alerted local councillors to the need for a particular speed limit, and that speed limit was then put in place. Similarly, in the middle of Scarborough, where a rat run was developing, the same process took place. Local people do, therefore, have an opportunity to have their say. They can sign petitions and lobby their locally elected councillors, who make these decisions.

In some cases, increasing a speed limit can actually contribute to safe roads. I know it sounds counterintuitive, but the previous Government increased the speed limit for heavy goods vehicles on single carriageway roads from 40 mph to 50 mph, and thus lessened the differential between cars, which would travel at 60 mph, and lorries, and that reduced the number of overtaking accidents. That has been in place for some months now, and we have not had any reports of an increased number of accidents.

I completely sympathise with my hon. Friend's reasons for introducing the Bill, but we do not think it practical to give this power to parish councils, and I invite him to withdraw it.

2.29 pm

**Scott Mann:** In the light of the Minister's response, I will withdraw the Bill. However, I will lobby the Secretary of State to try to get some of these powers in the devolution package for Cornwall, and I hope we might make some progress in devolving the power to town and parish councils in other areas. I beg to ask leave to withdraw the motion.

*Motion and Bill, by leave, withdrawn.*

## Business without Debate

### ON-DEMAND AUDIOVISUAL SERVICES (ACCESSIBILITY FOR PEOPLE WITH DISABILITIES AFFECTING HEARING OR SIGHT OR BOTH) BILL

*Motion made,* That the Bill be now read a Second time.

**Hon. Members:** Object.

*Bill to be read a Second time on Friday 4 March.*

### MARRIAGE AND CIVIL PARTNERSHIP REGISTRATION (MOTHERS' NAMES) BILL

*Motion made,* That the Bill be now read a Second time.

**Hon. Members:** Object.

*Bill to be read a Second time on Friday 4 March.*

### DRIVING INSTRUCTORS (REGISTRATION) BILL

*Bill read a Second time; to stand committed to a Public Bill Committee (Standing Order No. 63).*

**HOUSE OF COMMONS MEMBERS' FUND BILL**

*Motion made,* That the Bill be now read a Second time.

**Hon. Members:** Object.

*Bill to be read a Second time on Friday 26 February.*

**CROWN TENANCIES BILL**

*Motion made,* That the Bill be now read a Second time.

**Hon. Members:** Object.

*Bill to be read a Second time on Friday 26 February.*

**WORKING TIME DIRECTIVE (LIMITATION) BILL**

*Motion made,* That the Bill be now read a Second time.

**Hon. Members:** Object.

*Bill to be read a Second time on Friday 26 February.*

**AUTOMATIC ELECTORAL REGISTRATION (NO. 2) BILL**

*Motion made,* That the Bill be now read a Second time.

**Hon. Members:** Object.

*Bill to be read a Second time on Friday 26 February.*

**Local Services (Southend)**

*Motion made, and Question proposed,* That this House do now adjourn.—(*Sarah Newton.*)

2.32 pm

**Sir David Amess** (Southend West) (Con): I am delighted to have the opportunity to raise in the House the important subject of the provision of services in the town that I and my hon. Friend the Member for Rochford and Southend East (James Duddridge) represent. I am delighted to see the Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Nuneaton (Mr Jones), in his place, because he and I were colleagues on the Backbench Business Committee and I know his expertise in this area only too well.

I say to my hon. Friend in a gentle way that, given the huge change in the provision of services by local authorities generally, I am somewhat confused these days about how the Department measures their performance. When I hear that Southend council is doing well, I want to be able to compare it with other councils, but that does not seem too easy at the moment. For instance, there does not seem to be anything in place to measure the health and wellbeing element of local authority provision, and the same goes for education. In my area, none of the secondary schools is under the domain of the local authorities anymore—some of the primary, junior and infant schools are—so I would like to hear something from my hon. Friend about how we would measure them, because it is important to have a yardstick to judge performance.

My hon. Friend knows only too well that I am very committed to Southend. I do not think we need to argue about it: Southend-on-Sea is the finest seaside resort not only in the country but in the world. I have argued that we have been far too modest about just what a great town it generally is. My role and that of my hon. Friend the Member for Rochford and Southend East is to come here to this Parliament—the mother of all Parliaments—and make the case for Southend to get the maximum provision possible in any moneys that are allocated. That is regardless of who the Government of the day might be.

Let me tell the Minister that I am in confusion about our local authority. I am in confusion about who actually runs it. Is it the large number of local councillors split into seven different groups? Are they running it, or is it the council officers who are running it? I get so frustrated when I find credit being taken for things that I personally think are not truly down to the local authority. There does not seem to be much praise for central Government initiatives. If the Minister has time to reflect on my points today, I would be glad to hear from him. If not, perhaps he will write to me in due course.

Southend had a Conservative council between 2000 and 2014—for 14 years. The council was responsible for many of the high-profile projects and improvements to the local environment and amenities, which the current administration are claiming credit for. It never says, “Yes, it was five years ago when the now Secretary of State came down to Southend to sign the city deal”. All these years later—we know how long it takes for capital projects to be enjoyed by everyone—no praise is given to the once magnificent leadership of Nigel Holcroft and his deputy John Lamb. So good was that council

that in 2012, we were made the council of the year and Nigel Holcroft very nearly became the leader of the year.

The then Conservative administration invested millions of pounds in the pier. Let me tell the Minister that I, together with a few other Essex and Kent Members, met the Chancellor two weeks ago. We spoke about a whole range of issues. I asked him whether, if there were any money available in the forthcoming March Budget, we could have some of it to help the marina. This is the longest pier in the world. We owe the Victorians so much, but it needs a bit of help now. Given that the Chancellor is minded to reflect on the success of the northern powerhouse, which I know is the responsibility of another one of our Ministers, I wondered whether we might be able to do the same thing. Madam Deputy Speaker is an Essex Member. Although she is not quite as near to the coast as one would like her to be, she knows all too well the points I am making. I think the Chancellor wants to explore some mechanism whereby all organisations can be brought together to promote the Thames estuary. I asked for help in that respect.

The previous Conservative administration managed to bring about improvements on the pier by recycling the Royal Pavilion. A huge boat came down the river, bringing this large structure with it. It was bigger than 30 or 40 whales being washed along. It was absolutely magnificent. The Conservative council also invested in a new swimming and diving centre, which was used as a training centre for the Olympic games—and it is still being used now. Mr Daley apparently regularly dives there, as does my hon. Friend the Member for Portsmouth North (Penny Mordaunt), who took part in “Splash”. I know she practised in that wonderful diving centre at Garon park. We also obtained funding for the first phase of the city beach, another wonderful project.

All that investment was aimed at making Southend an all-year round destination for families and a top visitor attraction. The Minister will know of the problems that many seaside coastal resorts have had. Because it is now possible to get on easyJet for £20 or so to travel to Venice, it makes it very tough to attract British-based residents to spend more than a couple of days in our seaside resorts. We are trying to enhance the wonderful facilities we already have there.

The previous council was also responsible for The Forum project, in partnership with the University of Essex and Anglia Ruskin University. We have a magnificent new library, business support centres and the arts centre, which was opened officially by the Duke of Kent this week—I was there, and he unveiled a bust of his cousin Her Majesty the Queen. It is a wonderful facility. The Forum provides the incubator space for start-up companies and access to tailored business support programmes. There is space for up to 10 businesses at any one time, and these will support more than 110 jobs over a 10-year period. That may not seem like a huge number over that period, but to the families who will be investing in this it means a great deal. That project would never have got off the ground without the energy, commitment, vision and funding provided by the Conservative council.

The development of Priory park, the new Southend museum and the outstanding Beecroft gallery—I will be there tomorrow, as we are having the opening of a

wonderful new jazz centre—were all visualised and carried through by the committed and enthusiastic Conservative councillors. One of the aims of that council was to encourage and nurture the wide range of artistic, creative and literary talent in Southend, and provide venues and support for the many groups of young musicians and artists who make Southend a vibrant community. The Minister will know that next year Southend is the alternative city of culture, and when we celebrate that it is going to be global. The Conservative council was also responsible for pushing through upgrades to the A127, with the new roundabout and junction improvements, providing access to both Canvey Island and Southend airport. They are now much easier and quicker to get to, assisting local businesses and transport companies to do business in a timely manner. Both the arterial routes through Southend, the A127 and the A13, have been improved under the Conservative council. None of the current administration were involved in the bidding process, yet they claim all the credit—I find it so frustrating.

Southend has had a couple of blows at the start of this year. First, we learned that Her Majesty’s Revenue and Customs will be moving from Alexander House in Southend to Stratford in five years. My hon. Friend the Financial Secretary to the Treasury, a first-class Minister, is doing the best he can to get a good deal out of it all, but that is very challenging. The bigger blow is the disgrace at c2c. I was at the forefront of arguing for the franchise to be renewed for another 15 years, having been told that commuters would be more easily able to get seats and would have faster travelling times, but the complete reverse has happened. That has been a big blow for Southend commuters.

Conservatives also negotiated the Southend city deal, which was signed by the Secretary of State for Communities and Local Government. In the executive summary for the deal, Southend-on-Sea Borough Council was praised for demonstrating

“its ability to deliver effective regeneration programmes of a transformational nature... delivered on time and on budget”.

The city deal obtained, among other things, direct business support for more than 1,300 businesses, creating or safeguarding more than 550 jobs in the area.

In 2014, the Conservatives lost overall control of the council and a “rainbow coalition”—those are not my words—of minor parties came together to keep the Conservatives from forming a minority administration. The Minister will realise that that is extraordinary, because the Conservatives were by far and away the largest group, being double the size of any other group, and had obtained by far and away the largest percentage of the vote. Yet all these others, Labour, Liberal, Independents—I do not understand the concept of an Independent, as these people must have a political philosophy so let us hear about that—and the UK Independence party joined together. Five UKIP councillors were elected but they have now split into two groups, and the independents have also split into groups.

If I had voted for these individuals in the local elections, I would be upset because it is wrong that they have somehow come together in this way. If we look at the political spectrum, we must ask how it happens that UKIP is working with Labour and the Liberals locally. It is extraordinary and it has been a disaster for the residents of Southend. We have nine Labour councillors;

[Sir David Amess]

four Liberals; 11 independents, in two groups; and five UKIP councillors, again in two separate groups. It is very difficult to see any cohesive policies at all. Rather than having a vision for the town, as the Conservatives did, they are constantly courting popularity and not taking the hard decisions needed from a responsible council. Their reliance on council officers means there is no overall plan for the future of Southend and no transparency in the decision-making process. They are happy to criticise the previous administration for wasting money, yet they publish “Outlook” magazine, using public money to publicise themselves. There is a constant flow of press releases from their obviously overworked press officer in an effort to convince local residents and, in particular, the local media that they are doing a fantastic job.

Since taking power, this rag-bag administration have raised council tax by 1.95%, despite being offered a Government council tax freeze grant. Parking charges have been raised by 20% in the town centre, hitting local businesses hard. That is despite the claims they made when in opposition that car parking charges were too high and that that was affecting local businesses. Fees and charges for all services and Southend’s top attractions have been hit by an above-inflation rise of 20%. To add insult to injury, cremation charges have been raised by £100, hitting families with additional costs at a time when they are very vulnerable.

The current administration have reduced the waste budget by nearly £900,000. Their miserable record on the environment has seen 55 litter bins removed, and more are threatened with removal. Enviro-crime team officers have been axed, recycling schemes have been scrapped, including the white textile recycling sacks, and weekly rubbish collections are threatened. Four public toilets are threatened with closure; only prolonged pressure from the Conservative group has kept them open. The proposal to close them came from unelected officers, bringing into question whether Southend council is being run by elected councillors or not.

The current administration have left Shoeburyness residents—I referred earlier to my hon. Friend the Member for Rochford and Southend East—open to flooding because they are not prepared to make unpopular decisions regarding the improvement of sea defences. They promised a review of flood defences when they were in opposition, but two years later it is still under review while residents’ homes and livelihoods are at risk. Their lack of leadership and experience has led to council officers having to take more and more responsibility for such decisions.

In April 2013 responsibility for public health functions was transferred to councils. Southend council’s health and wellbeing board, which really should be overseeing what goes on at Southend council—the Care Quality Commission and Monitor are currently doing that—should be a robust body responsible for holding service managers to account, but it seems to be used as just another council committee. I am aware that it is chaired by a UKIP councillor, or perhaps he is part of the break-away movement—I do not understand all the internal machinations of these political groups. Funding is seen as an opportunity to promote council schemes, to the detriment of local health services. The health and wellbeing

board should be holding local health service providers to account to ensure that local residents get the best possible care, yet only yesterday I received notice that the CQC has put a GP practice in my constituency into special measures following an inspection in September 2015.

In conclusion, this administration have tried to claim the credit for everything achieved by the previous Conservative council, including The Forum, despite having accused the previous council of borrowing and wasting too much money. Having claimed that the previous council’s borrowing was out of control, they have increased borrowing by £9 million. They are currently looking to outsource development work on the pier, which will completely change its wonderful character, despite opposition from residents. Entry charges to the pier have been raised by 20%. Local businesses, which rely on the flow of holidaymakers and day-trippers, have been dismayed as that has a direct impact on them, including the famous Rossi’s, which makes the best ice cream in the world. Extortionate parking charges in the town centre are also having an adverse effect on local shops and places of entertainment, including the Palace theatre and the wonderful Cliffs Pavilion.

The only policies that this council has come up with since being elected have been in search of media plaudits and good soundbites. It takes the credit for projects in which it had no input and blames national Government when the money runs out. It is wrecking all the good work done by the previous Conservative administration and letting local residents down. Therefore, what criteria does the Minister’s Department use to judge the performance of local councils? With more powers being delegated to local authorities, what provision is being made to ensure that local services are properly run and that elected officials are held accountable for their actions on behalf of the residents who elected them? Who decides when enough is enough, and what redress do local residents have when their council lets them down so badly?

2.49 pm

**The Parliamentary Under-Secretary of State for Communities and Local Government (Mr Marcus Jones):**

I congratulate my hon. Friend the Member for Southend West (Sir David Amess) on securing the debate. He has a great passion for his constituency and the interests of the people whom he represents. I represent a constituency that is probably about as far away from the sea as anywhere else in the country, so I will not challenge his assertion that Southend-on-Sea is the best seaside resort in the country.

I am grateful to my hon. Friend for giving me this opportunity to talk about something that I feel strongly about. Local services, whether in Southend, my constituency of Nuneaton or anywhere else in the country, are crucial to local people. He raised interesting points about finance; from what he says, it seems that a bit of a blame game is going on at times. We all know that there are challenges with the public finances. Local authorities account for a quarter of public spending, and it is only right that local government should find its share of savings. We need to reduce the largest deficit in our post-war history.

**Sir David Amess:** To date, neither my hon. Friend nor I have had one letter complaining about the allocation of funds. To whom are representations being made?

Surely my hon. Friend agrees that they should be made through local Members of Parliament if the situation is to be addressed. Will he let me know or write to me about that?

**Mr Jones:** My hon. Friend makes a good point. I may need to write to him about a number of things that he has raised in today's debate.

It is important that we recognise that one reason for where we are with the public finances is the profligacy of the last Labour Government, who put the public finances at risk. In the same context, at the last election the Labour party stood on a manifesto in which it said it would reduce funding to local government. That is an important point.

Overall, councils have done a good job of achieving savings while balancing budgets, in many cases keeping council tax low and maintaining satisfaction with services. However, more savings need to be made. We have listened carefully to councils while preparing both the spending review and the local government finance settlement. I thank everyone who took the time and effort to respond to the recent consultation with considered comments about our proposals. Even in the context of tougher public finances, we have given councils extra help to protect services such as those that support the most vulnerable in our society.

Through our £5.3 billion better care fund, we are spreading best practice to all areas of the country and have put national clinical experts into the most challenged areas to help them improve. Over the life of this Parliament, we will maintain the NHS contribution to the better care fund in real terms, including additional local government social care funding worth an extra £1.5 billion by 2020.

Back in November 2013, the Government selected 14 localities in the UK as integrated care pioneers. Southend—then under Conservative control—was one of them. Steps were taken to promote the prevention agenda, reduce unnecessary hospital admissions and keep patients independent in their own homes for longer. Our aim is for local government and the NHS to work together in a genuine partnership and to be held accountable for delivery. There must be a commitment to achieve that ambition on both sides.

That brings me to localism. We are committed to giving local authorities even greater control by the end of this Parliament. By 2020, local government will be entirely funded by its own resources—council tax, business rates, and fees and charges. Many people never thought that possible until very recently. Alongside all the new flexibility, we have to be clear that all public bodies should adopt maximum openness and transparency, which are the foundations of local accountability and democracy.

Since 2010, we have put in place a number of strong measures to improve town hall transparency. People should have access to their local authorities' meetings and information. We live in a modern, digital world, where filming and social media should be embraced in reporting on public council meetings. That is why we introduced the Openness of Local Government Bodies Regulations 2014, which give any member of the public the right to take photographs and film and audio recordings in public council meetings, and to report on them.

In addition, the local government transparency code now requires local authorities to publish information about their financial transactions and assets. That enables the public more effectively to engage with and challenge their local authority. The code places more power in the hands of the public by increasing democratic accountability through wider access to information. With greater availability of information, not only can members of the public better understand and challenge their local authority's performance, but greater transparency can lead to better and more efficient services.

The public rightly expect high standards of behaviour from their elected representatives, including local authority members. In 2012, the Conservative-led coalition Government did away with the discredited standards board regime, which had become a vehicle for malicious, vexatious and politically motivated complaints. New arrangements were put in place, giving local authorities control over how they promote and maintain high standards of conduct, and ending top-down, centralist control.

Every authority, including parish councils, was required to put in place a code of conduct that is compliant with the seven Nolan principles of standards in public life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership. When it is found that a local authority member has failed to comply with their authority's code, the council can censure that member. At the same time, we introduced tough new rules on pecuniary interests to ensure that local authority members cannot put their own interests ahead of those of the public.

Wilfully ignoring the national rules, giving false or misleading information, or taking part in the business of the authority when that is prohibited by the rules is a criminal offence punishable with a fine of up to £5,000 and with being disqualified for up to five years from standing for or holding office in England. With those new localist, proportionate and robust arrangements in place, we are confident that local people will be able to hold their elected representatives to account for their conduct. A criminal sanction will ensure that elected members always put the public's interest ahead of their own interests.

When people are let down by their local authority, it is important that there is swift and effective redress so that things are put right. A good complaints process can not only enable somebody who has been let down by their council to get swift and effective redress, but be a useful intelligence gathering mechanism for local authorities, alerting them to a problem with one of their services, actions or decisions. Where redress cannot be achieved, the local government ombudsman can consider complaints from members of the public who consider that they have suffered personal injustice as a result of maladministration in a local authority.

There are also routes of redress where services for vulnerable people are concerned. For example, if there is evidence of systematic failure in the provision of good-quality social care, the Secretary of State for Health has the power to require the Care Quality Commission to investigate. Should the CQC consider that the council is failing in its functions, a range of improvement options are available, from a notice requiring specific action, with a deadline for completion, through to the recommendation that the Secretary of State should impose special measures on the authority.

[*Mr Marcus Jones*]

If my hon. Friend would like to write to me with further details of the GP practice that is being put into special measures, I will ask my officials to look into the issue and involve their counterparts at the Department of Health. As he says, local residents must be able to rely on the NHS to provide the best possible care, and we cannot tolerate poor standards of care.

The measures I have outlined ensure that we have a strong, 21st-century local democracy, where local government bodies are clearly accountable to the people they serve and to the taxpayers who help fund them. On my hon. Friend's final point about redress for members of the public, I would say to him and to his constituents

that if the public are so dissatisfied with the situation at Southend council, their final point of redress is, at the next set of elections, to vote in a Conservative administration that will provide high-quality administration for local people.

We recognise the challenges that lie ahead for local government. At a time of big opportunity, we want local government to take that forward, but we also expect it to be responsible, to be accountable, and to be open and transparent.

*Question put and agreed to.*

3 pm

*House adjourned.*



# House of Commons

*Monday 8 February 2016*

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

## PRAYERS

[MR SPEAKER *in the Chair*]

## Speaker's Statement

2.35 pm

**Mr Speaker:** I wish to repeat what I said to the House on Friday.

It is with great sadness that I must report to the House the death of Harry Harpham, the hon. Member for Sheffield, Brightside and Hillsborough. Harry entered the House at the last general election, following careers as a miner, as a researcher for David Blunkett, now the right hon. Lord Blunkett, and as a representative of the National Union of Mineworkers at Clipstone colliery. Harry was also a councillor on Sheffield City Council for 15 years, holding important cabinet responsibilities in that time, and serving as deputy leader of the council. Harry was a diligent constituency Member of Parliament, who held the Executive to account on behalf of his constituents. Most recently, on Wednesday 20 January, he asked the Prime Minister what support the Government were providing to world-class companies such as Sheffield Forgemasters.

I must tell the House that Harry informed me a few weeks ago of his circumstances. Let it be recorded that he first fought bravely his illness, and then bore it with stoicism and fortitude, continuing to battle on behalf of his constituents to the very end. Harry will be sadly missed by us all, and our thoughts are with Harry's wife, Gill, and the wider family at this very sad time.

## Oral Answers to Questions

### COMMUNITIES AND LOCAL GOVERNMENT

*The Secretary of State was asked—*

#### Supported Housing

1. **Mary Glendon** (North Tyneside) (Lab): What assessment he has made of the potential effect of planned reductions in social rents and housing benefit support on the provision of supported housing. [903499]

18. **Peter Dowd** (Bootle) (Lab): What assessment he has made of the potential effect of planned reductions in social rents and housing benefit support on the provision of supported housing. [903518]

#### **The Minister for Housing and Planning (Brandon Lewis):**

I associate myself and my colleagues on the Government Benches with your comments, Mr Speaker. Harry Harpham was a very distinguished long-serving councillor and we will all miss him in the years ahead.

This Government have always been clear that the most vulnerable will be protected and supported through our welfare reforms. Following our review of supported housing, due to report this spring, we will work with the sector to ensure appropriate protections are in place.

**Mary Glendon:** I, too, associate myself with the sad sentiments that have been expressed about our dear colleague.

The Minister says that the review will report in spring. It was due to report at the end of last year. Meanwhile, the Secretary of State is still pressing ahead with cuts before the review comes out. Can the Minister say why that is?

**Brandon Lewis:** As the hon. Lady may have heard in the recent Opposition day debate, we have always been very clear that the most vulnerable in our society will be protected. We will also ensure a fair settlement for taxpayers.

**Peter Dowd:** Will the Minister acknowledge that, although his announcement to delay the 1% rent cut affecting supported housing is welcome, it does not go far enough and the substantive proposals should be jettisoned to inject much-needed stability back into the sector?

**Brandon Lewis:** As I am sure the hon. Gentleman will appreciate, and as I said in the recent debate, we are working with the sector. The changes will come in in 2018, but we are very clear, and have always been very clear, that we will make sure that the most vulnerable in our society are protected.

11. [903510] **Peter Aldous** (Waveney) (Con): Homeless hostels and foyers play a vital role in helping rough sleepers to get off the streets and into long-term homes. I would be grateful if my hon. Friend could confirm that housing associations will be given urgent clarity on whether the local housing allowance cap applies to those services. If it does not, there is a real worry that many will close and that, as a result, there will be an unnecessary rise in the numbers of young homeless people.

**Brandon Lewis:** My hon. Friend always fights hard for his constituents. Preventing youth homelessness is a priority for this Government. We are investing £15 million in the fair chance fund, an innovative payment-by-results scheme. That is helping some 2,000 vulnerable young homeless people to get into accommodation, education, training and employment. We will work closely with providers to find a long-term solution to the funding of supported accommodation.

**Dr Roberta Blackman-Woods** (City of Durham) (Lab): I, too, associate myself and those on the Labour Benches with your comments, Mr Speaker. Harry Harpham will be sorely missed by the Labour party, his constituents, and, of course, his family and friends. Our thoughts are with them at this time.

Research from Changing Lives, a Newcastle-based specialist housing agency, estimates that it and other supported housing providers across the country will lose a huge sum of money from the Chancellor's crude cuts to housing benefit. The discretionary fund on which the Government say they must rely is totally inadequate. What will the Minister do to ensure that that vital form of housing for many thousands of people with disabilities and other specialist needs remains and is properly funded in future?

**Brandon Lewis:** I say to the hon. Lady, as I have said before, that we will make sure that the most vulnerable in our society are protected. We are also boosting supply with £400 million-worth of funding announced in the spending review to deliver specialist affordable homes for the vulnerable, the elderly and those with disabilities. Of course, there is also our £5.3 billion investment in the better care fund, through which we are looking to integrate health and social care.

### Property Purchase Schemes

2. **Christopher Pincher** (Tamworth) (Con): What progress his Department has made on the Help to Buy and Right to Buy schemes. [903501]

**The Secretary of State for Communities and Local Government (Greg Clark):** I associate myself with your sentiments, Mr Speaker, about our former colleague, Harry Harpham.

This Government are committed to increasing home ownership. More than 130,000 households have purchased a home through Help to Buy since 2012. We have just launched London Help to Buy, and I can tell the House that in the first seven days, 15,000 people have registered to take advantage of it. Since April 2010, more than 53,000 homes have been sold to tenants under Right to Buy, and a voluntary Right to Buy scheme will give 1.3 million more families the opportunity to do so.

**Christopher Pincher:** Bovis Homes, a major employer in my constituency, commends Help to Buy as a tremendous initiative, but we all know that we need more small-scale developers in the supply chain to increase the supply of homes to which Help to Buy can apply. Does my right hon. Friend agree that large-scale developers franchising some of their plots to small and medium-sized developers is one way of getting those small-scale developers into the supply chain?

**Greg Clark:** I do agree with my hon. Friend. One of the effects of the financial crash was that many small builders left the industry, and we need to get them back and involved. My hon. Friend has a good idea. The direct commissioning scheme that we have announced, whereby we can carve up public sector land into small plots so that small builders can take advantage of it, will be a big step forward, too.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): We should have an end to these excuses. There is a generation in the rented sector who have no hope of owning their own homes. Is it not about time that we had some bold, imaginative policies? How many new towns are there? How many new generations of building are going on? How many houses are being built in Ebbsfleet, for example, which is supposed to be a new town? Will the Secretary of State answer that?

**Greg Clark:** Over the last five years, home ownership, and particularly house building, has been revived from the crash that happened under Labour. The hon. Gentleman should welcome the planning reforms that we made, which have increased planning permissions by 50%. He should welcome the introduction of starter homes to give first-time buyers a foot on the housing ladder. He should welcome the extension of Help to Buy, which has helped so many people to achieve their dream of a home of their own.

**Antoinette Sandbach** (Eddisbury) (Con): Right to Buy does not apply to rural exception sites. Does the Secretary of State therefore agree that affordable housing in rural areas is absolutely key?

**Greg Clark:** I do agree with my hon. Friend. In providing homes in all communities for all types of people we need to make sure that we have diversity of tenure, especially in rural areas. My hon. Friend is right.

**Andy Slaughter** (Hammersmith) (Lab): The idea that any of these schemes are affordable is an Orwellian myth. In my constituency, people need an income of £70,000 to be able to get an affordable home, and that is going up to £90,000 before long. To whom is that affordable?

**Greg Clark:** I do not think the hon. Gentleman does a good service to his constituents. He should know that under the combination of Help to Buy and shared ownership, the deposit that a London first-time buyer can be required to pay on the average price paid of £385,000 is as low as £4,800. The hon. Gentleman would do his constituents a service by promoting these schemes to them.

**Robert Neill** (Bromley and Chislehurst) (Con): I welcome my right hon. Friend's comments about the importance of the small and medium-sized building sector. Does he agree that one of the most damaging things that could happen to that sector's involvement in London would be the imposition of a 50% affordable housing target across sites, which would have no relation to the viability? As experienced under Ken Livingstone, this would actually drive developers away from bringing sites forward.

**Greg Clark:** I completely agree with my hon. Friend. It is not a matter of speculation but a matter of fact, because, as he says, the last Mayor tried that, and the amount of available housing in London fell. We want to provide homes for Londoners. The present Mayor has an exemplary record in providing affordable homes—indeed, homes of all types—ahead of the targets, and the £400 million that is being invested in the 20 housing zones across London is a tribute to his tenacity.

**Ben Howlett** (Bath) (Con): I am pleased to say that hundreds of families in my constituency, and in the local authority area of North East Somerset, have benefited from the Help to Buy and Right to Buy schemes, but young families still cannot get on to the housing ladder because of the high cost of housing. Will the Secretary of State meet me, and other Members whose constituencies contain high-value areas, and will he undertake to roll out the two-for-one guarantee in those areas?

**Greg Clark:** I will certainly meet my hon. Friend and his colleagues. It is essential for homes to be built in every community, so that young people and rising generations throughout the country have a chance to continue to be part of the communities in which they were born and raised.

**Mr Speaker:** Mr Stephen Pound? Not here. Where is the fellow?

### Private Rented Sector

4. **Ms Karen Buck** (Westminster North) (Lab): What plans he has to improve conditions for tenants in the private rented sector. [903503]

5. **Vicky Foxcroft** (Lewisham, Deptford) (Lab): What plans he has to improve conditions for tenants in the private rented sector. [903504]

**The Minister for Housing and Planning (Brandon Lewis):** I believe that all tenants should have a safe place in which to live. In the Housing and Planning Bill, the Government have introduced the strongest ever set of measures to protect tenants and ensure that landlords provide good-quality, safe accommodation.

**Ms Buck:** According to a freedom of information inquiry that I carried out last year, only 14,000 of a total of 51,316 complaints made to councils about poor housing were subjected to a local authority environmental health assessment, and, on average, councils prosecuted only one rogue landlord every year. Is it not irrefutable that local authorities lack the resources, certainly, and the will, in some cases, to take action against rogue landlords? What possible grounds can the Minister have for resisting a modest change that would allow tenants to take legal action against landlords who let homes that are not fit for human habitation?

**Brandon Lewis:** The hon. Lady is right, in that local authorities should be using the powers that they have. As I have said, there is already a requirement for properties to be fit and proper, and she may wish to welcome the extra £5 million that we have added to the £6.7 million that we have already invested to support it. However, if she looks at the changes in the operation of fines in the Housing and Planning Bill, she will see that the amount of resources for local government will be beyond anything that we have ever seen before, and certainly beyond anything that the Labour Government ever did.

**Vicky Foxcroft:** Much of what the Minister said is not what I am hearing from constituents. Many of those who come to see me speak of substandard homes which are damp and cold and have not been subjected to gas and electricity safety checks, and many are afraid of dealing with their landlords because they fear being evicted. What will the Minister do about that? Does he now regret not supporting Labour's amendment to the Housing and Planning Bill, which would have ensured that landlords only let properties that were fit for human habitation?

**Brandon Lewis:** I hope that the hon. Lady will join me in insisting that her local council takes its duty seriously and deals with the situation. The Bill will enable councils to issue civil penalties amounting to up to £30,000 and remedy payment orders for up to 12 months. That will

give them a resource that they have never had before, and one that I hope they will endorse and use. [Interruption.]

**Mr Speaker:** I must say that there are sounds of some very heavy breathing. I call Mr Mark Prisk.

**Mr Mark Prisk** (Hertford and Stortford) (Con): While the hon. Member for Westminster North (Ms Buck) is right to draw attention to the difference in the enforcement of existing regulations, neighbouring councils with the same resources often enforce the regulations in radically different ways. May I encourage the Minister not only to promote the best practice in enforcement, but, most important, to challenge councils that are failing to use the powers that they have?

**Brandon Lewis:** My hon. Friend has a wealth of experience in this field, and, as always, he speaks with great common sense and logic. Local authorities should be using the powers that they have. By far the majority of landlords provide a good service, but authorities should be using those powers to crack down on the rogue landlords whom all of us, including good landlords, want to see driven out of the system.

**Mr Stewart Jackson** (Peterborough) (Con): May I commend the Government for taking the toughest action on rogue landlords in a generation in the Housing and Planning Bill? On the provision of private sector rented housing, will the Minister give me an undertaking that he will continue to work, on a cross-party basis if necessary, to develop residential estate investment trusts, on which there has been a commitment from both parties over the years, and work with the Treasury to bring forward proposals for private sector housing, particularly in areas with affordability issues?

**Brandon Lewis:** My hon. Friend makes a good point, and we are working right across government on the institutional investments. I can tell the House that the estates regeneration panel that the Prime Minister has set up will be meeting for the first time tomorrow and will be looking at all these issues in that context as well.

**Tulip Siddiq** (Hampstead and Kilburn) (Lab): Many of the 33% of my constituents who rent privately have been the victim of revenge evictions. Shelter has estimated that in a calendar year 4,000 people in my constituency were victims of revenge evictions and 200,000 people across the country suffered from rogue landlords. The Minister has been speaking about how much work the Government have been doing, but will he clarify what impact the law that was brought in last year has had on the number of revenge evictions across the country?

**Brandon Lewis:** It is clearly a matter for local authorities to use those powers to crack down on rogue landlords and to ensure that they are providing the right services. It is just a shame that the Opposition did not support those measures in the Housing and Planning Bill.

**Matt Warman** (Boston and Skegness) (Con): In my constituency, some of the worst landlords have been prosecuted by Boston Borough Council, and the Department for Communities and Local Government has recently awarded it a £74,000 grant to keep up that

good work. Does the Minister agree that when councils are proactive, there are resources available for them to enable them to be more proactive?

**Brandon Lewis:** My hon. Friend is right. He has given us an example of a good council looking to do the right thing by its local residents by ensuring that they are well protected and well served, using the extra funding that we have put in. In addition, local authorities will be able to impose the new £30,000 civil fines when the Housing and Planning Bill gets Royal Assent, and it is a shame that the Opposition did not support that measure. It will mean that councils will be able to do more in this regard than ever before.

#### City Deals: Scotland

6. **Dr Philippa Whitford** (Central Ayrshire) (SNP): What recent discussions he has had with Ministers of the Scottish Government on the Aberdeen city region deal. [903505]

**The Parliamentary Under-Secretary of State for Communities and Local Government (James Wharton):** On 28 January, the Government, along with the Scottish Government and the local leadership in Aberdeen were able to announce the Aberdeen city deal heads of terms. The deal includes an investment fund of up to £250 million. This shows the investment going in and the support being delivered for our economy in Aberdeen, just as it is across the country as a whole.

**Dr Whitford:** With the Treasury having received more than £300 billion from North sea oil revenue over the past 40 years, and given that the current low oil price is being aggravated by deliberate under-pricing, including by our “friends” in Saudi Arabia, does the Minister not think that the UK Government should at least match the £250 million given by the Scottish Government, instead of offering just £125 million to help the region through this difficult time?

**James Wharton:** Most people welcome the Aberdeen city deal, the significant investment that is going in and the joint working that it demonstrates between the British Government and the Scottish Government to make a real difference and to drive forward the economy in Aberdeen, which faces some of the challenges of which the hon. Lady speaks. It underlines the fact that we really are better together.

**Alison Thewliss** (Glasgow Central) (SNP): I would first like to offer the condolences of the Scottish National party to the family and friends of Harry Harpham. He was passionate about housing, and he would no doubt have wanted to be here today to question the Government.

The Aberdeen city and shire deal submitted a bid for £2.9 billion of investment, but that ambition was not matched by the Tory Government, who stumped up only £125 million for the deal. Can the Minister understand why the people of Aberdeen city and shire feel disappointed and let down by this Tory Government?

**James Wharton:** Agreeing a city deal, with £125 million added to the other money that is going in, which is wanted by local people and delivered in co-operation with local partners, should be welcomed. It will drive

forward growth, and it is something that a number of other areas would be very keen to secure if they could do so.

**Alison Thewliss:** This Government are not providing a 50:50 basis for this deal. In fact, the Scottish Government are contributing £379 million to it. Will the Minister and his Government respond to calls from the Cabinet Secretary for Infrastructure, Investment and Cities and stump up the additional £200 million that Aberdeen so clearly needs?

**James Wharton:** When I saw that this was an area of questioning with which we would be dealing today, I had hoped the questions would focus on the great positivity that has surrounded the announcement, which is characteristic of the working together that has got us to a place where the heads of terms on this deal have been announced. This deal will make a real difference and it is only possible because of the contribution the British Government have made, alongside the Scottish Government, working with local partners. It is a welcome deal—it is a welcome deal in Aberdeen and it should be welcomed by Scottish National party Members rather more than it appears to be at the moment.

#### City Deals: Scotland

7. **Martyn Day** (Linlithgow and East Falkirk) (SNP): What progress has been made on the Edinburgh and South East of Scotland city deal. [903506]

**The Parliamentary Under-Secretary of State for Communities and Local Government (James Wharton):** This question underlines the point I was making about how other areas would like city deals, too. We have to work together to deliver city deals and we have to ensure that they are properly thought through, but we will continue to have those discussions and continue to work together to deliver something that can make a real difference. I am sure the hon. Gentleman will continue to be a passionate advocate for it.

**Martyn Day:** This city region deal was submitted in September, with further information being submitted to both the UK and Scottish Governments on 18 December. Local government received a draft set of terms of reference from the UK Government, which was responded to in early January, but despite follow-up, it is still to hear anything further back. Can the Minister confirm whether a deal will be in place prior to the purdah period for the Scottish Parliament elections?

**James Wharton:** The Edinburgh and South East Scotland city deal is another important area of potential growth. The discussions are important, as this has to be done properly. The discussions have to be detailed, going through the opportunities as well as the costs. Given what has been achieved in Aberdeen, it is no surprise that the hon. Gentleman is keen to secure a city deal for his area, too. We will continue to have those discussions, and if the right deal can be reached, we will look to deliver on it.

**Deidre Brock** (Edinburgh North and Leith) (SNP): The Government committed £500 million to the Greater Cambridge city deal—or 50%. Following the news that

only 25% of Aberdeen and Shire's deal was funded by Whitehall, may I ask what percentage of the Edinburgh and regions deal the Minister will be committing?

**James Wharton:** As I said, those discussions are ongoing and we will see what conclusion they reach. What is welcome is the recognition across the House that city deals can make a real difference and the recognition in those communities and economies of the value they can bring and of the growth they can generate. We will continue in those discussions. I hope we will reach a conclusion that will be welcomed by hon. Members from across the House, but I am confident that the city deals, as a whole, are making a real difference and will continue to do so.

### Brownfield Sites

8. **Wendy Morton** (Aldridge-Brownhills) (Con): What support his Department is making available for the use of brownfield sites. [903507]

9. **Pauline Latham** (Mid Derbyshire) (Con): What support his Department is making available for the use of brownfield sites. [903508]

15. **Andrew Stephenson** (Pendle) (Con): What support his Department is making available for the use of brownfield sites. [903514]

**The Minister for Housing and Planning (Brandon Lewis):** We are committed to fulfilling our manifesto commitment of supporting development on brownfield land. To that end, we are creating a £2 billion long-term housing development fund to unlock housing on brownfield land, and we are determined to make sure that we get 90% of that land with planning permissions by 2020.

**Wendy Morton:** I am grateful to the Minister for that answer. In my constituency, we place great importance on the amenity that the green belt provides to our communities. What support is his Department providing to metropolitan boroughs to unlock brownfield sites for modern commercial as well as housing development, in order to afford further protection to the encompassing green belt?

**Brandon Lewis:** My hon. Friend is right to say that we want to make sure we are protecting the green belt, and the national planning policy framework does just that. This £2 billion fund will make that brownfield land more attractive, as will planning permission in principle, once the Housing and Planning Bill goes through. This is about making sure we do everything we can to get those brownfield land areas developed for the benefit of our local communities.

**Pauline Latham:** Celanese is a very large brownfield site in Spondon in my constituency that is not included in Derby City Council's core strategy, because it says that it will not be ready for development until at least 2028. The company on the site, however, says it will be ready by 2018. Does the Minister agree that local authorities should be doing more to utilise these sites through the funding that the Government have announced is available and increasing their efforts to make things ready for development?

**Brandon Lewis:** My hon. Friend, who is working passionately for her local community to make sure that brownfield land is appropriately and properly used, will appreciate that I cannot comment on the particular local plan that is at examination stage. It is true to say, however, that a local authority should be working with its local community to make sure that appropriate brownfield land, with a good understanding of its availability, is brought forward at the earliest opportunity and can take advantage of this new £2 billion fund as well.

**Andrew Stephenson:** Pendle has 46 hectares of brownfield land, 40 hectares of which is assessed as suitable for housing, yet just days ago Labour and Lib Dem councillors voted through an application to build 500 homes on a greenfield site in Barrowford in my constituency. I am a strong supporter of localism, but how can the Government make councils such as Pendle Borough Council step up to the challenge of brownfield development, rather than just taking the easy option and building on our green fields?

**Brandon Lewis:** My hon. Friend highlights a good case. I know that, with his support, the previous Conservative-led Administration in Pendle was passionate about delivering on brownfield land. We want to see 90% of that land given planning permission. The best route is for the local community to take note of what the authority does and to let it know exactly what it thinks at the ballot box next time round.

**Mr Clive Betts** (Sheffield South East) (Lab): I join you, Mr Speaker, in paying tribute to my friend and colleague, Harry Harpham, who will probably be the last coalminer elected to the House. As you rightly said, despite the seriousness of his illness, he was still here three weeks ago arguing passionately for the steelworkers and steel industry in Sheffield. It was a fitting culmination to years of dedicated service to the people of Sheffield. That service included the delivery of the decent homes programme, from which thousands of our tenants have benefited.

There are many brownfield sites in the Don Valley in Sheffield on which more than 1,000 homes could be built. The problem is that the land is subject to flooding. Sheffield City Council has identified £40 million towards a £60 million flood prevention programme. Will the Minister ask his officials to liaise with officials from the Department for Environment, Food and Rural Affairs and city council officers to find a joined-up approach to ensuring that this land can be safeguarded and that those 1,000-plus homes can be built on the available brownfield land?

**Brandon Lewis:** Yes, the hon. Gentleman outlines a good example of where everybody could work together in the best interests of the community and to see more housing built, and I am happy to organise that meeting. I will make sure I have that conversation with him and the local authority.

**Rachael Maskell** (York Central) (Lab/Co-op): York desperately needs family and social housing, yet the council plans to build predominantly high-value units on the 72 hectare "York Central" brownfield site, which will go no way to addressing our housing crisis. Will the

Minister meet me to discuss the principle of York First and putting the interests of the city ahead of asset housing?

**Brandon Lewis:** As the hon. Lady will appreciate, it is absolutely right that local communities can make local decisions about what is right for them and that her local authority can look at its local housing need and make a decision about what is right for it, as it is looking to do in York.

**Tristram Hunt** (Stoke-on-Trent Central) (Lab): In 2012, the Secretary of State told the House that the new planning policy framework offered “clear and unequivocal” protection of the green belt, yet the number of green-belt approvals has increased fivefold in the last five years under this Government. The new permission in principle powers in clause 102 of the Housing and Planning Bill will only further undermine the green belt. When will the Government put urban regeneration first, rather than ex-urban sprawl?

**Brandon Lewis:** Through the national planning policy framework and the guidance that has come out since, we have actually strengthened green-belt protection. With the new planning permission in principle, the new requirement for a brownfield register and the £2 billion fund, we are going further than any Government before in making sure that brownfield sites are developed first.

**Stephen Hammond** (Wimbledon) (Con): Will the Minister agree that the plan of my hon. Friend the Member for Richmond Park (Zac Goldsmith) to drive the London Land Commission to force local authorities to bring forward unused land will secure the homes that Londoners need and protect the environment and give London the quality of environment it deserves?

**Brandon Lewis:** My hon. Friend outlines the sensible and productive approach that has been outlined by my hon. Friend the Member for Richmond Park (Zac Goldsmith), who I hope will be the next Mayor of London, to make sure we deliver more housing for London. As the joint chair of the London Land Commission, I look forward to working with him.

**Andrew Gwynne** (Denton and Reddish) (Lab): Does the Minister understand the plight of the residents of Haughton Green, an urban village in my constituency, who, under the Greater Manchester Combined Authority’s spatial framework, have seen every remaining piece of open green space in that area identified for future development? Is it not time we had a planning system that worked for the people of Haughton Green?

**Brandon Lewis:** The hon. Gentleman’s council is represented on that authority, so I would hope it has a voice. I am also co-chairing the Manchester Land Commission, and I will certainly raise that point with the Labour interim panel chair and Mayor.

### Neighbourhood Plans

10. **Mims Davies** (Eastleigh) (Con): What steps his Department is taking to support communities in setting up neighbourhood plans. [903509]

**The Minister for Housing and Planning (Brandon Lewis):** Our £22 million support programme for neighbourhood planning for 2015-18 provides neighbourhood planning groups with online resources, an advice service, grants and technical support in priority areas. Furthermore, the Housing and Planning Bill will speed up and simplify the neighbourhood planning process.

**Mims Davies:** I thank the Minister for his important answer. Having failed to deliver the first time, the Liberal Democrat-led Eastleigh borough council is now consulting on its new and somewhat controversial draft local plan document. Does the Minister agree that the best possible solution for my constituents is to have a suitable and properly supported local plan, and to back parishes such as Botley on their community-created neighbourhood plans, as there is currently none going to referendum in Eastleigh?

**Brandon Lewis:** My hon. Friend makes a very good point, and I am pleased to reassure her constituents that if they go forward with a neighbourhood plan, it will have weight in planning law, and if the local authority is failing to do its duty by its local residents in the community then the neighbourhood plan is the best way to proceed.

**Liz McInnes** (Heywood and Middleton) (Lab): A number of neighbourhood plans have failed because of insufficient evidence, unrealistic expectations and a failure to meet European environmental requirements. What help is the Department giving those formulating these plans to ensure that they meet the standards set down by the independent examiners?

**Brandon Lewis:** As I outlined in my initial answer, we not only have online resources and advice services, but give grants of up to £8,000, with a further £6,000 in particularly difficult areas. Workshops are also going out around the country, and the National Association of Local Councils is talking through its parish council network about how the system works. I gently say to the hon. Lady that every single neighbourhood plan that has gone to referendum has passed with a huge majority.

**Mr Philip Hollobone** (Kettering) (Con): Might it not be a good idea to highlight an exemplar neighbourhood plan in each shire area, which could be specifically rolled out across that county, to encourage more parish councils in particular to get involved?

**Brandon Lewis:** As is often the case, my hon. Friend raises a very good idea, and I will take it forward. I will be talking to the group that is going out and doing this kind of work and sharing best practice around the country. It is a good idea for local authorities to look at what others have done locally, and we will certainly do our best to take up his idea and to promote it further.

### Social Care Services

12. **Kelvin Hopkins** (Luton North) (Lab): What recent assessment he has made of trends in the level of demand for social care services. [903511]

**The Parliamentary Under-Secretary of State for Communities and Local Government (Mr Marcus Jones):** We have provided up to £3.5 billion of funding to meet the demographic

pressures on social care. This is significantly more than the £2.9 billion that the Local Government Association estimated was needed.

**Kelvin Hopkins:** When will the Government accept that the problems of social care will be overcome only when there is a comprehensive and publicly provided system of social care for all, which is free at the point of need? I am talking about a national care service, exactly parallel to and integral with the national health service—a true public service free of privatisation.

**Mr Jones:** This Government are absolutely committed to the full integration of health and social care by 2020, and we will require all areas to have a clear plan for achieving that by 2017. The hon. Gentleman will also be interested to know that, by the end of the decade, the spending review does include more than £500 million for the disabled facilities grant, which is more than double the amount this year. That will fund around 85,000 home adaptations by that year, and is expected to prevent 8,500 people from needing to go into a care home by 2019-20.

17. [903517] **James Morris** (Halesowen and Rowley Regis) (Con): Adult social care will be one of the biggest challenges that we face over the next several decades. Does the Minister agree that more needs to be done to integrate health and social care, particularly building on the success of the better care fund, to encourage local authorities to work with local health providers to come up with innovative solutions for adult social care?

**The Parliamentary Under-Secretary of State for Communities and Local Government (Mr Marcus Jones):** I know that my hon. Friend is a real campaigner on this issue. As he identifies, the better care fund is paying dividends. We are seeing significant joint working through the better care fund, which, in many areas, is reducing delayed transfers of care from hospital. We are absolutely intent on spreading best practice around all areas of the country. Plans are also in place to improve areas that are the most challenged.

**Barbara Keeley** (Worsley and Eccles South) (Lab): I am afraid that what we have just heard is nonsense. Government funding for social care falls far short of what is needed. Directors of adult social services tell us that £4.6 billion has already been cut from adult social care, and the gap is growing at £700 million a year. The social care precept will raise only £400 million a year, and the better care fund, which the Minister mentioned, does not start until next year, at £105 million a year. Government Ministers must consider that they are risking the collapse of social care because their funding is too little and too late.

**Mr Jones:** The funding coming into the better care fund—£1.5 billion—is all new money for adult social care, and it is going directly to local authorities. The absolute key is the integration of health and social care, and as I have set out to the hon. Member for Luton North (Kelvin Hopkins) and my hon. Friend the Member for Halesowen and Rowley Regis (James Morris), the Government are determined to achieve that integration.

**Mrs Emma Lewell-Buck** (South Shields) (Lab): Does the Minister agree with the Conservative council leader who covers his constituency and who was recently quoted

in the press as saying that inadequate Government funding has left his local council struggling to provide adult social care services?

**Mr Jones:** First, I welcome the hon. Lady to the Dispatch Box. I heard what she said about the Conservative leader of my local authority, Warwickshire County Council. I speak to the lady to whom she referred at all times. [Interruption.] Well, what I would say is that Warwickshire County Council set a sustainable budget last week, and was able to do that by protecting social care services.

### Syrian Refugee Resettlement

13. **Karen Lumley** (Redditch) (Con): What assessment he has made of the effect of the Syrian refugee resettlement programme on the resources required by local authorities. [903512]

**The Parliamentary Under-Secretary of State for Refugees (Richard Harrington):** Resettlement costs for year one are funded by the Department for International Development through the official development assistance budget. At the spending review, we announced a further £129 million towards local authority costs in years two to five. This amount was calculated after consulting the Local Government Association and local authorities with experience in this field on the likely costs that they would incur in being part of our Syrian refugee resettlement programme.

**Karen Lumley:** I am working hard with my council leader, Bill Hartnett, to provide refuge for two Syrian families in Redditch. Does my hon. Friend agree with me that that is the right thing to do, and will he reassure local people that it will not be paid for by local council tax, as there is some concern in my town about that?

**Richard Harrington:** I thank my hon. Friend and the leader of Redditch Borough Council for the part they have played in the joint bid with Worcestershire County Council. As they are aware, we work closely with local authorities to ensure that capacity is identified as suitable for that area, and I again confirm to my hon. Friend that the funding available through the spending review will go a long way towards funding the resettlement of Syrian refugees.

**Keith Vaz** (Leicester East) (Lab): I commend the Minister on being the first Home Office Minister in living memory to set a target for resettlement and meet that target. However, there are still another 19,000 Syrian refugees to be resettled before the next election, and the number of other asylum seekers has risen from 9,000 to 17,000. Where are we going to find that accommodation?

**Richard Harrington:** Mr Speaker, excuse me, but to be complimented by the Chairman of the Select Committee on Home Affairs puts one off one's stride at the Dispatch Box. I remind the right hon. Member for Leicester East (Keith Vaz) that the refugee scheme for which I am responsible very much requires the good nature of local authorities. That, together with the asylum programme, is important to us, and I am pleased to say that the demand for places from refugees equals the supply.

**Mr Speaker:** I understand the Minister. It is humbling indeed to be praised by someone of the exalted status of the right hon. Member for Leicester East (Keith Vaz).

### Council Tax

14. **Andrew Bridgen** (North West Leicestershire) (Con): What estimate he has made of the average difference in council tax paid by residents of urban and rural areas. [903513]

**The Secretary of State for Communities and Local Government (Greg Clark):** The average council tax has long been higher in rural areas than in urban areas. In response to the consultation on the local government financial settlement, several councils and hon. Members have pointed out the extra costs of providing services in rural areas—something that I am determined to address.

**Andrew Bridgen:** Figures from the rural fair share campaign show that those who live in urban areas receive 45% more funding than their rural counterparts, while at the same time those rural residents pay on average £81 more in council tax. Does my right hon. Friend agree that my constituents have every right to feel aggrieved about that inequality? What steps will the Government take to address that issue?

**Greg Clark:** I have been looking carefully at the responses to the consultation on local government finance, including that from Leicestershire, which seems to make a perfectly reasonable point that the essential requirement is that the underlying formula should reflect the different costs of providing services in different places. If my hon. Friend is patient and comes back a little later, I shall have more to say then.

**Fiona Mactaggart** (Slough) (Lab): Is it not a fact that in practice, despite their rhetoric, Conservative councils are charging more than Labour councils? That is what the question from the hon. Member for North West Leicestershire (Andrew Bridgen) conceals.

**Greg Clark:** It is a long-established fact that Conservative councils offer lower council tax than Labour councils, which accounts for their success and their majority in local government.

**Geoffrey Clifton-Brown** (The Cotswolds) (Con): Can my right hon. Friend say whether the gap between urban and rural authorities is widening? If it is widening in favour of urban authorities, will not the council tax payers in rural authorities, who are going to see their council tax rise considerably over the next three years, have to conclude that they are subsidising higher-spending urban authorities?

**Greg Clark:** My hon. Friend knows that we are moving to a world in which councils will be funded by council tax and business rates. It is essential that the formula underpinning that is fair to all types of authority. That has been very clear in representations that he and others have made.

**Mr Steve Reed** (Croydon North) (Lab): The Tory election manifesto promised to keep council tax low, so will the Secretary of State explain to the House why he

has just written to town halls up and down the country saying that he expects them to force council tax up by more than 20% over the next four years?

**Greg Clark:** I have written no such letter. I remind the hon. Gentleman that council tax doubled under the previous Government. On all the forecasts that we have made, it will be lower in real terms than it was at the beginning of the last Parliament.

**Mr Speaker:** Last but not forgotten, I call Paula Sherriff.

### Support for High Streets

16. **Paula Sherriff** (Dewsbury) (Lab): What steps he plans to take to support high streets. [903515]

**The Parliamentary Under-Secretary of State for Communities and Local Government (Mr Marcus Jones):** We are committed to ensuring that high streets remain at the heart of their community. We have introduced a £1.4 billion package of support, which includes business rate relief, help for small business, measures to tackle over-zealous parking enforcement, and practical changes to simplify the planning system.

**Paula Sherriff:** May I associate myself with the comments regarding Harry Harpham? He was a dear friend, a good and decent man, and we will miss him very much indeed.

A week before the general election, the Chancellor told the *Dewsbury Reporter* that within the first 100 days of a Tory Government, the town would be added to a list of enterprise zones in which new businesses would be spared business rates for the next five years. Will the Minister confirm that nine months into a Tory Government, there is no enterprise zone in my constituency, and local businesses on our high street are still paying full rates? Will he offer an apology to local people who were promised one thing when the Chancellor wanted their votes, and got quite another once he was in office?

**Mr Jones:** We are committed to supporting high streets. High street vacancy rates are at their lowest since 2010. Investment in high street property is up by 30%, and where areas are doing the right things, they are seeing people return to their high street. That was seen through the Great British High Street competition. There are a number of winners from Yorkshire, and I am sure that people in Dewsbury will be able to take tips from around Yorkshire so that they can improve their high street.

### Topical Questions

**Mr Speaker:** I call Mr Geoffrey Robinson. Not here.

T2. [903525] **Joan Ryan** (Enfield North) (Lab): If he will make a statement on his departmental responsibilities.

**The Secretary of State for Communities and Local Government (Greg Clark):** Since the beginning of January, the Cities and Local Government Devolution Bill has been enacted and given Royal Assent, the Housing and Planning Bill has passed its Third Reading, the voluntary



housing association right to buy has been launched in five areas, and direct commissioning of housing has been launched.

I take this opportunity to pay tribute to the life and work of Mrs Hazel Pearson OBE, who died on Friday at the age of 92, having retired as a Middlesbrough councillor only last year at the age of 91. She was a formidable leader of Conservatives in Middlesbrough, achieved much for her town and was greatly respected by all parties and by her community over 47 years of service. She represented everything that was best in public service.

**Joan Ryan:** Enfield has the fourth highest population figure of all London boroughs. The last census said we had seen a population increase of more than 14% in one decade. That rapid population growth is well above the national average and is not reflected in an increased funding settlement. I am grateful to the Under-Secretary of State for Communities and Local Government, the hon. Member for Nuneaton (Mr Jones), whom I met last month to discuss these matters. However, in the light of that meeting, and of submissions that have been made, what further measures are the Government willing to take to ensure there is a more equitable funding mechanism for boroughs in this situation?

**Greg Clark:** I understand the point the right hon. Lady makes, which is very reasonable. It is important that the funding that local government receives reflects the very latest information available in terms of the population. I have reflected on the representations that have been made in the consultation, and I will have more to say about that later.

T3. [903526] **Johnny Mercer** (Plymouth, Moor View) (Con): In my city of Plymouth, local campaigns seem regularly to mislead my constituents on the spare room subsidy, something that many people see as a fair way of bringing about parity between the social and private rental sectors. I commend the Government, therefore, for making funds available for specific cases where the spare room subsidy is not appropriate. However, will the Minister confirm that Plymouth City Council has chosen to return that discretionary housing payment to central Government every year, so no one should be struggling as a result of this policy?

**The Minister for Housing and Planning (Brandon Lewis):** My hon. Friend highlights the interesting point that a local authority is sending this subsidy back and then claiming that it cannot look after people. That local authority should be answering to local people, doing the right thing and using the subsidy for the purpose the Government set out in the first place.

**John Healey** (Wentworth and Dearne) (Lab): The Secretary of State will know that one of the many proud achievements of the last Labour Government was the rise in the number of families able to realise their dream of owning their own home—the number was up by 1 million over 13 years. Will the Minister tell us what has happened to the number of homeowners since Conservative Ministers took charge in 2010?

**Brandon Lewis:** I find it interesting that the right hon. Gentleman raises this question, bearing in mind the fact that, as a Minister, he said he thought a fall in home

ownership was not a bad thing. I disagree with him on that, as I do on other things. I think home ownership is something people aspire to, and we should support it. I am proud that the number of first-time buyers has doubled since 2010. Our work through the Housing and Planning Bill will take that further, and we must go further to support those aspirations.

**John Healey:** Let me repeat: the number of homeowners under Labour was up by 1 million. Since 2010, it is down by 200,000. For young people, it is now in free fall, and they have little or no hope of ever being able to buy their own homes. Never mind the spin or short-term policies, the Minister has no long-term plan for housing. That is why I have commissioned the independent Redfern review to look at the decline in home ownership. We would welcome evidence from Ministers, but will the Minister at least agree to look at the review's findings, so that five years of failure on home ownership do not turn into 10?

**Brandon Lewis:** Coming from somebody who oversaw the lowest level of house building since roughly 1923, that was interesting, particularly as the Redfern review is being led by Pete Redfern of Taylor Wimpey, who has called for an end to Help to Buy—the very product that is helping tens of thousands more people into home ownership. Perhaps the right hon. Gentleman is about to tell us that the Labour party will end Help to Buy, which is helping so many people. It is a shame that he and his party voted against the Housing and Planning Bill, which will deliver starter homes through increased Help to Buy. These measures will make sure that more homes are built for those who are working hard and who aspire to own their own homes—the very people let down by the crash under Labour.

T4. [903527] **Stuart Andrew** (Pudsey) (Con): What advice does my hon. Friend have for groups such as the Aireborough neighbourhood forum in my constituency, which finds itself in a constant fight with its local authority in trying to make progress? In this instance, Leeds City Council appears to be ignoring Government advice on brownfield sites, without any consequences.

**Brandon Lewis:** Having met some of my hon. Friend's constituents, I know they are very keen, and he has been supporting them strongly on their neighbourhood plans. Those should move forward, and we are putting in funding to support them. That gives them weight in law. This is a really good way for people to have control over local development opportunities if the local authority, in its local plan, is letting them down in the way my hon. Friend argues it is.

**Mr Speaker:** Dr Alan Whitehead—not here.

**Steve McCabe** (Birmingham, Selly Oak) (Lab): What does the Minister estimate the total percentage rise for residents of Birmingham will be once the Chancellor's social care tax, the increased police precept and the 1.9% council tax are added together?

**Mr Marcus Jones:** The core spending power figures that we released just before Christmas and have just consulted on do not take into account authorities putting their council tax up to the maximum referendum principle.

Council tax in Birmingham is a question for Birmingham City Council. However, my right hon. Friend the Secretary of State was absolutely right to say that we should not take any lectures from Labour Members on the council tax because while they were in power for 13 years council tax doubled.

T8. [903531] **Karen Lumley** (Redditch) (Con): Will my hon. Friend confirm that if the people of Redditch want to be a full member of the west midlands combined authority, they will also be able to take part in directly electing a mayor?

**The Parliamentary Under-Secretary of State for Communities and Local Government (James Wharton)**: I thank my hon. Friend for that question. She is a passionate advocate for the people of Redditch. Whenever I see her, she does a very good and effective job of explaining why she has a desire to pursue this matter and ensure that her constituents will get a say if appropriate and at an appropriate time. I can confirm that were Redditch to become a full member of the combined authority, then yes, people would have a vote in the mayoral election, although of course it would be done only by local agreement. As this Government have pursued matters throughout devolution, we want to build consensus and work with local people to find deals and structures that meet their ambitions.

T6. [903529] **Kirsty Blackman** (Aberdeen North) (SNP): Aberdeen has supported oil, with our residents having to put up with the bad and the good that comes with this. The UK Government have tried to tell Aberdeen that their £125 million of investment will inspire hundreds of millions of pounds of investment from currently hard-pressed Aberdeen businesses. What will the UK Government be doing to encourage businesses in Aberdeen that are suffering, along with the rest of us, to stump up cash?

**James Wharton**: I thank the hon. Lady for her important question, which ties in with the discussion we have already had about the Aberdeen city deal and the significant amount of money that is going in from the British Government in Westminster and the money that is going in in partnership with the Scottish Government, local authority leadership, and the local leadership of the business community in Aberdeen. We intend to ensure that the deal brings real growth and benefit to Aberdeen. We recognise the challenges that it faces because of the price of oil and other factors that affect its local economy, but we are determined, with local people who understand what is needed, to drive change and to do everything we can to support its economy.

T9. [903532] **Bob Blackman** (Harrow East) (Con): Under Mayor Livingstone, the number of new housing starts in London plummeted as a direct result of developers walking away from unaffordable sites, thanks to the 50% affordable housing target. What does my hon. Friend think would happen if the new Mayor were to introduce a 50% affordable housing target?

**Brandon Lewis**: As my hon. Friend outlines, the evidence shows that those kinds of targets, if they are not appropriate for the local area, distort viability, meaning that developments do not go forward and we do not get the houses built that we need. Local areas have to look at what is right for them and make sure it is viable.

My fervent hope is that we have a very sensible Mayor of London in my hon. Friend the Member for Richmond Park (Zac Goldsmith), who will take forward an increase in housing supply.

T7. [903530] **Drew Hendry** (Inverness, Nairn, Badenoch and Strathspey) (SNP): The Inverness city deal from Highland Council is based on the idea of a region for young people. The Highlands area has, over many decades, seen a drain of young people. Much work has been done to address this, including the opening of the Inverness campus, but more needs to be done to attract and retain young people. A plan such as the one put forward can help to rebalance the population demographic. Does the Minister agree that the aims of the plan and the statement of intent are worthy of support?

**James Wharton**: The hon. Gentleman is diligent in raising this issue, which we have discussed in the Chamber before. I think he recognises, as I do, the value that these sorts of deals can bring and the difference they can make. I recognise his comments and the importance that he attaches to this as a diligent local Member of Parliament, and I will certainly take it away and look at it. I cannot pre-announce deals at this Dispatch Box today. However, we continue in discussions and we are determined to deliver where the deal is the right one, and his effective advocacy is helpful in pursuing that ultimate objective.

T10. [903533] **Helen Whately** (Faversham and Mid Kent) (Con): Only 94 of 1,600 asylum-seeking children and care leavers in Kent have been taken in by other areas under the voluntary dispersal scheme. With more refugee children coming, how will my hon. Friend's Department get local authorities across the country to accept their share of the asylum-seeking children who are already here?

**The Parliamentary Under-Secretary of State for Refugees (Richard Harrington)**: We hope that dispersal arrangements remain voluntary and are working with the Home Office, the Department for Education, the Local Government Association and the Association of Directors of Children's Services on a national dispersal scheme for unaccompanied asylum-seeking children. Provisions in the Immigration Bill will underpin dispersal arrangements and, if necessary, enforce them.

**Barry Gardiner** (Brent North) (Lab): I know that the Minister for Housing and Planning well understands the extraordinarily high cost of private sector housing in London, but does he understand the impact that the changes to the local housing allowance are having on residents in my constituency? Will he ask his departmental officials to provide data on the impact of those changes?

**Brandon Lewis**: If the hon. Gentleman reads the answer I gave earlier, he will see that we have already outlined a one-year delay. We are also looking at the implications before the 2018 introduction and are working closely on it with the sector at the moment.

**Kelly Tolhurst** (Rochester and Strood) (Con): Medway Council is currently working on its local plan. Could the Minister give an update on the work of the expert panel, which was set up in September to help streamline the local plan process?

**Brandon Lewis:** I am happy to do so. As my hon. Friend outlines, we are determined to make sure that local areas can have a clear-cut, simple system to deliver local plans that give control to the local community, because they should be locally led. I look forward to seeing the panel's feedback in the weeks ahead.

**Jenny Chapman** (Darlington) (Lab): In response to questions asked earlier by Conservative Members about funding allocations for rural areas, Ministers hinted that they think there is some unfairness in the system. May I encourage Ministers to look at the issue again, because I agree that there is a great deal of unfairness? The funding in my borough in Darlington is being decimated and the cuts are devastating for the local economy, whereas the spending power of a similarly sized town, Wokingham, will be increased over coming years. That is fundamentally unfair. Will Ministers look at the issue again?

**Greg Clark:** I will respond on the provisional financial settlement shortly. It is important for every type of authority that its needs and the costs of providing services are properly met, and that is the Government's objective.

**Michael Fabricant** (Lichfield) (Con): My right hon. Friend is keen, as am I, on building on brownfield sites. With the closure of coal-fired power stations, including the possible closure of one in my constituency, what are we doing to encourage building on brownfield sites that include contaminated land?

**Greg Clark:** I am grateful for my hon. Friend's question. In the spending review the Chancellor established a fund to decontaminate brownfield sites so that they can be made available for house building in the way that my hon. Friend recommends.

**Daniel Zeichner** (Cambridge) (Lab): The Local Government Association is predicting that the Government's pay-to-stay proposals will lead to some 60,000 council tenants leaving their homes. At the same time, councils are saying that they do not know how much their tenants earn. Will the Minister for Housing and Planning explain to councils how and why they should be asking their tenants how much they earn?

**Brandon Lewis:** As we have said throughout the progress of the Housing and Planning Bill, on the Floor of the House and in Committee, we are looking at tapering to bring this in and we are working with the sector itself. It is absolutely right that we come up with a deal that is also fair for taxpayers, to make sure that as people earn more and can afford to pay towards their home they do so in a way that always makes it pay to work.

**Kit Malthouse** (North West Hampshire) (Con): I assume that the Minister is aware that Basingstoke and Deane Borough Council's local plan is due for adoption this spring. Could he reassure the council's planning committee that it can now start to make decisions in line with that plan, safe in the knowledge that the planning inspector will not overturn those decisions, thus protecting the countryside from speculative development?

**Brandon Lewis:** That is good news. My hon. Friend outlines another local plan that is in its later stages. I can confirm that, as a local plan gets to those later stages, it picks up more weight, so the local authority should be making planning decisions in line with the local plan. That is the right thing to do for local communities.

**Diana Johnson** (Kingston upon Hull North) (Lab): What assessment have Ministers made of councils that introduce a 2% precept increase for social care? For those councils with a very low council tax base, that will not result in the funding required to ensure that social care continues at the level it should in areas such as Hull.

**Greg Clark:** Part of the settlement that was made in the spending review was to include this new council tax precept in addition to the better care fund. On top of the resources that councils already invest, we will be able to invest more than the Local Government Association requested for social care in advance of the spending review.

**Several hon. Members** *rose*—

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

## Junior Doctors' Contract Negotiations

3.34 pm

**Heidi Alexander** (Lewisham East) (Lab) (*Urgent Question*): To ask the Secretary of State for Health if he will make a statement on the junior doctors' contract negotiations.

**The Parliamentary Under-Secretary of State for Health (Ben Gummer)**: I would be delighted to update the House on the junior doctors' proposed industrial action. The Government were elected on a mandate to provide for the NHS the resources it asked for and to make our NHS a truly seven-day service. The provision of consistent clinical standards on every day of the week demands better weekend support services, such as physiotherapy, pharmacy and diagnostic scans; better seven-day social care services, to facilitate weekend discharging; and better primary care access, to help to tackle avoidable weekend admissions.

Consistent seven-day services also demand reform of staff contracts, including those of junior doctors, to help hospitals to roster clinicians in a way that matches patient demand more evenly across every day of the week. In October 2014, the British Medical Association withdrew from talks on reforming the junior doctors' contract and, despite the fact that the Government asked it to return, did not start talking again until the end of November last year in talks facilitated by the Advisory, Conciliation and Arbitration Service. Throughout December we made very good progress on a wide range of issues and reached agreement on the vast majority of the BMA's concerns.

Regrettably, we did not come to an agreement on two substantive issues, including weekend pay rates. Following strike action last month, the Secretary of State appointed Sir David Dalton, one of our most respected NHS chief executives, to take negotiations forward on behalf of the NHS. Further progress has been made under Sir David's leadership, particularly in areas relating to safety and training. However, despite agreeing at ACAS to negotiate on the issue of weekend pay rates, Sir David Dalton has advised us that the BMA has refused to discuss a negotiated solution on Saturday pay. In his letter to the Secretary of State last week, Sir David stated:

"Given that we have made such good progress over the last 3 weeks—and are very nearly there on all but the pay points—it is very disappointing that the BMA continues to refuse to negotiate on the issue of unsocial hours payment. I note that in the ACAS agreement of 30 November, both parties agreed to negotiate on the number of hours designated as plain time and I hope that the BMA will still agree to do that."

The Government are clear that our door remains open for further discussion, and we continue to urge the BMA to return to the table. Regrettably, the BMA is instead proceeding with strike action over a 24-hour period from 8 am this Wednesday. Robust contingency planning has been taking place to try to minimise the risk of harm to the public, but I regret to inform the House that the latest estimates suggest that 2,884 operations have been cancelled.

I hope that hon. Members from both sides of the House will join me in urging the BMA to put patients first, call off its damaging strike and work with us to ensure we can offer patients consistent standards of care every day of the week.

**Heidi Alexander**: There is so much that could be said about this dispute that it is hard to know where to begin, so let me ask the Minister four simple questions.

First, the Health Secretary says that his door is open to further talks with the BMA. What does that mean? Specifically, can the Minister envisage a new contract where the definition of plain time working at weekends applies only to a Saturday morning?

Secondly, if a negotiated solution to a new junior doctor contract cannot be found, will the Minister today rule out imposing one? Does he not see how harmful imposition would be to patients, given its impact on staff morale, the risk of a protracted period of industrial action and the implications for future recruitment and retention?

Thirdly, can the Minister confirm that the pay protection offered to one in four junior doctors means that those doing the equivalent jobs in the future will be worse off? Should we not value the junior doctors of tomorrow as much as we value those of today?

Fourthly, and finally, throughout the dispute Ministers have repeatedly conflated the need to reform the junior doctor contract with their manifesto commitment to a seven-day NHS. Can the Minister name a single chief executive who has told him that the junior doctor contract is the barrier to providing high quality care 24/7? If junior doctors are the staff group who have to change their working patterns least to deliver this, which other groups of NHS staff will need to have the definition of unsocial hours changed in their contracts during this Parliament?

In the past year, the Health Secretary has implied that doctors do not work weekends, insinuated that juniors are somehow to blame for deaths among patients admitted on Saturdays and Sundays, and insulted professionals' intelligence by telling them they have been misled by the BMA. If he was here, I would ask him whether he regrets the way he has handled this dispute, but he has not even got the nerve to turn up.

No one is saying the existing junior doctors' contract is perfect, but anyone in the NHS will tell you that this whole episode has been an exercise in using a sledgehammer to crack a nut. It is time now for the Government to do what is right for patients, for staff and for the NHS.

**Ben Gummer**: The hon. Lady wonders where to begin. I would say to her that where we begin is with the promise made to the electorate to deliver seven-day services in order to make care more consistent through the week and thereby bring down the rate of avoidable deaths. That has been the aim of this Government—pursued in the guise of the previous coalition and by the current Government—for some years. The junior doctors' contract, about which negotiations have been going on for some years, has been framed partly in that respect during that time.

The hon. Lady asks a number of questions, and I will answer them directly. She asks whether the door is open and whether the Secretary of State is willing to see further talks. Of course it remains open. Throughout the entire process—from back in the summer, when the BMA made it a point of principle not to return to talks—we have asked the BMA to come back to the negotiating table time and again. I have done so, as has the Secretary of State, so the door remains open. I hope that, in the coming days up to the strike, such contacts will continue.

The hon. Lady asks whether there can be discussions about Saturdays. The Secretary of State has made it

plain throughout the process that every aspect of the contract is open for discussion. What is not up for discussion is the ability of hospitals to roster clinicians on a consistent basis through the week. The one group of people who are refusing to negotiate about Saturdays or anything to do with the extension of plain time is the British Medical Association. Despite its assurance—in fact, its promise—at ACAS at the end of the November that it wished to discuss this issue, it has now refused to do precisely that with Sir David Dalton. We are therefore left at an impasse, where I am afraid that on the one item left to discuss, which is Saturdays, it is refusing point blank to open a discussion because of what it calls an issue of principle. For us, the principle is patient safety, and that is why we will not move.

The hon. Lady's second question was about the introduction of a new contract. At some point, the Government will need to make a decision. Time and again, we have extended the point at which we will introduce the new contract, precisely so that we can give time for talks to proceed, even though the BMA, in a disjointed manner, refused to discuss it for several years until this point. At some point, we will have to make the changes necessary to get consistency of service over weekends. We cannot delay this any longer. No Health Secretary or Health Minister could stand in the face of the many academic studies that have shown there is an avoidable weekend effect and say that nothing should happen. Of course this should be done in concert with other contract changes—changing the availability of diagnostics, pharmacy and other services—and we have always said that it is part of the piece, but it has to be done at some point and that point is fast approaching.

The hon. Lady asks whether imposition will be harmful to patients. I ask her to consider whether avoiding changing rostering patterns to eliminate the weekend effect would not itself be harmful to patients to the number of several thousand a year.

The hon. Lady asks about pay protection. We have urged the BMA to put to its members the pay protection that we made clear right at the beginning of the process, but I am afraid that it wilfully misled its members about the pay offer that we put on the table. I ask her, therefore, to be careful in what she says. For this cohort of junior doctors, this is a very good deal. Those who are coming into the service can be assured that they will have a quality of contract that the current cohort has not benefited from: a reduction in the maximum number of consecutive nights from seven to four; a reduction in the maximum number of consecutive long day shifts from seven to five; a reduction in the maximum number of consecutive long late shifts from 12 to five; and a reduction in the maximum number of hours one can work in a week from 91 to 72. Those are considerable improvements in the contract that will protect the safety and working practices of future generations of junior doctors.

When the hon. Lady wrapped up her remarks, she asked whether we had any regrets about the way this process has proceeded. We do have regrets. We regret that the BMA wilfully misled its members at the beginning of the process, making them believe that there was going to be a cut to pay and an increase in hours, neither of which was true. We certainly regret the fact that the BMA refused to talk to us for months on end, when many of these issues could have been dealt with. We certainly regret the fact

that the BMA has gone back on its promise to discuss plain time hours—a promise made at ACAS that it has now reneged upon. I am afraid that in dealing with the BMA, we have not been able to address the matter that is most important to doctors, which is protecting patient safety. That is why, in the end, we will have to come to a decision on this contract for the betterment of patients and the consistency of clinical standards through the week.

**Dr Sarah Wollaston (Totnes) (Con):** Under the current contract, too many junior doctors are forced to work excessive hours and are overstretched during the hours they work. Will the Minister, having set out that the hours will be reduced, reassure the House about what measures will be put in place to make sure that managers do not let this slip and that we do not return to the days of overworked junior doctors?

**Ben Gummer:** My hon. Friend is right that new measures have been introduced in the proposed contract. A new guardian role, which was proposed by NHS Employers, will help to protect the hours of junior doctors in individual trusts. That has been a point of success in the negotiation between the BMA and NHS Employers. A new fines system, which is not currently in place, will penalise trusts and ensure that the moneys that are generated by the fines go towards enhancing the general wellbeing and training of doctors within those trusts.

**Dr Philippa Whitford (Central Ayrshire) (SNP):** Obviously, I am disappointed that it is not the Secretary of State we are speaking to today. The Minister referred again to weekend deaths. I gently point out that if one studies the evidence from Freemantle, one sees that there is a lower level of deaths at weekends. Perhaps we might be a bit more precise and say that we are talking about people admitted at weekends who die within the next 30 days.

I welcome the commitment to increase diagnostics and social care, as I think will everyone in the NHS, but junior doctors already work seven days and seven nights a week, so I really do not see how they can be the barrier to the safety of patients.

I do think that, on looking back, the Secretary of State and the Minister may regret how this matter has been handled. Right from last summer, it has been so combative. In October, when we debated the junior doctors, the Secretary of State was still refusing to go to ACAS, so this cannot all be put on the BMA. Doctors are not stupid; they are capable of reading what has been offered. Many of the junior doctors who have written to me have talked about the fear of hours getting out of control. When I was a junior doctor, the hours were ridiculous and it was the automatic financial penalty on trusts that changed things. It is important that their concerns are listened to and that they are not patronised, as they were on the Marr show yesterday. That has aggravated things further, and the way in which this process has been dealt with from beginning to end has been really disappointing.

We are facing the second day of strike for the first time in 40 years—that is my entire career. What does the Minister feel will be brought to the table by the Department of Health in the next few days to try to get out of this and to try a different approach? We do not have junior

[*Dr Philippa Whitford*]

doctors on the streets in Scotland. He has to ask himself why we have them on the streets here.

**Ben Gummer:** The hon. Lady speaks from experience, and rightly points to the fact that avoidable mortality that is attributable to weekends is different from mortality at weekends—the Secretary of State has been clear about that in his public statements. However that gap does exist, as the hon. Lady knows, and Professor Sir Bruce Keogh was clear in his statements that there is an avoidable rate of mortality. He stated:

“There is an avoidable ‘weekend effect’ which if addressed could save lives. This is something that we as clinicians should collectively seek to solve. It also strengthens the moral and professional case for concerted action.”

The way in which the hon. Lady characterised the discussions in September, October and November is not quite right. We implored the BMA to come and talk; I personally had those discussions with leaders of the BMA, and they refused to do so. It was only when they came and talked to us that we made substantive progress.

The hon. Lady is right to raise these issues, and we wanted to discuss such matters with the BMA. One issue was protection against excess hours, but we had no counterparty with whom to negotiate. Since we have had that counterparty, we have made good moments of progress, and the result is the guardian position, which she welcomed in another place. The guardian will be able to levy fines, and those fines will be remitted to the guardian. I hope—and indeed expect—that process to reduce the excess hours that we still see in a small minority of positions. We must get away from the perverse incentives for trusts and a small minority of doctors that mean that unsafe working hours are perpetuated.

Of course we all regret the course that this dispute has taken, but it would not have done so had the BMA taken a responsible position from the beginning. If people lie to their members and say that they will have their pay cut and their hours raised, of course doctors will be angry—all of us would be. The fact is that that was never true, but it has inflamed the situation. We could have had the kind of productive talks that we have had over the past three or four weeks back in August, September and October had we not had all the mess beforehand because of untruthful statements issued by the BMA.

**Helen Whately** (Faversham and Mid Kent) (Con): The level of support among junior doctors for this pay dispute is at least in part because of longstanding dissatisfaction with the experience of being a junior doctor. Sir David Dalton recommended a review of those longstanding concerns in his recent letter. Do the Government intend to commission such a review?

**Ben Gummer:** The Government will be looking at Sir David Dalton’s recommendation and acting on it. He is right to point to the fact that the 1999 contract is imperfect—it was agreed back in 2008 that it had many failings, and that something needed to be done to fix it. That contract in its generality has helped to contribute to the lowering of morale in the junior doctor workforce, which Sir David Dalton has recognised, as has the Secretary of State. It is not just the way in which

training placements are made and a whole series of other problems with the contract; it is also the fact that people have to work for long periods of consecutive nights and days, all of which is reduced in the latest proposed contract.

**Mr Dennis Skinner** (Bolsover) (Lab): Is the Minister aware that it takes two sides to call a strike? It cannot happen just because one side of the argument wants a strike. The Secretary of State has been looking for a fight with the doctors ever since he got the job. Does he realise that when I came here 45 years ago, I was getting time and a half for all-day Saturday, and double time, like other miners, for Sunday? Every time the doctors are replaced by agency nurses it costs the Government and the taxpayer a small fortune. Get the matter settled, and be decent for a change.

**Ben Gummer:** The hon. Gentleman has long prized himself as a champion of working people, yet the current contract and the proposed contract by the BMA, which I presume the hon. Member for Central Ayrshire (Dr Whitford) supports, prefers junior doctors over porters, cleaners and junior nurses, and it gives them better rates of pay, and premium rates that could not be enjoyed by lesser paid workers under contracts negotiated by unions that the hon. Gentleman supports. Here we have it: the final morphing of the Labour party into a party that prefers professionals over porters. That, I am afraid, is the party that he is now a member of.

**Dr Andrew Murrison** (South West Wiltshire) (Con): I very much support the Government’s stance on junior doctors, while acknowledging that most doctors—junior and senior—work well beyond their contracted hours. Does the Minister agree that it is not junior doctors but their seniors, and seniors’ terms and conditions, who really set the tempo in our national health service?

**Ben Gummer:** My hon. Friend also speaks from experience. We have said right from the beginning that reform of consultants’ and junior doctors’ contracts will be critical in delivering seven-day services. On consultants’ contracts, it is important to make sure that consultants are providing clinical cover over weekends, not just for the benefit of patients but for juniors, who are often covering rotas without clinical cover from consultants with and to whom they might wish to confer and refer.

**Mr Ben Bradshaw** (Exeter) (Lab): Is it not at the very least odd that the Secretary of State yet again chooses to stay away and not come before the House to answer questions on this very important subject? As a former Health Minister, I know how difficult the BMA can be, but this would seem to indicate to me that it is the Secretary of State who has become the main obstacle to a sensible solution to this crisis.

**Ben Gummer:** The right hon. Gentleman will know that, numerically, the previous Labour Government had far more scraps with the BMA than the coalition Government and this Government have achieved so far. He will know that it is a mark of all Health Secretaries to have disputes of one kind or another with the BMA. The Secretary of State will be here tomorrow, since the right hon. Gentleman asks, to answer oral Health questions.

**Several hon. Members** *rose*—

**Mr Speaker:** I am sure that nobody who toddled into the Chamber after the urgent question started would expect to be called. That would be quite out of keeping with our parliamentary traditions. I think I need say no more.

**Crispin Blunt** (Reigate) (Con): I wonder whether the Minister can help me. The messaging I have heard from the BMA is that the dispute is nothing to do with pay. We have heard the issue described as a “nut” by the shadow Secretary of State, yet it has led to a national strike for the first time in 40 years and we face industrial action again. What is going on here?

**Ben Gummer:** That is a question I am increasingly asking of those in the BMA's leadership. They have agreed with Sir David Dalton that the remaining issue is about pay. Having said for several months that it was not about pay, they have now, in the end, come clean and said that it is about pay. That is what we are dealing with: pay rates for plain time and for Saturdays, where they wish for preferred rates over nurses and other “Agenda for Change” staff.

**Dr Roberta Blackman-Woods** (City of Durham) (Lab): Junior doctors in my constituency are only very reluctantly taking action on Wednesday. They are supported by many of my constituents, who think that it is simply a disgrace that junior doctors are being forced to take industrial action because the Government are simply failing to address the legitimate concerns raised by the BMA. I heard the Minister say that his door is open, but what he is actually going to do to settle the dispute, and does he think it helps to denigrate the BMA in the Chamber this afternoon?

**Ben Gummer:** The hon. Lady says the junior doctors in her constituency had legitimate concerns. They did. Every single one has now been answered in the negotiations between Sir David Dalton and his predecessors apart from one, and that is the one the BMA refuses to open negotiations on, despite having promised to do so in November last year. Yes, our door remains open, but the BMA has first to agree to talk to us, which it is again refusing to do.

**Alex Chalk** (Cheltenham) (Con): Junior doctors in Cheltenham are some of the most dedicated and hard-working people anywhere in our local community. It is therefore a concern to me that some have cited information from the BMA suggesting that the Government are proposing a pay cut. Will the Minister make the position crystal clear? Is that right?

**Ben Gummer:** No, it is not.

**Norman Lamb** (North Norfolk) (LD): Does the Minister ever wonder whether he has chosen the wrong target? He bases his entire argument on safety—and rightly so—yet chairs and chief executives of hospitals constantly tell me that they have no difficulty staffing their hospitals with junior doctors over weekends. At the same time, however, our GP out-of-hours services are under incredible strain and cover is threadbare in many parts of the country. That, surely, is where the real safety concerns lie.

**Ben Gummer:** The right hon. Gentleman will know that we are looking at the contracts for GPs, consultants and junior doctors: they are of a piece. We cannot see one clinical group in isolation, when they work together. He should know, therefore, that in concluding discussions with junior doctors, consultants and GPs, we need to ensure that we give hospitals and primary care settings the ability to roster staff consistently through seven days of the week.

**Maria Caulfield** (Lewes) (Con): I have met junior doctor colleagues over the last few weeks and months, and I know that many of them are cautious about the new contract and that strike action is the absolute last resort for them that they would rather not take. I met one of my constituents from Polegate this morning whose operation is going to be cancelled this week, thanks to the strike action. I welcome the Minister's comment that the door is still open even at this late hour to call off the strike. Would he find it helpful if the shadow Secretary of State also condemned the strike and asked the doctors to call it off, so that patients do not become the real losers in this dispute?

**Ben Gummer:** My hon. Friend points to an interesting fact—that despite these many months of discussions, we have never had a clear line from the shadow Secretary of State or from the Opposition generally on whether they condemn or support the industrial action. It would be helpful if they made that clear because we would know at least whose side they are on. Are they on the side of patients, where we are trying to eliminate the weekend effect, or are they on the side of the BMA's leadership?

**Angela Rayner** (Ashton-under-Lyne) (Lab): I find the Minister's language and tone in regard to the BMA and the junior doctors unfortunate. He speaks as though junior doctors do not care and do not want to help their patients, and I find that regrettable. In my time as a Unison official, when I used to represent public sector workers in health care, the BMA was hardly known for its militancy within that organisation, and the Minister needs to reflect on that. Does he really think that this whole problem is, as my hon. Friend the Member for Bolsover (Mr Skinner) denied earlier, all the blame of the BMA and doctors? Doctors care about their patients; that is why they are in this position. Does the Minister not accept any responsibility for the impact?

**Ben Gummer:** I entirely agree with the hon. Lady about the passion and dedication of junior doctors—and never once has the Secretary of State or I questioned that. What we have questioned are the tactics of the BMA's leadership. I happen to agree with her, too, about her previous employer Unison. I have constructive relationships with that union. I disagree with it, and it with me—often—but we agree on many things and have a straightforward relationship. I am afraid that it is difficult to do business with the BMA, however, when it promises to talk about one thing and then refuses to do so a few weeks later, when it refuses to come to the negotiating table for months, and when it misleads its members in a way that I do not think Unison has ever done.

**Maggie Throup** (Erewash) (Con): The residents in my constituency tell me two things: first, how much they value the work of doctors, both junior doctors and

[*Maggie Throup*]

consultants; and, secondly, how disappointed they are that this House is not united in saying that the strike is not justified on safety grounds. Is the Minister as disappointed as my residents?

**Ben Gummer:** Yes, and I would add the 2,800 people who have had their operations cancelled. I wonder what answer they would get from the Opposition about whether they support or condemn those cancellations. As soon as we get an answer to that very simple question, it will be easier for us to know the official position of Her Majesty's Opposition.

**Julie Cooper** (Burnley) (Lab): Yesterday, the Secretary of State for Health accused the BMA of misleading junior doctors. Today, the Minister comes to the House and accuses the BMA of lying. Is he really asking us to believe that some of the most intelligent people in the country—junior doctors—cannot see for themselves what the Government are proposing? Does he not feel that the continued abuse directed at the junior doctors' representatives is hindering any possibility of a settlement to this dispute and that that is damaging to patients?

**Ben Gummer:** The hon. Lady is also an intelligent woman, so let me ask her this. If a trusted body, such as the BMA, tells its members that they will have a pay cut of 30% and an increase in hours, but that statement is incorrect, does it constitute a lie? That is the question I would put back to her.

**Stuart Andrew** (Pudsey) (Con): A number of Members met representatives of the BMA in the House of Commons. We were disappointed that, despite continued questioning, they refused to go to the negotiating table, but thankfully they eventually did so, and made some progress. My constituents want a safe, seven-days-a week NHS. Is it not time to get back around the table, so that we can provide the service that NHS patients want?

**Ben Gummer:** It is, and that is why we need to move ahead in fairly short order. Ultimately, if staff contracts are not reformed across the service, those who will suffer most will be patients, and what will be most affected is the consistency of care that they receive at weekends.

**Margaret Greenwood** (Wirral West) (Lab): The shadow Health Secretary asked the Minister if he could list the hospitals in which there were currently not enough junior doctors working at weekends. He could not answer that question, so I will give the Minister another chance. Will he name them for us now?

**Ben Gummer:** Evidence given to the Review Body on Doctors and Dentists Remuneration made clear that rostering was made more difficult by the current plain-time terms in the contract. That is why it has been on the table for several years and has been the subject of parts of our discussions with the BMA, when we have been able to have them. It is also why one of the leading chief executives in the country, Sir David Dalton, who led the latest round of talks, has pressed the BMA to come and talk about Saturdays specifically and plain time in general. The BMA has refused to speak about either.

**Richard Drax** (South Dorset) (Con): Whatever the arguments in this case, I can think of no one more honourable, decent and honest to run the negotiations than my right hon. Friend the Secretary of State. It is reported that graduating medical students applying to be foundation year 1 and 2 junior hospital doctors are seeking work in Northern Ireland, Scotland and Wales to avoid the new contract. Is that true, and if it is, what can be done to stop this drain of our best medical students?

**Ben Gummer:** We do not see any particular evidence of the movement of juniors at present, but what we would most like to see for juniors is the introduction of the new contract, so that they can recognise that it will be better for their working practices than the current one. It is in everyone's interests—not just those of juniors, but those of patients—to ensure that juniors work safe hours. That is why the new contract involves reductions in the number of consecutive nights and long days, and it is why we want to reduce, and eventually eliminate, the excessively long hours in the week.

**Christian Matheson** (City of Chester) (Lab): I am sure that Ministers have a very clear idea of how their proposals will affect working practices, so may I ask this Minister on how many occasions last year a junior doctor worked 91 or more hours in a week?

**Ben Gummer:** We believe that last year about 500 junior doctors were operating on a band 3 payment, which equates to payments for hours of work that exceed what is specified in the working time regulations. That is a relatively small number within the NHS, but it is still significant, and for the doctors concerned, working those excessive hours is unsafe.

**Mark Spencer** (Sherwood) (Con): Will the Minister join me in thanking the junior doctors who ignored the call to strike last time, and does he agree that the lack of condemnation from the Opposition demonstrates that they are putting their support for industrial action before my constituents and their healthcare needs?

**Ben Gummer:** I entirely agree. Rather like an arsonist who pours petrol on a fire and then runs to offer help to put it out, the Opposition have done very little to help to get the contract into the place where it needs to be, and to stop the industrial action. I am afraid that the patients whose operations will be cancelled this week will suffer partly because of the Opposition's failure to take a firm stand.

**Fiona Mactaggart** (Slough) (Lab): As the Minister will know, Wexham hospital in Slough has enormously improved the care that it gives to its patients. It has done that with the same staff, but with a leadership which says to the people who work there that it has confidence in them and shares their values. The Minister is saying that he is the only person who cares about patient safety, and that doctors do not. What does that do for morale and for doctors' ability to improve the quality of care for patients?

**Ben Gummer:** I am not sure how to answer the right hon. Lady's question, given that she has wilfully misconstrued what I said. I have never once suggested



that only the Government care about patient safety. Almost every doctor out there cares for nothing other than patient safety and patient care. However, according to the 10 clinical standards of the Academy of Medical Royal Colleges, if there are to be consistent levels of care over the weekends, part of that will be achieved through reform of staff contracts. One of those is the junior doctors' contract, which is why we must press ahead with it.

**Wendy Morton** (Aldridge-Brownhills) (Con): I commend my hon. Friend for all the work he is doing to deliver a truly seven-day-a-week health service for the benefit of not only my constituents but those of every other Member. I am a little surprised by the hon. Member for Lewisham East (Heidi Alexander) saying that no one thinks the existing contract is perfect. Does the Minister agree that we should all be working together in the interests of our constituents to bring this situation to a successful conclusion, rather than trying to score party political points with it?

**Ben Gummer:** I agree with my hon. Friend. I am afraid that this is a mark of the way in which the Labour party has changed. I suspect that a Labour party of a different era—one that was more responsible in how it dealt with industrial disputes—would have understood on whose side it should be acting at this point.

**Nic Dakin** (Scunthorpe) (Lab): This is a Conservative Government, but to have a strike of this kind on any Government's watch is a disgrace and a failure. I quite like the Minister actually, but he has only ever laid the blame for this elsewhere. Surely, the Government should be evaluating their own performance and saying, "We can do better than this and we should ensure that this does not happen," even at the eleventh hour.

**Ben Gummer:** The hon. Gentleman tempts me with kindness, and I repay the compliment. However, having been involved in this process for some months now, I have found it incredibly frustrating. Up to the end of November, every time we asked the BMA to come and talk to us, it refused, despite personal entreaties. And when it did talk to us, we often found that we had nailed down an agreement only to find it slipping out of our fingers the next day in front of the media. This has been a hugely frustrating and difficult process for everyone concerned—not only for us but for the junior doctors, who have been left confounded and confused by the whole thing.

**Dr Tania Mathias** (Twickenham) (Con): Does the Minister agree that most, if not all, junior doctors exceed their contracted hours and that a 72-hour limit is therefore essential? Will he also acknowledge that, even after the negotiations are complete, many junior doctors will continue to exceed their contracted hours?

**Ben Gummer:** Some junior doctors exceed their contractual hours. The average across the service is 48 hours, but some are working as many as 91, which is the current permitted limit outside the working time directive. We wish to stop that altogether and bring it down to an absolute maximum of 72 hours a week, which would equate to a 48-hour average over the agreed period, which is currently six months. The key is to get the number of hours down, because working excessive hours is unsafe for patients and for doctors.

**Barry Gardiner** (Brent North) (Lab): The Minister has been keen to establish what he sees as the preferential terms and conditions that junior doctors enjoy, yet Sir David Dalton has said in an interview with the *Health Service Journal*:

"My assessment is that the staff group that will have to contribute the least above that which they are providing at the moment would be our doctors in training. Our messaging on this has got muddled".

Does the Minister agree?

**Ben Gummer:** Sir David Dalton has also made it clear that we have to reform all contracts. One can place the balance where one wishes, but it is important that we reform the juniors' and the consultants' contracts together, so that they can fit within the service of a piece. It is wrong, for instance, to have a junior on duty taking decisions at the weekend and not be covered by consultants supervising and helping with those decisions. We need to ensure that there is consistency of rostering through the week and at the weekend involving both juniors and seniors.

**Robert Jenrick** (Newark) (Con): I represent many junior doctors. I have met them and I have tried to represent their views to the Government, but I have always taken the view that my primary responsibility is to the patients of the NHS. One of those patients, a constituent of mine, emailed me this week to say that a consequence of the strike would be the "cancellation of my wife's biopsy, planned for this week, without which her already shortened life will be shorter".

Will the Minister, the shadow Minister and the whole House join me in condemning this strike? It will achieve nothing. It is a distraction from the negotiations, which need to continue, and it will put the lives of my constituent and others across the country at risk.

**Ben Gummer:** I cannot possibly add to the comment made by my hon. Friend, and I just hope the shadow Secretary of State takes note.

**Liz McInnes** (Heywood and Middleton) (Lab): Strike action is always a last resort, and I can say categorically, as an ex-NHS worker, that no NHS worker wants to go on strike. We have here a complete failure of negotiation. The Secretary of State's door may be open, but the inflammatory and insulting comments he made in the media this weekend do not exactly invite people to cross that threshold and talk to him. Given that he has manifestly failed as a negotiator, is it not about time he stood aside and let a trained negotiator deal with the BMA and come to an agreement, before it is too late?

**Ben Gummer:** I am not sure the hon. Lady has been listening to the statements made in this House and elsewhere.

**Liz McInnes:** I have been listening—

**Ben Gummer:** I am not sure the hon. Lady has been listening because otherwise she would have heard that the negotiations have already been taken on by leading negotiators from NHS Employers and, latterly, by Sir David Dalton, one of the leading chief executives in the country. Significant progress has been made, contrary to what she has just suggested. Negotiations have worked. We have managed to nail down—[*Interruption.*] The hon. Lady

[*Ben Gummer*]

shakes her head, but the fact is that Sir David Dalton has managed to secure agreement on every single point of contention other than pay rates for plain time, unsocial hours and Saturdays. This dispute on Saturday and the kind of results we are going to see across the country on Wednesday will, in essence, be about pay rates on a Saturday, with the BMA wanting preferential rates over nurses, porters, cleaners and other workers in the NHS.

**Ben Howlett** (Bath) (Con): May I join colleagues in thanking the Minister and the Secretary of State for all their work in negotiating a contract, which is obviously a tough discussion to have? Although many of my constituents may have sympathised last year with the BMA's case, patients and their families, including my father after a recent heart valve replacement, will be concerned that the BMA is not getting around the negotiating table and thus placing a lot of undue stress on the most vulnerable. Does the Minister agree that the BMA should seriously consider those patients as it protracts its negotiations?

**Ben Gummer:** If the BMA was truly representing its members, it would be thinking about patient welfare during the strikes. Just now, we heard my colleagues describe with great eloquence the kinds of effects on individuals that a strike will cause. These strikes will get us no nearer to a solution; the only way to come to a solution is by negotiation.

**Matt Warman** (Boston and Skegness) (Con): It is testament to the progress being made in the course of these negotiations that the BMA has cancelled some strikes and has downgraded the one we are expecting on Wednesday, but does the Minister agree that one crucial thing that would make the greater difference would be condemnation from the Opposition?

**Ben Gummer:** It would make a significant difference. Now that the Leader of Her Majesty's Opposition is sitting on the Front Bench, he might like to take note of

the fact that if we have a united political response condemning strikes that affect patients and their safety, it helps to bring negotiations to a more profitable end.

**Diana Johnson** (Kingston upon Hull North) (Lab): Hull royal infirmary is under a black alert, which means that local people have been told not to attend the hospital unless it is a matter of life and death. Will the Minister tell me how the insults the Secretary of State has been throwing around over the weekend, and those that he himself has made today about hard-working and dedicated junior doctors, will help people in Hull, who need a functioning NHS? How will those insults improve the morale of those doctors?

**Ben Gummer:** The hon. Lady does dangerous work if she tries to conflate the comments that I and others have made about the leadership of the BMA with the motivations of junior doctors, none of whom I have impugned. I recognise that junior doctors work incredibly hard, care passionately about their patients and have a vocational drive to do the best for the people they care for, but that is different from an organisation that refuses to talk, refuses to negotiate, lies to its members and is very slippery in the statements it puts out to the press.

**Mr Philip Hollobone** (Kettering) (Con): Kettering general hospital is always under huge pressure, and the junior doctors there do a fantastic job. May I tell the Minister that my constituents will be extremely disturbed to hear him tell the House today that the BMA said at the ACAS talks that it would negotiate about Saturday pay but is now refusing to do so? The consequence will be a strike on Wednesday, and my constituents are appalled that 2,884 operations have already been cancelled, with that number possibly set to go even higher.

**Ben Gummer:** My hon. Friend is right about that. He mentions one of a number of agreements that we have come to with the BMA in the course of these discussions that have subsequently been reneged upon by that organisation. That is why this whole process has been so torturous for everyone involved.

## Syria Crisis: UK Response

4.19 pm

**The Secretary of State for International Development (Justine Greening):** With permission, Mr Speaker, I shall make a statement updating the House on the recent Syria conference, which the UK co-hosted with Kuwait, Norway, Germany and the United Nations last Thursday.

For nearly five years, the Syrian people have suffered unimaginable horrors at the hands of the Assad regime and, more recently, Daesh. Inside Syria, 13.5 million people are in desperate need, while a further 4.6 million people have become refugees. As we have seen over the past 72 hours alone, the impact on the people of the region is terrible and profound. When I was in Lebanon and Jordan last month, I spoke to refugees, some of whom were spending their fifth winter under a tent, and their stories were similar. When they left their homes, they thought they would be back in weeks or perhaps months at the most, but for an overwhelming number it has turned out to be years, and there is no end in sight.

Not only is Syria the world's biggest and most urgent humanitarian crisis, but its far-reaching consequences are being felt across Europe and touching our lives here in Britain. More than 1 million refugees and migrants risked their lives crossing the Mediterranean last year. Of these, half were fleeing the bloodbath in Syria.

Since the fighting began, Britain has been at the forefront of the humanitarian response to the Syria conflict. Aid from the UK is already helping to provide food for people inside Syria every month, as well as clean water and sanitation for hundreds of thousands of refugees across the region. Our work on the Syria crisis gives people in the region hope for a better future, and is also firmly in Britain's national interest. Without British aid, hundreds of thousands more refugees might feel they had no alternative but to risk their lives seeking to get to Europe.

Despite all that, more was needed. The UN Syria appeals for the whole of last year ended up only 54% funded. Other countries needed to follow the UK's lead and step up to the plate. That is why the UK announced we would co-host an international conference in London on behalf of Syria and the region, building on three successful conferences held in Kuwait in previous years. Last Thursday, we brought together more than 60 countries and organisations, including 33 Heads of State and Governments. The stage was set for the international community to deliver real and lasting change for the people affected by the crisis, but in the end it was going to come down to choices.

Could we pledge the record-breaking billions needed, going much further than previous conferences, and commit to going beyond people's basic needs and delivering viable, long-term solutions on jobs and education for Syria's refugees and the countries supporting them? At the London conference, the world made the right choices to do all of those things. Countries, donors and businesses stepped up and raised new funds for the crisis amounting to more than \$11 billion. This included \$5.8 billion for 2016 and another \$5.4 billion for 2017 to 2020. It was the largest amount ever committed in a single day in response to a humanitarian crisis, and it means that more has been raised in the first five weeks of this year for the Syria crisis than was raised in the whole of 2015.

The UK, once again, played its part. We announced that we would double our commitment, increasing our total pledge to Syria and the region to more than £2.3 billion. Going beyond people's basic needs, the world said at the London conference that there must be no lost generation of Syrian children and pledged to deliver education to children inside Syria and to at least 1 million refugee and host-community children in the region outside Syria who were out of school. This is an essential investment not only in those children, but in Syria's future. It also gives those countries that are generously hosting refugees temporarily the investment in their education systems that will benefit them in the longer term.

The London conference also made a critical choice on supporting jobs for refugees and economic growth in the countries hosting them. We hope that historic commitments with Turkey, Lebanon and Jordan will create at least 1 million jobs in countries neighbouring Syria, so that refugees have a livelihood close to home. That will also help to create jobs for local people and leave a legacy of economic growth. By making those choices, we are investing in what is, overwhelmingly, the first choice of Syrian refugees: to stay in the region, closer to their home country and their families who are so often still in it. If we can give Syrians hope for a better future where they are, they are less likely to feel that they have no choice other than to make perilous journeys to Europe.

I wish to thank all those civil servants from my own Department, the Cabinet Office, the Foreign Office and the Department for Business, Innovation and Skills for working so tirelessly as a team to help us deliver such a successful and vital conference. It is not often that civil servants get the thanks that they deserve, so on this occasion I decided to put my thanks on record.

The world has offered an alternative vision of hope to all those affected by this crisis, but, in the end, only peace will give the Syrian people back their future. The establishment of the International Syria Support Group at the end of 2015 was an important step on the path to finding a political settlement to the conflict. The Syrian opposition has come together to form the Higher Negotiations Committee to engage in negotiations with the regime on political transition, and the UN launched proximity talks between the Syrian parties in January.

The UN special envoy to Syria took the decision to pause these talks following an increase in airstrikes and violence by the Assad regime, backed by Russia. The UK has called on all sides to take steps to create the conditions for peace negotiations to continue. In particular, Russia must use its influence over the regime to put a stop to indiscriminate attacks and the unacceptable violations of international law. Across Syria, Assad and other parties to the conflict are wilfully impeding humanitarian access on a day-by-day basis. It is brutal, unacceptable and illegal to use starvation as a weapon of war.

In London, world leaders demanded an end to those abuses, including the illegal use of siege and obstruction of humanitarian aid. Our London conference raised the matter of resourcing for life-saving humanitarian support, which must be allowed to reach those who are in need as a result of the Syria conflict, irrespective of where they are.

[Justine Greening]

I also want to take this opportunity to provide an update on the campaign against Daesh in Iraq and Syria. Since my right hon. Friend the Foreign Secretary last updated the House on the campaign against Daesh in Syria and Iraq, the global coalition, working with partner forces, has put further pressure on Daesh. Iraqi forces, with coalition support, have retaken large portions of Ramadi. In Syria, the coalition has supported the capture of the Tishrin Dam and surrounding villages as well as areas south of al-Hawl.

The UK is playing its part. As of 5 February, RAF Typhoon, Tornado and Reaper aircraft have flown more than 2,000 combat missions and carried out more than 585 successful strikes across Iraq and Syria. We are also leading efforts to sanction those trading with, or supporting, Daesh. My right hon. Friend the Prime Minister gained agreement at the European Council in December on asset freezes and other restrictive measures.

Since day one of this crisis, the UK has led the way in funding and shaping the international response. We have evolved our response as this incredibly complex crisis itself has evolved. There will be no end to the suffering until a political solution is found. The Syria conference, co-hosted by the UK and held here in London, was a pivotal moment to respond to help those people and countries affected. We seized the chance to offer the Syrian people and their children hope for a better future. The UK will now be at the heart of making that ambition a reality and keeping the international community's promise to the Syrian people. That is the right thing to do for those suffering and, fundamentally, for Britain, and I commend this statement to the House.

4.29 pm

**Ms Diane Abbott** (Hackney North and Stoke Newington) (Lab): The Syrian crisis is the most pressing humanitarian challenge facing us at this time, and the Government are to be commended on co-hosting an important conference that has raised more than \$10 billion for Syrian refugees. They are also to be commended on doubling our own commitment to more than £2.3 billion. The emphasis on education and jobs is entirely correct: we cannot allow a whole generation of Syrian children to be lost.

The Secretary of State will be aware, however, of the report by Concern Worldwide that reveals that a third of the funds pledged to Syria in 2015 had not been confirmed by December of that year. Can she say whether all the money pledged in 2015 has now been confirmed, and does she appreciate the hopes of the entire House that she will get other countries not just to match our generosity but to hand the money over? The wholly commendable efforts on Syrian refugees in the region belie the Government's wilful myopia on the plight of more than half a million Syrian refugees here in Europe. It is true that the majority of Syrian refugees are in the region, and the situation continues to worsen. We all saw the television pictures at the weekend of tens of thousands of terrified Syrians waiting at the border with Turkey in response to Assad's bombardment of Aleppo, but will the Secretary of State explain how much longer this country and the EU can expect Turkey to keep its border with Syrian open while at the same time we want to prevent refugees from transiting to western Europe?

The funds raised by the conference are vital, but it is vital, too, that this country shows willingness to take its

fair share of refugees, including Syrian refugees. The UK has agreed to take, over five years, fewer refugees than Germany has taken in a month. The Opposition appreciate that this country has not signed up to Schengen, but does the Secretary of State acknowledge that the fact that we are not signatories to Schengen does not remove the moral responsibility that falls on us as part of the European family of nations, and does she accept that many people are surprised and disappointed that the Government have rejected the Save the Children campaign to take in just 3,000 child refugees?

The Secretary of State may well wish that these children had stayed in the region, but the direction in which the children chose to flee does not make them any less vulnerable. These children may not be in the part of the world she might prefer them to be in, but they are still lone children at risk of abuse, sex-trafficking and worse. She cannot behave as if there are two classes of Syrian child refugee: one set who stay in the region, whom she is prepared to help, but another class who have travelled to Europe on whom she turns her back.

The Secretary of State will have heard reports of the German Chancellor's speech in Turkey today. Does she agree with Angela Merkel that the ultimate solution to the migrant crisis is safe and legal pathways for refugees? On the political process, I am glad to say that the Opposition support calls on all sides in the Syrian civil war to take steps to move towards sustainable peace negotiations. In particular, Russia must use its influence on the Assad regime. We entirely agree that it is unacceptable and illegal to use siege, starvation and the blockage of humanitarian aid as a weapon of war. We welcome the steps taken to freeze Daesh assets and other restrictive measures, for which my right hon. Friend the Leader of the Opposition has called for some time.

All Syrian refugees want to return home. Immigrants and refugees, whether they go home or not, never lose that hope in their heart that they will return to the country in which they were born. But whether the Secretary of State would prefer it or not, there are half a million Syrian refugees here in western Europe. Together with my right hon. Friend the Leader of the Opposition, I visited the camp in Calais and met very many Syrian refugees there, many of whom, it seemed to us, had a legal right to come to this country, and all of whom were living in appalling conditions.

When the caravan of these international events has moved on, there will still be thousands of Syrians and other refugees, including an increasing proportion of women and children, living in appalling conditions in Europe, frightened, terrorised and at the mercy of people traffickers. We may all wish that they had not listened to the people traffickers, but this Government should be doing more not just for Syrian refugees in the region, but for the very many Syrian refugees here in western Europe.

**Justine Greening:** The hon. Lady raises the important point that it is vital that countries that came and made promises at last week's conference live up to them. Too often at similar meetings in the past, countries have spoken warm words or set out promises that they have not lived up to. The UK will play its role by delivering on our promises, as we have in the past and will in the future, and by putting in place the necessary transparency to enable us to ensure that other countries live up to the promises they made.

It is wrong of the hon. Lady to say that we have not played our role close to home. Our strategy from the word go has been to tackle the root causes of the crisis that we have seen reaching our own shores, which is to make it viable for refugees to stay close to home in their home region as that is, overwhelmingly, the first choice of most refugees. It has been a failure to deliver on such promises and to provide the necessary resourcing that has led them over time to give up on that.

We are playing our role close to home here in Europe. It is the UK that has been working with UNHCR and the Red Cross, making sure that newly arrived refugees are effectively registered—although the hon. Lady will understand the challenges that poses on occasion—and making sure that they have the shelter, clothing, blankets and sustenance that they need, having finally made that often fatal journey. So we are playing our role.

The hon. Lady will know that we are resettling 20,000 refugees from the region directly. That is not only a safer route for people to get to the UK if that is where they need to be resettled, but it enables us to focus on the most vulnerable people affected by the crisis who need to be resettled—people who could never otherwise make the kind of journey we have seen other refugees making across Europe. In more recent days we have set out the work that we will be doing particularly to help children affected by the crisis. I am very proud of the work that the UK has done to put children at the centre of our response to the Syrian crisis. It was at our initiative that the No Lost Generation initiative was set up. It was through our help that UNICEF has been able to put safe zones in refugees camps to help link up children who have become separated from their family. It is the UK that has been ensuring the availability of the psychosocial support that children so often need, having been involved in such crises and undergone the experiences that they have, and we will continue to do that.

More broadly, the hon. Lady's condemnation of Russia is correct. We can debate whether and how the UK's support for people affected by this crisis is working, but we should all be able to agree that the routine, flagrant, deliberate breaches of international humanitarian law that we see daily in relation to this crisis are unacceptable. A country such as Russia should be playing its role by pressing the Assad regime, which it is spending so much time and resource supporting, to allow the aid that is there in places such as Damascus to get down the road to the people who desperately need it. I believe that in time, as we look back on the crisis in the years to come, that breach of international humanitarian law will be one of the most telling aspects of it. People will ask themselves how it could have been allowed to go on.

**Pauline Latham** (Mid Derbyshire) (Con): May I commend my right hon. Friend for her calm and factual statement on the situation of the Syrian refugees, which contrasted with the rather emotive statement by the shadow Secretary of State, who is trying to whip up emotion about these things? Does my right hon. Friend agree that, actually, we do need peace in the region, we do need to talk to Russia about what it is doing, and somebody needs to tackle Assad? We should also be looking at keeping as many people as possible in the area where they have been brought up, where their culture is correct and where they understand the lifestyle, rather than encouraging them, as the Labour party

might choose to do, to come to this country, when we are putting so much money—taxpayers' money—into helping these people to settle there.

**Justine Greening:** These are two related issues. One, as I have said, is that we are, of course, playing our role close to home—here in Europe—in helping refugees who have finally arrived on our shores. However, my hon. Friend is right to recognise that, overwhelmingly, refugees basically want to stay close to home. I met a lady on my last trip to Jordan whose family were still in Homs, and she had intermittent contact with them. For her, the prospect of even considering leaving Jordan was totally not what she was looking at; what she desperately needed was to be able to work legally to support herself while she tried to get on with the life she suddenly found herself living.

As I said, at the beginning of this crisis, none of the refugees thought that they were leaving Syria for anything more than a few weeks or months, and we should all think about how we would cope with such situations. It is incumbent on the international community, though, to make sure that we now go beyond providing just day-to-day support, so that people are not just alive but able to have some kind of life. That is in their interests, but it is also in the interests of the host communities, which are so generously accommodating them.

**Patrick Grady** (Glasgow North) (SNP): I thank the Secretary of State for her statement and for giving us early sight of it. The Scottish National party, too, welcomes the pledges and commitments made at the conference. We recognise the achievement of securing the biggest ever pledges made in one day and particularly the commitments on child education and jobs. However, I echo the concerns about the difference between making and fulfilling a pledge, and it would be helpful to hear what discussion there was at the conference about processes for monitoring and implementing the pledges, bearing in mind the gap between last year's pledges and the actual assessed need.

There is a feeling in some quarters that civil society—especially local and national Syrian civil society organisations—was under-represented. However, it is those organisations that are often the front-line responders to the crisis and that have the access inside Syria that international counterparts do not. It would be useful to hear what role the Secretary of State sees civil society on the ground having in decision making and implementation as aid is disbursed.

While recognising the role the Government have played, I echo the concerns about the response to the refugee crisis in Europe. Analysis from Oxfam suggests that, rather than 20,000 refugees over four years, the UK's fair share would be 24,000 this year alone. How will the commitments the UK made at the conference support those displaced by the conflict, especially those already in Europe?

Finally, the only viable long-term solution, as we have heard, must be a negotiated peace. What discussions is the Secretary of State continuing to have with her Cabinet colleagues about the impact of UK airstrikes, and does she believe that the UK's involvement has helped or hindered its role as a peacemaker; and how can the Government be confident that their bombing is not adding to human misery, and that, while seeking to improve the humanitarian response on the one hand, they are not adding to the crisis on the other?

**Mr Speaker:** The hon. Gentleman might win a prize, although it may not be one that he craves, for probably the longest sentence in the Parliament.

**Justine Greening:** Mr Speaker, I shall try to answer briefly the points that the hon. Gentleman raised, which were all important.

As I said, we will do our level best to make sure that the commitments made last Thursday are honoured. The hon. Gentleman is right to highlight the important role of civil society. In fact, we had a day dedicated to that last Wednesday. Seventeen Syrian civil society organisations were represented at that event, and 27 non-governmental organisations overall. The role they have been playing, and can continue to play, is in delivery on the ground. Many of these people put their lives on the line every single day of the week to get into communities who desperately need their help. We have to continue to assess needs, and the information that we get from civil society is often vital in making sure that we target our aid where it can have the biggest impact.

Looking ahead, perhaps optimistically, but nevertheless importantly, when we finally get to a position where we can see Syria getting back on its feet and rebuilt, civil society will have a crucial role not only in understanding the needs and priorities of local people but in forming networks that can help on the ground to deliver on them. As I said, I believe that we are playing our role, not only, overwhelmingly of course, in the region, but closer to home here in the EU. A pound spent here in Europe does not go anywhere near as far in supporting refugees as a pound that can be delivered closer to home in the region to provide food, water and shelter, or get a child into school who is currently out of school. It is incredibly important that we do not lose sight of the need to tackle the root causes that underlie the refugee flows into Europe over recent months.

The hon. Gentleman will not be surprised to hear that I could not disagree with him more on UK airstrikes. One of the key challenges in ever reaching any kind of peaceful settlement in Syria is the presence of the barbaric Daesh, who, day by day, routinely commit acts of unspeakable brutality—particularly on women, but on people more generally—in the territories they control. These people are not simply going to get up and go home. That is why we need to take military action against them to force them out of those territories. This is already happening in Iraq. They are leaving a wasteland behind them, but at least it is a wasteland that we can start to rebuild in, and we are going to do the same in Syria.

**Mark Field** (Cities of London and Westminster) (Con): I wholeheartedly support what the Government are doing. A critical part of our strategy is to ensure that the two small nations nearby, Jordan and Lebanon, are able to cope. It must be incredibly difficult, given the huge number of refugees compared with their overall populations. Will the Secretary of State give some detail on the work we are doing to encourage those two nations, particularly in economic terms, through customs unions and the idea of economic co-operation—perhaps not just with the UK but within the EU as a whole—to try to ensure that they do their best in this regard? We must recognise that many hundreds of thousands of these Syrian refugees are likely to be in Jordan and Lebanon for many years to come.

**Justine Greening:** I am pleased that my right hon. Friend has mentioned this historic step forward in getting agreement to start creating jobs for refugees. For many years, they had been unable to work legally, and that forced many into working illegally to try to support themselves. They might have left Syria with some assets, but over the weeks, months and years those assets were depleted, and reaching the end of them led many to decide that they had no alternative but to try to find a life somewhere else. This therefore matters. In essence, countries such as Jordan and Lebanon decided to allow work permits so that greater numbers of Syrian refugees can work legally. These were big decisions for them to take, but they were right to do so as they cope, and indeed often struggle to cope, with the refugees who are temporarily, but in large numbers, within their countries.

What are we doing? On the Jordanian and Lebanese side, particularly with Jordan, we are setting up economic zones with advantageous tax rates to encourage investment. Some of this will be, in effect, the Syrian economy in exile. I have met business leaders who are re-establishing their Syrian companies, but in Jordan. That is not just good for Syrians who can get back into work; it is also providing work for local people who are unemployed. This is complemented by the investment coming from the World Bank and the European Investment Bank; and crucially, as my right hon. Friend mentioned, by reform at the European Union level and making our own trade barriers that much more flexible so that countries such as Jordan can more easily sell their goods into the huge market that is the European market.

We should be really proud of the work achieved with both Jordan and Lebanon at the conference. It was home-grown UK ideas that were put on the table and they got international support. Most importantly, they gave us the chance to work directly with the Governments of Jordan and Lebanon to help with the long-term provision of jobs and growth that will be there long after their generous hosting of refugees temporarily.

**Mr Speaker:** The lucidity and comprehensiveness of the Secretary of State's replies cannot be disputed, but I would gently point out that we have got through two Back-Bench questions in seven minutes, so we shall now strive for improvement in productivity.

**Yvette Cooper** (Normanton, Pontefract and Castleford) (Lab): I strongly welcome the results of the London conference and the leadership shown by the Secretary of State and others in Government. That is immensely important. She said that Britain is also helping refugees in Europe, but the honest truth is that the help being provided to them is tiny. There are refugees in Greece and the Balkans, and close to home in Dunkirk and Calais, who are in worse humanitarian conditions than those in the region and who are being denied support by Governments, the United Nations and aid agencies because they are in Europe. Children are suffering from scabies, bronchitis and cold. How much of the London conference funding will go towards helping refugees in Europe? If the answer is none, what is the Secretary of State doing to hold a similar pledging conference to help the refugees in Europe?

**Justine Greening:** The conference was, indeed, about making sure that we are responding, in the region, to Syrian refugees and host communities affected by the crisis.

The right hon. Lady asks about the response in Europe. We are talking about European countries that have the resources to respond to and help refugees who are currently in their own countries, but, as I have said, the UK has played its role in helping refugees who have arrived.

**John Redwood** (Wokingham) (Con): I strongly support the Government's approach of giving maximum help to refugees near their homeland, as well as the Government's participation in crucial initiatives for political progress and peace. What impact is the intensification of Russian-supported Assad military intervention having on British Government policy?

**Justine Greening:** The main impact, in the short term, has been the breakdown of any progress in peace talks. In the end, it is a peace settlement that will give people hope for the future and result in their wanting to go back and rebuild their country.

**Mr Ben Bradshaw** (Exeter) (Lab): I welcome the Secretary of State's comments on the positive role already being played by the RAF in the coalition campaign to drive Daesh back from territory in Syria, following the recent vote in this House. Does she agree that the catastrophe, including the humanitarian and refugee catastrophe, will continue as long as Daesh controls large areas of eastern Syria and as long as President Assad, supported by Putin, slaughters his own people?

**Justine Greening:** Yes, I agree entirely. As I said in response to the hon. Member for Glasgow North (Patrick Grady), it is critical that we maintain Syria's integrity as a country, and that absolutely means regaining the territory that has been lost to Daesh. There can be no peace settlement in Syria until we have that territory back under control and it can form part of the peace talks.

**Wendy Morton** (Aldridge-Brownhills) (Con): I am grateful to the Secretary of State for coming to the House today. She has always been accommodating in updating us on the work of the Department for International Development in the region. Will she confirm that DFID will continue to focus its work and aid on the camps and the region, because ultimately this is about tackling the root cause of the problem, and a political solution is the only long-term solution?

**Justine Greening:** I strongly agree with my hon. Friend. The talks need to get back under way. Of course, UN Security Council resolution 2254, which was adopted at the end of last year, set out a road map for that to happen. It highlighted two key areas. The first was the need for a ceasefire, and the second was the need for free, unfettered access for humanitarian supplies to get through to people, but the lack of progress on them, combined with the intensification of attacks by Assad forces, supported by the Russians, is hindering the peace talks and undermining the process.

**Ann Clwyd** (Cynon Valley) (Lab): Words cannot convey the impotence and the anger that we, as politicians, feel at the lack of progress in the peace process. I understand the contribution made by the Government, but we are seeing an awful humanitarian crisis develop today at the border with Turkey. Mrs Angela Merkel has made quite clear what she feels about it. She says that the Russians

are primarily responsible for the bombing and are the reason that people are fleeing in their droves from Syria. Has the Foreign Office called in the Russian ambassador today? Has the Prime Minister called in the Russian ambassador? He should be called in every day until the Russians stop barrel bombing the civilians in Syria.

**Justine Greening:** The right hon. Lady will be pleased to hear that the Foreign Secretary is part of the International Syria Support Group, which will meet in Munich this Thursday, hopefully with the Russians there. That is precisely the sort of message that we will be delivering to the Russians; they have a critical part to play in enabling the peace talks to move forward. At the moment, their actions are taking us further away from a peaceful settlement, because they are bombing the very moderate opposition around which it should be possible to form a transition Government.

**Heidi Allen** (South Cambridgeshire) (Con): The Secretary of State has every right to be exceptionally proud of what was achieved at the conference, but I fear that we need to do more locally in Europe. She will know, I am sure, that I and my hon. Friends the Members for Bury St Edmunds (Jo Churchill) and for Eastbourne (Caroline Ansell) were in Lesbos last weekend, and I can tell her that the Greeks are not coping. Britain needs to lead in Europe, as we have done on the global stage. There are refugees, including children, in Europe who need our help, and Greece is on its knees. Will the Secretary of State meet us to hear our first-hand emotional and factual account of what we saw?

**Justine Greening:** I am very happy to meet my hon. Friend, and I have read reports of her visit. I reassure her that we are playing as much of a role as we can in working with Greece. The UK has worked with the UNHCR, which has registered many of the refugees who have arrived in Greece. In the end, we have to accept that Greece has sovereign control, and it will want to organise how it deals with refugees. Yes, it needs resourcing. The European community is discussing how it can effectively do that, and the UK has been part of that. In the meantime, our focus has rightly been on dealing with the root causes of why those people lost any hope that there was a future for them in the region where they lived and had grown up. That surely has to be the main focus.

**Mr Pat McFadden** (Wolverhampton South East) (Lab): The Prime Minister accepted when the House voted to extend the military campaign against ISIS from Iraq to Syria in December that that would extend not only our involvement but our responsibility. May I ask the Secretary of State more about the political peace process that she has touched on? It would be easy to lose faith in it, given the events of recent days, but does she agree that although the aid efforts she talks about are commendable, the only long-term solution for the people of Syria is not aid but a country in which they can live? Is there anything more that she can say about how to get the political process back on track?

**Justine Greening:** The right hon. Gentleman knows that a key next step will be taken this Thursday, when the International Syria Support Group meets. That will build towards the resumption of peace talks, which are having what the UN special envoy Staffan de Mistura

[*Justine Greening*]

described as a “pause” until 25 February. There are two elements to this. One, of course, is the peace talks and the political dialogue that is under way. The second, as I said in response to an earlier question, is the military action that is needed to eradicate Daesh from the part of the country that it holds. Making progress on both of those is critical. The final step, the rebuilding of Syria, will be a chance to put into practice much of the planning that is there already but unable to be got on with.

**Dr Andrew Murrison** (South West Wiltshire) (Con): Tragically, whole generations of children have grown up in refugee camps, such as those in Tindouf in Algeria, with all that that means in terms of education and radicalisation. What can be done to prevent something similar from happening near Syria?

**Justine Greening:** The sort of step forward that we saw last Thursday—the commitment that no child will be lost to the Syrian crisis, and that all children will be back in school—is absolutely critical. If we want them ever to feel that they are in a position to rebuild their own country, they will need at least to be able to read and write, and to have had some sort of education. Too many children have already lost too many days in school, but after last Thursday we have a much better chance of getting them back into the classroom and back learning. That is precisely what we are hoping to do over the next few weeks and months.

**Keith Vaz** (Leicester East) (Lab): May I join other Members in commending the Secretary of State for the success of the donor conference but remind her that, as with the Yemen donor conference six years ago, it is not the pledges but the paying of the money that matters? In that case, only 10% has been paid so far. The key local country is Turkey, to which the EU has pledged €3 billion to deal with this crisis. Has that money been paid at least in part, and can she reassure the House that recent developments are not affecting the processing of the 19,000 Syrian refugees whom the Prime Minister has pledged will come to this county before the next election?

**Justine Greening:** The €3 billion deal was very much reached as part of the Syria conference last Thursday. Like the right hon. Gentleman, I will be very keen to make sure that all the commitments made last Thursday are delivered. That is vital if we are to achieve the results we have set ourselves, including the ambition to make sure that no Syrian refugee child is out of school by the end of the forthcoming academic year. More broadly, he should be reassured that the UK will continue to play a role in ensuring not only that we do a lot in our response to this crisis—we have already done so: we are the second biggest bilateral donor to date—but that we continue to shape the response.

**Bob Stewart** (Beckenham) (Con): Once people cease to be internally displaced persons and cross an international border, in their minds and in reality they become refugees or economic migrants and it is very difficult—much more difficult—for them to go back to their own country. It would be great if the international community, which has so far failed to stop the war, came to an agreement to set up safe areas close to or on the borders of other countries. We would be able to reach into those safe

areas and look after people there so that when the time comes—and politics works—they can go home to their own country.

**Justine Greening:** Following last Thursday’s conference, the hope is that we can better help countries on the border with Syria that are safe for refugees to flee to and that are better able to cope with the refugees who are now there. We all hope that, in time, refugees will be able to go back to their countries. The reality, however, is that the typical time somebody spends as a refugee is now 17 years. That is why the work on getting children into school and on jobs is so important.

**Tom Brake** (Carshalton and Wallington) (LD): What concrete action did the conference agree to take in Aleppo, following the toxic intervention of the Russians and the likelihood that Assad will impose a blockade? Was the subject of either aid convoys or air drops discussed?

**Justine Greening:** The general point that the right hon. Gentleman raises about access and making sure, alongside generating the resources that UN agencies and NGOs need, that we have the ability to get those resources to people in need was a central part of the conference. That is why I set out in my statement how important it was for the international community to reiterate its support for free and unfettered humanitarian access. We should condemn all those who are daily preventing key supplies from reaching people who are often at death’s door and in need of such supplies.

**Jason McCartney** (Colne Valley) (Con): The easiest thing in politics is to say, “Do more”, but may I say how proud I am of the Secretary of State, the Prime Minister and the UK for our response to this humanitarian crisis? I agree with my right hon. Friend the Member for Wokingham (John Redwood), the right hon. Member for Cynon Valley (Ann Clwyd) and many other Members that we must now tackle the issue of indiscriminate bombing by Russian air forces. What can be done to get the UN special envoy back around the table with the Russians and to stop the bombing, which is making the crisis so much worse?

**Justine Greening:** The UK Parliament is playing its own role in highlighting this issue, which has led to the current pause in the peace talks. In Munich on Thursday, it is vital that the Russians take a long, hard look at their role in being able to make or break the peace talks. At the moment, the actions they are taking are preventing progress—it is as simple as that—on two fronts: one is the ceasefire, and the other is their failure to persuade the Assad regime to allow supplies into key areas under its control. Of the many requests that UN agencies have made to the Assad regime to allow access to such areas, just 10% have been agreed, which is a total disgrace. I hope the Russians will raise that with the Assad regime, which they are doing so much to support.

**Peter Kyle** (Hove) (Lab): I commend the Secretary of State for the resources that have been allocated to educating children and young people from Syria while they are displaced, which I understand are being channelled almost exclusively through UNICEF. Will she confirm that British aid agencies, which have a lot of experience



in this area, are being included in the discussions and that the door to DFID is open so that their expertise can be used and harnessed?

**Justine Greening:** The No Lost Generation initiative was set up with UNICEF, which has done an amazing job in allowing us to scale up this work. Of course, it is now essentially owned by the Governments in Lebanon and Jordan. I have had the privilege to work alongside their Education Ministers to put together the plans that are enabling us to scale up this work to ensure that all children in those countries can get into school. The best suggestion I can make is that those NGOs get in touch with DFID to understand what role they can play in the plans that the Governments of Jordan and Lebanon have to get children back into school.

**Henry Smith (Crawley) (Con):** I commend my right hon. Friend and the Government not only for convening the Syria donor conference but for the significant in-region humanitarian support we are providing. In recent times, Saudi Arabia and the United Arab Emirates have contemplated military action in Syria. Will she say what those countries and similar countries in the region are doing with regard to humanitarian aid?

**Justine Greening:** One big step forward at the conference was the stepping up of the region to provide the resourcing for humanitarian supplies to get through to people. Of course, the last three donor conferences were in the region, in Kuwait. We chose to host the conference this year, but it had substantial and significant support from the region. That is one reason we were able to reach such a record-breaking pledge.

**Andrew Gwynne (Denton and Reddish) (Lab):** I echo the concerns of my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper) about the squalid conditions of some of the refugee camps not just in Syria and the region but in Europe. What assessment has the Department made of the health risks, particularly the public health risks, arising from those squalid conditions? What more can be done to alleviate the conditions in which refugees are living?

**Justine Greening:** As I said earlier, we have provided key support to refugees arriving in Europe. Most recently, we announced a £10 million fund that will enable us to provide very practical support to refugees who are having to cope with the difficult conditions the hon. Gentleman describes.

**Mr Philip Hollobone (Kettering) (Con):** I commend my right hon. Friend for ensuring that Britain is the second largest western donor of aid to the region. What are the Turks meant to deliver in return for the €3 billion that the EU is giving them, especially with regard to the latest wave of refugees from the crisis in Aleppo?

**Justine Greening:** My hon. Friend will be aware that there is already a substantial number of refugees in Turkey—

2 million in total. The plan is really about helping Turkey to continue to provide the food, water, shelter, education and, more latterly, jobs programmes that enable refugees to cope with the circumstances they find themselves in.

**Diana Johnson (Kingston upon Hull North) (Lab):** If Syria is to have a stable and peaceful future, women and girls will have a part to play in it. Will the Secretary of State say why there was no mention of the role of women in the Syrian stabilisation paper that was published last week?

**Justine Greening:** I fully agree with the hon. Lady that women have a key role to play not only in the rebuilding of Syria in time, but in the peace talks that need to happen in advance. She will know that, alongside all the work we have done to help children affected by this crisis, we have focused on women as well. We know that in humanitarian emergencies, women and girls—adolescent girls, in particular—are often the most vulnerable people, so we have worked very hard to make sure that the risks they face are managed. I would be happy to write to her about some of our plans to make sure that women stay at the centre of our thoughts in the international response to the Syria crisis.

**Stuart C. McDonald (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP):** The Secretary of State appropriately highlights the work that is done with people immediately on their arrival into Europe, but the key question remains about what happens after that. What do the Government think should happen with the 1 million people who arrived in 2015, and who should do it?

**Justine Greening:** The UK is obviously not part of the Schengen area, but it has played its own role in helping Syrian refugees who need to be resettled out of the region—the Prime Minister has pledged to resettle Syrians over the course of this Parliament, and I pay tribute to the work of the Under-Secretary of State for Refugees, who has overseen that process to date. We met our first timeline of resettling 1,000 Syrian refugees prior to Christmas, and I think we should be proud of that.

**Hywel Williams (Arfon) (PC):** Today, up to 70,000 refugees from Aleppo are caught between the al-Assad regime's advancing forces and Russian airstrikes, and are unable to cross to Turkey. What is being done to offer immediate help to those poor people?

**Justine Greening:** That flow of people is happening because action by the Syrian regime is driving them out of their homes, and we have seen that persistently over the past few years. We have talked directly with our partners on the ground to ensure that humanitarian support is getting through to those Syrian refugees, and more broadly we understand that the Turkish authorities are putting in place the necessary measures to ensure that people are able to cross the border.

## Local Government Finance

5.11 pm

**The Secretary of State for Communities and Local Government (Greg Clark):** With permission, Mr Speaker, I am pleased to report to the House my response to the consultation on the provisional local government financial settlement for the next financial year. I have considered all 278 responses to the consultation, and my Ministers and I have met local government leaders of all types of authority and from all parts of the country, as well as many colleagues in this House. I have listened carefully to each of them. Colleagues who have worked with me before know that I always take the views of Members of this House seriously, and I always respond when I can to practical and sensible suggestions. I am grateful to everyone who has taken the trouble to make such suggestions.

The provisional settlement contained a number of important innovations. First, although the statutory settlement is for 2016-17, I set out indicative figures to allow councils to apply for a four-year budget extending to the end of the Parliament. Such a change permits councils to plan with greater certainty. That offer was widely appreciated in the consultation, which is not surprising as local government has been requesting it for years. I want to give councils time to consider this offer and to formulate ways to translate that greater certainty into efficiency savings. I will therefore give them until Friday 14 October to respond to the offer, although many have done so positively already.

Secondly, in the provisional settlement I responded to the clear call from all tiers of local government, and many colleagues across the House, to recognise the important priority—and growing costs—of caring for our elderly population. In advance of the spending review, the Local Government Association and the Association of Directors of Adult Social Services wrote to me requesting that an additional £2.9 billion a year be made available by 2019-20. Through a dedicated social care precept of 2% a year—equivalent to £23 per year on an average band D home—and a better care fund of £1.5 billion a year by 2019-20, we will seek to address those pressures on care. The provisional settlement made up to £3.5 billion available by 2019-20.

Thirdly, recognising that council services in rural areas face extra costs, I proposed in the provisional settlement that the rural services delivery grant be increased from £15.5 million this year to £20 million in 2016-17—the year of this settlement—and provisionally to £65 million in 2019-20. Councils and colleagues who represent rural areas welcomed that, but some asked that the gap in central Government funding between rural and urban councils should not widen, especially in the year for which this statutory settlement is intended.

Fourthly, this year's provisional settlement marked the turning point from our over-centralised past. At the start of the 2010 Parliament, almost 80% of local councils' expenditure was financed by central Government grant. By next year, revenue support grant will account for only 16% of spending power, and by 2019-20 only 5%. Ultimately, revenue support grant will disappear altogether as we move to 100% business rates retention. Local finance through council tax and business rates, rather than central Government grant, has been a big

objective of councils for decades. However, many authorities and many hon. Members, especially those from counties such as Dorset, Leicestershire, Hampshire, Worcestershire, Lancashire, and several London boroughs including Kingston and Havering, have argued for transitional help during the first two years when central Government grant declines most sharply. They have argued that other local resources would not have had the time by then to build up fully.

Much in the provisional settlement was welcomed, but specific points were raised about the sharpness of changes in Government grant in the early years of this Parliament and there were concerns about the cost of service delivery in rural areas. Another very important point was made: many colleagues and councils felt that too much time has passed since the last substantial revision of the formula that assesses a council's needs and the cost it can expect in meeting those needs. These responses to the consultation seemed to me to be reasonable and ought to be accommodated if at all possible.

Everyone will appreciate that the need to reduce the budget deficit means that meeting the recommendations is extraordinarily difficult, but I am pleased to be able to meet all of the most significant of them. I can confirm that every council will have, for the financial year ahead, at least the resources allocated by the provisional settlement. I have agreed to the responses to the consultation, which recommended an ease in the pace of reductions during the most difficult first two years of the settlement for councils that experience the sharpest reductions in revenue support grant. I will make additional resources available in the form of a transitional grant, as proposed in the response to the consultation by colleagues in local government. The grant will be worth £150 million a year, paid over the first two years.

On the needs formula itself, it is nearly 10 years since the current formula was looked at thoroughly. There is good reason to believe that the demographic pressures affecting particular areas, such as the growth in the elderly population, have affected different areas in different ways, as has the cost of providing services. I can announce that we will conduct a thorough review of what the needs assessment formula should be in a world in which all local government spending is funded by local resources, not central grant. We will use it to determine the transition to 100% business rates retention.

Pending that review, and having listened to colleagues representing rural parts of the country, including Cornwall, Lincolnshire, Devon, Cumbria and Northumberland—

**Mr James Gray (North Wiltshire) (Con):** And Wiltshire.

**Greg Clark:** And indeed Wiltshire. I suspect I may have the opportunity to respond to colleagues. In fact, distinguished local authority leaders are with us today.

I propose to increase more than fivefold the rural services delivery grant from £15.5 million this year to £80.5 million in 2016-17. With an extra £32.7 million available to rural councils through the transitional grant I have described, this £93.2 million of increased funding compared with the provisional settlement is available to rural areas. Very significantly, this proposal ensures there is no deterioration in Government funding for rural areas compared with urban areas for the year of this statutory settlement.

At the request of rural councils, I have also helped the most economical authorities by allowing them to charge a de minimis £5 a year more in council tax without triggering a referendum. I will also consult on allowing well-performing planning departments the possibility to increase their fees in line with inflation at the most, provided that the revenue reduces the cross-subsidy the planning function currently gets from other council tax payers.

A final point from the consultation: although the figures for future years are indicative, a small number of councils were concerned that, as their revenue support grant declined, they would have to make a contribution to other councils in 2017-18 or 2018-19. I can confirm that no council will have to make such payments.

These are important times for local government. The devolution of power and resources from Whitehall is gathering momentum, yet I am aware that there is serious work for councils to do to continue to provide excellent services for residents at the lowest cost possible over the years ahead. I acknowledge the important role of Members in representing to me the recommendation of councils that deliver the services on which all our constituents depend. I am grateful for all their contributions.

My response to the consultation has been positive in respect of very sensible recommendations and as fair as possible, while holding firm to our commitment to free our constituents from the dangers inherent in the national deficit. I commend the statement to the House.

5.20 pm

**Jon Trickett** (Hemsworth) (Lab): I thank the Secretary of State for his courtesy in providing me with an advance copy of his statement. We welcome some of the announcements made this afternoon. It is clearly a good thing that more money is being provided to rural communities that are particularly hard hit, but will he explain exactly where the additional funding is coming from? It sounded like a sum of just over £200 million, but that obviously represents a massive shortfall in relation to the billions required to meet all the spending pressures. Nevertheless, where is this additional funding coming from? Has he had to cut other areas of local government expenditure to deliver the additional money? Above all, will he confirm that all this is purely transitional? It reminds me of someone speeding along the road into a disaster who then says he will take his foot off the accelerator without changing the destination. Local government is facing a disaster.

The Secretary of State's provisional announcement the other week seems to have added some unusual recruits to Labour's Anti Austerity Alliance. I wonder whether the right hon. Gentleman knows the identity of the anonymous Tory MP who told "ConservativeHome", which is essential reading—[*Interruption.*] It certainly is true. This anonymous MP said:

"Councillors have done the right thing, and done it well, in saving vast amounts of money in the last few years. But now all the fat is gone, all the meat is gone and government wants to gnaw on the bone. I'm not having my local swimming pools and libraries closed down"—

and I say hear, hear to that! Is the Secretary of State really gnawing on the bone of local government, as many people feel—in his party and elsewhere? Does he acknowledge that, according to the Tory-controlled Local Government Association, even if every council in England

increased council tax by the maximum allowed by the Government for the next four years and even if every penny of that increase went only on supporting the elderly, that would still leave a funding gap of over £1 billion on social care alone?

Only last March, the then Minister responsible for social care promised that the Government would end the infamous 15-minute flying visits. Is that still the Secretary of State's policy, and if so, how will it be funded, given the £1 billion shortfall? When does the right hon. Gentleman envisage the Government achieving this target?

On how the Government distribute funding between councils, how does the right hon. Gentleman explain the manifest injustice that the most deprived areas have been cut the most? As things stand, the 10 most deprived areas in England will be 18 times worse off than the 10 least deprived areas. How will he explain to hard-pressed families that their services will be cut at the same time as he is engineering council tax increases—up to about 20%, we estimate, by the end of this Parliament?

It is clear from the Secretary of State's statement that he has studied carefully the representations made by the Rural Services Network, as well as by some anonymous Tory MPs. Perhaps some of them were not anonymous. The Rural Services Network is also Conservative-led, and it said that his provisional statement would "make life for hundreds of thousands of people across all areas of rural England totally insufferable."

That is what the Tory rural network said. Can the right hon. Gentleman guarantee that the relatively small increase in the rural services delivery grant announced today will mean that no county councils will have to cut home helps or children's homes or public transport? Is he really recommending to rural districts that they increase council tax by a precept of at least 2% or by £5—not by whichever is the lower, but by whichever is the higher? Does he acknowledge that more than £20 billion has been cut from local government since 2010? Is not the truth that during the Government's first term, the impact of these cuts was felt primarily in the more urban northern and London boroughs, and is now spreading far and wide throughout the English countryside?

I represent 20 rural villages. There is no doubt that the provisional settlement was devastating for rural England—how could the Secretary of State make such an announcement?—and that the settlement he has announced today is far from adequate. Will he confirm, as it is transitional, that he intends all the cuts that he announced at the time of the provisional settlement to be imposed on rural areas in due course, during the present Parliament? When will he give the House details of any equalisation measures that he intends to introduce in relation to business rates?

Does the Secretary of State accept that all these cuts are, in essence, a political choice rather than an economic necessity? Should the Government not learn lessons from other members of the European Union that are raising hundreds of millions of pounds more than we are in tax from Google and other multinationals—money that could be used to support public services? Is it not time that the Chancellor showed some guts and stood up to the multinationals, rather than attacking the purses, and the services, of the poorest?

**Greg Clark:** I am delighted to hear about the hon. Gentleman's reading material and to learn that it is through "ConservativeHome" that he seeks to educate

[Greg Clark]

himself these days. That makes a change from the red book that is the preferred choice of the shadow Chancellor. I encourage him to continue. He will know from looking at that very good website that there is constant praise for the efficiency of Conservative councils, which have a record of economy and good service for their residents.

As for increases in council tax, the hon. Gentleman will know all about that, because the Labour Government doubled council tax. According to projections from the Office for Budget Responsibility, at the end of this Parliament, it will be lower in real terms than it was at the beginning of the last Parliament, so we will take no lessons from the hon. Gentleman about council tax.

I detected a half-hearted welcome for the transitional funding, which is just as well, because some Labour council leaders called for precisely that, and I think they might have been disappointed if the hon. Gentleman had not supported them. He asked where the money would come from. I can confirm that it will not come from the local government financial settlement. We have been able to find resources outside the settlement, and, thanks to the generosity of the Chancellor, we are able to add them to it. I can also confirm that the social care precept was requested by local councils, which recognised, in a cross-party consensus, that as the population grows more elderly, there are more elderly people to be looked after in each council area. That is not a reflection on the efficiency or otherwise of councils; it is a demographic fact of life. It is right for us to provide for our elderly people in their retirement.

The hon. Gentleman mentions anonymous people and important figures in Conservative local government. My experience of my colleagues in every part of the House is that they are not anonymous, and they are not shrinking. They know that they can come and talk to me any time and that I will listen and respond when they make a good case. As for our leaders in local government, including the head of the Local Government Association, I could not help noticing the presence in the Chamber today of the gentleman concerned, and he seemed to have a happy smile on his face. I do not know whether that says anything to the hon. Gentleman.

**Several hon. Members** *rose*—

**Mr Speaker:** Order. I remind the House that Members who came into the Chamber after the statement began cannot expect to be called. Our convention on that matter is very clear and people need to abide by it.

**Robert Neill** (Bromley and Chislehurst) (Con): The Secretary of State is to be congratulated on having negotiated a difficult minefield with considerable skill. I particularly thank him for his thoughtful approach and for the time that he gave to me, my fellow MPs and my council leader from Bromley when we came to see him. I welcome the fact that he has picked up on the importance of transitional relief in so far as it affects the London boroughs, given the risk that outer London's particular circumstances can sometimes be lost in the equation. Can he give me details of the timeframe for the operation of the transitional relief? Can he also tell me more about the review of the needs element, which many of us welcome? I regret that we were unable to do that in coalition, but there were many other pressing matters at

that time. It is important that the comparatively low unit costs incurred by historically efficient local authorities should be picked up when setting the baseline for retained business rates.

**Greg Clark:** I am grateful to my hon. Friend. I recall spending a very pleasant evening with the Cabinet of his council in Bromley and having a more recent meeting there. It is right to think of the demographic pressures in the outer London boroughs. Those boroughs, and many other places across the country, have made the case that the population has aged and more people tend to retire to those places than to others. They also contend that the formula, which has not changed for 10 years, has not kept up with that. I can confirm that the transitional funding will be available immediately, from the next financial year, so that my hon. Friend's council and others will be able to apply those extra funds straight away.

**Alison Thewliss** (Glasgow Central) (SNP): I thank the Secretary of State for giving me slightly advance notice of his statement. It comes against a background of cuts to local government in England; I understand that the figures are 27% over the past years and 8% for the years ahead. I am glad that he has at least given local councils a bit of time to think about this, and I hope that they will get back to him with their views on the settlement. I note what has been said about the pressures on rural service delivery, but the breakdown of the core spending power appears to show that areas that are already very wealthy are going to get more. He also mentioned that the percentage of council expenditure financed by central Government grant was going down from 80% to 5%, but I wonder how much of that is just cuts rather than changes to the expenditure.

There does not seem to be enough time for councils to respond to the proposals. The Secretary of State has talked about giving them two years to respond, but that does not acknowledge the difficulties that some councils will have in raising funds from business rates and council tax. Some will be starting from a relatively low base in that regard, and I am not convinced that two years will be enough transition time for them. Also, the statement does not seem to mention any recognition of needs. It talks about demographic pressures, but age is not the only such pressure that communities face. There needs to be greater acknowledgement of that fact in these plans. Other demographic pressures exist, and areas of multiple deprivation will require additional support and transitional relief. I would like to see greater recognition of that in the proposals.

**Greg Clark:** I am grateful to the hon. Lady for her contribution. She will know from her colleagues in Scotland that setting the local government financial framework is a delicate matter. It involves a lot of decisions that affect people in different ways, and I hope she will acknowledge that I have done this in a fair way. She talks about the transitional relief lasting for two years. This will happen because the shape of the settlement will see resources increasing towards the end of the period, as the social care precept and the better care fund take effect. However, colleagues across the House felt that the first two years would be the most severe time, and I therefore felt it right to focus the transitional relief on that period. The hon. Lady mentioned an assessment of needs, and I completely agree with her.

The review to which I have committed will look at all the needs, and it will consider not only the demographic pressures but the cost of delivering services, because that is a fair way to proceed.

**John Redwood** (Wokingham) (Con): Will the Secretary of State give me any more detail on how the welcome transitional relief will abate the severe cuts in his original plans for both Wokingham and West Berkshire?

**Greg Clark:** I will indeed. I was grateful to my right hon. Friend for his meeting with me and the representations he made. Again, both of his local authorities felt that the early years were the most pressing, so I can confirm that there will be transitional funding for West Berkshire of £1.4 million and for Wokingham of £2.1 million in the year ahead. I think that will be welcomed by his authority, following my having carefully studied its representations to me.

**Mr David Winnick** (Walsall North) (Lab): May I again tell the Secretary of State about the ongoing cuts in my borough because of the lack of funding? Would he be willing to meet the Tory leader of the council to discuss what is happening on the ground and the adverse impact on my constituents and others in the borough of the continuing cuts? Will he come to the borough to see for himself what is happening and to see that I am in no way exaggerating the position?

**Greg Clark:** I regularly meet that local leader. The west midlands is a very important area where we are negotiating a very important devolution deal at the moment. The hon. Gentleman will know that his local authority has benefited from the settlement, so that over the four years its spending power will increase by 1.5%, which I know will be welcomed locally.

**Sir Nicholas Soames** (Mid Sussex) (Con): I thank my right hon. Friend for the careful and diligent way in which he has approached this matter. Does he agree that what seems to be so difficult for local government, particularly in rural areas, is that some counties and authorities, such as my local Mid Sussex District Council, run their affairs in an exemplary and very orderly fashion, but the more efficient and effective they are, the less money they get? That seems to be a completely idiotic way of proceeding.

**Greg Clark:** Indeed it is, which is exactly why we are making the transition to business rate retention, where it is not the representations that councils make to central Government for grants, but their ability to attract businesses and to grow those businesses that will be the determinant of the resources they have available. Councils and Conservatives have long wanted that, and I am confident that both my right hon. Friend's county council in West Sussex and his excellent district council, the membership of which I know very well, will respond with great alacrity to the opportunities available to them.

**Mrs Louise Ellman** (Liverpool, Riverside) (Lab/Co-op): The crisis in social care in Liverpool will not be resolved by either the new precepts suggested or the Minister's statement today, as it is the result of the 58% cumulative cut in funds by central Government on the poorest area in the country. Will he take another look at this very critical situation?

**Greg Clark:** The introduction of the precept and of the better care fund will be very important for Liverpool; by the end of the period it will deliver about £30 million a year to spend, quite appropriately, on the care of elderly people in Liverpool. I would have thought the hon. Lady would welcome that. Conservative county council leaders proposed that there should be a social care precept, but it would benefit her city as much as it does them.

**Jo Churchill** (Bury St Edmunds) (Con): I thank the Secretary of State for the meeting he held with me and other Suffolk Members to discuss local funding. I know he has worked hard on our behalf, and I cautiously welcome his announcements today, particularly those on additional funding to ease the pace of reduction during those first two years. However, will he inform the House as to when final figures will be given to councils?

**Greg Clark:** I will indeed. I was grateful for the meeting I had with my hon. Friend, and I am looking forward to the discussions of further devolution to Suffolk for the East Anglian powerhouse or motor—we will coin an apt description for that very high-performing part of the country. The funds will be available right from the beginning of the next financial year and, in the usual way, they will be confirmed to councils following this statement.

**Derek Twigg** (Halton) (Lab): I can see the Parliamentary Private Secretaries working hard to get the figures to the Secretary of State.

To put the announcement in context, Halton has had a cut of more than 50%—£52 million—since 2010, while 68% of properties there are in bands A or B. The precept will not raise anywhere near enough to fund the shortfall in social care. Will the Secretary of State reconsider this and meet me urgently to talk about the problems in Halton?

**Greg Clark:** I am always happy to meet the hon. Gentleman. He will know that the funding allocation took into account the different resources of different areas—and Halton was a beneficiary of that—but I am happy to meet him to take him through the figures so that he can better understand.

**Sir Edward Garnier** (Harborough) (Con): Like others, I thank my right hon. Friend for the meetings he has had, particularly with my right hon. and hon. Friends from Leicestershire. As he will know, our county historically has been one of the worst funded from central Government, and we are hopeful that the new deal will benefit not only central Government but Leicestershire. Will he tell the House when we are likely to get the numbers, which the county council can deal with, and what they will be?

**Greg Clark:** I certainly will. I am grateful to my right hon. and learned Friend for his advice on this matter. I think Leicestershire will make a particularly strong case for a review of the match between needs and resources. Rather than keeping him hanging on, I can tell him that the transitional funding for Leicestershire will be £3.3 million.

**Mr Kevan Jones** (North Durham) (Lab): For the benefit of the PPSs, my local authority is County Durham. It is a bit off, Mr Speaker, that the Secretary of State has all the figures, but they have not been released to councils, which means we have no way of scrutinising his answers.

[Mr Kevan Jones]

I wish to raise the point also raised by my hon. Friend the Member for Halton (Derek Twigg) about the better care fund. I agree with the Secretary of State that this issue affects all councils, but County Durham has a low council tax base, as most of its properties are in bands A or B. He just said this will be taken care of in the formula. Will he meet me and north-east MPs whose councils are disadvantaged by not being able to raise the cash that larger authorities, such as Westminster, can raise?

**Mr Speaker:** Usually the complaint is that others are told first. In this case, I fear some people are complaining that the House is being told first. I cannot see what is wrong with that. It seems a highly desirable state of affairs. I might have misunderstood, but I think I have understood.

**Greg Clark:** I am grateful, Mr Speaker.

I had conversations with the hon. Gentleman's local authority, and it made some very positive comments and suggestions for the settlement, but I am always pleased to meet him to discuss the important devolution taking place in the north-east of England, of which we are very proud.

**Jesse Norman** (Hereford and South Herefordshire) (Con): I warmly congratulate the Secretary of State on his announcement. As he will be aware from our representations, Herefordshire was looking at a 34% reduction in the rural services grant next year, against a uniform reduction of 25%. Any support will be much appreciated. Is there not a danger that low-economic-activity areas—I am afraid that my own county has historically been such an area—might be penalised by the transition to council tax being supplemented by rural rates, unless there is a transitional fund to stimulate economic growth alongside it?

**Greg Clark:** My hon. Friend makes a good point. I think that Herefordshire has great potential in terms of attracting and growing businesses. For example, he has been a doughty campaigner for a university in Hereford. He is right that the transition to a world in which local resources fund councils has to take account of the needs of each area and its potential to raise revenue. That is why I announced the review today. Several colleagues from across the Chamber have contributed to, and have great expertise in, this matter, and I hope, in the spirit of this statement, that they will contribute personally to that review.

**Ann Coffey** (Stockport) (Lab): I, too, am concerned about the future stability of funding for local services. While council tax provides a solid base of revenue, moving to more reliance on business rates means more unpredictability in the level of revenue available to local councils. What consideration has the Secretary of State given to future mitigation of the impact on local services of a fall in revenue from business rates—for example from a downturn in the economy, which is beyond the control of any local council?

**Greg Clark:** The great advantages of the devolution deals that we are striking, including with Greater Manchester—[*Interruption.*] The hon. Lady raises her

eyes, but the elected leaders of Greater Manchester have proposed a means of taking on the 100% retention of business rates and making sure that they can manage the ups and downs of that across the years. This is a proposal that they have made, so that, in attracting more businesses to Greater Manchester, the whole of that great city will benefit.

**Sir Alan Haselhurst** (Saffron Walden) (Con): Can my right hon. Friend assure me that his final settlement reflects the accurate level of reserves that are truly available to Essex County Council?

**Greg Clark:** I have made no assumption of reserves. In advance of the spending review, several commentators suggested that we should take account of councils' known reserves. I resisted those calls, and it seems that it is reasonable for councils to have reserves, just as, as a nation, we are looking to create a surplus as a buffer against the ups and downs of the economy in the years ahead, which is something that the Labour party failed to do. The great advantage of a four-year settlement is that it gives that certainty to councils, so that part of the reserves that they keep against the uncertainty of year-to-year settlements is available to them, but I have made no assumptions that they will use them.

**Jonathan Reynolds** (Stalybridge and Hyde) (Lab/Co-op): At my surgery on Friday, I met a woman who cared, on her own, for her severely disabled daughter 24 hours a day, seven days a week. She is not able even to get a decent night's sleep. She used to receive six nights of respite care a month, but now she has been told that she will get nothing. That is the reality of the Conservative party's treatment of local government since 2010. In Tameside, there are no more back-office functions to merge and no more staff to be made redundant. There is nothing left to cut, except the services for the people who need them most, and for them the outlook is bleak. No amount of devolution to Greater Manchester, as good as that is, can compensate for a lack of basic provision.

**Greg Clark:** May I suggest to the hon. Gentleman that he goes next door and has a cup of tea with the leader of Trafford council, which runs its services extremely efficiently? I dare say that it would be sensible of Tameside to take up any advice that the council leader is able to give.

**Mr Laurence Robertson** (Tewkesbury) (Con): May I thank the Minister for revisiting this issue? Does he accept that what all Members who represent rural areas want to see is fairness in the funding system? Although Gloucestershire may seem to be a leafy, wealthy county, there are areas of deprivation. We have flooding problems and a higher percentage of older people who, regardless of where they live, still need social care. May I ask him to ensure that the final settlement reflects the problems in rural areas as well as in other areas?

**Greg Clark:** I completely agree with my hon. Friend. I was grateful to my colleagues from Gloucestershire for the representations that they made. He will be pleased to hear that the pressure on them will ease for the first two years—it will be to the tune of about £2.5 million

next year—which, knowing the pressures on the council for exactly the reasons that he said, will be welcomed locally.

**Jack Dromey** (Birmingham, Erdington) (Lab): At £0.75 billion, no council has ever suffered the same level of cuts in local government history as Birmingham. No city has ever been treated so unfairly. Does the Secretary of State begin to understand the dismay that there will be over today's announcements, which will put at risk school crossing patrols, deepen the growing crisis of health and social care in the city and threaten dozens of community groups supporting the most vulnerable in Birmingham? There will be utter dismay in Britain's second city.

**Greg Clark:** The figures that I have published today include an extra £800,000 from the new homes bonus for Birmingham that was not included in the provisional settlement. I should have thought that that was a cause of some pleasure in Birmingham, rather than the opposite.

**Dr Andrew Murrison** (South West Wiltshire) (Con): Really well done to the Secretary of State on the statement, the uplift in the rural services delivery grant and the review that he has announced. However, what assumptions has he made about the uplift in parish and town council precepts, given the assertion he made a few moments ago about the proportion of local government spend that would be consumed by the revenue support grant by the end of the decade? He will know that those precepts have gone up as the RSG has gone down, as in many places the council tax has been frozen.

**Greg Clark:** My hon. Friend makes an important point. There have been representations in the past to include parish and town councils in the referendum principles. We have not done that, but we keep it under review so that there is economy in those councils, which is important, because their residents are also council tax payers who pay council tax to his county council.

**Diana Johnson** (Kingston upon Hull North) (Lab): Hull is the 10th most deprived area in the country, and over the next year it faces spending cuts on average nearly 50% greater than those faced by county councils, so will the Secretary of State explain to my constituents why county councils are getting additional moneys, but not areas such as Hull?

**Greg Clark:** County councils and other authorities in the first two years experienced sharper reductions in the revenue support grant, and representations across local government, including Labour authorities, suggested that we should ease the transition. I would say to the hon. Lady's constituents in Hull that much attention has been paid to that important city through the growth deal that we established, which invested substantially in the area. The prospect of further devolution offers more important opportunities for that city.

**Rishi Sunak** (Richmond (Yorks)) (Con): I thank my right hon. Friend for meeting colleagues and me, and for listening to rural communities. I warmly welcome the statement. An ageing population is a key driver of cost, so will my right hon. Friend ensure that future funding formulae, instead of using out-of-date figures, will keep up with the changing demographics in areas such as North Yorkshire?

**Greg Clark:** Indeed. That is one of the points that my hon. Friend and other colleagues have made, which is why I have responded by saying that we should look again at that funding formula. It was also a point made by Carl Les who, as my hon. Friend knows, is the excellent leader of North Yorkshire County Council, and I am pleased that we have been able to meet his request.

**Steve McCabe** (Birmingham, Selly Oak) (Lab): Did the Secretary of State consider including the Chancellor's social care tax in the calculation of overall council tax income for the core funding settlement, which would make the changes fairer and mitigate the late introduction of the better care fund for low council-tax base authorities such as Birmingham?

**Greg Clark:** The social care precept is recognised across all parties and different types of authorities, even those, including district councils, that do not receive it. Their residents are residents of counties and of metropolitan boroughs, and it is important that funding is there. The combination of the precept and the better care fund provides up to £3.5 billion. I repeat what I have said: the representations that I received before the spending review from the Local Government Association and directors of social services was that they needed £2.9 billion. We have provided £3.5 billion.

**Simon Hoare** (North Dorset) (Con): May I thank my right hon. Friend for his patience and courtesy, and ministerial colleagues and indeed officials at the Department for Communities and Local Government for theirs in their dealings with colleagues from Dorset, including the leader of the county council and me? It is appreciated, and I welcome wholeheartedly today's announcement from my right hon. Friend. If it was parliamentary, I am sure that rural local government would plant a big, wet kiss on the cheek of the Secretary of State—but I am not entirely sure that that is parliamentary.

Will my right hon. Friend give further details of the transitional funding for Dorset that he has announced? The devil is in the detail, as always, so will he set out further information on the timing of the welcome review of the assessment of needs? The sooner we can get that sorted out, the better for rural local government.

**Mr Speaker:** Before the Secretary of State provides a comprehensive and, I am sure, scintillating reply to his hon. Friend, I take this opportunity to say what a delight it is to see our new Serjeant at Arms in the chair.

**Greg Clark:** May I add my welcome to the new Serjeant at Arms?

Given what my hon. Friend the Member for North Dorset (Simon Hoare) said, I am grateful that he is sitting far away from the Dispatch Box. I am grateful, however, for his good wishes. Dorset is a well-run county council, and it has important costs as a result of being a beautiful rural county. The extra funding that it will receive from April this year will be £4.1 million which I know, having spoken to the leader of the council, will make a big difference in managing the transition that was a great concern for the authority.

**Fiona Mactaggart** (Slough) (Lab): Slough is the smallest unitary authority in the country. In response to questions, the Secretary of State announced that fellow Berkshire

[*Fiona Mactaggart*]

unitary authorities, West Berkshire and Wokingham, will receive £1.4 million transitional funding. Slough faces particular pressures, as it is on the border of London and has a changing, high-needs population. What are we going to get?

**Greg Clark:** It sounds as though the right hon. Lady wants to participate in the review of needs and of the cost of delivering those needs, so I am surprised that she has not welcomed the announcement that I have just made.

**Mrs Anne-Marie Trevelyan** (Berwick-upon-Tweed) (Con): I welcome the additional funding that my right hon. Friend has announced to ease the pace of reductions during two the most difficult years, which in Northumberland seemed to be a really frightening challenge. Will he confirm that the revised settlement means that the position in Northumberland, which continues to have one of the highest populations of elderly people, will be secure?

**Greg Clark:** The benefit for Northumberland is twofold. First, there is additional funding from the rural services delivery grant and the transitional grant that I mentioned, both of which are important and will be welcomed by people in Northumberland. Secondly, the review of the cost of delivering services in rural areas and the increased demands there is something for which my hon. Friend's constituents and councillors called, so it is right that we should get on with that straightaway.

**Peter Kyle** (Hove) (Lab): The recent report by ResPublica said that 37,000 elderly people who were dependent on statutory funding for residential care were at risk of losing their places and becoming homeless because of the rise in the minimum wage and cuts to local council funding. Areas such as mine which, for the benefit of the Parliamentary Private Secretary to the Secretary of State is Hove in Sussex, will do reasonably out of the precept because of the high tax base, but other areas with a low tax base, such as the north-east, will suffer very badly, and they have the highest rates of dependency on statutory funding for adult social care. Will the Secretary of State look again at the funding formula and make sure that areas that most need funding get it?

**Greg Clark:** I have just said to the House that I intend to look again at the funding formula to make sure that areas with the highest costs and pressure are funded accordingly.

**Richard Benyon** (Newbury) (Con): The well-run West Berkshire Council faces a cut in the RSG of 44%, so I am grateful that my right hon. Friend and his ministerial team have listened to the many entreaties from my right hon. Friend the Member for Wokingham (John Redwood) and me.

Will the Secretary of State do two things? First, will he say whether it is possible to envisage a speeding-up of work on the retention of business rates, because that would resolve many problems for local authorities such as West Berkshire? Secondly, would he have a word with his colleagues in the Department of Health and tell them to pull their finger out, as they have agreed a deal to return funding under the Care Act 2014? They promised to do that, and it would make a massive difference to settling this year's budget.

**Greg Clark:** My hon. Friend is right: he has a well-run council, and representations from him, our colleague and the council led me to make the changes that I have made. On the early retention of business rates, I am glad that he has given me the opportunity to say to all Members that, through the devolution deals, we are keen to get on with the devolution of business rates. I encourage all areas to introduce proposals on that. The Chancellor has made a commitment that that should be in place by 2019-20, but that is "by" rather than "in", and I should have thought that West Berkshire and its neighbours were well placed to put together a good case for that.

**Andrew Gwynne** (Denton and Reddish) (Lab): I always had the Secretary of State down as a fairly bright chap, but this would be a fair settlement only if it were predicated on every area having an equal council tax base and equal levels of need. Representing as I do a cross-borough constituency—for the PPSs, that is Tameside and Stockport—I know that those two local authorities are very different in their ability to raise income. Tameside, for example, this year has a £16 million deficit in adult social care. The levy on council tax—the 2% precept—will raise £1.4 million only. How does the Secretary of State plan to fill that gap?

**Greg Clark:** I have given some advice to the hon. Gentleman's neighbour, the hon. Member for Stalybridge and Hyde (Jonathan Reynolds), on this issue. If the hon. Gentleman would like me to arrange for him to meet Sean Anstee, the leader of Trafford council, I think he would find it a very constructive conversation. In a world of devolution, Trafford may be able to provide some advice and assistance to the hon. Gentleman's borough council on running an efficient set of services.

**David Tredinnick** (Bosworth) (Con): I welcome the £3.3 million transitional relief for Leicestershire which, as my right hon. Friend knows, has been at the bottom of the funding pile. The transitional relief will be widely welcomed in my constituency. Will my right hon. Friend say a word about the discussions he has had on the funding of adult social care, which very much affects our county?

**Greg Clark:** I will indeed. The provisional settlement, as I said in my statement, made a particular response to the acknowledged pressures on adult social care across the country. All tiers of local government cited this as the important priority. The decision to establish the social care precept and the addition to the better care fund were an extremely important step in recognising what has been building up for many years as particular pressures on authorities, and Leicestershire, well run though it is, feels those pressures particularly acutely.

**Heather Wheeler** (South Derbyshire) (Con): I congratulate my right hon. Friend on listening, with all his Ministers, to the pleas from Derbyshire and South Derbyshire in particular. We are very grateful for the amelioration of the arrangements, but will my right hon. Friend go a little further and think about the changes to the new homes bonus and to business rates, so that although fast-growing districts will get more money in the future, they are not penalised in the short term?



**Greg Clark:** Indeed. The consultation on the new homes bonus is open until March and it is important that my hon. Friend and her councillors contribute to that. That will be the opportunity to consider those views. As I have made clear today, the important step of 100% business rate retention by local government needs to be accompanied by a fundamental look at the methodology, and I hope my hon. Friend will bring her considerable expertise to bear on this matter.

**Dame Angela Watkinson** (Hornchurch and Upminster) (Con): I thank the Secretary of State for his announcement about transitional relief, which I very much hope the London borough of Havering will benefit from, not just because of its ageing population but because of the increasing demand for children's services. My right hon. Friend will already know, I am sure, that the 12 inner-London boroughs have more reserves collectively than the 20 outer-London boroughs. Will he reflect further on whether that might be taken into consideration?

**Greg Clark:** I am grateful for my hon. Friend's suggestion. Havering is a well-run council and it will benefit from the transitional relief. I think it will want to make a good case for the review of the demographic and other pressures it is facing. My hon. Friend invites me to do what I said I would not do—require councils to dispose of their reserves. If I did that, I would incur the displeasure of some of the colleagues who spoke earlier. I have not done that. It is a matter for local government, but a four-year settlement gives every council the ability to plan ahead and make sure it has the right level of reserves for the circumstances it faces.

**Graham Stuart** (Beverley and Holderness) (Con): I join colleagues in thanking the Secretary of State for the manner in which he carried out the consultation. Further to the remarks of the Scottish National party representative, the hon. Member for Glasgow Central (Alison Thewliss), who suggested that rural areas were richer than urban areas, the opposite is true: average earnings are higher in urban than in rural areas, and council tax is much higher. If we allow percentage rises to continue on a much higher base for much poorer people, there is a danger that we will reinforce the inequities in our system. So in a world of business rate retention and council tax, what can the Secretary of State do to ensure that our poorer, older, harder-to-service citizens are not unfairly impacted by ever greater council tax, while the lower council tax areas—often richer people—pay less and continue to be subsidised by us?

**Greg Clark:** My hon. Friend makes an excellent point. I pay tribute to him for conducting a well-reasoned and forensic argument that has been persuasive, and I am grateful for the manner in which he has done that. He is right. It is a false assumption that because an area is rural, it is wealthy and prosperous. Some of the most challenging circumstances are in the most rural areas. That is why, after more than a decade, it is long overdue that we should look at the costs of delivering services in rural areas. We should look at the pressures that they face and set the retention of business rates accordingly, so that they can be recognised in a way that they have not been over recent years.

**Dr Sarah Wollaston** (Totnes) (Con): I warmly welcome the Secretary of State's statement today and thank him for listening to the concerns of rural areas. He will know,

however, that the demographic pressures in places such as Devon are severe, and that the precept, welcome as it is, will quite meet the cost of the rise in the national living wage. During his review, will he set out whether he will listen to other proposals to create a sustainable long-term settlement for social care, which has been described as unfinished business in the "Five Year Forward View"?

**Greg Clark:** I certainly will. I am grateful for my hon. Friend's words. One knows that more people choose to retire to places such as Devon than to other parts of the country, and it is important that that is recognised in the funds that are available. As everyone knows, my hon. Friend chairs a very important Committee of this House, and one of the essential tasks of this Government over the years ahead will be to make sure that health and social care come together. They are two sides of the same coin. The same people are being looked after, whether by councils or by the NHS. One of the things I am determined to do is to make sure that we have a much better connection between the NHS and social care, and I would be grateful for her advice and that of her Committee in how we do that.

**Mr Philip Hollobone** (Kettering) (Con): I declare my interest as a member of Kettering Borough Council. The different councils in Northamptonshire will be affected by the settlement in different ways. Perhaps Northamptonshire County Council, which charges the lowest county council tax in the whole country, will be the most vulnerable. The long-term answer to ensuring proper local service delivery in the county might be a restructuring of local government. Will my right hon. Friend confirm that he is open to innovative solutions that could involve a restructuring to ensure that local public services are delivered more efficiently under a different organisation?

**Greg Clark:** It is in the interests of us all that councils are effective and efficient. I have always said that I do not believe in a top-down reorganisation of local government. When that has been attempted in the past, it has not ended well, if I may put it that way. But of course the commitment I have to devolution carries with it the idea that if local people want to do things differently, they should be able to do that, so if there are proposals from Northamptonshire that enjoy the support of local people, they should come forward and have those discussions.

**John Howell** (Henley) (Con): I congratulate my right hon. Friend on his pragmatic approach to these issues. He rightly points out that demographic pressures affect different areas in different ways. When does he expect the needs review to be completed, and what role will the figures obtained from that play in any closer integration of social care with the NHS?

**Greg Clark:** I am grateful to my hon. Friend, who was of considerable assistance to me when we consulted on the national planning policy framework, and we were able to make sensible responses to that consultation too. I am keen to get the review under way as soon as possible so that it can inform not only business rates retention but other decisions the Government have to take from time to time about rural areas and the different needs of different areas. The sooner it is done, the better, and I will set out in the coming weeks the process involved, so that colleagues across the House can contribute.

**Richard Drax** (South Dorset) (Con): May I thank my right hon. Friend for the courteous way in which he has dealt with me and Dorset colleagues—it really has been exemplary—and for the £4 million or more for Dorset County Council? Will he confirm—I did not quite hear this, and local leaders are watching the debate—whether the tariff adjustment will stay or go? In 2019-20, Weymouth and Portland Borough Council, for example, will end up paying the Government £500,000 but taking only £123,000 in council tax. I do not think that is fair, and I very much hope that the review will take such things into account.

**Greg Clark:** Indeed. I am grateful to my hon. Friend for his kind words. Not only Dorset County Council but the districts he represents will find the transitional relief and the rural grant important. I have said that we will remove what has been called the negative grant entirely for 2017, 2018 and 2019. By the time we get to the end year of the settlement, 100% business rate retention will come in anyway, so the figures will be influenced by that. My hon. Friend can therefore look forward with confidence to the review, to which his council and, I dare say, he himself will want to contribute.

**Mark Pawsey** (Rugby) (Con): The funding of adult social care has been one of the biggest pressures on our local authorities given that we have an increasingly ageing population. I therefore thank the Secretary of State for listening to the concerns of council leaders such as Councillor Izzi Seccombe, of Warwickshire County Council, who has spoken regularly on this matter. I also thank him for making sure that more money is available through the better care fund to attend to the needs of these particularly important residents.

**Greg Clark:** I am grateful to my hon. Friend. He is absolutely right: Izzi Seccombe does an excellent job not only in leading Warwickshire County Council but in her national responsibilities in the Local Government Association. She has been very persuasive in making the case for extra funding, recognising the costs of social care. She is one of the most influential and respected council leaders in the country, and my hon. Friend is lucky to have her.

**Andrew Bridgen** (North West Leicestershire) (Con): I thank the Secretary of State for his earlier answers to my right hon. and learned Friend the Member for Harborough (Sir Edward Garnier) and my hon. Friend the Member for Bosworth (David Tredinnick), and indeed for accommodating a meeting with all the Leicestershire and Rutland MPs, at which we had a very frank exchange of views about local funding. Will he go a little further and explain what opportunities exist for North West Leicestershire and Leicestershire under the increases to the rural services delivery grant?

**Greg Clark:** I am grateful to my hon. Friend for coming back after questions earlier to consider these matters. There are opportunities for Leicestershire; it and North West Leicestershire will gain in transitional funding. One thing we will need to do in the review is look at areas such as North West Leicestershire to see whether their resources and needs are adequately recognised not only in business rates retention but in calculations for things such as the rural services delivery grant.

**Chris White** (Warwick and Leamington) (Con): Both local authorities operating in my constituency have expressed serious concerns about the draft settlement. What assurances can the Secretary of State give regarding his consideration of those concerns?

**Greg Clark:** As I said earlier, we have listened carefully. The leaders of my hon. Friend's authorities have made representations, which we have listened to very seriously. I think they will be pleased with the response we have made through the settlement.

**Mark Spencer** (Sherwood) (Con): The Secretary of State will be aware of the challenge faced by Nottinghamshire, which has been particularly compounded by the issues faced by former coalfield communities. Will he outline the improvements to the funding Nottinghamshire may receive? Will he also meet me to discuss plans for an enterprise zone at Thoresby colliery to enable the county council to find its own way in generating business rates in the future?

**Greg Clark:** My hon. Friend makes an excellent point. Attracting businesses to locate in an area is a sure-fire way of making sure that the resources available to councils continue to grow. I am grateful to him for his question, and I can confirm that Nottinghamshire will receive transitional grant funding of around £2 million next year, which I think will be welcomed across the county.

**Bob Stewart** (Beckenham) (Con): It was not me who had a cosy little chat with "ConservativeHome" this morning—if, indeed, it was a Conservative MP who did so. However, the idea of some councils having to gnaw on the bone is absolutely accurate, and I refer, of course, to my own council of Bromley, which has been gnawing on the bone, because of its efficiency and competence in providing services. Therefore, I am grateful to the wonderful Secretary of State for visiting Bromley and for agreeing to transitional arrangements for it. Could I ask what they are, sir?

**Greg Clark:** It is always a pleasure to come to Bromley, and I hope I will be able to do so again with my hon. Friend in the future. We will make sure that Bromley benefits from around £2 million in transitional grants for each of the next two years. I know from looking at the representations that have been made by London boroughs that that will be a big help in helping them to manage the more difficult first two years of the settlement.

**Matt Warman** (Boston and Skegness) (Con): May I thank the Secretary of State for listening to the vocal representations from across Lincolnshire, including from my neighbour, my hon. Friend the Member for Louth and Horncastle (Victoria Atkins)? At those meetings, he heard that it is not just rurality but sparsity of population that is important. Will he confirm that the new, revised settlement takes those conditions into account and tell us what it means for Lincolnshire?

**Greg Clark:** I will indeed. Lincolnshire is in a particularly ambitious phase of its history, and it is looking to negotiate a substantial devolution deal. As a rural and sparsely populated county, as he said, it faces particular pressures, so the additional funding it will receive is in the order of £5 million during the year ahead, and that will be widely welcomed across the county.

**Peter Heaton-Jones** (North Devon) (Con): As it apparently falls to me to do the finale, I say well done and thank you to my right hon. Friend the Secretary of State. I and many colleagues from across the south-west and from rural constituencies lobbied pretty hard, and we thank him very much for listening. We await the final figures. He might well be able to provide the figure for North Devon shortly—if I speak slowly enough. *[Interruption.]* Marvellous. However, does he agree that it is important that we never again find ourselves in a position where rural areas face discrepancies and unfairness compared with urban areas?

**Greg Clark:** I am very grateful to my hon. Friend. He may be last, but Devon is certainly not least—it is a very important part of the country. His patience is rewarded: the funding that Devon will receive from the Government next year is £8.4 million, which will make a big difference to his area. North Devon will receive around £250,000 for its district council services. The opportunity to take a long, hard look at the resources that areas have, the costs they incur and the demands they have on their services is long overdue. I know that my hon. Friend's county and his district will play a full part in that review, and I dare say he will too.

## Social Security

6.18 pm

**The Parliamentary Under-Secretary of State for Work and Pensions (Mr Shailesh Vara):** I beg to move,

That the draft Social Security Benefits Up-rating Order 2016, which was laid before this House on 25 January, be approved.

**Madam Deputy Speaker (Natascha Engel):** With this we shall take the following motion:

That the draft State Pension (Amendment) Regulations 2016, which were laid before this House on 18 January, be approved.

**Mr Vara:** The order and regulations before us have been laid previously in the House. It is my understanding that there is general agreement on both sides of the House on their contents. I do not, therefore, propose to detain the House any longer than is necessary.

6.19 pm

**Angela Rayner** (Ashton-under-Lyne) (Lab): This is the first time I have debated with the Minister at the Dispatch Box, so I welcome him to his place and thank him for his—very brief—explanation of the draft proposals.

I want to use this opportunity to debate, clarify and scrutinise aspects of these important measures. As the Minister has outlined previously, the coalition Government legislated in the Pensions Act 2014 to introduce a new single-tier state pension for persons reaching state pension age on or after 6 April 2016.

A central principle of this legislation has been to maintain the earnings link, which was restored in the Pensions Act 2007, passed by a Labour Government. The coalition Government committed to increasing the basic state pension through the triple guarantee of earnings, prices or 2.5%, whichever is highest, from April 2011. The triple lock is a policy approach that Labour Members support—a position that was confirmed in our manifesto at last year's general election.

Today, we are considering statutory instruments to implement and update key features of that settlement. For existing pensioners on the current state pension age scheme, the proposed 2.9% increase, which matches earnings as the highest rise of the three measures for this year, is a step in the right direction. A full basic state pension will therefore rise to £119.30 a week—an increase of £3.35.

**Andrew Gwynne** (Denton and Reddish) (Lab): I welcome my hon. Friend to her Front-Bench position. The triple lock is all fine and well if one is in receipt of the state pension, but she will know that there is a group of women who have been deprived of their state pension, the WASPI—Women Against State Pension Inequality—women who were born in the 1950s. Does she agree that a triple lock on nothing is still nothing and that we need from this Government fair transitional arrangements for those women?

**Angela Rayner:** I thank my hon. Friend; I hope to touch on that later. I commend him and my hon. Friend the Member for Worsley and Eccles South (Barbara Keeley) for their campaigning on this issue for those women who feel that they have been let down by this Government.

[Angela Rayner]

The increased starting rate of £155.65 for the new flat-rate pension, to be introduced in April this year, is also broadly welcomed by Labour Members, although it is of course an increase of only 5p on the previous minimum guarantee of £155.60. Less welcome are the lack of communication, escalated timescales, poor management and utter confusion caused by what the former Pensions Minister, Steve Webb, said was meant to be “a simplified system”. Several aspects of the new legislation will have significant implications for current and future pensioners.

Under the new single-tier state pension, the Government intend that individuals qualifying for the new state pension will receive it on the basis of their own contributory record. The qualifying period to receive the full flat-rate pension goes up from the former 30 years of national insurance contributions to 35 years. There is therefore some concern about reports over the weekend suggesting that up to 4 million people retiring under the new scheme from April could receive an incorrect amount because their incomes are being calculated using data riddled with errors.

The Government are quick to jump on individuals or families who make errors in relation to tax credit or benefit claims, so it is, equally, incumbent on them to ensure that their own calculations are correct. The Minister has been prepared to set debt collectors on families who have received extra tax credit income because of the Department's errors, so there will be understandable fear of the consequences where pensioners are overpaid due to any errors. Of course, if they are underpaid, the injustice will be obvious. It would therefore be helpful if the Minister gave us his assessment of the scale of these problems and said whether he believes that the press reports over the weekend are accurate. If the Government are encountering such problems, how does he plan to deal with them? What reassurances can he give to the millions of taxpayers potentially affected that they will get the correct amount that they were promised and are entitled to?

On a matter of equal importance, unlike the current state pension, under the new single-tier state pension an individual will no longer derive entitlement based on the national insurance record of their former spouse or civil partner. Though some transitional protection has been provided, the details are not at all clear. I am sure that Members in all parts of the House have constituents in rather desperate circumstances, trying to knit through the fog. A constituent recently contacted me. Her husband is terminally ill and on his deathbed, and he has expressed fears about what would happen to her under these transitional arrangements when he dies. They have no children, and his wife had stayed at home for many years while her husband provided for them both. She called the pensions helpline, but it was unable to offer any clarity or reassurance.

I have asked this question before, but I have yet to receive a satisfactory answer: can the Minister confirm that, in an extreme scenario, a woman with no entitlement in her own right who is widowed could end up with no state pension at all, as compared with the expected £119.95 she would have received under the current system? What are the Government doing to ensure that pensioners do not unfairly lose out and that people are given the correct information, so that they know the position they will be in? When asked how the Department was planning to communicate with those affected, the

Minister for Welfare Reform, who of course sits in the other place and so is not here today, said, “You can't foresee who is going to become widowed in future.” I think it is fair to say that that was not exactly a helpful reply. So perhaps the Minister who is with us today could provide some clarity on what action the Government are taking to communicate these changes, particularly to those with gaps in their record who are likely to be directly impacted.

**Andrew Gwynne:** My hon. Friend is making an important point about the need to communicate any changes to social security and particularly to the state pension rules. She will know that one of the complaints of the WASPI women is that they have not been adequately notified or given proper transitional arrangements. Does she think that the Government ought to be doing a lot more to communicate the changes to the new state pension arrangements because some people will not benefit from this scheme?

**Angela Rayner:** My hon. Friend is absolutely right: the Government do need to get their act together on communicating these changes. The general population out there expect nothing less than honesty and the frank information that the Government should be providing for them, so that they can make informed decisions about their future.

Will the Minister give a more specific estimate of who will be covered by transitional protection and how many people will lose out from these changes in future years? Once again, the Government's track record on communicating pension changes falls well short of the standard that the public would hope and expect. When I met members of the National Pensioners Convention last week, they pointed out that many pensioners are now waking up to the fact that only a minority of those who reach the state pension age under the new system will receive the full flat rate of £155.65 proposed today, as confirmed by recent analysis published by the Minister's Department. It estimates that only 37% of people reaching state pension age in 2016-17 will receive the full amount of the new state pension directly from the state. Millions of people will receive a significantly lower state pension in future, and some of them will be more than £500 a year worse off. The gloss from spinning the top-line full flat rate without the detail is rapidly starting to fade. Indeed, the Minister for Pensions herself has now admitted that the new state pension has been “oversold”.

It is clear that the Government should be doing far more to inform those affected, especially those who are nearing retirement and therefore have the least notice or time to consider the impact. In its interim report on the new state pension published in January, the Work and Pensions Committee reported:

“We heard evidence of a widespread lack of awareness among individuals about what they will receive and when. We were concerned to be told that the statements intended to rectify this were confusing and lacked necessary information.”

Age UK, among others, has called on the Government to do far more to contact people who are likely to be affected. It says:

“There are DWP materials highlighting credits and ways to increase the State Pension, but people need to know they may be affected. We believe the DWP should contact people with gaps in their record individually to highlight the changes and explain options.”

What are the Government doing to properly communicate the impact of the changes?

**Andrew Gwynne:** My hon. Friend is being generous in giving way. We also need to have confidence that the information being communicated by the DWP is correct. She will remember from last week's Westminster Hall debate that, as recently as last week—I have not checked whether this has been changed yet—the DWP was still communicating that the state pension age for women is 60.

**Angela Rayner:** I thank my hon. Friend for making that point, which is central to what the WASPI campaigners have been arguing for some time and with which I have sympathy. The Government are failing to give adequate information and it is not readily available when people require it.

The DWP has produced analysis showing that the majority of people will be better off over the next 15 years, but what about after that? A close look at the figures reveals that, for those aged under 43 now—like me and many others in the House—the probability is that they will receive thousands of pounds less in state pension by the time they retire.

We do not hear much about the impact of the new state pension on the retirement income of future generations, and it is becoming increasingly clear why the Government are keen to keep quiet about it. Analysis that the shadow Secretary of State for Work and Pensions, my hon. Friend the Member for Pontypridd (Owen Smith), has commissioned from the Library shows that those in their 40s now are likely to be £13,000 worse off over their retirement. Men in their 30s now are likely to be nearly £17,000 worse off, while women will lose more than £18,000. For the generation in their 20s now, the loss is likely to be more than £19,000 for men and £20,500 for women. Future generations will clearly be worse off.

By 2060, when today's 20-year-olds are nearing retirement, the Government will be spending £28 billion a year less on state pension provision. That is a huge cut, and one that has not been given proper acknowledgement by the Government or, consequently, been properly scrutinised and debated in the House or more widely.

**Kevin Foster (Torbay) (Con):** It is interesting to hear the hon. Lady's comments. She mentions the reduced state pension for those who are currently in their 20s, but how much of that reduction is based on the fact that the Pensions Act 2007 increased the retirement age for those who are my age and younger to 68?

**Angela Rayner:** I remind the hon. Gentleman of the coalition Government's provisions. We had a proposal that worked for pensioners—we had a long-term plan—but the coalition Government speeded it up without any regard for the people affected by it, so I will not take any lessons from Conservative Members.

As I was saying, the £28 billion a year less that will be spent on state pension provision is a huge cut that has not been given proper acknowledgement by the Government. I hope we will debate it further in the House. Will the Minister confirm that the Government's so-called long-term economic plan involves cutting £28 billion from pensions? What assurances can he give to today's younger generations—who face higher housing costs, the largest fall in real wages and greater insecurity in the workplace—that they will have sufficient income in retirement?

Labour will continue to ask the Government to be far more transparent about the long-term winners and losers from the new state pension. Withholding that information may be politically advantageous in the short term, but in the long term it serves only to undermine public trust in saving for retirement, which Members on both sides of the House agree is the right course for all our population and is in the national interest.

Members on both sides of the House showed enormous interest in a related debate in Westminster Hall last week, which was triggered by more than 140,000 signatures on the petition by WASPI. There was standing room only, not, I suspect, because it was my first outing on the Front Bench, but because of the significance and importance of the issue to many Members and 2.5 million of our female constituents. Indeed, the Minister might wish to note that they include more than 4,000 women in his own constituency. I therefore hope that he will expand on the Government's consideration of transitional protections for those women, too many of whom were not given proper notification of the acceleration in their state pension age.

The Government have failed to respond to a number of proposals, including specific solutions for the 1951 to '53 cohort of women, who will not have access to the new state pension that we are agreeing today; for those born between 6 October 1953 and 5 April 1955, who face a delay of more than a year; and for the women born later in 1953, who have had a double whammy of changes in 1995 and 2011. What assessment have the Government carried out of those options?

Alternatively, it was suggested during the passage of the Pensions Act 2011 that maintaining the qualifying age for pension credit according to the 1995 timetable would protect some of the most vulnerable people. Have the Government reconsidered the issue since then?

Turning to another element of the regulations, I note the proposal to freeze the saving credit element of pension credit, as announced in the autumn statement. For the 438,000 pension credit recipients who receive only the saving credit element of the pension credit, their losses will not be offset by the rise in guaranteed credit. Their pension credit reward will, therefore, be reduced.

Unfortunately, the Government have so far refused to come clean about the impact on some of Britain's poorest pensioners. According to analysis by the Institute for Fiscal Studies, 1.2 million recipients of pension credit will lose an average of £112 a year from the next financial year. That figure will be significantly higher for many people, including those in the poorest fifth of pensioner households. Will the Minister confirm that some of Britain's poorest pensioners will be worse off as a result of the measure, and will he commit to publishing a more detailed impact assessment than that produced to date? Will he tell us exactly how many people will be worse off and by how much?

Knowledge is power, and people need to be empowered by knowledge when it comes to their retirement. I hope the Minister can provide some answers today, because that is the least that this and future generations of pensioners deserve.

6.38 pm

**Dr Eilidh Whiteford (Banff and Buchan) (SNP):** May I start by welcoming the hon. Member for Ashton-under-Lyne (Angela Rayner) to the Front Bench? I was surprised

[*Dr Eilidh Whiteford*]

that the Minister chose to move the regulations formally and that there is so little interest in debating them, not because there are deep-seated, fundamental disagreements about them, but because, given the significant changes that are about to take effect with the introduction and implementation of a brand new pension system in just a few weeks' time, I would have thought there would be an appetite in the House to debate the issues and, indeed, to raise awareness among the public, who are still very much in the dark about the changes and their significance to their lives.

I will confine my remarks to a few of the key issues, some of which have already been touched on. I will start by addressing the State Pension (Amending) Regulations 2016. Although the new state pension will be set at £155.65 a week, very few people will actually get that amount. Indeed, even though the single-tier pension will be higher than the basic state pension, the net amount that some people will receive may be less than they would have got under the old system, because of the loss of means-tested benefits. Only 22% of women and 50% of men who reach state pension age in 2016-17 will get the new state pension in full. According to the National Pensioners Convention, almost six out of 10 new women pensioners and nearly half of new male pensioners—around 1 million people—will get less than the full amount.

**Andrew Gwynne:** The hon. Lady is making an important point, which is rather pertinent to some of my earlier interventions. Is it not incumbent on the Government and on Ministers to communicate those changes properly? Do we not run the risk of repeating some of the mistakes that have impacted on the WASPI women, because those people will be bitterly disappointed when they realise that they are not entitled to what they expected?

**Dr Whiteford:** The hon. Gentleman makes an important point. It is worth saying that successive Governments have failed to communicate adequately with pensioners about a system that is, undoubtedly, very complex. The hon. Gentleman alluded to the WASPI women, and they are the best example of the problem at the moment. They have seen the goalposts shifted several times. Many of them are still not entirely sure what they are going to get and when, and they have had contradictory information, even in very recent times, from the Government.

I come back to the new state pension. We are calling it a single-tier pension and making much of that flat rate, but, in reality, there will be many different rates depending on an individual's personal circumstances. In other words, it is not going to be so simple. Inevitably, the introduction of the new system means that two systems will operate concurrently for several decades. The danger is that the state pension could be seen as a two-tier system, because some existing pensioners would be better off if they were included in the new state pension. I am fairly confident that all MPs will be inundated with approaches from constituents after April once those people work out that they have been short-changed in comparison with their friends, relatives and spouses who are on the new state pension.

We all understand that there will, inevitably, be a cliff-edge with the introduction of a new system, and that it is impossible to predict accurately whether someone will lose or gain from the new pension without a crystal ball to tell us how long they will live in retirement.

Given all the inevitable anomalies, which will cause a huge sense of injustice, it is incumbent on the Government to introduce some flexibility in the system by letting people take a bit more responsibility for whether they are in the old or new system, so that at least it is their choice to take that gamble with their own life expectancy.

We need to acknowledge that, over time, the new system will be less generous for most people. Those born from 1970 onwards will mostly be worse off under the new arrangements. Those who have contributed to the system for longer—for example, those who moved into work at an early age and worked continuously—will also lose out significantly. On the other hand, there will be benefits for the self-employed and for those who, under universal credit, start to receive credits to the state pension for the first time. There will be winners and losers, but there will be more losers over time.

The new state pension is being introduced on a cost-neutral basis, but the reforms are eventually expected to reduce expenditure compared with cost projections for the existing system. We must also note that the different indexation arrangements for the two systems have the potential to lead to accusations that the Government are building inequality into the system. After April 2016, the new state pension will be uprated annually at least in line with earnings, as per the triple lock, and we all support that. However, my understanding is that an existing pensioner will have a triple lock on only the first £119.30 of their basic state pension, with a consumer prices index link on any state second pension above that level. If CPI inflation is lower than earnings growth, as it is now, the value of the state second pension will fall in real terms. That gap is likely to widen.

Around 7 million pensioners get some kind of state second pension payment, and the average payment is around £28 a week. Applying the same indexation arrangements to old and new state pensions to the same level would cost a modest sum relative to pension spending, but it would mean that both the basic and state second pension were linked to the triple lock. That would help the Government to avoid some of the disparities that are likely to develop in the coming years, and it would help to create a system that is more likely to be perceived to be fair.

I want to express disappointment about the fact that the Government are not uprating savings credit. Instead, it will fall in April from £14.82 to £13.07 for a single person, and from £17.43 to £14.75 for a couple, and it will no longer be available to new pensioners. The Government announced in November last year that savings credit would be further reduced for current recipients, but that reduction is not included in the order. I would be interested to hear whether Ministers have decided not to reduce the amount of savings credit, or when they intend to introduce regulations for that measure.

Savings credit supports pensioners on low incomes who have managed to save a small amount towards their retirement. The vast majority—around 80%—of those who receive it are women, many of whom will have spent their working lives in very low-paid jobs. They have had limited opportunity to save, but they have done so nevertheless. It seems to me that reducing savings credit, and abolishing it for new pensioners, sends exactly the wrong signal to people in low-paid jobs who feel as though they should be trying to save but who have little incentive to do so.

Before I conclude, I want to devote some attention to the part of the statutory instruments relating to the uprating—or rather, the non-uprating—of state pensions paid to those living overseas; this is the issue of so-called frozen pensions. Such state pensions are paid to people who have spent their working lives in the UK paying contributions towards the state pension, but who, for whatever reason, spend their retirement domiciled in countries that do not have a reciprocal arrangement with the UK for the uprating of state pensions. Those UK pensioners find that every year, while UK-domiciled pensioners and those living in other parts of the EU or countries with reciprocal arrangements receive an uprating, their pension remains frozen in cash terms at the amount it was when they retired. The value of their pension therefore falls every year in real terms, causing real hardship to those affected.

According to the explanatory memorandum attached to the order, more than 500,000 people are in that position. Most—more than 90%—live in Commonwealth countries such as Australia, Canada, New Zealand and South Africa, and also in India, Pakistan, parts of the Caribbean and Africa. In other words, they live in countries that have deep cultural and familial ties to the UK. Some have dual citizenship and others are UK citizens who have retired overseas to be close to family, but they all paid their contributions in good faith. The International Consortium of British Pensioners points out that a pensioner aged 90 who has lived in, say, Canada or Australia throughout their retirement will get a basic state pension of just £43.60 a week. If they had stayed in the UK, they would be receiving £115.95, which is due to go up as per this uprating. I just do not think that that is right. We are doing very badly by those people.

Those who are affected by frozen pensions had no choice about whether to pay national insurance contributions—doing so was mandatory. We must remember that many of them lived and worked in a rapidly changing and globalising world in the post-war era, when few would have paid much attention to the small-print of their state pension arrangements. It seems to me wholly unfair that a pensioner who retires to the USA will get their full uprated pension, whereas a pensioner in Canada will continue to receive their pension at its original level. Clearly, there would be a cost attached to uprating, but the Government must offset that against the costs that would have been incurred if those individuals had chosen to remain in the UK. The Government estimate that every pensioner who lives abroad saves the public purse on average around £3,800 each year in health and social care costs alone.

It is hard to measure the deterrent effect of frozen pensions. Pensioners who would like to retire close to their children and grandchildren in other parts of the Commonwealth are prevented from doing so by the knowledge that a key component of their retirement income would not keep pace with the cost of living. A partial uprating such as that advocated by the all-party parliamentary group on frozen British pensions would cost around £30 million and represent a tiny 0.03% of pension spending, but it would signal that those pensioners were not forgotten.

We all want fair and sustainable pensions that provide enough support for our elderly population to enjoy a dignified and comfortable old age, but the arrangements must be fair, and must be seen to be fair, if we are to

maintain confidence in the system for future generations. I hope that the Minister will consider and respond fully to the points that I have raised.

6.49 pm

**Mr Vara:** May I take this opportunity to welcome the hon. Member for Ashton-under-Lyne (Angela Rayner) to her new position? I look forward to discussing and debating various issues with her over the coming months. I thank her and the hon. Member for Banff and Buchan (Dr Whiteford) for their contributions. In the short time that we have, I will try to address as many of their questions as possible. I also thank the hon. Member for Denton and Reddish (Andrew Gwynne) for his one or two interventions. I am grateful to the hon. Member for Ashton-under-Lyne for welcoming the triple lock and to her party for its support for that initiative.

The issue of communication has come up repeatedly. I just want to say that there is an awareness campaign, which is particularly targeted at those aged 55 and above. They will receive a letter—their addresses will be obtained from payroll and benefits data—providing details of their own state pension. The first phase of our communications campaign aims to build awareness among those in that age group, who will be the first to reach pension age after April 2016, and we are encouraging them to get a personalised statement. Between September 2014 and October 2015, we issued nearly 500,000 personal statements. We have factsheets, infographics, videos, calculators, YouTube videos, toolkits for stakeholders and weekly stakeholder bulletins. We will continue to do whatever is necessary and whatever we can to ensure that people are made aware of what is coming. I urge all colleagues on both sides of the House to do their bit, as Members of Parliament with access to media and to local communities, to make sure that people are aware of this very important change.

It is our intention, and it will be the case, that the new state pension will be a lot simpler and clearer for people than the previous situation, when there were opt-outs in relation to the state earnings-related pension scheme and additional pensions, as well as private pensions, occupational pensions and so on. The hon. Member for Ashton-under-Lyne said that not everyone will qualify for the new rate of £155.65, and she is absolutely right, because the new state pension is based on people's national insurance contributions. In recent years, some people have not paid full national insurance contributions to the state because they have opted out or contracted out. Some of those people contracted out into a second, additional pension, and that has to be factored in. Alternatively, the national insurance contributions that they had contracted out of were used for an occupational pension or a private pension. If the two pensions are added together, the total will in many cases be more than £155.65.

I hope that the hon. Lady and her colleagues appreciate that if we have a system in which people's pensions are based on national insurance contributions, they cannot, if they have not paid such contributions, be expected to get the full payment due notwithstanding the fact that some of their national insurance contributions have gone to another pension. I hope she will reflect on that point.

**Angela Rayner:** I gave the Minister a specific example of someone who had not contracted out because of a second pension. Will he address that point and the fact

[Angela Rayner]

that some people have not been given adequate notice of the changes? I appreciate the point he makes about contracted-out contributions, but some people have not been given such information. I am asking for people to be given that information so that they can make alternative provision.

**Mr Vara:** The hon. Lady will appreciate that I cannot give advice on individual cases at the Dispatch Box. As for communication, I have read out a whole list of measures we are putting in place to make sure that people are communicated with. If we were not doing our job properly, we would not have issued nearly 500,000 personal statements between September 2014 and October 2015. We continue to make sure that people are aware of the change. As I have said, she has a role to play, as do others. I am sorry that she expresses such disappointment, given that in the forthcoming year the Government will spend an additional £2.1 billion more than we are spending at present. There is also the pension credit standard minimum guarantee, which will ensure that the minimum threshold must be met. The state is there to assist people.

The hon. Member for Banff and Buchan mentioned frozen pensions. It has been the policy of successive Governments for the past 70 or so years not to uprate pensions for everyone. The issue is complex, but she will be aware that uprates are made in some countries where there is a legal obligation to do so. It should be remembered, however, that the pensions people get in some countries are based on a means test: if we gave everyone from

Britain who is now resident in another country an uprate, our contribution to that uprated pension would be taken into account by their new home country and they would therefore be given less by the new home country.

**Neil Gray** (Airdrie and Shotts) (SNP) *indicated dissent.*

**Mr Vara:** The hon. Gentleman is shaking his head, but I assure him that some countries make pension payments on the basis of means.

This Government take the rights of pensioners very seriously, and we are doing all we can to protect them. From April, the rate of the basic state pension for a single person will go up by the biggest real terms increase since 2001. We will continue to protect the poorest pensioners. The means-tested threshold below which pensioner income need not fall—the pension credit standard minimum guarantee—will also have the biggest real terms increase since its introduction. The full basic state pension will be more than £1,100 per year higher in 2016-17 than at the start of the last Parliament. Our triple lock, our protections for the poorest pensioners and our new state pension reforms mean that we can provide pensioners with the dignity and security that they deserve in retirement. I commend the order and the regulations to the House.

*Question put and agreed to.*

## SOCIAL SECURITY

*Resolved,*

That the draft State Pension (Amendment) Regulations 2016, which were laid before this House on 18 January, be approved.—  
(*Mr Vara.*)



## Backbench Business

### Great Western Railway Routes

6.56 pm

**Kevin Foster** (Torbay) (Con): I beg to move,

That this House believes that the routes of the Great Western railway are not just a transport system, but the heart of the regions they serve; and calls on the Government to ensure that plans for further electrification and improved resilience of the Great Western railway routes are progressed urgently.

I thank hon. Members from both sides of the House who supported the application for this debate at the Backbench Business Committee. I also thank my colleagues on the Committee for agreeing to allocate the debate to this slot in the Chamber, rather than Westminster Hall, where it would have ended up. We have three hours for this debate, and it is encouraging that we are starting almost bang on time, given that we are discussing trains and railways.

It must be said that this is an apt day for such a debate, as Storm Imogen has hit Devon and Cornwall. One hon. Member, who I hope will join us later, texted me earlier to say he was hoping to get to Westminster but that there was a tree on the line at Bodmin, which sums up the issue of resilience.

**Oliver Colville** (Plymouth, Sutton and Devonport) (Con): Is my hon. Friend aware that three trees have come down on the line?

**Kevin Foster:** I thank my hon. Friend for sharing with the House his superb knowledge of the vegetation on the Great Western main line in Devon and Cornwall. His point absolutely rams home the message that a tree falling over, a cow breaking out of a field, or a small amount of earth moving at a critical point can close huge parts of the network. That is why it is so important to hold this debate about resilience. In addition, the cross-country services have been cancelled at Dawlish again today. I must say that that is not due to the line but to a fault with the trains, but that again brings home to us the vulnerability of some key routes and networks on which many people depend.

I hope that this debate will not be about being negative and having a moan. We could all spend the next few hours whingeing and sharing our stories about various poor train journeys. One that sticks in my mind was when I and my hon. Friend the Member for Taunton Deane (Rebecca Pow) got on a train that had what was charmingly described as a “toilet spill”, which was particularly interesting. Being negative will not achieve anything: it may make us feel a bit better to get a dreadful journey off our chests, but it will not actually make a difference.

**Mr James Gray** (North Wiltshire) (Con): I am sorry to bring a disagreeable note into what has, so far, been an extremely agreeable debate. Of course we all love to moan and groan about our rail journeys, but I have travelled with First Great Western twice a week for 20 years and I find it extraordinarily good. We have criticisms of some things—the catering, the toilets and one or two other matters need to be sorted out—but overall, the punctuality and the service are extremely good.

**Kevin Foster:** My hon. Friend is right that there are many positive stories to be told. Let us be blunt that a key one is the amazing legacy of innovative engineering we have been left by the Victorians. The Royal Albert bridge was built using innovative techniques and was a feat of engineering at the time. It created the link between Plymouth and Cornwall that exists to this day and carries trains far heavier than it was ever designed for. Box tunnel is now one of the most well-used tunnels. It was so innovative when it was built that there had to be a station at both ends, because some Victorian travellers were rather frightened of going through a tunnel, so there was the option of getting off the train, taking a horse and carriage ride around it and getting back on a train at the other end.

**Mr Gray** rose—

**Johnny Mercer** (Plymouth, Moor View) (Con): I think my hon. Friend was there.

**Kevin Foster:** That is very ungentlemanly of my hon. Friend the Member for Plymouth, Moor View (Johnny Mercer). I give way to my hon. Friend the Member for North Wiltshire (Mr Gray) again.

**Mr Gray:** My hon. Friend is being very generous. Box tunnel is, of course, in my constituency. He will know that the only time one can see from one end of the tunnel to the other is once a year on Brunel’s birthday. [*Interruption.*] The Minister says that it is not true, but we believe it is true—I have seen it myself. More importantly, we think that we are close to reopening an important station at Corsham, which is at one end of Box tunnel. I hope my hon. Friend will agree that opening such stations along the route is extremely important.

**Kevin Foster:** Absolutely. I do not want to get involved in a cross-Wiltshire debate about tunnel openings and people’s birthdays, but it is important to think about the communities along the route. One reason why the theme of resilience is so important is that having a station is great, but if a train does not run at certain times, people do not have the service they want.

Let us be candid: this is the positive story of a network that stretches from London to Swansea, that runs through Cheltenham and Bristol, and that goes down to Penzance. It revolutionised a whole region that had been fairly isolated until the trains went through.

Over the past few years, we have seen huge growth in rail travel across our region, with many branch lines, particularly in Cornwall, seeing passenger levels that have not been seen for decades. All that is being delivered with the well-known limitations of the network in the area: the relatively old rolling stock, some of which has seen better days, and issues with the network in terms of resilience, signalling and other things that I will come to in a minute.

The point of this debate is not to share jokes or reminisce about poor train journeys, but to say that there could be an even more positive story in the future that would boost productivity and deliver more jobs and investment.

**Scott Mann** (North Cornwall) (Con): My hon. Friend’s constituency is very similar to mine in that it is very tourism-based. Does he agree that the more trains and branch lines we have in such areas, the better it will be for the tourism economy of the south-west?

**Kevin Foster:** Absolutely. As I am sure my hon. Friend is aware, the early figures for the Borders railway that is being built in Scotland show higher than expected levels of usage. In St Ives, good park-and-ride services are crucial to the tourism industry. Having good trains makes for good tourism.

**Mrs Sheryll Murray** (South East Cornwall) (Con): Will my hon. Friend give way?

**Kevin Foster:** I will give way once more, but then I must make some progress so that I do not hog the time.

**Mrs Murray:** Does my hon. Friend agree that we should expand the existing park-and-ride services? In my constituency, there could be another park-and-ride station to the east of Bodmin Parkway to allow people from areas that do not have access to a railway station to commute and travel to places such as the city of Plymouth.

**Kevin Foster:** My hon. Friend is absolutely right that park and ride can play a huge part in giving rural communities in particular access to rail services via parkway-style stations. Looking at north-west Devon and north Cornwall, it might be an interesting project in years to come to provide parkway stations near the A30 as it comes into Devon, using the spur that heads towards Okehampton. That could provide a service to the area without competing with the Great Western main line in south Devon.

We must ask what investment can deliver. It is estimated that even a relatively modest improvement of 15 minutes in journey times between the south-west peninsula and London would deliver £300 million in increased productivity. However, this debate is not just about economics; it is about communities along the line and their needs for travel and growth.

I will not look to play our region off against another. Just as investment in Crossrail and new rail capacity in other parts of the UK will deliver for those communities over the next 10 to 15 years, delivering on the issues we are discussing can deliver for ours. It is worth bearing in mind the fact that investment in the Great Western railway supports other key projects across the UK. For example, the expansion of Heathrow as the UK's hub will be supported by the western rail access. I hope the Minister sees the urgency of that.

**Fiona Mactaggart** (Slough) (Lab): Does the hon. Gentleman share my profound disappointment over the delays in the western rail access to Heathrow, which the Hendy review announced would be put back a further two years? This access will bring the biggest inward investment to the UK, as well as helping travellers from all over the west of England—

**Huw Irranca-Davies** (Ogmore) (Lab): And Wales.

**Fiona Mactaggart:** Indeed, and Wales. It will help those travellers to get to Heathrow—our premier hub airport. Will the hon. Gentleman press the Minister to ensure that, as a result of this debate, someone in her Department puts their foot on the accelerator of western rail access to Heathrow?

**Kevin Foster:** I thank the right hon. Lady for her passionate and well-argued intervention. She is absolutely right that the western rail access to Heathrow makes eminent sense for south Wales, my region and the Slough area. It will support not only the economies of our areas but the national economy, by making it easier to expand and develop our key hub airport. I hope that one thing the Minister will look at is the timeline for the western rail access. Given the widespread support across the House for that access, I hope that the timeframe will be greatly shortened so that people can get the shovels in the ground on this project, which makes eminent sense.

I am conscious that I could give a long list of improvements that are needed. I am sure that several contributors are about to highlight those they see as vital for their areas. For me, there are two key issues that affect the whole network: resilience and electrification. The Dawlish collapse brought into stark view how vulnerable parts of the main line are. That is not the only issue, but it has given us the opportunity to debate all these other issues. As my hon. Friend the Member for South West Devon (Mr Streeter) said in his foreword to the “On Track” report by the Peninsula Rail Task Force:

“It took a crisis to get here, but this is our chance”.

It is worth looking at the impact that that crisis had. My hon. Friend the Member for North Cornwall (Scott Mann) reminded us of the impact that the railway has on tourism. Some 7% of Torbay's tourist visitors come by train. After the pictures of the hanging tracks in the media, there was a 20% drop in tourism bookings because of the image it created. That shows that this is not just a transport issue.

**Huw Irranca-Davies:** I want to support the point the hon. Gentleman is making. The incident he is talking about was the most extreme example of damage to a piece of major rail infrastructure. It is no fault of Great Western Railway, but I travelled up from south Wales by bus for part of my journey today because of flooding on part of the line. Okay, that is an extreme event, but we are having more and more. There is also regular flooding around the Severn tunnel. Does the hon. Gentleman agree that we need to be absolutely sure that we have a resilient railway structure, as well as having electrification?

**Kevin Foster:** I agree completely. My constituency is not scheduled to benefit from the electrification project, but it is affected by flooding on the Somerset levels. It is vital that we make sure our railway is future-proofed. A few years back, I took a bus in the constituency of the right hon. Member for Exeter (Mr Bradshaw) when there was flooding on the railway line across Cowley bridge that looked like something out of the Bible. It is vital that we tackle the range of resilience issues, not just the very famous issue on the coast. I know that Network Rail is looking at the cliffs near Teignmouth. I am sure that my hon. Friend the Member for Newton Abbot (Anne Marie Morris) will talk a bit more about that in her contribution. That aspect needs to be looked at too, not just the sea wall. Much of the signalling throughout Devon and Cornwall was installed in the 1960s. It is listed for consideration in control period 6, which is between 2019 and 2024, and it is vital that that goes ahead because we must improve journey times and ensure a modern infrastructure.

The issue of resilience has been brought into focus by the imminent publication of the final report from the Peninsula Rail Task Force, which will set out its 20-year plan for railways in Devon, Cornwall and Somerset. Resilience will be at the heart of that, and it is vital to have the funding needed to complete such a commitment. There have been encouraging noises on that issue over the past week or two, and I hope that we might hear a couple more words from the Minister when she responds to the debate. It is clear just how vital it is that we secure that line.

Electrifying the Great Western route into south Wales is probably the single biggest project on that line since the Severn tunnel, and it will electrify the line in communities along that route—I suspect that colleagues may wish to speak a little more about that. It is pleasing that in the south-west it is no longer the case that the only way to get close to a bit of electrified track is to buy a train set! As a member of the Public Accounts Committee I have sat through a discussion on progress so far—not least the estimated cost of that electrification, which has now reached £2.8 billion—and I imagine that the Minister might not be relishing the thought of committing to more such projects. However, it is right that those issues are highlighted, as investment must not just be about creating a corridor for electric trains to speed through to south Wales; it must be the starting point for an integrated network of electrification across the areas served by Great Western Railway.

**Jonathan Edwards** (Carmarthen East and Dinefwr) (PC): I congratulate the hon. Gentleman on securing this debate. One major reason for the escalating cost is compensation payments to train operators—the so-called schedule 4 payments. Does he share my concern that the UK Government will not publish the level of schedule 4 compensation payments made, because we talking about many hundreds of millions of pounds of public money? There must be transparency about those rising costs.

**Kevin Foster:** I thank the hon. Gentleman for his interesting intervention, and I am sure that the Minister will wish to respond to his detailed point. In the Public Accounts Committee discussion, one of the main issues was the signalling that was installed in the 1960s. When the piling was done, the cables were not mapped. Hopefully, as with the re-signalling in Devon and Cornwall, knowing exactly where the signalling cables are might make those lines more suitable for future electrification.

**Dr Andrew Murrison** (South West Wiltshire) (Con): I congratulate my hon. Friend on securing this important debate. He is talking about electrification in south Wales, but does he agree that it is also important to electrify at least part of the route from Paddington to Penzance? Does he welcome the proposal to bring forward AT300 Hitachi trains, which are bimodal? Given the speeding-up of the service that that would introduce, does he share my concern that we could be tempted to delete some stops along that route? That would be a pity—perhaps he will come on to this point—since it would mean that some of our constituencies would simply become transit corridors. Does he agree that Westbury station, which is a vital north-south-east-west hub, must not be deleted from any forthcoming plans in the new franchise?

**Kevin Foster:** Having changed trains at Westbury, I share my hon. Friend's concern about maintaining the ability to interlink with the rest of the region. As we have

said, this must be about viewing the railway not as a transport network in aspic that we stand around like trainspotters, discussing exactly how long it will take and what number train will travel down that line; this is about where people want to get to, linking economies and ensuring that people can use the service. I share my hon. Friend's concerns, and I am sure that colleagues in south Devon and neighbouring constituencies would be concerned if we sped journeys up by driving past passengers. This is about improving the network for everyone, not just making it quicker to get from one end of the network to the other with nothing in between.

I am conscious that time is moving on and that I am stretching your patience, Madam Deputy Speaker, so I will try to press on because other colleagues wish to speak. The introduction of bimodal trains due in 2018, as my hon. Friend the Member for South West Wiltshire (Dr Murrison) mentioned, will make a real difference and open up many opportunities for our region, not least because it will allow the potential for partial electrification on sites that would most enhance the journey time. In the past, for obvious reasons—not least the potential impact of mixing high-voltage cables and sea water at Dawlish—a purely electric train might not have been considered west of Exeter, but bimodal trains will give us real options for future development. Again, that is why the reports are so important.

I could reel off a long list of issues that affect train lines, including prospects for new stations in my patch for the first time in decades. However, there are five issues that I believe it is most important for the Minister to consider as we look ahead to the work in control period 6. The first is whether funding for the two reports that will form part of the work of the Peninsula Rail Task Force will definitely be provided. I know that Network Rail is, in its own words, ready to start work on that immediately once that funding is confirmed. Secondly, is there a clear commitment to the re-signalling work for Devon and Cornwall that is scheduled to take place in control period 6? Thirdly, will the project to secure our main line at Dawlish be committed to, including any work needed to secure the cliffs? Fourthly, will work to secure the line against flooding on the Somerset levels and other key points be progressed? Finally, will the electrification project to south Wales be completed with a view to being part of an electrified network for the Great Western region, rather than just an electric cable running through the middle of our constituencies?

Those are clear questions, but I believe the benefits are also clear. We must ensure that in the 21st century the vision for the Great Western line is as great as it was when Victorian engineers rode the route on horseback, imagining what could be in the future. They could not have imagined the type of trains that they would have, or the uses to which people would put the railway, but they could see that in building a railway they would build a region. I believe that we can do the same now and show similar vision, and I commend the motion to the House.

7.16 pm

**Mr Ben Bradshaw** (Exeter) (Lab): I apologise to you, Madam Deputy Speaker, and to the hon. Member for Torbay (Kevin Foster) for arriving a few seconds after he rose to his feet. The previous business finished rather earlier than a lot of us expected or had been forewarned about, but I congratulate him on being the driving force behind this timely debate.

[Mr Ben Bradshaw]

At the end of the week, when I get into carriage A at Paddington with my bike in the bike space just in front of it—carriage A is the quiet carriage—I sit down, and I usually have the best two hours of my week. Every time I am on that journey, I give thanks to Isambard Kingdom Brunel and the brilliance of the line that he created back in the Victorian age, from which we are still benefiting. I still think it incredible, given that very little has happened since, that on a good day someone can get from London to Exeter—quite a long way, as I am sure hon. Members who know their geography realise—in under two hours, and that is very much thanks to Brunel.

I completely agree with the hon. Member for North Wiltshire (Mr Gray), because for all its frailties, Great Western is my favourite railway line. I travel across the UK quite a lot, and it is certainly better than the new franchise owners on the east coast main line, and the poky little carriages on Virgin and the west coast main line. Great Western is comfortable and bright. The loos do not work, and when they do they flush straight on to the tracks. That is completely intolerable and unacceptable in the modern age and must change as a matter of urgency. The ventilation is idiosyncratic, and one can often find a carriage that is far too hot or far too cold, but the staff are always delightful and friendly, and the service is excellent.

I have one plea to all railway companies, which is that they should do much more to publicise a passenger's right to a full refund if they are delayed by more than an hour. I really think that they are getting away with too much, and far too many people do not realise that they are entitled to a refund. I was an hour and a half late coming back at the weekend because of some of the problems that the hon. Member for Torbay referred to, and, in terms of good customer service, such compensation should be announced on the trains as a matter of course.

**Dr Sarah Wollaston (Totnes) (Con):** In highlighting the beauty of the line to Exeter, may I encourage the right hon. Gentleman to stay on the train and see how even more beautiful the line gets once it passes along the coast? It is about not just the beauty of the line, which I hope everyone will experience, but the economic importance of the line via Dawlish to the economies of south Devon. Will he join me in saying that whatever we do we must protect the line through Dawlish and protect the economies of south Devon?

**Mr Bradshaw:** I know the line through Dawlish very well. I spent childhood holidays in Salcombe. In fact, my parents used to get a train all the way to Kingsbridge in the good old days before Beeching took his axe to our rural rail network. It is beautiful, but vulnerable. I will come on to say something about it in a second.

Having said all those positive things, we still have rolling stock that was introduced, I think, in the early 1970s. As I have said, travel speeds have not actually increased very much for decades, if not for a century. I mentioned the loos and the heating, and the hon. Member for Torbay mentioned electrification. It is puzzling that Spain and Italy have full comprehensive networks of high-speed electric trains, but in this country we still do not have a network of high-speed trains. We are getting one slowly, but in the south-west we are set to be probably

the only major region with big cities left in western Europe that does not have either high-speed trains or electrification. There is absolutely no reason why we should not already have electrification down to Exeter. There have been technical challenges, but having been on electric trains in the Alps that go up steep gradients I have never quite understood what the barrier is to electrification where there are gradients. As the hon. Member for Torbay says, we will very soon have the technology to overcome that.

**Kevin Foster:** I thank the right hon. Gentleman, who, given the speech he is making today, I will call my right hon. Friend even if that is not strictly correct. Does he agree that the question arises of how long it takes us to deliver infrastructure projects in the UK? We touched on this in relation to western rail access to Heathrow and electrification. We just take too long to make decisions and to deliver on them.

**Mr Bradshaw:** I entirely agree. The Labour Government set up an independent infrastructure body—I cannot remember its name—and the hon. Gentleman's Government have gone on to do something similar. We need to be much more radical in how we manage big infrastructure improvements. Network Rail is currently pleading, in today's *Financial Times*, with the Government not to privatise it, but instead to hand over such decisions to an independent rail commission. That is a very sensible and sound idea, and I hope the Government will listen to it. The fragmentation and privatisation of Network Rail would be an absolute disaster. It is worth reading the piece in today's *Financial Times*.

**Oliver Colvile:** If we want business to use railways, we also need to ensure a good level of broadband so that people can actually work on them.

**Mr Bradshaw:** I forgot to mention that broadband is terrible in standard class. It never works. I just use 3G, or 4G, if I have it, on the train. I raised this issue with First Great Western a number of times, but it still has not been resolved. I am told that it is fine in first class, but who travels first class? MPs certainly do not; not in my experience, anyway. I never have and since the new expenses system came in we are quite rightly not allowed to.

As hon. Members will remember, two years ago last week we had the catastrophic severing of the line at Dawlish. As the hon. Member for Torbay said, it had a huge impact on the region's wider economy. Flooding then cut the line on the Somerset levels and this weekend there was flooding between Taunton and Castle Cary. My train was diverted from Exeter because of flooding. There are a lot of resilience problems throughout the network. As we all know, with the growing threat from climate change there will be increasing occurrences of extreme weather events. There has been meaningful and substantial investment in the railways, including in the south-west—although not as much as in other parts of the UK. Following the Hatfield disaster, hon. Members will remember that under the Labour Government there was a major programme of work to make signalling and track safer. That work is ongoing. Improvements at Reading have already made a significant positive difference to the reliability of the service. There used to be regular delays, in particular when coming into Reading on the return journey.

There have been improvements, but we in the far south-west, as opposed to the Bristol-south Wales corridor, where major electrification is planned, still feel the poor relation when it comes to investment. There were a lot of generous—I will use that term rather than grandiose, because we took them at their word—promises made by the Prime Minister, the Chancellor and the Transport Secretary after Dawlish and particularly in the run-up to the general election. I lost count of the number of times the Chancellor and the Prime Minister appeared in Devon and Cornwall wearing a hard hat and a fluorescent jacket and promising us more than £7 billion of rail and other infrastructure investment. They will be held to those promises. A whole swathe of Conservative MPs were elected in Devon and Cornwall on those promises. [HON. MEMBERS: “Hear, hear.”] They are laughing, smiling and “hear-hearing” now, but if those promises are not delivered the smiles will be on the other side of their faces come the next general election. It is up to them to get their Government to deliver.

I feel sorry for my Conservative colleagues. We are friends—we have regional solidarity—and I feel sorry for them. In the past two weeks, we have had an absolute public relations fiasco over a tiny sum of money. The Peninsula Rail Task Force in the south-west is a group that got together after Dawlish. It is run by a Conservative councillor. All the councils have taken part and most of them are Conservative. It came up with a fantastic document, on which the hon. Member for Torbay based most of his speech, about what needs to happen in the south-west. Its very small initial ask is for £250,000 for the necessary feasibility studies into electrification and resilience, which the hon. Gentleman mentioned. We were promised that this would happen. There was going to be a press release. It was going to be announced last week on the second anniversary of Dawlish. I hope the Minister will use the opportunity this evening, when she responds to the debate—it is not a very good time to put out such a fantastic news story that our media in the south-west would absolutely love—to come up with this small amount of money. It is £250,000 for two feasibility studies. Nothing has been said about when the work will happen.

**Johnny Mercer:** Will the right hon. Gentleman concede that Network Rail committed to paying for the studies? The Government have not given money to a project and then taken it away. The money has fallen through as a result of what Network Rail has done. We have asked the Government to step up and deliver in its place.

**Mr Bradshaw:** The hon. Gentleman is absolutely right that the Government have never come up with the money. I am suggesting that they should. Network Rail is not able to come up with the money because of the massive cost overruns and delays on the whole of the rest of its infrastructure investment projects; not just the huge cost and time overrun on the Great Western line into south Wales but on its overall investment all over the country. Incidentally, the Government knew about that before the general election when they were making all those great and grandiose promises about what they were going to deliver to us in the south-west. Those are the conversations the hon. Gentleman needs to have with his Front-Bench colleagues. I will leave that to him and wish him the very best of luck.

It is completely obvious to me why the money has not been made available. Network Rail has not got it because it has massively overspent and overrun on all its other

projects. I hope that when the Minister responds we can hear a little bit more detail on exactly what we can expect in the far south-west and when. If she cannot tell us about the feasibility study money this evening, perhaps she can tell us: when we might be able to hear about it; when we might have some hope about the prospect of electrification beyond Bristol into our part of the region along the lines that have been suggested; and when we might have some idea about the timetable for an additional alternative line to Dawlish.

I completely agree with the point made by the hon. Member for Totnes (Dr Wollaston). We do not want to lose the line at Dawlish. It is beautiful and the people of Dawlish do not want to lose it. However, the fact is that if we talk to any engineer or climate change scientist about the long-term viability of the route, they do not just talk about storms and sea level rises but the fragility of the cliff. The biggest problem with the block last year was that the cliff kept falling down. It is a multiple problem and the line is between the sea and quite a soft cliff. As hon. Members will know, there was a plan back in 1939 to build a sensible, slightly inland alternative from Powderham Castle to Newton Abbot. That did not go ahead because the second world war broke out. There are other options. I can understand that people in north Devon and north Cornwall like the idea of the Okehampton line being reopened. Let us have a look at that and have some idea about what is going to happen and when. As the Prime Minister himself said, we cannot afford to have the south-west cut off like that again. Our economy cannot afford it. I was on the right side of that block, so it did not affect me, but the Plymouth, Cornwall, South Devon and Torbay economies were seriously affected by it.

**James Heapey (Wells) (Con):** May I add to the right hon. Gentleman's shopping list? The Minister might like to reassure us about where the south-west and south Wales sit in the Government's wider priorities. It would appear that we have neither resilience in our network, nor had significant investment in the speeds of our journeys since the '70s—certainly beyond Bristol, there is no evidence of that coming soon. Other regions, therefore, will zoom ahead with much faster high-speed rail within a decade or two. It would be useful if the right hon. Gentleman added to his list this question about where we stand in the Government's priorities.

**Mr Bradshaw:** I entirely agree, and we look forward to hearing the Minister respond at the end of this debate. I intend to finish with what I hope will be an attractive suggestion to all those Conservative Members who were swept to power—

**The Parliamentary Under-Secretary of State for Transport (Claire Perry):** I simply hope that at some point the right hon. Gentleman will welcome the fact that there will be a new station opening in his constituency next year.

**Mr Bradshaw:** Yes, and we have already had a new station opened just outside my constituency—and the investment programme for it was put in place by the Labour Government, so I am very grateful that the Minister did not cut it. [*Interruption.*] Of course I am grateful for that.

**Claire Perry** *rose*—

**Mr Bradshaw:** I am sorry, but I am not giving way again.

**Several hon. Members** *rose*—

**Madam Deputy Speaker (Natascha Engel):** Order. The right hon. Member is not giving way.

**Mr Bradshaw:** I have said I am grateful for that station and that I am grateful for the investment programme that the Labour Government initiated. I say to the Minister simply that she has cut that investment programme over the last six years at a time when every sensible economist in the world thinks we should be investing in our infrastructure for the long term. We have record low long-term interest rates in this country and a faltering economy, so now is the time when we should be investing in infrastructure, and particularly in rail. I repeat that I am very grateful that the Minister did not cut the money for that station and that we are going to get another station—but, incidentally, the Labour Government initiated the plans for that, too.

I am going to end with the following suggestion to the Conservative MPs in Devon and Cornwall who were swept to victory last May on great and grandiose promises of a rail revolution and renaissance in the south-west. I got into a great deal of trouble with my Whips in the last Parliament for refusing to vote for the money for High Speed 2 up to the north. To give credit where it is due, one Conservative Member, the hon. Member for South West Devon (Mr Streeter)—sadly, he is not in his place tonight—did the same. We withheld our support for that money. The Government now have a majority of only 12—

**Mrs Sheryll Murray:** Will the right hon. Gentleman give way?

**Mr Bradshaw:** No, I will not. I am finishing and the hon. Lady can speak in the debate.

More than 12 Conservative Members with constituencies in Devon and Cornwall could stop the Government putting that money through if they do not get what this Government promised over the next five years. I challenge them to do that—to stick up for their constituents, stick up for the south-west and stop taking no for an answer.

7.32 pm

**Anne Marie Morris** (Newton Abbot) (Con): I think that all Conservative Members will be sticking up not just for their own constituents but for the country as a whole. What we want to see is growth and productivity improved. We have to repair the damage done by the previous Labour Government that resulted in our having to make the cuts that we are now making. It is undoubtedly this Government, and the previous coalition Government, who have focused on the need to do something about the whole infrastructure mess.

I congratulate my hon. Friend the Member for Torbay (Kevin Foster), my constituency neighbour, on securing tonight's debate. It is undoubtedly true that the Great Western route is critical. It is fair to say—here the right hon. Member for Exeter (Mr Bradshaw) and I might agree—that we need to give some priority to the infrastructure

in the south-west. Where we would disagree is that I believe that we have already seen action taken and seen more than just warm words. Frankly, as the Member representing Dawlish among other places, I have seen it in spades. We all want to see this commitment. I believe it is fair, but we need it on the record.

**Mrs Sheryll Murray:** The very fact that the trains running between Penzance and Paddington were first introduced in 1976 just goes to show the lack of investment initiated by the Labour Government about which the right hon. Member for Exeter (Mr Bradshaw) talks. They did nothing for the south-west when they were in government for 12 years.

**Anne Marie Morris:** My hon. Friend makes a very fair point. It is this Government, and the former coalition Government, who have begun to look at the south-west and to recognise that we have a motorway, the M5, which ends at Exeter, and that the road infrastructure therefore needs sorting. They recognised, too, that broadband needed sorting, which is not something that the Labour Government did much about. They have also recognised that, frankly, our railway needs resolution.

The gross value added of the south-west is 72% of the national average, and if we could just deal with infrastructure issues, we would open up the opportunity and really deliver on the potential by raising the productivity of our area as a whole.

Given that so many colleagues have mentioned Dawlish, let me say a few words about it. This was an extraordinary event. It is, I suppose, a truism that after some of the most disastrous events, we sometimes see some of the best things emerge. It is undoubtedly true that what happened in Dawlish on that fateful day shined a light on the challenge. Rather than running away from it, the Government said, "This is something that matters; we are going to spend the money."

I remember that storm in February 2014. The Government put in £35 million at the time, and I recall constituents telling me, "This can't be fixed," while the engineers were saying, "It can't be done," yet Network Rail and the Government told me, "It can; it will be; and it will be soon." In the end, I think it took about six weeks. It was absolutely phenomenal. Having fixed it, they continued to spend another £6 million sorting out some further individual problems.

Clearly, there is more to be done, but if we look at what happened, we find that we had 300 engineers—that wonderful orange army—who worked solidly pretty much round the clock for two months, sorting out our railway. They were ingenious. Despite what the engineers said, they came up with the idea of using 19 sea containers to provide a temporary sea wall. That was quite an innovative idea. The only challenge they had, once it was put in place, was how they were going to remove it. That turned out to be more of a challenge than putting it in place. Yet 6,000 tonnes of concrete and 150 tonnes of steel later, along with the 25,000 tonnes of the cliff being removed, we are now in a good, resilient position for the railway at Dawlish. We have repaired 600 metres of wall and Dawlish station, including the platform, and we have 700 metres of new track.

Still more work is ongoing. The point made about signalling is absolutely right. More signalling repair and restoration is going on, along with more repairs to the

sea wall, whose footpath has been repaired. Riviera terrace, which disappeared overnight, has now been rebuilt. As for Dawlish Warren along the coast, the point has been made that there are some natural climate change erosion problems, but work is already going on to deal with them through beach recharge and trying to realign how the natural coastal flow works.

The point of this debate—other than being able to say, “Well done, Government, you sorted out Dawlish; thank you very much”—is to flag up to everyone the need to do more. There is a bigger picture.

As my hon. Friend the Member for Torbay mentioned, the Peninsula Rail Task Force has been one of the key drivers. It was established to look at a 20-year plan, and I think that it has the support of everybody in the area. It is a great credit to the area and it shows how strongly we all feel about getting this right. If we can get this right, if that taskforce is allowed to complete its job and if we get that 20-year plan and the Government to commit to investment in the south-west, we could have a GVA uplift of £520 million by improving journey times.

It is fascinating that the potential for this area is so clear. Passenger numbers are many times that of any other area. I think they have gone up by 126% over the decade compared to a national increase of 61%. The tourism potential is already well demonstrated. In 2014, over £1 billion was spent by visitors to the south-west. Believe it or not, in 2013, Saudi and Russian visitors spent more in the south-west than in London.

If those who enjoy travelling using the “Lonely Planet” guides have a look, they will find that the south-west is situated in the league tables as the third best place to visit—ahead of Italy and Denmark. So the potential is there, and there is a win-win—not only for the south-west, but for the Government, because we will get productivity up, which is what the Chancellor wants to see above everything.

The Government have already committed £400 million, and we have had 11 individual reports since the Dawlish events, looking at resilience and reliability, faster journey times and sufficient capacity, and five more reports are coming. No one could honestly say that that did not represent a serious commitment to understanding the problem and then getting it right.

A number of crucial issues need to be addressed. I think every Member agrees that the Dawlish coastal route must be a priority, because unless it is running as a “forever, forever” resilient line, shoring up the whole peninsular network, everything else will begin to become secondary.

I take issue with the challenge from the right hon. Member for Exeter, who, like King Canute, seemed to fear that at some point we would all be washed away. I suggest that we should take account of British scientists, who have been incredibly resilient over the years—as, indeed, were those intrepid passengers who, when the line broke down all that time ago, simply got out of one carriage, climbed over the rocks, and got into another carriage to continue their journey. We are a resilient nation, and that line will survive. It too will be resilient, and it is there for the long term. I am sure that the Government will ensure that that can happen. Nothing is impossible; all that is needed is a little imagination and some intelligence.

The coastal route is crucial, but it is in all our interests to look at the whole area, and the east of Exeter project for resilience is equally important. Bridgwater and Taunton are also crucial, as are Yeovil and Castle Cary. They must be on the must-do list.

**Neil Parish** (Tiverton and Honiton) (Con): I agree with my hon. Friend that what was done in Dawlish was absolutely right and that we must keep that railway going. However, we must also consider the line from Bristol to Taunton. We need new stations at Wellington and Cullompton, and we need some metro trains as well. My hon. Friend the Member for Taunton Deane (Rebecca Pow) cannot be here today because of ill health, but I know that she would agree. We need to increase resilience. We need to bring more trains down existing tracks; we need more stations; and we need to use our tracks much more effectively.

**Anne Marie Morris:** My hon. Friend is absolutely right. At present, we have just one spine going along the south of the peninsula. We need another spine going along the north and opening up the Okehampton line. We also need a network rather like a spider’s web. If we are to take full advantage of what is happening to the economy and if productivity is to increase, we need the smaller stations to which my hon. Friend refers. As was pointed out earlier, stations such as Dawlish should not become secondary branch stations. If that happened it would be a disaster, because our economy is set to grow. We need those two spine routes, but we also need the connectivity—the spider’s web—that will enable all our communities to be successful. For rural communities, travel is mission critical.

Shortening journey times is crucial. I welcome the bimodal rolling stock that we shall have in 2018, but, meanwhile, it would be helpful if the Minister told us a little about any cast-offs that might increase the current number. I agree with what has been said about electrification. I think that bimodal rolling stock is the solution, but, as others have said, we need a plan. We need to know that the Government are committed to dealing with more than just one piece of the south-west. The south-west does not stop at Bristol, although—dare I say?—some people seem to think that it does. We also need to consider the calling patterns, and we must give some thought to capacity and quality. The issue of the additional routes is crucial. I have already mentioned the Okehampton route and the concept of a spider’s web.

Let me now mention some keynote events in the far south-west. A geotechnical study, which is due to begin in April 2016, will look specifically at the Dawlish issue, the Teignmouth cliffs, the sea wall, and whether or not there is a need for a barrage out at sea. I am pleased that the study has gone full steam ahead and has not been subject to any cuts. I hope that the Government will undertake to take its findings seriously and to give us a chance to work and lobby hard to find the right solution. I hope that they will commit themselves to spending the money that we need to sort out our resilience once and for all.

Another key event is the 20-year plan report from the Peninsula Rail Task Force. As has already been said, the plan needs to be properly funded, but we hope that there will be some pre-planning in control period 5. Although control period 6 will not begin until 2016, I think that, once we have the report, the Government should say, “Now that the plan is in place, this is what

[Anne Marie Morris]

we can do,” so that we are ready to go. We need the Government to invest during the planning phase. I would love CP6 to happen sooner, but it is realistic to assume that, by the time the planning has been completed, it will be 2018. But a commitment to investing in that planning and to the resolution of the problem would be brilliant.

If we invest in the south-west, our gross value added will increase, our productivity will increase—the Chancellor will be very pleased—security will be improved, and we will unlock the marine potential of the area, which is already worth £410 million in GVA. We will also be able to build on the nuclear potential. Currently, the UK nuclear market, much of which is in our part of the world, is worth £50 billion. We will also be able to take advantage of the aerospace advanced engineering, which is already worth £16 billion in our part of the world, and of new data analytics, which are based primarily in Exeter. The super-computer there gives us a potential income of £97 million in the area.

I will end my speech now, because the Minister has heard enough about me, the lady from Dawlish—[HON. MEMBERS: “No, no! More!”] Let me finally ask for a commitment to the south-west: a commitment to find the funds that we need, to give us the security that we need and to help us deliver the productivity that the Chancellor wants, that we want and that the country needs.

7.46 pm

**Huw Irranca-Davies** (Ogmore) (Lab): It is a pleasure to follow the hon. Member for Newton Abbot (Anne Marie Morris), whose stirring speech I thoroughly enjoyed. Let me also commend the hon. Member for Torbay (Kevin Foster) for securing the debate, which I think will prove very useful.

The Great Western Railway is important to me, because, along with my Welsh colleagues, I use it regularly. I have used it for the last 15 years, and, if I am fortunate—I am assuming nothing—I may be using it shortly to travel back in that direction for the final time as I head down to the Welsh Assembly. It all depends on the electorate. However, as others have said, the railway is critically important not just to politicians who travel back and forth to work and to represent their constituents, but to the economies of the areas involved. As we heard from the hon. Member for Newton Abbott, GWR will provide great GVA if we get it right.

I must thank GWR for getting me here almost on time. I apologise to the hon. Member for Torbay for being a couple of minutes late; that is because part of my journey was on a coach. Fair play: the company ensured that the coaches were running, and managed to deal with the traumatic weather. I thank it for sorting that out for me, and for all the other passengers. However, it raises the issue—regardless of electrification—of run-of-the-mill resilience. Too many parts of our existing railway stock have a fluctuating ability to deliver the timetable that we need. All too often there is a shutdown, and even if it lasts for only two or three hours, trains back up in the wrong places, and the timetable has to catch up with where the rolling stock is. No doubt, following today’s debate, GWR, Arriva Trains Wales and the branch lines will be shuttling stock to try to catch up after the delays.

**Kevin Foster:** I am enjoying the hon. Gentleman’s speech, but does he agree that we must ensure that the rolling stock that we have is correctly specified? Cross-country journeys connect parts of south Devon and, sometimes, south Wales on the route to Birmingham, and some trains have not been not specified to go along a piece of track that a wave might go over.

**Huw Irranca-Davies:** That is a very good point. I hope that what has been said today will be noted not just by the Minister, but by train operating companies and infrastructure companies. I hope that they will act on the suggestions that have been made by Members, so that their services can work better for commuters and other passengers.

Several Members on both sides of the House have drawn attention to the importance of the spine of the network to all the branches that flow from it. It is not just to do with high-speed links or electrification. I travel here from Maesteg, where I live with my family—it is north of Bridgend, up the Llynfi valley—and I am fortunate that we still have a branch line there. Thank goodness that, at the height of the Beeching cuts, there was local opposition and strong-minded leadership in the Labour authority, and people fought and said that they would be damned if that line would close. They managed to keep it open, and nowadays it is a tremendous success. That route from Maesteg down to Bridgend, and all the way up to Chepstow and beyond, is a very popular route and we need to go further. We talk about travel-to-work areas. The people in my constituency travel down from Maesteg and from all the valleys I represent to work in Swansea, Bridgend and Cardiff, and they need good reliable and affordable transport in order to do that. We are fortunate that we have that in the Llynfi valley and we need to keep it that way.

We are also fortunate that we were able to open a new station on the Great Western main line spine. It is rare to see that happen nowadays. The station at Llanharan, between Cardiff and Swansea, was closed in the ’60s under Beeching, but after a fight lasting more than 40 years, we were able, along with local Assembly Member Janice Gregory and local councillors Geraint Hopkins, Roger Turner and Barry Stephens, to reopen it. It has had great benefits, with more than 2,000 homes being built in the area and possibly another 2,000 on the way. The station has been an economic boon to the area. People want to come and live there because it is not just a place along the Great Western spine route; it now has a station. The point has been well made that we must ensure that we do not bypass communities when we deliver the electrification and the main line spine; we also need to connect the spine to the communities.

**Jonathan Edwards:** The hon. Gentleman seems to have neglected to mention the role played by Ieuan Wyn Jones, the Transport Minister in the Welsh Government at the time, and a member of my party.

**Huw Irranca-Davies:** Ieuan Wyn Jones played a good hand in that campaign, and so did Andrew Davies, the Economic Minister at the time. His officials were telling him that the economic case for the station did not quite stack up, but he told them that it would when they saw the 2,000 new homes and the new schools that would come in as a result. My goodness, he was right. When I travel through the new station now, I see scores of people using it at every hour of the day as they commute



to Cardiff for shopping or visiting relatives or to go to work. It has been a tremendous success, and we need to think more about these projects alongside the electrification.

Another critical aspect of using the spine along the Great Western railway is to ensure that it also connects to the south Wales metro. I use that name deliberately; I am not talking about the Cardiff Bay metro. This needs to be a genuine south Wales metro. In my area, linked to the Great Western line, we have the Llynfi line that was protected all those years ago, but we also have three valleys that have no connections to rail links at all. They need to be linked in to the First Great Western line when it is electrified and delivering faster services. That link might take the form of light rail, or perhaps good coaches and buses operating to the right timetable to enable them to make the connections at the right times of the day.

That kind of thinking has to happen, and representatives of Bridgend County Borough Council, under the leadership of Mel Nott, are now sitting down with the Welsh Government to work out how to join those communities that have no rail links to the Great Western spine, so that people in those communities can get to work and go to meet their friends and so that elderly people there can socialise with friends who live further away without having to get an expensive taxi.

**Byron Davies (Gower) (Con):** You are making some important points. Would you accept that the electrification of the line down to Swansea by the Conservative Government is going to result in greatly increased social mobility for the people of the valleys?

**Huw Irranca-Davies:** I agree entirely with the hon. Gentleman, but I hope that he will support my point that this project must be delivered on time as originally pledged and, hopefully, on budget as well. The hon. Member for Newton Abbot said earlier that too many people think that the south-west ends at Bristol. Well, too many people up here think that south Wales ends at Cardiff. Cardiff is a brilliant city—please go there and visit. Newport had the NATO conference and Cardiff has the greatest stadium in the land, with the only covered surface. Wales also has the best national opera company. Cardiff was third in the top 10 short break destinations in the whole of Europe recently. However, south Wales does not stop at Cardiff. Just beyond that line, there is Bridgend, and just beyond Bridgend is Swansea. Beyond that is west Wales.

So I fully agree with the hon. Member for Gower (Byron Davies), but I want to say to the Minister today, “Don’t short-change us through these delays.” We have been talking about the economic benefits and we were told that the electrification project would be delivered to Swansea—not to Bristol, not to Cardiff, not to Bridgend, but to Swansea—and we want it to go to Swansea. Let us look at the developments that are happening in Swansea at the moment. There is the SA1 project and the new university campus out at Briton Ferry. These are tremendous jewels in Swansea’s economic crown, and they need to be joined up. South Wales does not stop at Cardiff—brilliant city though that is. It goes way beyond that, and we need this project to be delivered.

I agree with the hon. Member for Gower’s primary point that we need to get the electrification completed, but I hope that he would agree with me that we need to

get it done promptly and on time, without the delays that we have been talking about. We have now been told that it is to be put back into control period 6. For those who do not know what that means, control period 6 is between 2019 and 2024, which would mean that the project would not be completed at the same time as the rest, around 2018. So in effect, Christmas will come late for the hon. Gentleman’s constituents and for mine. We are going to have to wait for our Christmas presents, and that is not good enough. His constituents are not second-class citizens of this nation and neither are mine. Let us have this project on time, at the same time as everybody else. I know that he agrees with me on this.

**Jonathan Edwards:** The hon. Gentleman is making a very important point. Does he agree that it would be far better if these large infrastructure development projects started in Swansea as opposed to starting in London? If they started in Swansea, you can guarantee they would arrive in London on time and in budget.

**Huw Irranca-Davies:** I would certainly be reasonably happy with that. I would probably start them from Bridgend and work outwards in both directions, but starting from Swansea would be a good second option.

I was talking about connectivity with the Great Western rail line, and the necessity of delivering the Heathrow link has been mentioned in this regard. Come what may in terms of capacity expansion at Heathrow, that link needs to be made. The journey from South Wales to Heathrow is preposterous at the moment, and that link needs to be delivered. Again, it would provide a major economic boon. It is not only business people who say this—although they do, repeatedly; it is also commuters. It is also myself. I fly from Cardiff and from Bristol, and I also fly from Heathrow. These preposterous patterns of travel need to be remedied, and that needs to be done quickly. These plans have been sat on for years and years.

The hon. Member for Gower has said that the electrification plans are good, but they must be delivered on time. The Welsh Government have made it clear, as have other parties in Wales, that we are holding this Government to their original commitment of delivering it on time and on budget. I would ask the Minister to ensure that, when this is done, full discussions are held with the communities along the routes about the related infrastructure developments that would really benefit those communities. I will give the House an infamous example, from my own constituency. The lovely town of Pencoed still has a traditional level crossing, and it is one of the busiest in the land. It is right in the centre, next to the cenotaph and the shops. When we march there on Remembrance Sunday every year, we have to time our marches to take account of what can be a 15-minute wait while the level crossing is closed. Of course, that happens every day of the week, not just on Remembrance Sunday.

If we have this major investment that will require not only electrical infrastructure but raising the height of bridges and making major structural changes in different communities, I would love to meet the Minister, with Mel Nott from the local authority and the town council, to discuss how we can all work together to get rid of the level crossing and upgrade the bridge which is only half a mile or less up the road, so that we can get two lanes of traffic over it. That would allow us to solve the problem

[*Huw Irranca-Davies*]

the level crossing causes, as well as drive electrification all the way down the line. Perhaps the Minister would invite me to meet her, along with a small delegation, because we think we can bring something to the table—the town council can, as can the county borough—and we can make this work for those communities as we drive electrification through.

My final point on electrification goes back to one made by the hon. Member for Gower, who represents constituents at the end of the main spine of the line. In case Ministers are confused, I should say that it does not finish there; it goes way beyond that, up into west Wales. For the purpose of this project, however, Swansea is regarded as where the Government originally said they would deliver electrification to. We are not talking about hybrid electrification—half diesel, half electric—variations or something that is late, but about electrification on time.

Regardless of that, at the moment we have been told that because of the delay we have no clear costings—to my knowledge, they have not been done—no clear start date, and thus no certainty. My worry is that this will drift, so I want some more clarity from the Minister today. I would love her to say that this is going to start between 2019 and 2024 and to give a date for delivering the full costings, so that we have a little more certainty that even though this is drifting, it is not drifting into the back of beyond. This is a great project. I wish all south-west Members, including the hon. Member for North Devon (Peter Heaton-Jones)—we stare at each other across the Severn estuary or the Bristol channel from our glorious coastlines—well in their aspirations for their areas. My area needs electrification on time and on budget, so that we can link up all the other things we have been talking about in a cohesive infrastructure for south Wales and on to west Wales.

**Several hon. Members** *rose*—

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. Before I call the next speaker, may I say that there is something strange going on this evening? Each of the previous three people who have spoken in this Chamber has used the word “you” in reference to other people. It is not just one person—everyone is doing it. I have been reluctant to intervene and I try to not to, but after three times I must point out to the Chamber that when the word “you” is used, it means the Chair. If you are asking the Minister to do something, you ask “the Minister”. I call Oliver Colville.

8.2 pm

**Oliver Colville** (Plymouth, Sutton and Devonport) (Con): Thank, you for calling me in this debate, Madam Deputy Speaker, and I will try very hard to do that. I hope that if I do make a mistake, you might forgive me. I congratulate my hon. Friend the Member for Torbay (Kevin Foster) on securing this debate. Obviously, he has something more important than I have, because I have tried for five years to get a debate on the future of the railway down to the south-west and have always failed; he obviously has something more alluring and has therefore delivered. Also, let me say that I hope I will not get accused of being a fat controller at the end of my speech. [HON. MEMBERS: “No!”]

Last week, we had the unwelcome second anniversary of the Dawlish line being swept into the sea, as my hon. Friend the Member for Newton Abbot (Anne Marie Morris) has pointed out. That was a huge wake-up call to the Government and to all of us in the south-west region. Interestingly, we have all worked together to make one common cause: to make sure that the Government understand the importance of this issue. If there is one thing we have been successful in doing, it is in ensuring that we have spoken with one voice, as have done this evening. We need only look at what happened today, when trains on the line out of Cornwall were once again delayed, because of the appalling weather and the three trees that fell on to the line at Bodmin, to see how fragile our railway line is. As chair of the all-party group on south west rail, I am fighting, alongside my fellow Devon and Cornwall MPs, for better train and other transport links to the region. I have campaigned for that over the past 15 years, initially as a Conservative candidate and more recently as the Member of Parliament for Plymouth, Sutton and Devonport.

**Neil Parish:** This is very much about the resilience of infrastructure into the west country, because we have not only the Great Western line but the Waterloo to Exeter line, where we could make big improvements by, for example, using loops around Honiton. We could also open Seaton Junction and bring back the trams to meet the service. This is also about carrying on from Exeter down into Cornwall with a second line, because although it is absolutely right to keep the Totnes and Newton Abbot line, we need that second line so that we have resilience. We seem to be having more and more bad weather, so the first line will get blocked and we have to have a second route into Cornwall.

**Oliver Colville:** My hon. Friend is 100% right about the need to have that second line. My personal preference is for it to go through Haldon Hill, as that would be ideal, but I understand that it may be too expensive. We therefore need to make sure that we have one that has the potential to go through Okehampton and Tavistock, purely because we have to make sure there is increased capacity and we can put freight on the line, too.

As my hon. Friend the Member for Newton Abbot said, two years ago the line at Dawlish was washed away, and for the following six weeks there were no trains west of Dawlish to the biggest conurbation west of Bristol—Plymouth. Having lost our airport and our trains, the only way anyone from Plymouth could get to London and the midlands was by using the partially dualled A303 and the M4 and M5—we are talking about the only single dual carriageway at the moment. I very much welcome the Government’s commitment to dualling the whole of the A303. I, like my hon. Friend the Member for Tiverton and Honiton (Neil Parish), would like to see it go through the Blackdown hills as well, but I may be being too greedy in that.

In the aftermath of the Dawlish disaster, the Prime Minister visited the Laira depot in my constituency, and I was very reassured to hear today, when I met people from Great Western Railway, that the company is going to be seeking to make full use of Laira and it is not going to be closing. The Prime Minister’s persistence ensured that the orange army worked tirelessly to fix the line before Easter 2014, which of course was the start of the tourist season. This time last year, the Prime Minister

met my hon. Friend the Member for South West Devon (Mr Streeter), the chairman of the local enterprise partnership and the leader of Plymouth City Council, and he warmly supported the setting up of the Peninsula Rail Task Force to undertake research into what needs to happen to deliver a resilient railway line. Although I understand that much progress has been made, I was slightly dismayed to learn two weeks ago that Network Rail did not have the money to deliver on the research into journey times and electrification. I very much hope that the Minister will be able to help me on that this evening and make sure that that work happens.

Last Monday, nearly all my fellow Devon and Cornwall MPs met the Chancellor and set out our concerns. We were all elected on a promise to try to make sure that we could deliver a decent railway line to and from the west country, and to improve other transport links. I am very grateful that he met us at such short notice and that he understands what our peninsula's needs are. On Tuesday, we met the Under-Secretary of State for Transport, my hon. Friend the Member for Devizes (Claire Perry)—we hope she is soon to be our right hon. Friend—who is both responsible for rail and a south-west MP. She told us she would do everything she could to find the £300,000 for this work, and I am delighted that it seems she is going to be able to find that for us.

Let me remind the Minister what we in Plymouth and the far west want. She may be bored with hearing this, but I have been saying it for the past five and a half years and I am going to say it one more time. We want more three-hour train journeys from London to Plymouth and vice versa; and we want trains getting into Plymouth from London before 9 am, so that business people can do a full day's work in Plymouth. We are the largest urban conurbation west of Bristol—bigger even than that in Wales—and it is important that we be an economic motor to deliver the growth that my hon. Friend the Member for Newton Abbot talked about.

Never again must Plymouth and the far west be cut off from the rest of the UK. I was delighted when the Transport Secretary came to Plymouth before the general election and announced we would get the new high-speed Hitachi AT300 trains in 2018. It was very positive news. I am concerned, though, that it could be subject to further delays, given that the electrification to Newbury is delayed and over-budget. If I have got that wrong, perhaps the Minister will correct me.

We need more three-hour train journeys between Plymouth and London and more trains arriving before 9 am; we need to straighten the tracks and improve the signalling between Totnes and Cornwall; and we need an additional line to the one at Dawlish so that never again can the far west be cut off. Plymouth can only play a significant part in growing our economy if we have a decent transport system—and skills base. I am acutely aware, as is my hon. Friend the Member for Plymouth, Moor View (Johnny Mercer), of the low-skills and low-wage base in our city.

In 2020, an important event will take place in Plymouth, when we commemorate the Mayflower's leaving the city in 1620 to found the American colonies. To make that a success, people need to be able to get to Plymouth to see where that great ship sailed from.

Just in case the Opposition think they have got off lightly—as I slightly hold the Minister's feet to the fire—I remind Labour that it does not have a particularly

good record on delivering in the peninsula. It announced in its manifesto that it would cancel the dualling of the A358, which would move the bottleneck from Stonehenge down to South Chard. I am delighted that we are continuing with the dualling.

Without the south-west, the Government would not have an overall majority. We have done our bit to ensure a Conservative Government, whom I am delighted to support, so will they please help us deliver for them?

8.12 pm

**Peter Heaton-Jones** (North Devon) (Con): I congratulate my hon. Friend the Member for Torbay (Kevin Foster) on securing this important debate.

The hon. Member for Ogmore (Huw Irranca-Davies) said he might be departing for pastures new. As he kindly name-checked me, may I say what a pleasure it has been to serve under his chairmanship of the Environmental Audit Committee? It has been my first experience of a Select Committee, and it has been extremely fruitful. We will miss the hon. Gentleman.

Like many Members on both sides of the House, I am a regular user of the Great Western main line. I travelled up this morning. As others have said, the journey was considerably delayed, but I pay tribute to the GWR train staff, who always kept us well informed and advised. On such days, they operate in extremely difficult conditions. It can only be a challenge to deal with a lot of stropky passengers who want to know why they are an hour late, but they performed in an exemplary fashion this morning and kept us all advised. Although we got into Paddington an hour late, that was fine.

As mentioned, faster broadband would be gratefully received. The train is a valuable opportunity to work—I had an unexpected extra hour this morning—but although the broadband works after a fashion, it is, like the curate's egg, slightly patchy. Like the right hon. Member for Exeter (Mr Bradshaw), I choose to travel in the quiet carriage, but never has anything been so misnamed. It is certainly not always quiet. The train is a vital place of work for people on their journey from the south-west to London and elsewhere.

**Mr Bradshaw:** This has been suggested to me once or twice before. In my experience, if one politely asks somebody making a noise in the quiet carriage to desist or move, they do so. It is a great example of British self-policing. I recommend that the hon. Gentleman try it, if he has not already done so.

**Peter Heaton-Jones:** I am a shrinking violet and would never presume to do such a thing, but I take the right hon. Gentleman's point.

The vital nature of this main rail link for the south-west—our major rail artery—has to be stressed again and again, but it is extraordinarily important for another reason. As others have said, not only is it a fragile link, but it complements what is, by any definition, a fragile series of road links to the south-west. On the M5 or the A303, you pay your money and you take your choice. There are times when both are unhelpful to the travelling public. For that reason and many others, it is vital that the south-west line is resilient, as many Members on both sides of the House have said.

**Alex Chalk** (Cheltenham) (Con): As well as resilience, do we not need to get the network running smarter? For example, a great train robbery takes place every day when my constituents are robbed of 15 minutes of their lives because the train from London leaves the main line and parks in Gloucester, where the driver gets out from one end of the train and walks to the other, before the train rejoins the main line and continues to Cheltenham.

**Peter Heaton-Jones:** My hon. Friend makes a good point. I am not aware of the particular jiggery-pokery he mentions, but it sounds like an extraordinary bit of choreography.

I have mentioned the difficulty with transport links as a whole. That is why the resilience of the south-west main line is vital. I also want to talk about the spider's web, as others have called it. We need to ensure a good and widespread rail service across the south-west. It needs not just a spine, but ribs coming off it—to stretch the analogy to breaking point.

I am bound also to mention the vital rail link in north Devon connecting Exeter with Barnstaple. Over the years, it has survived the Beeching cuts and many other problems, including flooding and underuse, and now it has turned a corner. The number of passengers using it is growing almost exponentially. It used to be used primarily in the summer months. Indeed, at some points, it is still signposted with signs of the brown tourist variety, which rather gives the impression of its being a quaint Puffing Billy line, which it is not. It is a vital artery, and if we can improve it, we will improve the economic vitality of north Devon.

The fantastic work of the Tarka Rail Association in promoting and operating the line has helped to drive its increased use, so I was delighted when, just three weeks ago, I arranged for the chairman and me to meet my hon. Friend the rail Minister. We had an extremely productive hour-long meeting at which we discussed the importance of the north Devon main line, as we are hoping to rechristen it. I hope that my hon. Friend will refer to that in her comments. Having these ribs off the spine are absolutely vital if we are to ensure that we have a rail service that is truly of use to the maximum number of people in the south-west. It is of particular importance to north Devon because of tourism.

**Iain Stewart** (Milton Keynes South) (Con): I am grateful to my hon. Friend for giving way. I feel like an intruder in this debate, as I do not represent a south-west constituency. However, I was at Exeter university and I regularly visit north Devon. I absolutely concur with his point about the Barnstaple line. A key thing that is needed is enhanced rolling stock. Very often what is in use is a single carriage train, which is woefully inadequate. I hope that when the Great Western franchise comes up in a few years' time, proper consideration will be given to procuring better rolling stock for that line.

**Peter Heaton-Jones:** My hon. Friend makes a good point. I am delighted to welcome him to beautiful north Devon. The rolling stock is an essential matter, as it has been left to decay to the point that it is only just fit for purpose. I have held a significant number of meetings with the operators, GWR, Network Rail and the Tarka Rail Association and we have discussed at length the importance of acquiring significant new rolling stock. I am delighted to say that we now appear to have reached

a position where there will be a “cascade” of rolling stock. I would rather not use the phrase “cast-off” that was previously used, because I want to strike a more positive note. We will have a cascade of—almost—21st century rolling stock coming towards us for that line.

**Huw Irranca-Davies:** May I take this opportunity to stress the importance of access for wheelchair users? My friend Simon Green from the Bridgend Coalition for Disabled People stresses that, very often, in railway carriages there is space for only one wheelchair, so two people travelling together have to be split up. It would be great if we looked at the possibility of different variations in the new rolling stock.

**Peter Heaton-Jones:** The hon. Gentleman makes a good point. I have travelled on the north Devon line between Barnstaple and Exeter, and, quite often, there is no room at all for a single wheelchair user, which is why we need to get this new rolling stock cascaded to us as soon as possible.

Let me turn away from the specifics of the north Devon line to the Great Western main line, which is a vital artery for the south-west. We have talked a lot about the resilience of the line. We absolutely rely on that single rail line to provide us with a transport artery to the south-west. When incidents occur, such as the one in Dawlish, the effects are devastating. Even though people who come to north Devon often jump off the line well before Dawlish—like me, they usually get off at Tiverton Parkway—the fact is that when we have the sort of incident that happened at Dawlish, the whole of the south-west and all the constituencies represented by Members here are affected. We need to ensure that we have the resilience of that line sewn up for the future, which means addressing the difficulties at Dawlish. The right hon. Member for Exeter made the point that the cliffs on one side of the line are just as much a problem as the coast, on the other side of the line. I have seen for myself that that is a problem. We also need to consider this second line—the Okehampton route—that will start to open up a vital northern corridor. I have an interest in such a route, as I represent north Devon.

The flooding issue is also of significance. As I came up on the train this morning, I saw how close the line was to the Somerset levels. Then there is the electrification issue. I absolutely agree with Members from all parts of the House that we need to speed up the process of electrification of the line. I am delighted that it is planned to go through to south Wales, but we need to ensure that we get it down to the south-west.

I add a note of concern here: if we get no significant movement on this until control period 6—in other words starting in 2019—we will be pushed back to the end of the queue. I hope that the Minister can give us some positive news in this regard. In particular, I hope that she can provide us with some reassurance on these two feasibility studies into the resilience and the electrification of the line, which have been mentioned a few times already. Without going into all the do's and don'ts of who said what, of where the money was coming from, and of whether it was cut from point A or from point B, the fact is that we need a relatively small amount of money to undertake those two vital reports, and they really need to be done. I hope that, when the Minister gets to her feet at the end of the debate, she will have some positive news for us. One cannot stress too much how important it is to have those two studies done.

Let me briefly mention the Peninsula Rail Task Force and the excellent work it has done. Its 20-year plan certainly bears reading and taking seriously, because it has a vision for the rail line that we in the south-west deserve.

As has been mentioned, the Prime Minister and the Chancellor came down to the south-west on a number of occasions. They came to my constituency—to Saunton in the case of the Chancellor—and announcements and promises were made and ambitions mentioned. They talked about investment for the south-west rail line. I feel sure that, when the rail Minister gets to her feet, she will be able to reassure us that those promises will be delivered. It is vital for all of us in north Devon and the wider south-west that we have a resilient, fast and efficient rail service.

8.27 pm

**Fiona Mactaggart (Slough) (Lab):** I am sorry that I had to miss parts of the debate, but I was rehearsing with the Parliament choir. I was trying very hard to be in two places at once and, as usual, failed.

I really welcome this debate. I know, because I have heard reports about the speeches that have already been made, that the focus of the debate has not included the commuter service provided on the Great Western railway. I urge the Minister to respond to the issues relating to the passengers who commute on those routes. If we look at passengers in excess of capacity on a typical autumn week day by operator, we will see that Great Western Railway exceeds all other companies, not because of the long-distance services that we have heard about, but because of the chronically overcrowded commuting services provided on the railway. On an average day, there are something like 1,000 people in excess of capacity in the three most overcrowded trains on the rail line, and 30% of the 10 most overcrowded trains are on the Great Western main line. There is a serious problem. Too often, I have been in one of those trains, with my nose pressed into the armpit of someone whose name I do not know. I find that offensive. We have standards for carrying animals on lorries, but we do not have standards for carrying humans on trains. The Great Western commuter rail service is, on many occasions, quite disgusting for passengers, and we have to do more than adapt a few carriages that were used to feed people—we have given that up—by putting in a few more seats. We need to do more to provide sufficient stock for the commuter service to serve the people who depend on it.

The Thames valley is the most productive region of our country. It makes more profit per worker than any other part of Britain. We need to make sure that those people can get about. My constituency—I often say this in the House, and I am sure Members are bored of hearing it—has more European headquarters of multinational companies than Scotland, Wales and Northern Ireland put together, because Slough is really easy to get to. It is really easy to get from Slough to Heathrow, to London, to the west country, or up the A40 to Birmingham, or along the M3 and around the M25. It is a well-connected town, which is why we are successful in drawing investment into Britain. I am not competing with other towns in England, Wales, Scotland and Northern Ireland particularly; Slough tends to compete with cities in Europe.

When I talk to companies about the issues that impact on their profitability, they say that they want to be confident that Heathrow has a secure future and they want to reach it more easily. The best way to do so is by rail. I persuaded the previous head of the Berkshire local enterprise partnership to do some research, over 10 years ago, on what companies in the Thames valley spent on taxis to Heathrow. The figure was £10 million a year. If that money was spent not on taxis going to Heathrow on the excessively congested M4 but on a train service to Heathrow, those companies would have a more reliable journey that did not depend on what was happening around junction 5, 6 or 7. They would not face overcrowding on the M4. We are going to get smart motorways, but with hard-shoulder running, if there is an accident, it takes longer to get round it. At the moment, they have serious problems using that route properly.

I have a feeling about how the Department for Transport works. It can do only one thing at a time. It looks down a little tunnel, saying, “This is my project.” Its project at the moment on my bit of the railway is creating a train park for the Heathrow express, which I would rather not have. The Minister has been helpful on some of these issues, but the failure to put a foot on the accelerator of western rail access to Heathrow is truly foolish, given the impact not just on this bit of railway but on the national economy. If the project had as much energy behind it as other rail projects it would attract significant inward investment. We are failing to attract that investment and are failing to create the jobs that would inevitably follow better connectivity for Heathrow because no one is pushing this forward.

I was concerned that we would not get the project done by 2018, which was the first chimera of western rail access to Heathrow, but then it was pushed back to 2020. Now it looks as though it might be done by 2023 or 2024. I suspect that the project will probably not be completed until we have the additional runway, but we need it before then.

I urge the Minister to set someone—one of her nice tunnel-vision civil servants—to focus their tunnel vision on Western rail access to Heathrow. I promise that companies in this country are desperate for it and they will back it. Perhaps she needs a bit of private investment. I had a meeting some years ago with officials in her Department and one of them said, “We’re spending blah million”—I cannot remember how many—“per month on the airport.” I looked around at the company representatives who had come with me, whose companies were spending that much per month on their own development.

The time has come to ensure Western rail access to Heathrow. It does not need complicated consultations because most of it is on the existing rail line and the rest of it is in a tunnel, so there is nothing to delay the project. This Minister, whom I admire, would forever be in my glory books if she would make sure that somebody put the accelerator under this project. At present, her Department is failing and letting down the Thames valley and the whole of the south-eastern economy as a consequence.

**Several hon. Members rose—**

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. There is no need for a time limit in this debate as we have plenty of time, but when we have plenty of time, speeches and interventions tend to expand, so it would be helpful now if Members would take around 12 or 13 minutes, which is a long, long time.

8.36 pm

**Johnny Mercer** (Plymouth, Moor View) (Con): You will be delighted, Madam Deputy Speaker, to know that my speech will be very brief indeed.

I thank my hon. Friend the Member for Torbay (Kevin Foster) for securing this debate. I shall not repeat what has already been said. I am going to disappoint my father again—I am no railway engineer. He dragged me round, trying to introduce me to the lost art of trainspotting when I was a young man, but it never caught on.

I want to talk about why the rail connection is important to my city, Plymouth, and why we as a Government need to get it right, to deliver for that part of the world. I echo the comments of my hon. Friend the Member for North Wiltshire (Mr Gray). For much of the time we have a remarkable service, though there are some serious challenges to be faced. We must rise to the challenge of severe weather, without denigrating everything we have already achieved. That would do us a disservice.

Almost two years ago exactly, the Dawlish rail disaster happened. The railway fell into the sea, cutting off my city, as has been mentioned. The idea that the Government have done nothing since then is one of the myths in the literature from the Opposition that is piling up in my office. In the past two years, £70 million has been invested to keep that railway open and to increase resilience generally in the south-west. That is not an insignificant sum. We have that resilience at Dawlish. Admittedly, it sometimes faces challenging weather, but the weather may be a little beyond our control.

I urge the Government not to heed the divisive words of those who seek to further their own personal agenda in this rail debate. Many of us in the south-west feel that we have had investment to a point, but we now need to go to the next level. Let me explain why that is important. As I said, I am no rail engineer, but I am an extremely mediocre politician. That gives me the opportunity to knock on people's doors in Plymouth and hear what is important to them. People often ask me why, despite our history in Plymouth and our astonishing Janner spirit that has seen us conquer the seas and make the largest contribution to this country's defence in matériel and men, and despite reviving ourselves spectacularly after a devastating blitz during the second world war, we still have in our city some of the most deprived communities in the United Kingdom. The reasons are many, and clearly far too varied for this debate, but the answers are part of it. We must address the life chances we give people in Plymouth. If we were to cross a particular bridge in Plymouth tonight, we would see the average life expectancy drop by seven and a half years—that is seven and a half years in my city.

We must aggressively fight our way out of the state dependency that has dominated our city since the heady days of the 1980s, when 35,000 Plymothians worked at the dockyard. As the economy and society have changed, we as a city have changed with them; the central economy based around the dockyard has given way to a bright, positive and emboldened city that has become a hub for small businesses and start-ups, driving an astonishing 48% drop in unemployment in the last Parliament.

We have two world-class universities, but they are further from an airport than any in the UK. Marjon University is ranked first in this country for social mobility, which is

really important in Plymouth. We as a Government must do everything we can to assist its onward development in that respect.

**Kevin Foster:** My hon. Friend is making some powerful points, which also relate to my constituency, where we, too, are trying to diversify. Does he agree that that is what makes the debate so important, particularly given the comments by the right hon. Member for Slough (Fiona Mactaggart) about the need for western access to Heathrow, which acts as the south-west's key air link?

**Johnny Mercer:** My hon. Friend is absolutely right. At its heart, this is about developing opportunities and bringing skilled employment to places outside London—to communities that have been deprived for so long.

Plymothians have adapted to the challenge of modern Britain in a way that only they can—with a positivity and a spirit that make some of us proud to call Plymouth our home. However, we as a Government must now play our part in that revival and tackle the single totemic issue that will fuel this onward journey towards a better, more prosperous and more healthy Plymouth. The biggest, most rewarding and highest-pay-off issue the Government could get right in the next five years is this railway. The jobs, the opportunities for our young people and the skilled manufacturing opportunities will come only if we have a transport link that is resilient, fast and befitting of a 21st century Britain. I say again that this is the totemic issue for this Parliament for us in the south-west.

At the last election, Plymothians showed their true colours and, for the first time, elected three Conservative Members of Parliament. Plymothians have aspirations, and they want life chances, and we need to do everything we can as a Government to enable them to achieve those and to provide them with the ladder, so that we can bring my city forward and enable it to achieve the potential it so clearly has. The rail link is the single thing that will do that to the greatest effect.

8.43 pm

**Scott Mann** (North Cornwall) (Con): It is a pleasure to follow my hon. and gallant Friend the Member for Plymouth, Moor View (Johnny Mercer). I thank my hon. Friend the Member for Torbay (Kevin Foster) for bringing this debate about.

I would like to talk for a few moments about my experience with the Great Western railway and about how beneficial the railway has been. I was not previously a huge user of the railways, having not travelled from north Cornwall to London that much. However, I use them regularly now, because I have to travel up to London and back twice a week. For me, the best part of the week, as the right hon. Member for Exeter (Mr Bradshaw) mentioned earlier, is getting back on the train at Paddington. I use the sleeper train, and I would urge him to use it as well; there is nothing better than leaving London at midnight and waking up in God's country, in the south-west, at six o'clock before going back to work on Friday morning. It is an excellent service.

I represent a constituency that is barren in terms of its railways. North Cornwall has no branch railway links. The south-west saw huge reductions under Beeching's cuts, and North Cornwall lost stations in Bude, Launceston, Padstow and Bodmin, which served the original Great

Western railway. I pay tribute to the Peninsula Rail Task Force, which has worked tirelessly in the south-west to attempt to deliver a plan for the south-west. In recent days, we have seen that plan and presented it to the Chancellor and to the Transport Secretary. I hope that later we will hear some positive announcements regarding the funding for that plan.

We have also seen in recent days how groups of MPs can join together and work for a region. Today we had the example of the securing of the local government funding settlement and the increase for rural areas, which has been hugely beneficial to residents in Cornwall, and I am grateful for that. We have a rather seamless tide of blue in the south-west, and it would be beneficial for us all to work together to try to get the best we can for our region. The Great Western Railway franchise, or First Great Western as it used to be called, has had a significant presence in Cornwall. In the past, other operators such as Virgin, CrossCountry and Wessex have come and gone, but trains operated by FirstGroup have served the Cornish people for many years. I thank my hon. Friend the Minister for her continued support for the train network in the south-west and for recently agreeing to meet us.

We noticed how resilient Cornwall and Devon can be when we saw the events in Dawlish in 2014. Those events cannot be ignored. Dawlish is a fantastic place to pass on the train—it is one of the best advertisements for the south-west. For any Members who have not ridden through Dawlish on the train, on the left-hand side, there is a huge amount of sea and swell. That is exactly what the south-west is about—it is coastal, it is rugged—

**Johnny Mercer:** Like you.

**Scott Mann:** Thank you—likewise!

Millions of people from across the world saw the scenes of the railway hanging into the sea at Dawlish. At that time, we were reliant on the one arterial road that comes into Devon and Cornwall, and that was difficult. We saw the orange army out working—they did a huge job for us, and I am very grateful—but I feel that we should explore other opportunities and other branch lines that might well help us out. An Okehampton link on the line from Exeter to Plymouth would be viable, and it would bring benefits to tourism not just in North Cornwall but in the area represented by my hon. Friend the Member for North Devon (Peter Heaton-Jones) and in other parts of the region. I am sure that Great Western Railway would welcome the opportunity to serve more stations and facilitate the return of trains to North Devon. That would help thousands of people right across North Cornwall and North Devon, many of whom have to travel huge distances to access trains.

I might be the only speaker in the Chamber this evening who does not have a branch line running through their constituency, and I would very much like one, so I am going to make another case—for a Bodmin central branch line. There are only two standard-gauge railway stations in North Cornwall, both of which are served by the Bodmin and Wenford steam railway, which runs to Boscarne and is fantastic. However, Bodmin Parkway is located about 5 miles outside the town centre, which means that it is not easily accessible if there are roadworks or problems on the roads. I would therefore like a proper

dedicated main line link to be implemented between Bodmin Parkway and Bodmin General. The steam trains do a great job in the summer, but we need a 365-day-a-year link. I would welcome Great Western Railway considering putting in a link to connect Bodmin town up to Bodmin Parkway.

**Kevin Foster:** Does my hon. Friend agree that what he is saying about where train services could be developed shows the latent demand in the south-west region, particularly on the peninsula, for the creation of additional services not just on the Great Western Railway route but through the further extension to Okehampton of the old Southern route that still exists between Exeter and Waterloo?

**Scott Mann:** I do agree. The more branch services we get, the better. Our public transport system in Cornwall and Devon is not great, and we struggle to provide sufficient bus services. As my hon. Friend the Member for Plymouth, Moor View said, if we make these investments, that will drive jobs and drive the economy in our areas.

I thank the Minister for the investment that has already gone into the south-west, including in the points systems in Penzance, the new bimodal Hitachi trains, which will be ready for use by 2018—that is a fantastic investment and we are grateful for it—and the sleeper trains. I talked earlier about being rocked to sleep on the sleeper trains, which are a fantastic service. A gentle relaxation and a rocking to sleep is a lovely feeling, and it takes six and a half hours to get from Paddington to Bodmin Parkway, so I look forward to those sleeper trains coming online.

The bimodal trains will reach Cornwall faster, so we could do with them. It is also imperative that we look at electrification and line speed improvements. I know that is not going to happen overnight, but I would like the Minister to consider it. The sleeper train is an integral part of south-west connectivity. With the region being three to six hours away from London, night sleeping is important because it means you can have a restful night's sleep and then get to work first thing on a Friday morning.

I thank the hon. Members for Ogmere (Huw Irranca-Davies) and for Slough (Fiona Mactaggart), who is no longer in her place, for raising the Heathrow proposals. For me, Heathrow is not a London issue; it is a countrywide issue. Linking up areas such as the south-west means faster journey times to Heathrow and it connects us to onward travel. I am grateful to the hon. Members for pointing that out. In 20 years' time, we could be living in a region that has direct flights from Newquay to Heathrow, and direct trains from the region to Heathrow. People from Cornwall could then fly to Heathrow in an hour, and people in east Cornwall and Devon could hop on an electric GWR service and alight at Heathrow in under three hours.

**Johnny Mercer:** I am very much enjoying my hon. Friend's stories of rocking the sleeper to sleep, or whatever it is. Does he agree that in order to upskill our part of the world and change the character of the south-west economy, it is fundamental that we attract bigger manufacturing companies to give our young people the skilled opportunities and skilled manufacturing jobs that will keep them in the south-west?

**Scott Mann:** My hon. Friend is absolutely right. Train connections have raised the wage base in other areas, and over the years the south-west has suffered from a low wage, high house price economy. Many of our young people struggle to get houses and to get on in life. If those rail services come online, businesses will invest in the south-west, which will give our young people every opportunity, which is great.

**Huw Irranca-Davies:** The hon. Gentleman is making a fine speech. I urge him to look, when he has time, at the development of the south Wales metro concept, because it covers urban and rural areas, and valleys as well as major conurbations. It is a great idea, because it relies not only on rail, but on other modes of transport that work on time and are affordable. It has a way to go, but a south-west metro concept comes to mind.

**Scott Mann:** I will, of course, have a look at those reports. The hon. Gentleman spoke eloquently about his valleys and the branch lines within his valleys, so I look forward to reading those reports.

In conclusion, the Great Western railway is a valuable asset to the south-west and it could be improved. Without it, the region would crumble, which is why we must make it better, faster and more resilient. Today, many of my colleagues will have been affected by the severe weather in the south-west. In fact, we have heard that four fallen trees have affected the railway service in Bodmin and around the south-west. It is quite fitting that those trains have been delayed on the same day as this debate. I am confident that the GWR franchise will continue to serve our region well, linking it to the capital, and that the Peninsula Rail Task Force and the south-west MPs will all work together for our corner of Britain and make it a better place to live, work and play.

8.54 pm

**James Heapey (Wells) (Con):** I congratulate my hon. Friend the Member for Torbay (Kevin Foster) on securing this important debate. It is important for two reasons. First, rail infrastructure in the south-west was a central part of the Chancellor's long-term economic plan for our region. As such, it is important that we hold the Government to account in the delivery of that plan. Secondly, the south-west as a region is, unfortunately, defined by its poor infrastructure. We have a poor road network beyond the M5, we have relatively poor broadband, and access to the national airport is difficult. We have some fantastic and growing regional airports, but still nothing on the scale of those in other regions. Our rail network is only one line deep, and that line, not too long ago, was washed into the sea. That shows just how vulnerable we are. Moreover—although the right hon. Member for Exeter (Mr Bradshaw) made the point that broadband could be better integrated into the rail service, I will exclude broadband from what I say next—our roads, our rail and our airports are poorly integrated. Not only are they individually bad, but collectively they do not create a particularly well joined-up network. That adds to our woes as a region.

My remarks come under two headings: the inter-regional and the intra-regional. On the first, my hon. Friend the Member for Torbay was noble in resisting the temptation to compete with other regions, but I believe that the important thing is how the south-west fares against other regions, and therefore where the region should be

in the Government's priorities. It takes one hour and 42 minutes—give or take—to go from London to Bristol Temple Meads. That is 118 miles. On the west coast main line, we can go from London to Crewe in an hour and 34 minutes. That is 183 miles. On the east coast main line, we can go from London to York in an hour and 50 minutes. That is 215 miles. Already, our region is at a huge disadvantage relative to other regions, because of the speed of access into the south-west. The new Hitachi bimodal trains will reduce the journey to Bristol to around an hour and 25 minutes, which is very welcome indeed, but our line will still be slower, mile for mile, than the lines serving the midlands, the north-west, the north and the north-east.

I make three points about that. First, I have just given for comparison the journey to Bristol, which is in the northernmost part of our peninsula where the lines are fastest, so it is, in theory, the quickest to access from London. Secondly, in other regions, huge further improvements are expected to the rail infrastructure that will accelerate journey times into those regions. While we catch up with the bimodal trains that will get us to Bristol in an hour and 25 minutes, the other regions will sprint ahead, so we will remain in the second division. Thirdly, the effect of limited electrification will be marginal. Electrification only to Bristol, or only part way down the west country line, will mean that passengers reach the end of the electric line relatively quickly, but thereafter their journey will be relatively slow. Proceeding beyond Bristol will be rather like jumping off a cliff back into the slow world of diesel trains. I fear that that will accelerate investment into the Thames valley and the M4 corridor, but not necessarily beyond Bristol and into the south-west peninsula at large.

What do we ask, from an inter-regional perspective? Clearly, our connection to London—and London Heathrow, which has been mentioned a few times—is vital. It would be churlish not to say that it is the most important connection, so it is absolutely right that it is the key aim of the Government's rail plans for the south-west of England. It is not the only inter-regional connection that matters to the south-west, however. Our visitor economy will benefit enormously from improvements to the cross-country network, because so many of our visitors—they are very welcome indeed—come down from the midlands, the north-west and the north-east to find some sun in the west country.

Clearly, the Government have only so much cash, so what matters is the way they sequence how the cash is spent. This is rather like the debate about broadband. We talk endlessly about whether our responsibility is to deliver superfast broadband to as many people as possible or to deliver broadband just to those left without it altogether. The debate about rail in the south-west of England is very similar: do we sprint ahead with the development of high-speed rail into the north of England, when the south-west still has bimodal trains, because we can only get electrics so far down the line and thereafter have to revert to a technology not employed elsewhere? From the nodding of the hon. Member for Ogmore (Huw Irranca-Davies), I suspect that very much the same applies in Wales, once people go beyond Cardiff. This is an opportunity for the Government to state very clearly—I shall come back to this point later—where the south-west sits in their priorities. Those priorities are very clearly demonstrated by the way in which the Government sequence the spending of cash on rail infrastructure.



On intra-regional train networks, the Peninsula Rail Task Force has rightly received praise this evening, but there is a danger with PRTF. Its genesis lay in the difficulties we had in accessing Devon and Cornwall after the floods a few years ago, so much of the plan it has come up with addresses those difficulties. There are some benefits for Somerset in that, because the lines affected by flooding need to be made more resilient, but Somerset is an integral part of the Peninsula Rail Task Force, not just a territory to enable quicker travel down into Devon and Cornwall.

I want to plant it in the Minister's mind that the PRTF has responsibility not only to get greater resilience in Devon and Cornwall and to look at commuter capacity in and around Plymouth and in Devon, but to recognise that within Somerset—certainly north of Taunton—the requirement is to generate commuter capacity to Bristol and Bath. When I speak to people in that part of our county, which includes my constituency, about faster rail connections, they may or may not mention London first, but many of them will certainly talk about their inability to commute by train to work in Bristol or Bath. We need to make sure that that is addressed.

I have met the Peninsula Rail Task Force, which assures me that that point is part of its thinking, but one cannot help but notice that there is no specific mention of it in its interim document. I hope that from our meetings so far, from this debate this evening and, I hope, from the Minister feeling suitably animated by this matter, more explicit mention may be made in the future, because this is hugely important to the economic development of our part of the county.

There are a number of challenges when it comes to increasing commuter capacity from Somerset up to Bristol and Bath. The arrival of rolling stock from the Thames Valley will be very welcome. However, plenty of our stations have platforms that are not quite long enough for them, and we need to address that; plenty of them do not have the car parking capacity to meet the growth in demand that I hope will come, so we need to address that; and many of them have no disabled access whatsoever, and we need to address that.

We also need to look at timetabling services better. In my last job in the military, when I was working in the Ministry of Defence, I saw how South West Trains has services coming in from Hampshire and Surrey that stop relatively frequently until Woking or Surbiton and then go straight into London Waterloo, while others stop hardly at all and then stop all the way up from Woking or Surbiton. Given that people are now willing to travel a bit further to work and that the Bristol and Bath economies are growing very fast, I wonder whether there is an opportunity to have services that stop at Taunton, Bridgwater, Highbridge and Burnham in my constituency and perhaps Worle on the outskirts of Weston-super-Mare, but then accelerate through into Bristol to deliver a journey time that encourages people to live a bit further out in Somerset.

That is hugely important for creating jobs that people in Somerset can access through this new public transport link. It is also important because one of our great problems in the south-west is that houses are very expensive—those within the Bristol and Bath commuter belt are cripplingly expensive—but accelerating commuter traffic from Somerset up into Bristol and Bath would allow people in Bristol

and Bath to access cheaper housing in Somerset. That is a win-win, given the Government's priorities in those areas.

Highbridge and Burnham is an interesting case, if I may be slightly parochial for a few minutes. It is the only station in my constituency—a constituency of about 750 square miles. It is on the no-man's-land bit of line between Taunton and Bristol, which may or may not be electrified. Improving that station presents a real opportunity, given the frustrations that so many people in my part of Somerset have in accessing Bristol. More parking could be delivered. There is no disabled access whatsoever on the Taunton-bound platform when coming across from the car park, other than by going out on the road and over a bridge with no traffic lights or anything. There are huge opportunities for improvement, but because the station is in a quiet backwater of Somerset, it is too easily forgotten. The opportunity that sits there just waiting to be harnessed, which would require a relatively small amount of money, is too often overlooked. *[Interruption.]* I have placed it on the record now, Mr Deputy Speaker, so I will move on.

To conclude, the Government have committed a welcome amount of investment to the south-west. We now need to deliver on what has been committed. The Government made some exciting promises on rail in the south-west in their long-term economic plan. We now need to deliver. Although we recognise that the public purse is stretched, the Government need to come good on the things they said in the west country during the election campaign and make it clear that the south-west is a priority for them. We believe that the Government's majority was made in the south-west.

The right hon. Member for Exeter (Mr Bradshaw) has left his seat, so I can say without fear of reply that the south-west benefits enormously from being represented almost entirely—bar one—by Conservative MPs. We speak as one voice on all sorts of issues, from school funding to local government funding, which we talked about here the other night, and rail, which we are talking about tonight. That one voice gives the south-west an opportunity in this place that it has not had before. We need to harness that by making sure that the Government deliver on their promises and on the things that we are so keen to see happen in our constituencies.

Our region has poor infrastructure. The road improvements that the Government have promised are very welcome. The broadband improvements that the Government have promised are very welcome. The rail improvements that the Government have promised are absolutely vital. I hope that the Minister will agree that it should be a priority to deliver them in the south-west, and that if money does not allow for things to be done at the same time, the south-west will get priority over other regions so that we can catch up with everybody else.

9.7 pm

**Andy McDonald** (Middlesbrough) (Lab): I congratulate the hon. Member for Torbay (Kevin Foster) on securing this debate on an important subject. There has been many an excellent contribution. I agree with the hon. Member for Newton Abbot (Anne Marie Morris) that the Great Western railway is more than just a transport system; it is vital to the areas that it serves, which is why it is so important that the Government deliver on their promises on electrification and improved resilience as a matter of urgency.

[*Andy McDonald*]

As was identified by my hon. Friend the Member for the Crown principality of Ogmere (Huw Irranca-Davies), the recent flooding in much of the country has further highlighted the importance of ensuring that our railways are resilient in extreme weather conditions, which we are witnessing with increased frequency. Commuters on the Great Western railway know that only too well. The breach of the Dawlish sea wall in 2014 forced the closure of the line for two months, creating significant disruption. We saw the rails hanging in the air like a rope bridge. I, too, applaud the heroic efforts of the engineers and workers of Network Rail who brought the repair to a speedy conclusion.

A report published in the *Journal of Transport Geography* on the likely future impact of weather on trains travelling to and from the south-west predicted that up to a third of rail services could be disrupted over the next 100 years. That report, which was described by Network Rail as “key” to long-term developments, underlines the importance of improving resilience in the region.

The Labour party agreed with the Prime Minister when he said that the Government “needed to find answers” because the Dawlish disaster of 2014 “must not happen again”, but his rhetoric has yet to be matched by action. Despite it being said that “money is no object”, the Peninsula Rail Task Force—we have heard a lot about that this evening—has been examining how to improve the south-west’s rail network following the storm damage, but is currently unable to complete its final report because funding is unavailable.

In a letter to the Secretary of State, Tim Jones, chairman of the Devon and Cornwall Business Council, said that the south-west would be at a “severe disadvantage” should no funding be found to complete those studies. If we are to accept what the Prime Minister told the House when he said that “money was no object”, and if we are to believe that the Government are serious about making our railways resilient to extreme weather conditions, they must ensure that funding is available to complete the report. It is of paramount importance that resilience is improved, and the Government should give their backing to the report so that the task force can get on with delivering a railway that is to be relied on come rain or shine.

A number of suggestions have been made for an additional route to Dawlish, including by my right hon. Friend the Member for Exeter (Mr Bradshaw), and by Labour South West, including Tudor Evans, the leader of Plymouth City Council. However, the Prime Minister appeared to prejudice any fair assessment of the options when he backed a new Okehampton railway route as the “most resilient” alternative to the vulnerable Dawlish route, saying that the UK is a “wealthy country” that should be making long-term investments in rail, and that the Okehampton line was worth a “long, hard look”. Will the Minister guarantee that all options for an additional route in the south-west will be assessed on a fair basis? Will she also reassure the House that the funding that the Prime Minister promised will be made available, and that no decision has yet been taken on the route that an avoiding line might take?

So far the Government’s track record on delivering the Great Western main line is poor. Electrification will be delivered late and cost substantially more than initially estimated. Labour committed to electrification of the

Great Western main line in 2009, but the estimated cost of that has escalated dramatically since Network Rail made its first assessment in 2011.

**Mrs Sheryll Murray:** The hon. Gentleman has criticised this Government’s track record. Will he enlighten the House about the previous Labour Government’s track record on investing in the Great Western railway line?

**Andy McDonald:** I will happily do so. Let me remind the hon. Lady of the pieces that we had to pick up when coming into government after the disaster of Railtrack and the deaths that were caused as a result of the privatisation of the railways. We do not want to hear any more about that—the investment was significant.

**Mrs Murray rose—**

**Andy McDonald:** I have given way. Mark Carne, Network Rail’s chief executive, told Members of Parliament in October that the estimate for the project had been £874 million in January 2013, and £1.5 billion in September 2014. He said that because of “inadequate planning”, the cost of electrification could now reach £2.8 billion.

The upgrades that were expected to have been completed by 2018 are significantly behind schedule. Under the original plan, the Reading to Didcot route should already have been completed, and routes to Oxford and Bristol were on schedule to be completed this year. Didcot is now expected to be two years late, in 2017, and Newbury and Oxford three years late, in 2018 and 2019 respectively. Bristol Temple Meads will not have electric trains until 2020, and the east-west rail link from Oxford to Bletchley is delayed until the early 2020s.

Some of those improvements have been delayed by up to four years, significantly affecting commuters who rely on the Great Western line, as well as on the towns and cities that the line serves. Progress on the Great Western electrification has been hampered by this Government putting electrification on hold after the 2010 election, and not fully confirming the project until July 2012, meaning that essential planning work was delayed. The Office of Rail and Road has said that because a number of major enhancements were added to control period 5 at a relatively late date, several important projects were started in 2014 without being fully assessed. At the start of control period 5, £7 billion of the £12 billion of enhancement spending had not been signed off by the regulator. Calvin Lloyd, Network Rail’s head of long-term planning and funding said:

“There are cost pressures across the whole portfolio of enhancement projects, which should not be a surprise to anyone given that we did not have the level of confidence we might have wished at the start.”

It is the taxpayer, commuters and those who rely on Great Western who will suffer the consequences of poor cost estimation and poor planning. If the Great Western tracks are not electrified according to schedule, the Department will be liable to pay compensation to the private consortium that is delivering the new generation of electric intercity express programme trains. The Department for Transport is considering converting electric IEP trains so they can run on diesel, at an unclear cost to the taxpayer. They may not be able to reach speeds of 125 mph, raising fears that some journeys could actually slow down, compared with today, if electrification is delayed.

The Government's plans for replacing uncomfortable and inaccessible Pacer trains on branch lines in the south-west are dependent on the success of the electrification programme. If the Great Western electrification project is significantly delayed, passengers in the south-west could endure vehicles for years that the Government have, quite rightly, said are unacceptable in the north of England.

Poor planning and the premature announcement of projects have left commuters uncertain of the future of the Great Western, yet the Government were repeatedly warned that rising costs could lead to some projects being delayed or cancelled. Labour first raised problems with the Great Western main line electrification programme in May 2014, just weeks into the start of the investment period, and challenged the Government to explain which electrification projects will be delayed or cancelled as a consequence of rising costs. Those concerns were echoed by the Transport Committee, which warned in January 2015:

"We are concerned that key rail enhancement projects—such as electrification in the North and North West of England—have been announced by Ministers without Network Rail having a clear estimate of what the projects will cost, leading to uncertainty about whether the projects will be delivered on time, or at all."

Worse still, commuters were kept in the dark by the Government throughout this period. The chief executive of Network Rail confirmed:

"In mid-March 2015, Network Rail informed the Department for Transport that decisions may need to be made in the coming months about the deferral of certain schemes."

However, Ministers in the Department are still refusing to say whether they were informed before the election of the plans to defer major schemes. It is now clear that the agreed work could never have been delivered within the agreed budget and timeframe. Yet Network Rail, the Department for Transport and the regulator, the Office of Rail and Road, signed up to the plans anyway, resulting in a great deal of unnecessary uncertainty and confusion. It is passengers and the public who pay the price for such failures, and serious questions must be asked of the Government about how such a shambles was allowed to occur on their watch.

It will be a great relief to passengers reliant on the Great Western that track upgrades will arrive late rather than never. We on the Labour Benches encourage the Government properly to examine their adequacy and the adequacy of Network Rail in budgeting, planning and delivering such programmes in future. It is those issues that should be focused on, so it is an issue of concern that Nicola Shaw, who is heading the Department's review of the future of Network Rail, has said that privatisation of Network Rail is an option that is on the table. The Government should be asking how better to deliver major projects such as rail electrification in the future, not looking to devote time to managing yet further privatisation and fragmentation of our national rail infrastructure.

**Mr Bradshaw:** Is my hon. Friend aware that, according to the *Financial Times*, Great Western also raised objections to the possibility of privatising Network Rail, saying it would fragment the system and remove the advantage Network Rail has currently in being able to buy in bulk—and therefore cheaply—on behalf of the taxpayer?

**Andy McDonald:** My right hon. Friend is absolutely right. It is a matter of huge concern that the critical mass of Network Rail is now under threat from this review.

It makes no sense whatever to break up a national network. We all remember the days of the private enterprise adventure into our country's rail infrastructure—and the consequences that flowed therefrom. I would therefore encourage Members strenuously to resist the proposals for the privatisation of Network Rail.

9.20 pm

**The Parliamentary Under-Secretary of State for Transport (Claire Perry):** I thank my hon. Friend the Member for Torbay (Kevin Foster) for securing this excellent, coherent, thoughtful and wide-ranging debate. He has heard many reports, as have I, of the damage created by Storm Imogen during the day. I am just thankful that everyone is here in one piece. So far, there has been no report of injuries. I am sure we will all be thinking about what our constituents have had to deal with during the course of the day.

Let me deal with a couple of points before answering some of the outstanding questions put to me. A broad set of issues have been raised by Members and I am tempted to respond to many of them.

The right hon. Member for Exeter (Mr Bradshaw) is one of the few Labour Members, I am pleased to say, representing the south-west, but he is an assiduous campaigner on behalf of his rail users—[*Interruption.*] He is probably the only Labour Member representing the south-west. I am pleased to hear that he enjoys his journeys, accompanied by his bicycle, but I am disappointed that he tends to produce a tirade of misinformation and never likes to have the facts put to him.

I was interested to hear that he rebelled against his party Whip on HS2. I wondered whether he rebelled against—or at least had stern words with—shadow Ministers on issues such as the pitiful performance of the Labour Government on electrification. I know that the right hon. Gentleman was one of a revolving door of Ministers whom I had to face, but let me ask him once again—he could not answer one of my hon. Friends earlier—that at a time when we had a go-go economy and a light-touch regulatory system that was pouring money into the Treasury's coffers, how many miles did the Labour Government electrify in 13 years? It was fewer than 10 miles.

Do you know why, Mr Deputy Speaker? In Labour's view, the railway was not something that really mattered. The view of the Labour Government was that they could jack up the fares with the flex and have inflation-busting fares year after year. They did not invest a penny in electrification in the south-west. Here is the thing, though: they could have replaced the Pacers. Do we all remember the Pacers? Do we remember all the heat and fury from Labour about the dreaded Pacers that were carrying thousands of people around the north? Could they have replaced the Pacers in 2003-04? Yes, they could. Did they? Did they heck. Let me tell you why, Mr Deputy Speaker—it is because they do not give a stuff about transport investment. It is not important in Labour's view, and their track record is disgraceful. Frankly, I will take no lessons whatever from the Labour party on the railways.

I hope that the right hon. Member for Exeter will also have stern words with his party about its plans to abandon the upgrade of the A358, as set out in his party's manifesto, and about its lack of a word in support of the dualling of the A303, which is vital to

[*Claire Perry*]

the economy of the south-west. If he did not complain about that, which is a road so close to his constituency, I hope he would complain about his party being monetary fantasists who had no plan at all to generate a strong economy, without which we cannot invest in transport infrastructure and in vital public services. I think the whole House can agree that we will take no lessons whatever from—

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Order. I am going to help a little bit. I am not quite sure how the A303 fits in with a rail debate on the Great Western line. I know that the Minister wants to deal with the railways. Her reputation as the rail Minister is what I want to see tonight.

**Claire Perry:** Far be it for me to criticise you, Mr Deputy Speaker—[*Interruption.*]

**Mr Deputy Speaker:** We both know that that is not an option.

**Claire Perry:** But the roads and rail investment is vital to this region.

**Mr Deputy Speaker:** It looks like I need to be even more helpful. If the Minister looks at the title of the debate, she should realise what it is about, and Members have tried to stick to that subject. I know the Minister has a lot to cover, and I want her to concentrate on what Members have said and on the railways. I know that that is what she wants to do, too.

**Claire Perry:** I will follow your excellent advice, Mr Deputy Speaker.

My hon. Friend the Member for Newton Abbot (Anne Marie Morris) made possibly one of the most impassioned speeches we have heard in the House, drawing attention to the value of this investment and what it does for the region. As for the hon. Member for Ogmere (Huw Irranca-Davies), who made a powerful speech about the extension of the line to Swansea, I am very sad that he will—potentially—leave us in May. I hope that it has nothing to do with anyone whom he nominated for the Labour party leadership; it would be awful to think that he was disappearing on that basis. He will be much missed by many Members on both sides of the House. I have asked my hon. Friend the Member for Vale of Glamorgan (Alun Cairns), the Under-Secretary of State for Wales, if he will meet the hon. Gentleman, as a matter of urgency, to discuss the important infrastructure issues that he raised.

My hon. Friend the Member for Plymouth, Sutton and Devonport (Oliver Colvile) was, I believe, the only Member who mentioned the vital role of freight on the railways, and he was very clear about his priorities for the constituency. I am delighted that the Laira depot, which I have visited, is being retained, because of the important jobs that it brings, although I was disappointed that he did not mention hedgehogs once. I had hoped to hear a plea for a hedgehog crossing.

My hon. Friend the Member for North Devon (Peter Heaton-Jones)—whom I have enjoyed meeting many times, along with Mr Mike Day—raised the possible

opportunities on the Tarka line, which are fantastic. My door is open, and I am happy to give further consideration to his proposals.

The right hon. Member for Slough (Fiona Mactaggart), who is no longer in the Chamber—I think that she had to leave early—is another passionate campaigner for rail. Her constituency will, of course benefit from the Government's record investment in the railway, and particularly in Crossrail. I take her point about the Heathrow spur. However, she accused my Department of having tunnel vision. Far from it: we are multi-tasking on a daily basis. We are delivering the electrification of the midland main line, the Great Western main line electrification—about which I shall say more shortly—the multi-billion-pound Thameslink programme, and Crossrail. We are delivering £38 billion of investment on the country's railways. That is the biggest investment programme since Victorian times. However, one of the lessons that we have painfully learnt is that if we are committing money, it must be spent wisely. The hon. Lady was right to raise the Heathrow issue, and it will be delivered, but it is a question of appropriate sequencing.

My hon. and gallant Friend the Member for Plymouth, Moor View (Johnny Mercer)—who is not a trainspotter, I gather—made a powerful point about the regional need for transport investment to drive entrepreneurial growth. He made the important point, which was received rather churlishly by Labour Members, that private sector economic growth drives the best improvement in life chances, particularly in a disadvantaged constituency. I was disappointed by Labour Members' reaction to that.

**Huw Irranca-Davies:** In fact, the private sector has an important role to play in development and growth. However, as the Minister will know, the company that has achieved the highest satisfaction, the highest investment and the lowest bills is a not-for-profit water company called Dwr Cymru, which returns its surpluses to shareholders. Does she agree that the Wales consultation—it was launched on my birthday, 22 January—on a not-for-dividend model for the Wales and Borders franchise is a worthwhile exercise, given that it is considering a different way of delivering more value to rail users?

**Claire Perry:** When the hon. Gentleman becomes First Minister—which is, I am sure, his aspiration—he will have every opportunity to look at models for that franchise for the Welsh railways, because it is a devolved matter. However, I hope that he will be grateful, as I am, for the Government's commitment of £125 million, over and above the Barnett consequentials, to ensure that electrification of the Welsh valleys is delivered. How the work is sequenced will, of course be within the purview of the Welsh Government.

As always, my hon. and, allegedly, rugged Friend the Member for North Cornwall (Scott Mann) spoke passionately about the potential of his constituency. He also made the important point that branch lines that create local connectivity are vital to the railway. I hope that the Peninsula Rail Task Force, about which I shall say more later—I know that there is bated breath in the Chamber—will capture some of the investment. My hon. Friend also made an important point about the sleeper service, which the Government have supported with a multi-million-pound investment. I am glad that it is rocking him to sleep every Thursday night, but it is

also a vital way of building the tourism and business pathway down to the south-west, and I am very pleased that that work has been done.

My hon. Friend the Member for Wells (James Heapey) pointed out the importance of transport links, including road links. I am sorry that I was ruled out of order by mentioning road links earlier, so I will not mention them again, Mr Deputy Speaker. My hon. Friend made a point about regional investment, and I want to assure him that this is not a zero-sum game. It is not a question of pitching the north against the south-west or the south-east. In this Government's view, transport investment across the local, regional and national economies drives up economic growth, and economic growth delivers greater tax revenues and greater skills. That is a boat that floats the entire country higher, so if we can generate economic growth from transport investment, we will all benefit from that.

My hon. Friend made the fascinating point about regional transport around an area and talked about commuting into Bristol, where house prices can be very high. I hail from that area and I know it very well. In this regard, we would be looking to organisations such as the Peninsula Rail Task Force to help us to understand where every pound of spending can deliver maximum economic growth.

My hon. Friend the Member for Taunton Deane (Rebecca Pow) cannot be here tonight as she is recovering from surgery, but she too has campaigned on the vital issue of regional connectivity and is working hard on proposals to put forward to the new station investment fund, to which this Government have committed another £20 million in the latest spending review. I hope that I have now mentioned everyone who has contributed to the debate.

What is going on with this line? This debate is about the future of the Great Western railway. Some people have called it "God's wonderful railway;" others have called it the "great way round." It is a railway that I know very well. I grew up in Bristol and I remember when the InterCity 125s came to the city. It was as though we were no longer cut off; we were finally connected. However, as many Members have pointed out, those self-same trains are still running today. Some of them have been re-patched; they have been rebranded and refreshed. They still work, and they are a tribute to their engineering, design and maintenance, but they are now old trains. In the past 20 years, passenger numbers have doubled on that line. Indeed, since privatisation, passenger journeys are at a record high, with numbers having doubled across the country.

Too many trains are overcrowded and too many paths are full. Successive Governments of all political colours—I hold my hands up here—have not taken the necessary tough decisions on railway investment. Too many difficult decisions have been ducked and, as I have said, Labour's record on this is really nothing to shout about. However, despite the appalling economic chaos that we inherited, this Government have picked up the pieces and said, "We will invest more than £38 billion on our railways." Moreover—if I may crave your indulgence for a moment, Mr Deputy Speaker—we will put our road investment budget on a sustainable basis, so that all our transport systems can be protected.

This is truly the most ambitious rail upgrade since Victorian times, and it is being directed at the south-west because that region is a priority for this Government.

Good transport reduces the cost of doing business. It helps local companies to reach new markets and to grow, and it helps local people to travel to new opportunities. It helps students to travel to our wonderful universities. However, poor transport acts as a drag on growth and on social aspiration, and this Government understand the importance of rail investment in the south-west.

Powerful cases have been made tonight about the need to transform the Great Western main line. Over the next four years, the 40-year-old InterCity 125s will be replaced by reliable cutting-edge intercity express trains. I have seen them, and they are great. Along with the electrification of the fleet running on the suburban lines around London, they will deliver a 40% increase in the number of seats coming into Paddington. That is an incredible number, and it will start to deal with the overcrowding problems that we have heard about tonight. Also, journey times will be cut by up to 15 minutes, which will help to achieve some of the ambitions that have been described today. Fifty stations and 170 bridges will be improved, along with 200 miles of track and 17 tunnels, including the Box tunnel, which I have been through on a people-mover. All this work is going on.

The hon. Member for Ogden—[HON. MEMBERS: "Ogmore."] The hon. Member for Ogbourne—

**Melanie Onn** (Great Grimsby) (Lab): Do you know Wales very well?

**Claire Perry**: I know Bristol much better than Wales. The hon. Member for Ogmore (Huw Irranca-Davies) made an important point about electrification. I want to tell him that the commitment to electrify the line to Cardiff is absolutely baked into the new Hendy plans, and he must consider that as preliminary work towards Swansea—[*Interruption.*] It is difficult to get through the Severn tunnel, as he knows, but the work is going on and the gantries are in place. We have made the commitment that the electrification will continue on to Swansea the next capital period. [*Interruption.*] He says, "What about the new trains?" Of course the hybrid trains that we have purchased will be able to run on those tracks, so his constituents will see the journey time and capacity improvements, and those brand-new, state-of-the-art trains. I hope that he will at least be happy with that—

**Huw Irranca-Davies** *rose*—

**Claire Perry**: I can tell that the hon. Gentleman is not and that he is going to ask for another piece of infrastructure.

**Huw Irranca-Davies**: I winced only because I could feel the whole population west of Cardiff wincing at the same time as we were told that that was an interim measure to get us there. I do understand the point the Minister was making, however. Will the right hon. Lady—

**Claire Perry**: Hon. Lady.

**Huw Irranca-Davies**: She would be right hon. in my eyes if she could give the date when we will see the completion to Swansea.

**Claire Perry**: I am sorry, but I do not have that completion date. As the plans proceed and the work accelerates on the electrification to Cardiff, I will be happy to make sure that the hon. Gentleman is one of

[*Claire Perry*]

the first people to know, in whatever the capacity. I was invited earlier to choose glory, but my job is to serve—that is it.

Let us talk a little about the direct investment, as well as this Great Western line, because some people, including the hon. Gentleman, might legitimately say, “That is fine, but it just goes to Bristol and the south-west is much more than just Bristol.” Indeed, it is much more than just Cardiff, if we are talking about south Wales. What is actually happening for the south-western peninsula? Hon. Members were right to say that the south-west has sat and watched other regions pull ahead and wondered why that was happening. The south-west has vital extractive industries and some brilliant talent, but we are, in effect, cut off. Whether it was what happened at Dawlish or other transport network issues that had to prove that, the events at Dawlish were a wake-up call for so many of us. The work done on restoring that line showed that where there was a will and funding, there was a way to deliver. That is why in this Parliament the Government are investing more than £400 million directly in the rail system for this region. We are providing the class AT300 trains—the bimodal trains—which go through my constituency, too. I put my hands up: this is a great thing for my constituents, too. Those trains will provide fast, reliable journey times down to the south-west.

We have opened a new station at Newcourt, with others to come at Marsh Barton and at Edginswell, in the constituency of my hon. Friend the Member for Torbay in the next 18 months. We are re-signalling the main line from Totnes to Penzance, which is vital. The right hon. Member for Exeter mentioned Reading station, where this Government are making a £700 million investment in untangling freight and passenger lines, so cutting a key source of delay on that line. We have overhauled the Night Riviera sleeper trains, and I am told that the new launch will be before the vital tourist season this year. We are expanding the Long Rock train maintenance site at Penzance to maintain those trains, and of course we spent £35 million at Dawlish at the time of the works, and money has continued to go into that project since, because it is not enough just to stabilise the track for now.

As we have heard over and over again tonight, the challenge will be in future-proofing these lines, which are in some of the most exposed parts of the railway network. That is why £3.5 million has been spent by Network Rail on the geological analysis—on the cliff resilience analysis—to make sure that what is proposed for Dawlish works for the future. An additional £31 million is also being spent at 10 sites across the south-west, including the works at Cowley bridge, and the installation of rainfall and other monitoring. We are trying to make sure that the flooding problems we saw in 2014 do not happen again.

We have a plan for the south-west and we are determined to improve the resilience for the south-west. We also have a plan for Wales, and although the hon. Member for Ogmore may not be entirely happy with it, this Government are delivering for Wales, too. I was pleased to hear an almost universal series of comments about Great Western Railway today, which is delivering its highest ever score for overall passenger satisfaction. As has been said time and again today, it has really delivered

at a time of tough service disruption. It is delivering 3% year-on-year increases in customer scores and it is determined to do more.

There is a No.1 question today. People have said, “Okay Minister, you have told us that this matters and clearly there is a long-term plan, but what about the resilience study?” I am delighted to assure the House that we have indeed negotiated a package that will make sure that those relatively small but important studies do go ahead, to form part of the plan that we are expecting to get from the great Peninsula Rail Task Force. I wanted to keep everyone in suspense until the last possible moment. Therefore, the GRIP 2 study—governance for railway investment projects—into line speed improvements between London and Devon and Cornwall can go ahead to establish what more can be done to bring about track and signalling improvements. That is an important but not the only part of the study. I am really excited that the Peninsula Rail Task Force will report in June with a vision for the next 20 years. That work will include the resilience questions at Dawlish and the journey time improvements we need. That is no easy task, so we should all thank the relevant parties, led ably by the chair of Devon County Council, for putting that work together.

**Mr Bradshaw:** I think what the Minister just said is welcome, but she used the expression, “We have negotiated a package.” How much are the Government putting on the table compared with the local authorities, which have already put quite a lot on the table?

**Claire Perry:** We have not been asked to put in a penny. Great Western Railway has funded the study, as part of our negotiations with it. No Government money was ever being put into these studies. We stood by to make sure the studies happened—

**Andy McDonald:** Stood by!

**Claire Perry:** No, we were prepared to backstop any shortfall, but Great Western Railway agreed to fund this small part of the overall plan. We are talking about £200,000 to £300,000, as opposed to the £3.5 million Network Rail has already spent. I hope the right hon. Member for Exeter, just for once, is going to crack a smile and welcome something. Go on! Just welcome something the Government have done. No? I think we will move on.

The Government are committed to the region, and these studies will go ahead. This is a vital region of the country for transport investment and economic growth, and I am delighted, as both a south-west MP and the rail Minister, to confirm that those studies will go ahead.

9.42 pm

**Kevin Foster (Torbay) (Con):** This has been a fascinating couple of hours. We have managed to keep the debate on track and, as I told the Backbench Business Committee we would, to build up a head of steam behind these issues, and hon. Members will be pleased that the debate did not hit the buffers, as some suggested it might.

Leaving aside the puns, I think this has been a good debate. It was encouraging to hear that the studies would go ahead, as a key part of identifying exactly

what needs to be done on our railway to secure it for the future. It is right that we heard the commitment that Dawlish and the Great Western main line would continue to be at the heart of the community in the peninsula. I know that the line into south Wales and Swansea is at the heart of that area and its economy, too, and I hope that people will support the motion without the need for a Division. It reinforces the importance of the network. This is not just about a transport system to get people from A to B; it is about the heart of a region that could deliver so much more with the investment that we hope will come.

*Question put and agreed to.*

*Resolved,*

That this House believes that the routes of the Great Western railway are not just a transport system, but the heart of the regions they serve; and calls on the Government to ensure that plans for further electrification and improved resilience of the Great Western railway routes are progressed urgently.

## Business without Debate

### BUSINESS OF THE HOUSE (9 FEBRUARY)

*Ordered,*

That at the sitting on Tuesday 9 February, paragraph (2) of Standing Order No. 31 (Questions on amendments) shall apply to the Motion in the name of Mr Nigel Dodds and to the Motion in the name of Tim Farron as if the day were an Opposition Day; proceedings on each Motion may continue, though opposed, for three hours and shall then lapse if not previously disposed of; proceedings on each Motion may continue, though opposed, after the moment of interruption; and Standing Order No. 41A (Deferred divisions) shall not apply.—(*Jackie Doyle-Price.*)

### BUSINESS OF THE HOUSE (10 FEBRUARY)

*Ordered,*

That at the sitting on Wednesday 10 February, Standing Order No. 16 (Proceedings under an Act or on European Union documents) shall not apply to proceedings on the Motion in the name of Secretary Theresa May relating to Police Grant Report or to proceedings on the Motions in the name of Secretary Greg Clark relating to Local Government Finance;

the Speaker shall put the Questions necessary to dispose of proceedings on—

(1) the Motion in the name of Secretary Theresa May relating to Police Grant Report not later than three hours after the commencement of proceedings on that Motion, and

(2) the Motions in the name of Secretary Greg Clark relating to Local Government Finance not later than three hours after the commencement of proceedings on the first such Motion or six hours after the commencement of proceedings relating to Police Grant Report, whichever is the later;

proceedings on those Motions may continue, though opposed, after the moment of interruption; and Standing Order No. 41A (Deferred divisions) shall not apply.—(*Jackie Doyle-Price.*)

## INTERNATIONAL DEVELOPMENT

*Ordered,*

That Fabian Hamilton be discharged from the International Development Committee and Stephen Doughty be added.—(*Bill Wiggin, on behalf of the Committee of Selection.*)

## Flood Insurance for Businesses

*Motion made, and Question proposed,* That this House do now adjourn.—(*Jackie Doyle-Price.*)

9.43 pm

**Craig Whittaker** (Calder Valley) (Con): The floods that hit the north of England over the Christmas period brought untold misery and suffering to a record number of people. In the Calder Valley, 2,700 homes and 1,635 businesses were flooded. In addition, four schools were affected, two of which are likely to remain closed for the foreseeable future, several bridges were destroyed and the total repair bill for damaged infrastructure currently stands at £32 million.

The Government's response so far has been most welcome. A £12 million package for households and businesses was made available within days of the flooding to help with the initial incidental costs. Since then, we have seen £5.5 million for the rebuilding of Elland bridge and, most recently, funding to repair and improve flood defences in the village of Mytholmroyd, which was particularly badly affected.

As welcome as the Government response has been to date, there is still far more to do. The communities in my constituency will need a great deal of support over the coming months and years as they get back on their feet.

The Environment Agency is due to complete the long-awaited flood prevention modelling work for the length of the Calder Valley in October. Although improved flood defences and upland management schemes cannot guarantee full protection in the future, there is an urgent need to move ahead with such projects. In addition to flood prevention work and the cost of repairing the damaged infrastructure, there is also the need to work with businesses to ensure that they are able to recover. An essential part of that is ensuring that small businesses are able to access flood insurance.

In response to a recent written question on this issue, the Under-Secretary of State for Environment, Food and Rural Affairs, the hon. Member for Penrith and The Border (Rory Stewart) said:

“While we recognise the difficult challenges that some small businesses could face in accessing commercial flood insurance in areas of high flood risk, we are not currently aware of evidence that there is a systemic problem. Therefore, we have committed to work with the Association of British Insurers (ABI) and other interested parties to monitor the insurance market for small businesses. We are keen to work across government, and with a range of business interests, to better understand the nature and extent of any problem that might exist”.

**Alex Cunningham** (Stockton North) (Lab): I am grateful to my former Education Committee comrade for securing this debate and for giving way. This afternoon, I met Alan Smith, the leader of Allerdale council, to hear of the problems in his area and his worries for small and large businesses. Of concern is the fact that excesses of several tens of thousands of pounds are needed in order to secure insurance. What specific role should the Government have in developing some form of Flood Re type scheme for businesses, perhaps with some of that underwriting money that we have for domestic issues?

**Craig Whittaker:** I will come on to what I want the Government to do a little later, but I will also explain what is currently taking place. The hon. Gentleman is

[Craig Whittaker]

absolutely right that the excesses for small and medium-sized businesses are phenomenally unaffordable, as are some of the premiums on offer.

In addition to the written question that I mentioned earlier, the Prime Minister recently stated that he was looking very carefully at this issue and that, although some small businesses are highlighting concerns, the insurance companies, via the Association of British Insurers, state that they would not turn down any small business for flood insurance.

**Jim Shannon** (Strangford) (DUP): Flooding has become worryingly regular across the whole of the United Kingdom of Great Britain and Northern Ireland. Mother Nature cannot be ignored. Does the hon. Gentleman agree that we should consider setting up a formal structure of permanent support for businesses that are affected by flooding, outside of the insurance industry?

**Craig Whittaker:** I am not sure that that is the sole responsibility of the Government. I think that there needs to be a joint approach between the insurance industry and Government, but, again, I will come on to that during my speech.

Although the ABI said that it would not turn down any small business for flood insurance, I can tell Members that, having spoken to hundreds of businesses in the Calder Valley over the past few weeks, it has become apparent that many small businesses are experiencing difficulties in accessing flood insurance and that this uncertainty, coupled with the crippling costs that now face some businesses as a consequence of the floods, is jeopardising their future. Although I note the Minister's response that the Government are not aware of any evidence of a systemic problem, I question the basis on which that conclusion has been reached.

Last July, the Department for Environment, Food and Rural Affairs published the report "Affordability and Availability of Flood Insurance: Findings from Research with Businesses". A cursory look at the report might lead one to conclude that there is not a problem after all. The research found that uptake of insurance across businesses is high. The survey showed that the vast majority of small businesses arrange commercial insurance cover for their premises and that there is no significant difference between small businesses that are located in high flood-risk areas and those that are not.

However, a more detailed consideration of the report, particularly the basis on which the evidence has been collected, provides a different picture. The headline figures from the report come from a secondary source, a small business survey run by the Department for Business, Innovation and Skills. The DEFRA report acknowledges that the BIS survey data contain only small numbers of businesses located in high flood-risk areas. As such, one may legitimately question how valuable such data are when considering the issue of insurance for businesses in high-risk areas. The main focus of the DEFRA report was a series of in-depth interviews with businesses, and it is that component that forms the main evidence base. Only 25 businesses were interviewed, the majority of which were not in high flood-risk areas. The overwhelming majority were very small businesses, employing fewer than 10 people, and only one manufacturing business was included in the sample. My point is that the evidence

base of the DEFRA report is not particularly credible and, as a consequence, the report is of limited value. If they are to appreciate the extent of this issue the Government and the Association of British Insurers need to speak to businesses in areas of high risk.

**John Mc Nally** (Falkirk) (SNP): As the recently appointed chair of the all-party parliamentary group on flood prevention, I can tell the hon. Gentleman that we had discussions with the hon. Member for York Central (Rachael Maskell) on this on, I think, 26 January. It became apparent in the debate, which was interrupted several times so that we could vote in the Chamber, that there was a great divide on whether there was evidence to show that businesses had been affected. Does he agree that the APPG should visit the sites so that we can witness the problem and speak to the businesses that have been affected by flooding?

**Craig Whittaker:** Of course, we would always welcome the APPG in the Calder Valley. In fact, we welcome anyone who would like to come and have a look. Indeed, if it helps us to make progress in this area and others affected by flooding, the whole group is very welcome, and I will help to arrange for businesses to talk to it too.

To appreciate the true extent of the problem, the Government and the ABI need to speak to businesses in areas of high risk, including those located in communities that have experienced a high frequency of flooding in recent times such as the Calder Valley. Calderdale Council says that between 40% and 50% of businesses cannot access flood insurance in five of my six communities, while our local insurance broker in the upper Calder Valley tells me that 20% of his clients cannot access flood insurance—ironically, including himself. True to the spirit of people in the Calder Valley, he has a desk and a mobile phone set up in the middle of all the building works in what was his office, working to ensure that his clients are sorted out. After the floods he, along with other brokers from around the UK in high flood-risk areas, were invited to London to highlight cases to the ABI. The journey turned out to be an absolute farce, as the ABI refused to look at those cases, saying that it was not allowed to do so because of data protection. The ABI says that there is no evidence of businesses not being able to access flood insurance, and cites DEFRA's own report, which I have highlighted, to say that there is no evidence.

**Rachael Maskell** (York Central) (Lab/Co-op): Today, I received a briefing from the ABI saying that it was not going to look at the issue of small businesses having a Flood Re scheme, and that small businesses could shop around for insurance. I know from my constituency of York Central that that simply does not happen, and is not possible. Businesses in my constituency are putting forward their own resources instead of claiming from their insurance company. Is it not crucial that the Government move forward with a Flood Re scheme for small businesses to make sure that they are protected in future?

**Craig Whittaker:** I am not quite sure that that is entirely the Government's responsibility. The ABI has a huge responsibility for this too. As I shall highlight with the things that have been done in the Calder Valley—doubtless they have been done in York Central too—it



is the responsibility of business, but it is also everyone's responsibility to make sure that we have viable businesses, otherwise we do not have communities going forward.

**Stuart Blair Donaldson** (West Aberdeenshire and Kincardine) (SNP): I apologise to the hon. Member for Calder Valley (Craig Whittaker) and to you, Mr Deputy Speaker, for arriving late. The hon. Gentleman has made an important point about the ABI. Does he agree that another way to help businesses and communities affected by flooding is for the Government to apply to the EU solidarity fund to ensure that more support is available for those businesses and communities?

**Craig Whittaker:** As the hon. Gentleman knows, the Government have given a commitment to look at that funding to see how they can help. I dare say the Minister will give us an update on that.

Of the many businesses across the Calder Valley which are experiencing these difficulties, I will cite just three of the many examples coming in daily to illustrate some of the concerns that I have become aware of. I will not name the companies as we do not want their customers to lose faith any more than they have already. The first is a leading high-end British furniture manufacturer located in Mytholmroyd which is experiencing difficulties similar to those faced by other businesses. It is a very successful manufacturer of sofas, employing some 100 local people. On Boxing day, it was flooded for the second time in just four years. After the last flood it could get insurance only for stock, not for machinery or anything else relating to flooding. It is facing a loss of around £500,000. The business will survive and continue, but of significant concern is the insurance position going forward. Its insurance cover was due for renewal only last week and it has been told that it will not be able to access flood cover again, even for stock.

At the other end of the Calder Valley, located in Brighouse, is a nationally acclaimed climbing centre which opened in 2011 and now has over 30,000 members. Together with its sister business, a bar and a restaurant, it employs 30 local people and occupies a strategic site that is central to the regeneration of the wider area. As the business is located between the river and the canal, it has been unable to access any flood insurance since it was set up. The business incurred losses when it was flooded in 2012 and now, following the latest floods, it faces a very substantial bill and a battle to stay in business. Once again, the business is in limbo.

Last but by no means least, I will mention a large manufacturing firm which has been flooded on four separate occasions over the past decade. The business has been able to access flood insurance in the past, but has been told in no uncertain terms by its insurers that it will not receive flood cover in the future. Its inquiries of other insurers have been unsuccessful on account of the ridiculous terms and conditions that have been quoted. The difficulties in accessing insurance, and the losses incurred by being flooded so regularly, now mean that it is likely that this business will close, with the loss of 40 jobs.

**Holly Lynch** (Halifax) (Lab): Does the hon. Gentleman agree that bigger and smaller businesses alike may be significant employers for neighbouring constituencies, and the thought of flooding just once is so serious that they may think of moving out of the Calder Valley?

The loss of those jobs, and the loss of the business rates those businesses pay and the support that they provide to communities, is serious. Business insurance is a big part of ensuring that we are an attractive place in which to keep trading.

**Craig Whittaker:** The hon. Lady is right. As she knows, the Calder Valley is made up of high-sided valleys, so there are few places for those businesses to relocate locally. If they move out of the Calder Valley, we will lose the job skill sets and the local communities will wither and die. I shall return to that.

Although I am encouraged by the words of the Prime Minister and his assurances that he is looking very closely at this issue, my experience leads me to believe that there are potentially hundreds of businesses in my constituency which are unable to access flood insurance. The examples I mentioned are the tip of the iceberg and serve only to illustrate the difficulties that some businesses are experiencing because of the lack of adequate cover. If this situation is replicated nationally in communities susceptible to flooding, which I imagine is the case, this means that thousands of businesses across the UK are experiencing these difficulties.

Every community that is susceptible to flooding has its unique challenges and this is certainly the case in the Calder Valley. Towns in my constituency such as Todmorden, Walsden, Hebden Bridge and Mytholmroyd, Elland and Brighouse are located next to the River Calder at the bottom of steep-sided valleys. They are proud communities and their small businesses and independent traders are the lifeblood and the beating heart of our area. The topography of those areas is very challenging and the transport links are limited. This means that there is limited land for development, as I said to the hon. Member for Halifax (Holly Lynch), so locating to another premises in the area is not a viable option for many businesses. This underlines the serious economic challenge that communities such as the Calder Valley face. If these businesses close down or move away from the area, we are in grave danger of losing the vast employable skills and expertise built up over generations, and our local communities are in grave danger of withering on the vine and dying. The importance of this issue, then, cannot be overstated.

With Flood Re, which is for domestic properties, the Government have shown that it is possible to work with the insurance industry to create a scheme that can fill the gaps in the existing market. They are currently talking with the Association of British Insurers about business insurance. The ABI feels that it is the Government's responsibility to fix this issue, while the Government, I am sure, feel it is for the market to fix it. However, I suspect the solution is somewhere in the middle—

10 pm

*Motion lapsed (Standing Order No. 9(3)).*

*Motion made, and Question proposed, That this House do now adjourn.—(Jackie Doyle-Price.)*

**Craig Whittaker:** I suspect the solution is somewhere in the middle, with a joint partnership between both.

**Melanie Onn** (Great Grimsby) (Lab): Does the hon. Gentleman agree that a strategy to provide upfront support for businesses, protecting their properties from flooding in the first place, would bring down

[Melanie Onn]

insurance premiums, save the Government money on repair funding and save businesses lost revenue in the long run?

**Craig Whittaker:** The record shows, particularly in the Calder valley, which was flooded in 2012, that the Government invested quite a lot of money in flood prevention schemes, allowing people to invest in their homes. One problem we have, of course, is that although people live beside the rivers, they do not particularly prepare for these things. The evidence does not really show that putting flood prevention in reduces the risk with insurance companies. That is one of the serious issues that needs addressing.

Meanwhile, while the big boys talk some more, the businesses in Hebden Bridge are looking at a scheme called Watermark, which will give customers the choice of paying the normal price or the Watermark price for goods. On top of that, businesses will have the choice to pay into a generic pot as well—almost a savings plan. Although they accept that the pot will not cover all the damage done if and when the floods hit again, it will give them access to a pot that will allow some of their uninsured works to be done. That is something the ABI and some of its members perhaps need to start looking at, thinking out of their box and perhaps accessing some of their moral and social justice conscience.

To be fair, some insurers I have seen have done excellent work with their clients; in fact, they have behaved incredibly well. They include companies such as Aviva, which has pledged that the claims of their current small and medium-sized enterprise customers will continue to get cover and that those with excesses of more than £350 will not see those excesses rise when they next renew. Unfortunately, that is only for existing customers.

The British Insurance Brokers Association is in the process of creating a scheme for SMEs that will specifically include businesses at risk of flooding. BIBA's expectation is that it will enhance the current situation by enabling up to 2,000 BIBA brokers across the UK to place those more difficult risks through the scheme, offering cover to the vast majority of businesses that have struggled in the past. My understanding is that BIBA is in advanced negotiations and that it aims to launch the scheme this year. However, I have spoken with BIBA, and the scheme uses only products that are already on the market. It also seems to be quite a complex system of protection for the carrier and protection for the property that is to be insured, with a further policy to reduce high excesses. How will the scheme assist businesses with the excessive terms and conditions that act as a barrier to insurance already? Will it help to reduce some of the unreasonable levels of excess that make cover unaffordable in many cases?

May I request that, in communities such as the Calder valley, the Government work alongside small businesses to identify the gaps in the market and to understand what prevents some businesses from receiving adequate flood cover? Relying on the DEFRA report is just not good enough; the evidence is not there, and we need to go out there and get it.

It remains to be seen whether BIBA's new scheme is the innovative solution the market requires. However, I do know how desperate businesses are in my constituency

and in those of other hon. Members—those constituencies have probably not suffered quite as badly, but these things are pretty grim for anyone who is in this position. These businesses are relying on a long-term solution being found. I sincerely hope that the Government are able to identify the gaps in the market, to better understand the nature and extent of the problem and to work with the insurance industry to develop a new facility to address these issues.

10.4 pm

**The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Rory Stewart):** I pay tribute to my hon. Friend the Member for Calder Valley (Craig Whittaker) for a very quiet but very forensic speech that showed the deep care that he has for his constituency. I saw that directly myself when I walked through many of the businesses that he described. I saw how, in essence, a tidal wave had moved through a furniture factory, wiping out half a million pounds-worth of stock. I saw how a furniture warehouse was ruined and a community centre had been wiped out. I saw, as many hon. Members on both sides of the House have noted, the incredible impact that this has had on a very precious and beautiful area of our country and a historic community, and how intimately the subject of business insurance is connected to the livelihood and the longevity of these communities.

I will not get into a detailed discussion about the DEFRA survey, although I would point out that it is not quite as bad as it seems on paper. A total of 2,686 businesses were surveyed, but I absolutely agree with my hon. Friend that the 25 on whom an in-depth survey was conducted was not a large enough number to be a decent sample. I strongly encourage the hon. Member for Falkirk (John Mc Nally) and his APPG to get involved in the detailed investigation of what is happening in business insurance in Calder Valley. The hon. Member for Stockton North (Alex Cunningham) raised that issue powerfully.

There are improvements that we can already make without looking at a Flood Re scheme. First, we need to make information far more accurate so that businesses in a flood-vulnerable zone are not being punished when they are not actually flooded. Secondly, as has been pointed out, we need to make sure that businesses are more resilient. We have access to good public information about that. There is a very good example of a business in Cockerthorpe that took the right measures and, as a result, was able to come back from the flooding in two days whereas previously it took four months.

In relation to business, the Government have a part to play in investment and infrastructure. We need to guarantee broadband connections; there was a problem in that regard at Tadcaster bridge. Electricity substations and roads must be left open, because that matters not just for communities but for businesses. We need to acknowledge that the insurance industry cannot be the complete answer. As the hon. Member for West Aberdeenshire and Kincardine (Stuart Blair Donaldson) pointed out, it is important that there is an element of grant coming in. We have put a great deal of grant behind businesses—an average of £2,500 per business, but in some cases considerably more—because we acknowledge that the insurance industry does not produce all the answers. There is also the capital expenditure that we need to put into flood schemes in general.

My hon. Friend the Member for Calder Valley focused, as did the hon. Member for York Central (Rachael Maskell), specifically on whether there should be a Flood Re scheme. I am afraid that time will not allow me to answer this question in detail, but I will give some points to consider in looking at business insurance. First, setting up one of these schemes involves a very considerable cost to the dry. At the moment, within a Flood Re scheme, regardless of where someone is located—they could be on the edge of a river and flood every three years—they would be guaranteed that for a £250 premium, or the basic rate of council tax on a £250 excess, they would be insured. This would mean that businesses in dry areas would have to cover the cost of providing insurance in some of the cases that my hon. Friend raised. For example, if a business has indeed, as he said, flooded twice in four years at a cost of £500,000 to its stock each time, it will be difficult to provide insurance without some measure of cross-subsidy for businesses that are not in flood-affected areas.

The second problem is the complexity of flood insurance for businesses. It is much more straightforward for householders, who basically look to insure their buildings and contents. A business, on the other hand, has to look at how much cash it has in the bank, and how much it therefore wants to lower its premiums and self-insure against a higher excess. It has to look at whether it has high fixed structural assets and whether it wants to insure them. An internet company will not want to invest much in insuring the building that it is in, whereas for a farm, a property business or a restaurant, that fixed structural asset is absolutely essential to the continuity of its business.

The difference can be huge when it comes to business interruption insurance. For example, business interruption would be minimal for a company such as cheapflights.com, provided that its service was not located in the area affected. However, if the McVities biscuit factory in Carlisle were wiped out by a flood, the business interruption consequences would be catastrophic. That is why it is much more difficult to model business insurance than household insurance.

There is also, of course, the issue of moral hazard. We do not want to encourage businesses to locate themselves in flood-vulnerable zones if they have a high fixed structural asset cost. We want to keep those communities vibrant and alive, but we also want to do so in a way that makes sense.

Nevertheless, something must be done. The hon. Member for Halifax (Holly Lynch) has emphasised the

importance of business insurance for retaining the communities for the sake of their history and the social costs involved. We therefore need to answer some questions. First, how much subsidy—because there will have to be an element of subsidy—do we wish to put into an individual valley? Secondly, as the hon. Member for Strangford (Jim Shannon) has asked, what should the balance be between the Government element of the subsidy and that provided by the insurance industry for businesses in non-flood-affected areas?

Thirdly, should we consider a different insurance model? One possibility—we have not done this in flood insurance before—is to consider the approach taken by travel and medical insurance, which have a fixed indemnity. If the Government are to be involved, it might be reassuring for them to know that a property had a fixed indemnity of £20,000 or £50,000 attached to it, rather than what we have at the moment, which is an unlimited flood insurance liability.

That is why I am delighted to say that tomorrow I will host a round table with BIBA, ABI, the Federation of Small Businesses and a dozen other stakeholders, to talk through the concrete, detailed issues involved in providing serious insurance for businesses.

**John Mc Nally:** I have sent the Minister a letter inviting him to the next meeting of the all-party group on flood prevention, but he has not replied. It would be an opportune time for him to meet us after his other meeting.

**Rory Stewart:** I would be delighted to do that. I have 45 seconds left. I pay tribute to a wonderful speech by my hon. Friend the Member for Calder Valley. It was a serious forensic analysis that tore the DEFRA report to pieces, for which I am grateful and I will follow up on it. I also thank the other Members who have contributed to the debate, and I pay tribute to the extraordinary community in Calder Valley, including the community activists in Hebden Bridge, individual businesses and, indeed, the military on the streets for the work they did. Finally, I give a commitment to my hon. Friend and to the House that we will, through the round table and over the weeks ahead, look in full, relentlessly and vigorously, at the costs, both economic and social, involved in failing to provide adequate business insurance.

*Question put and agreed to.*

10.13 pm

*House adjourned.*



# House of Commons

*Tuesday 9 February 2016*

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

## PRAYERS

[MR SPEAKER *in the Chair*]

## Oral Answers to Questions

### HEALTH

*The Secretary of State was asked—*

#### Public Health Grants

1. **Johnny Mercer** (Plymouth, Moor View) (Con): What steps his Department has taken to ensure that public health grants are spent only on public health responsibilities. [903534]

**The Parliamentary Under-Secretary of State for Health (Jane Ellison):** The local authority public health grant is ring-fenced and must be spent in line with published grant conditions set by the Government. Local authority chief executives and directors of public health are required to certify that grant spend is in line with these conditions. In addition, Public Health England further reviews spending information and local authority spend against the grant is subject to external audit.

**Johnny Mercer:** In 2014-15, my city of Plymouth received £47 per head. Portsmouth, which is statistically healthier, received £77 and Kensington and Chelsea got £136. I absolutely understand that this is a legacy issue with the funding formula, and the Government are committed to dealing with it, but I cannot stress enough how important it is that we speed this up. How does the Department plan to achieve this? The current situation is grossly unfair to my constituents.

**Jane Ellison:** I applaud my hon. Friend for being a champion of public health in his community. We have had several conversations on this issue. As he says, there are historical differences, of which I am conscious, in the levels of local public health spending. They mostly arise from historical primary care trust spending priorities. We have made some progress in addressing the matter, but, as regards future allocations, we are considering a full range of factors, including the impact on inequalities and existing services. Those will be announced shortly. As I have told him before, the chief executive of Public Health England is happy to talk to him about the specific challenges facing his community, and that offer remains open.

**Emma Reynolds** (Wolverhampton North East) (Lab): The NHS “Five Year Forward View” states that

“the future health of millions of children, the sustainability of the NHS, and the economic prosperity of Britain all now depend on a radical upgrade in prevention and public health.”

How will the in-year cuts this year and the future 4% real cuts in public health help to achieve that objective?

**Jane Ellison:** The challenge of being serious about prevention is one for the entire health and social care system. We acknowledge that, like many parts of government, public health grants have had to absorb some of the fiscal challenge. We are dealing with the problems we inherited at the beginning of the coalition Government. Despite that, local authorities will receive £16 billion in public health grants alone over the spending review period, but that is not the only way we invest in prevention. On my many visits, I have seen some of the great work being done to work with local authorities, and I am confident of the great things they can do with that money.

19. [903552] **Ms Margaret Ritchie** (South Down) (SDLP): Given the report by the Crisp commission, released in the last few days, on mental health provision and treatments, can the Minister provide any assurance about the equitable treatment of physical and mental health to ensure an equal allocation of funds?

**Jane Ellison:** There is rightly a great deal of attention on this area—more tier 4 beds have been commissioned, for example—but I want to stress what is being done in my area of public health. Right at the heart of our new tobacco strategy, which we are beginning to work on, is a concern for the inequity facing people suffering from mental ill health in terms of smoking levels. I can reassure the hon. Lady that across the piece we are considering how we can do more for those who suffer with mental health problems.

**Andrew Gwynne** (Denton and Reddish) (Lab): Access to contraception is not only a fundamental right but a cost-effective public health intervention—every £1 spent on contraception saves the NHS £11—yet the Government are presiding over savage cuts to public health services. It is predicted that £40 million will be cut from sexual health services this financial year alone. Is that what the Minister means when she says the Government are serious about prevention? Why does she not finally admit that these cuts not only make no financial sense but could put the nation’s health at risk?

**Jane Ellison:** I reject that analysis. It is for local authorities to take decisions on local public health spending, but they are mandated by legislation to commission open-access sexual health services that meet the needs of their local population, and in fact there is a great deal of innovation around the country in how people are doing that. For example, in Leeds, they are redesigning services to enable people to access sexual health. *[Interruption.]* The shadow Minister laughs, but the question of how much they would have invested in the NHS goes unanswered by the Opposition—a question that was never answered at the general election. On prevention, as I have said, the public health grant is not everything. In the next financial year alone, for example, the Department will spend £320 million on vaccines. We have introduced two world firsts: the child

flu programme and the meningitis B immunisation programme. Right across the piece, this Government are investing in prevention and in our NHS.

### Hospital Trusts: Special Measures

2. **Rehman Chishti** (Gillingham and Rainham) (Con): What progress his Department has made on improving the performance of hospital trusts in special measures. [903535]

9. **Daniel Kawczynski** (Shrewsbury and Atcham) (Con): What progress his Department has made on improving the performance of hospital trusts in special measures. [903542]

12. **Nigel Huddleston** (Mid Worcestershire) (Con): What progress his Department has made on improving the performance of hospital trusts in special measures. [903545]

**The Secretary of State for Health (Mr Jeremy Hunt):** Eleven out of 27 hospitals have now exited special measures, having demonstrated sustainable improvements in the quality of care. Overall, trusts put into special measures have recruited 1,389 more doctors and 4,402 more nurses, with one estimate saying this has reduced mortality rates by 450 lives a year.

**Rehman Chishti:** Following the recent Care Quality Commission report on the Medway hospital, the staff and new chief executive are working hard to turn around long, historic and deep problems. What further support can the Secretary of State and the Government offer the hospital to help turn it around and get it out of special measures? I thank the Secretary of State and his Department for the support they have given to the hospital so far.

**Mr Hunt:** I thank my hon. Friend for his enormous support for that hospital, which has been through a very difficult patch. I had a long meeting with the chief inspector of hospitals about the Medway yesterday. My hon. Friend will be pleased to know that, over the past five years, we got 106 more doctors and 26 more nurses into the trust. We now have a link with Guy's and St Thomas's that is beginning to bear fruit. There is a lot more to do, but we are determined to ensure that we do not sweep these problems under the carpet and that we deal with them quickly and deliver safer care for my hon. Friend's constituents.

**Daniel Kawczynski:** My right hon. Friend will know of some of the terrible problems experienced in Shropshire with respect to clinical commissioning groups and the trust, particularly over the future fit programme and A&E services in the county. The Royal Shrewsbury hospital covers a huge area—not just Shropshire, but the whole of mid-Wales. Will my right hon. Friend give me an assurance that he will do everything possible to support me and the residents of Shrewsbury to guarantee that A&E services remain at the Royal Shrewsbury hospital?

**Mr Hunt:** First, I thank my hon. Friend for his campaigning on behalf of the Royal Shrewsbury; no one could do more than he has over many years. I encourage

him to engage carefully with the future fit programme. In the end, it is incredibly important to get the right answer for patients. My hon. Friend has been supportive of the process, but like him, I would like to see it concluded sooner rather than later.

**Nigel Huddleston:** Will the Secretary of State set out for my Worcestershire constituents what impact the putting of trusts into special measures is likely to have this year and what improvements can be expected when the trust exits special measures?

**Mr Hunt:** The advantage of the special measures programme is that we tend to make much faster progress in turning round hospitals in difficulty than used to happen in previous years. My hon. Friend will know that, in the past five years, his local trust gained nearly 50 more doctors and more than 100 more nurses. We are making progress, but we need to do it much faster. The hospital will have my full support in getting these problems dealt with quickly.

**Valerie Vaz** (Walsall South) (Lab): Walsall NHS trust has been placed into special measures, so what immediate action can the Secretary of State take to ensure that the Manor hospital can recruit the vital staff in paediatrics and A&E that it now needs—not agency staff, but long-term fully employed staff?

**Mr Hunt:** The hon. Lady is absolutely right that one thing that can tip hospitals into special measures is having too high a proportion of staff from agencies so that a trust cannot offer the continuity of care that other trusts can. There have been an extra 83 full-time doctors at Walsall Healthcare NHS Trust over the past five years, along with 422 full-time nurses. An improvement director started this week and we are looking to find a buddy hospital, which is what I think will help most. When it comes to turning hospitals round the fastest, we have found that having a partner hospital can have the biggest effect, as with Guy's and St Thomas's for the Medway.

**Keith Vaz** (Leicester East) (Lab): Despite having a football team at the top of the premier league, the hospitals of Leicester are in need of urgent assistance. The worry for Leicester is that they will slip into special measures, particularly regarding A&E. What steps can the right hon. Gentleman take to ensure that our hospitals perform as well as Leicester City football club?

**Mr Hunt:** We want to them to be as outstanding as Leicester City football club, but we recognise that there is some way to go. There is pressure on A&E departments, as the Under-Secretary of State for Health, my hon. Friend the Member for Ipswich (Ben Gummer), has acknowledged in the House, and we are giving careful thought to what we can do to support them. Leicester will be one of the first trusts in the country to offer full seven-day services from March or April 2017 onwards, so important improvements are being made, but we will do all that we can to ensure that they happen quickly.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): Calderdale and Huddersfield trust is not in special measures, but it is in trouble, and we are likely to lose our A&E service—in one of the biggest towns in Britain—if

we follow the recommendations of the CCG. Does the Secretary of State agree that when hospitals and trusts get into trouble, it is usually because of poor management? What can we do to improve the management of hospitals, and, in particular, what can we do about people who, because they are GPs, think that they are managers?

**Mr Hunt:** The hon. Gentleman has made an important point. I think that there are some things that we just need to do differently. For instance, we should allow managers to remain in their posts for longer. If the average tenure of NHS chief executives is only about two years, their horizons will inevitably be very short-term, so we need to give them enough time to turn their organisations around. The chief executive of the latest trust to be given an “outstanding” measure, Frimley Park Hospital NHS Foundation Trust, has been there for 26 years, and I think there is a connection. We can ensure that managers have the necessary resources. I think we can also make sure that we identify their problems quickly, and give them support before those problems turn into a crisis.

**Dame Angela Watkinson** (Hornchurch and Upminster) (Con): Barking, Havering and Redbridge University Hospitals NHS Trust is working extremely hard to improve its services and has already achieved considerable success, but although there are 250 spare home beds in the London borough of Havering, there are still a great many frail elderly patients in hospital who are no longer clinically ill. Has any research been done on the reasons for delayed discharge, and to what extent does patient choice play a part in it?

**Mr Hunt:** Unfortunately, it sometimes plays a part, but the main way to tackle the problem is to establish better co-ordination between what local authorities do, what the CCGs do and what the trusts do. That applies not just to my hon. Friend’s local trust, but to trusts throughout the NHS. I do, however, commend her local trust. At its last inspection, the CQC found that it had made significant progress. It has more doctors, more nurses and, in my view, an excellent chief executive, and I am very confident about its future.

**Heidi Alexander** (Lewisham East) (Lab): Sixteen trusts across the country are currently in special measures, nine out of 10 hospitals are failing to fulfil their own safe staffing plans and waiting time targets are being missed so often that failure is becoming the norm. Does the Secretary of State think that that might explain why, as we learned yesterday, a King’s Fund survey has found that dissatisfaction with the NHS increased by eight percentage points in 2015? That is the largest single-year increase since the surveys began in 1983.

**Mr Hunt:** The hon. Lady might want to look more closely at that King’s Fund report before turning it into a political football. According to page 6, satisfaction rates in Wales—run by her party—are six percentage points lower than those in England.

Let me tell the hon. Lady exactly what is happening with the special measures regime. We are being honest about the problems and sorting them out, rather than sweeping them under the carpet, which is what caused the problems that we experienced with Mid Staffs, Morecambe Bay and a range of other hospitals. At the

same time, we are putting more money into the NHS and helping it to deal with its deficits, we are treating more people, and public confidence in the safety and dignity of the care that people are given is at record levels.

**Heidi Alexander:** It is clear that the Secretary of State does not want to talk about his record in England. His own Back Benchers are queueing up to tell him about the problems in their NHS areas of Medway, Shropshire and Worcestershire, but he seems not to understand the extent of those problems.

Let us return to what the public think. Satisfaction with the NHS has fallen by five percentage points; dissatisfaction has risen by eight percentage points; satisfaction with GP services is at the lowest rate ever recorded; and satisfaction with A&E stands at just 53%. We know that the Secretary of State has lost the confidence of doctors, but is that not the clearest sign yet that he has lost the confidence of patients, too?

**Mr Hunt:** What my Back Benches are queueing up to say is, “Thank you for sorting out the problems that Labour swept under the carpet for years and years.” What did Professor Brian Jarman of Imperial College say about the Department of Health under the last Labour Government? He said that it was a “denial machine”, with all the problems in hospitals being swept under the carpet and not dealt with. What is happening under this Government? Every day, 100 more people are being treated for cancer, 2,000 more people are being seen within four hours at A&E departments and 4,400 more operations are being carried out. There are record numbers of doctors and nurses, and the NHS is safer than ever in its history. We are proud to be the party of the NHS.

### GP Access

3. **Ian Lavery** (Wansbeck) (Lab): What estimate he has made of the number of patients who went to A&E after having been unable to make an appointment with their GP in the most recent period for which figures are available. [903536]

**The Minister for Community and Social Care (Alistair Burt):** The results of the last GP patient survey show that 91.9% of all patients get convenient appointments. Of the 8% who are unable to get an appointment or a convenient appointment, 4.2% indicated that they went to A&E.

**Ian Lavery:** The same survey indicates that one in four people are now waiting more than a week to see their GP, and a staggering 1 million people are heading off to A&E because they cannot get an appointment with their GP. It is a total meltdown. What is the Minister doing about it?

**Alistair Burt:** There are 40 million more appointments available for GPs than in the past. The Government have made a commitment to transform GP access, and £175 million has been invested to test improved and innovative access to GP services. There are 57 schemes involving 2,500 practices, and by March next year more than 18 million patients—a third of the population—will have benefited from improved access and transformed service at local level. That is what we are doing about it.<sup>1</sup>

1. [Official Report, 22 February 2016, Vol. 606, c. 2MC.]

**Mr John Baron** (Basildon and Billericay) (Con): The Minister will be aware that, despite great improvements in cancer care under this Government and the previous Government, one in five cancer patients—more than 20%—are first diagnosed as late as when they go to A&E. The Government rightly focus on one-year survival rates as a means of driving forward earlier diagnosis. Can he give me an assurance that that will remain a key focus?

**Alistair Burt:** My hon. Friend raises a serious issue. Pursuing the earliest diagnosis of cancer is very important to the Government; it is obviously also important to all patients. We are going to publish the statistics on early detection through the clinical commissioning groups to improve transparency still further, because as this Government have shown, transparency often drives improvement in performance.

24. [903557] **Kate Osamor** (Edmonton) (Lab/Co-op): Can the Minister tell me how the Government are urgently going to tackle safety of care at the North Middlesex hospital A&E department, following revelations last week that a patient died at the hospital in December 2015 after being forced to wait an unacceptable time in A&E? The department has also received a notification of risk.

**Alistair Burt:** The hon. Lady gives an example of why it is so important to continue to seek to improve the quality of care in A&E and why it is so important to keep transparency going. This is one of the reasons that we have a new inspection regime, which has been designed to highlight these things, but the introduction of 1,250 new doctors in accident and emergency departments over the past five years will also make a difference to the improvement in quality of care. However, she is right to highlight this matter. The NHS does not do everything right, but what is important is that we value what is done with the vast majority of stuff and that, when things do go wrong, we say so, we examine them and we learn lessons.

**David Tredinnick** (Bosworth) (Con): According to information that I have received, 16 of the 25 ambulances on duty in Leicestershire one evening before Christmas were queueing outside Leicester royal infirmary to discharge patients. I have written to my right hon. Friend the Secretary of State about this issue. Please will the Minister update me and the House on the steps he thinks we should be taking?

**Alistair Burt:** The issue with ambulances and with quality of care elsewhere is the variation in quality. It is so important to ensure that local leadership addresses those local problems, because they are handled very differently in different places. It is right for my hon. Friend to raise this matter, and I am sure he has raised it with his local ambulance trust, as well as the hospital, to see how there can be better facilitation of patients going in and being discharged so that ambulances need not queue.

**Dr Philippa Whitford** (Central Ayrshire) (SNP): The Health and Social Care Information Centre has shown that last year 124,000 patients waited more than 12 hours after arrival at accident and emergency, which compares

with a figure of 1,700 in Scotland, and the number has doubled since 2013. The Royal College of Emergency Medicine has explained that these tend to be the sickest patients and that this delay is associated with increased mortality, so how do the Minister and the Secretary of State plan to improve that performance?

**Alistair Burt:** I have to tell the hon. Lady that patient satisfaction with A&E was rather lower in Scotland than it is in England, which indicates that we all have problems to deal with in this area. It is correct that we continue our progress both to increase resources throughout the health service and to A&E, and to improve transparency and people's ability to see what is going on. Unacceptable waits are not part of what we all want to see from the NHS, which is why we are determined to drive them down. Patients in England will have the best information anywhere in the world about what is happening in their NHS, as we continue to drive efficiency and improvement.

**Dr Whitford:** Patients will not have the information about the four-hour waits, as that has not been published since November. The doctors required to look after these people are A&E specialists. There is already a major problem in retaining A&E trainees because they work a higher proportion of unsocial hours. These are exactly the hours that will be less rewarded in the new contract, so how does the Secretary of State plan to recruit and retain doctors in emergency medicine in the future?

**Alistair Burt:** There have been 500 more consultants in A&E medicine since 2010. The new contract is under negotiation at the moment and the majority of it has been agreed with junior doctors. It is designed to replace the failures in the old contract, which everyone knew needed to be corrected, and it provides the basis for the profession for the future to deal with some of the issues the hon. Lady mentions. All of us are concerned to ensure that the negotiations continue and that there should be no strike tomorrow, so that this pattern for the future, which is wanted by doctors and patients alike, as well as by the Government, gets a chance to work.

#### **Independent Healthcare Commission: North-West London**

4. **Andy Slaughter** (Hammersmith) (Lab): What assessment he has made of the implications for his policies of the findings of the Independent Healthcare Commission on the NHS in north-west London.

[903537]

**The Parliamentary Under-Secretary of State for Health (Jane Ellison):** It might assist the House if I were just to mention that this commission was commissioned by five Labour councils and was chaired by Michael Mansfield, QC. On the assessment of the commission's findings, I can put it no better than the lead medical director for the "Shaping a Healthier Future" project, who said:

"The unanimous conclusion of the board's clinicians was that the report offered no substantive evidence or credible alternative to consider that would lead to better outcomes for patients...above the existing plans in place".

I concur with that judgment.



**Andy Slaughter:** Last July, the Minister held a constructive meeting with west London MPs and agreed that information on the review of our hospital services would be shared. We understand that a plan B is being considered that will still move hospital services from Charing Cross and Ealing but, because of rising costs, will retain and mothball existing buildings rather than redeveloping the sites. Can we see the current plans?

**Jane Ellison:** The hon. Gentleman rightly says that we had a constructive meeting but, as with everything in this area, it is time to move on. There is a grave danger of him appearing to be like one of those soldiers discovered on a Pacific island after the second world war still fighting the old war. Part of the reason for cost escalation in NHS projects is the constant challenge and delay, and “Shaping a Healthier Future” has complete clinical consensus across north-west London. The clinicians say that this

“will save many lives each year”.

It is time to get on with this project.

**Dr Rupa Huq** (Ealing Central and Acton) (Lab): The report heavily features Ealing hospital, where the radiographer Sharmila Chowdhury blew the whistle on consultants taking bungs—extra payments. She is now jobless and, as a widow with a mortgage, soon to be homeless. Will the Minister urgently look into her case, because despite a plethora of reports—this one and the Francis review—this Government do not seem to be doing anything for her?

**Jane Ellison:** I do not think that is fair. In fact, my right hon. Friend the Secretary of State has met the clinician in question, and the Francis review recommendations, as we have adopted them, make it quite clear that staff have a right to speak out. Of course we want everyone to speak out on behalf of patient safety.

### Hospital Trusts: Deficits

5. **Derek Twigg** (Halton) (Lab): What proportion of hospital trusts are in deficit? [903538]

**The Secretary of State for Health (Mr Jeremy Hunt):** Trusts reported a net deficit of £1.6 billion for the first half of this financial year, with 75% of trusts reporting a deficit, which is why, last week, we launched the Carter efficiency programme in which Lord Carter confirmed that hospitals can save £5 billion annually by making sensible improvements to procurement and staff rostering.

**Derek Twigg:** Almost every acute trust will be in deficit in the coming year, including Warrington and Halton Hospitals NHS Foundation Trust and Whiston and St Helens hospitals, which cover my constituency. The fact is that the Government have been slow in dealing with one of the causes of the deficit, which is the employment of great numbers of agency staff. They also want to cut the tariff, which is based on efficiency savings, leaving hospitals such as Whiston and St Helens, which are among the most efficient in the country, struggling to make greater efficiencies. Will the Secretary of State look at that matter again?

**Mr Hunt:** The hon. Gentleman should give a slightly more complete picture of what is happening in his hospitals. There are nearly 2,000 more operations every year, 7,000 more MRI scans, and 7,000 more CT scans than there were five years ago. When it comes to the issue of deficits, we are tackling the agency staff issue. That happened because trusts were responding to the Francis report into what happened in Mid Staffs. Rightly, they wanted to staff up quickly, but it needs to be done on a sustainable basis. I simply say to him that if we were putting £5.5 billion less into the NHS every year, as he stood for at the previous election, the problems would be a whole lot worse.

**Dr Andrew Murrison** (South West Wiltshire) (Con): Does my right hon. Friend not agree that running costs in the NHS, which vary from £105 to £970 per square metre per year as highlighted by Lord Carter, are wholly unacceptable, and that the concept of a model hospital to bring the worst up to the standard of the best, which was also highlighted by Lord Carter, has great merit?

**Mr Hunt:** My hon. Friend knows about these things from his own clinical background, and he is absolutely right. We are now doing something—it is probably the most ambitious programme anywhere in the world—to identify the costs that hospitals are paying. From April, we will be collecting the costs for the 100 most used products in the NHS for every hospital. That information will be shared. We are the biggest purchaser of healthcare equipment in the world, so we should be paying the lowest prices.

**Margaret Ferrier** (Rutherglen and Hamilton West) (SNP): Barts Health NHS Trust, the UK’s largest hospital trust, is set to run up a £135 million deficit this year. That would be by far the greatest ever overspend in the history of the NHS. When will the Minister accept the sheer scale of the austerity-driven crisis facing the NHS?

**Mr Hunt:** It is stretching things a bit to call that an austerity-driven problem when, next year, we are putting in the sixth biggest increase in funding for the NHS in its entire 70-year history. There are some severe problems at Barts, but we will tackle the deficit. We also need to ensure that we improve patient safety and patient care.

**Jeremy Lefroy** (Stafford) (Con): The staff of the University Hospitals of North Midlands to whom my right hon. Friend entrusted the care of County Hospital in Stafford and the Royal Stoke University Hospital have done a great job both in improving the quality of care and in bringing down the deficit. Will he ensure that a long-term approach is taken to the finances of that trust so that we do not make rapid decisions that could result in difficult situations in the future?

**Mr Hunt:** As ever, my hon. Friend speaks very wisely. When we are reducing these deficits and costs, the trick is to take a strategic approach and not to make short-term sacrifices that harm patients. That is why, at the weekend, we announced a £4.2 billion IT investment programme, which will mean that doctors and nurses spend less time filling out forms and more time with their patients.

### GP Access

6. **Mims Davies** (Eastleigh) (Con): What further steps he plans to take to improve access to GPs. [903539]

**The Secretary of State for Health (Mr Jeremy Hunt):** By 2020, everyone will be able to get GP appointments at evenings and weekends. By March this year, a third of the country—18 million people—will have benefited from improved access to GP services.

**Mims Davies:** There is a concerning recruitment issue for GPs in my constituency, Eastleigh, which has led to patients experiencing significant delays in getting non-urgent appointments. Will my right hon. Friend look into promoting more agile working structures for GPs, especially women? This was highlighted by my CCG on Friday as vital for recruiting and retaining the extra GPs we need.

**Mr Hunt:** I know that West Hampshire CCG is providing extra space and capacity to take on more trainees, and across the country we plan to have 5,000 more doctors working in general practice by the end of this Parliament. This will be the biggest increase in GPs in the history of the NHS. It builds on the extra 1,700 GPs we have working in the NHS since 2010. It does take too long to get to see a GP. We are committed to sorting that out, and the record investment in the NHS five year forward view will make that possible.

**Colleen Fletcher** (Coventry North East) (Lab): Wyken medical centre in my constituency is due to close in March. This will leave more than 2,000 of my constituents needing to find a new GP, at a time when it is practically impossible to get a prompt GP appointment, never mind register at a new GP surgery. Can the Secretary of State therefore assure me that he will co-ordinate with NHS England to ensure that it manages the situation appropriately and does all it can to assist each of my constituents affected, particularly the vulnerable and elderly, to get access to a new GP as soon as possible?

**Mr Hunt:** I am happy to do that. The hon. Lady is right to make those points. It is to care for the vulnerable people with long-term conditions that we need to see the biggest support given to GPs, because strengthening their ability to look after people proactively will mean that those people are kept out of hospital and kept healthier, and costs are kept down for the NHS.

**Kelly Tolhurst** (Rochester and Strood) (Con): In Rochester, we are facing the closure of two single-handed GP practices owing to a retirement and a suspension, with no long-term replacements, making it more difficult for our growing population to access these vital services. Will my right hon. Friend outline the steps he is taking to maintain appropriate access to local GPs?

**Mr Hunt:** I am absolutely prepared to do that and I have met a number of GPs in my hon. Friend's area. We are reversing the historic underfunding for general practice, with an increase of more than 4% a year in funding for primary care and general practice for the rest of this Parliament. That will give hope to the profession, whose members are vital to the NHS.

**Jim Shannon** (Strangford) (DUP): Northern Ireland has the lowest number of GPs per capita across the United Kingdom. In order to access GPs, we need to have GPs. In the whole of the United Kingdom of Great Britain and Northern Ireland 25% of GPs are aged over 55, and that is going to get worse. What steps have been taken to train more GPs and to ensure that they stay in the NHS and do not go overseas, where there are better wages and conditions?

**Mr Hunt:** We have plans, as I mentioned, to have 5,000 more doctors working in general practice, and there is a big interviewing process. We need to increase the number of GPs going into general practice by 3,250 every year and I am happy to liaise with the Province to see how we can work together on these plans.

**Mr Speaker:** I call next the medal-wearing member of the team which won the parliamentary pancake race this morning, against the peers and against the press.

### Care Outside Hospitals

7. **Victoria Atkins** (Louth and Horncastle) (Con): What progress the Government has made on integrating and improving care provided outside of hospitals. [903540]

16. **Amanda Solloway** (Derby North) (Con): What progress the Government has made on integrating and improving care provided outside of hospitals. [903549]

**The Parliamentary Under-Secretary of State for Life Sciences (George Freeman):** I join you, Mr Speaker, in offering the Government's congratulations to my hon. Friend the Member for Louth and Horncastle (Victoria Atkins) on her extraordinary success.

Tackling the long neglected integration of health and social care is a major priority for this Government. It is crucial to avoiding unnecessary hospital admissions, providing better care outcomes for the elderly and easing the pressure on our health economy from an ageing population. That is why we have set up the better care fund, providing funding of £3.9 billion—£5.3 billion if we include local funding; why my right hon. Friend the Chancellor has announced the social care precept, which will raise £2 billion; and why we have fully funded the NHS five year forward view integrated care pioneers and new models of care in 95 sites. That is more than Labour promised or ever did in its term of office.

**Victoria Atkins:** Thank you for calling me, Mr. Speaker. I must mention the team ably led by the hon. Member for Ealing North (Stephen Pound) and of course the hon. Member for Heywood and Middleton (Liz McInnes).

In areas with a high proportion of older residents, home aids and adaptations can help people live longer in their homes, which benefits them and can also help to ease pressure on the NHS and social care services. What steps are the Government taking to boost such support?

**George Freeman:** My hon. Friend makes an excellent point. The disabled facilities grant is our primary mechanism for supporting the most vulnerable patients. It is currently £222 million, and I am delighted my right hon. Friend

the Chancellor has announced it will increase to £500 million by 2019-20. That will fund 85,000 adaptations and help to prevent 8,500 unnecessary hospital admissions.

**Amanda Solloway:** A recent study carried out by the Care Quality Commission found that there had been no notable improvement in mental health services outside hospitals. What steps are being taken to rectify that?

**George Freeman:** My hon. Friend makes an important point. It is right that the crisis resolution and home treatment teams were criticised in the recent CQC report for not providing adequate home treatment. That is why the Prime Minister announced in January that we are providing an extra £400 million in funding for those teams. It is also why, in the mandate, we recently required that NHS England not only agree but implement a plan to improve crisis treatment in all areas.

**Helen Jones (Warrington North) (Lab):** Does the Minister now accept that the Government's decision to slash funding to local authorities was disastrous for adult social care, as the Government were warned at the time it would be? Does he also accept that the social care precept, which the Government are allowing councils to levy, will raise the most money in those councils with the highest council tax base, not necessarily in those with the greatest need?

**George Freeman:** I would be concerned if that were true. The point is that we are facing extraordinary, exploding demand in our system. At the risk of sounding like a Monty Python sketch, what have the Government done, apart from launching the £3.9 billion better care fund and a £2 billion social care precept; fully funding the NHS five year forward view, with a front load of £3.5 billion; driving health devolution; and providing £4 billion for health technology? We are funding the integration of health and care in a way the last Labour Government never did.

**Barbara Keeley (Worsley and Eccles South) (Lab):** That is really not true. Ministers are presiding over the hollowing out of social care, because their funding falls far short of what is needed. Some £4.6 billion has already been cut from adult social care, and the funding gap is growing at £700 million a year. The social care precept the Minister has just been talking about will raise £400 million a year, and the better care fund does not start until next year, when it starts at £105 million. Simon Stevens has called this "unresolved business". When will Ministers face up to the fact that the Government's figures just do not add up?

**George Freeman:** I think that that question could be taken more seriously, first, if the Labour party had tackled this issue in office and, secondly, if it had any suggestions. Let me summarise the pressure the system is under. Over the next 10 years, there will be a 22% increase in over-65s, and the number of people aged over 75 will rise by 90% in the next 20 years. We face extraordinary challenges. That is why we have announced the better care fund increases, why we have launched the social care precept and why we are driving devolution powers for local areas, which allow local health and care

leaders to integrate. If this was as easy as Labour Members say, perhaps they would have done these things during their term in office.

### Hospital Treatment: Patient Choice

**8. Mr Ben Bradshaw (Exeter) (Lab):** What proportion of patients exercised their right to choose where to receive hospital treatment in each of the last three years. [903541]

**The Parliamentary Under-Secretary of State for Health (Ben Gummer):** The NHS choice survey, which has been carried out in its current form for the past two years, shows that the proportion of patients who said that they recalled being offered a choice of hospital or clinic for their first appointment was at 40% in 2015, up from 38% in 2014.

**Mr Bradshaw:** What the Minister just left out from his answer is that the figure was 50% when Labour left power in 2010. How does he explain this worrying fall in the proportion of patients being given a choice on the Conservatives' watch? Will he reaffirm that choice is a legal right under the NHS constitution? Will he acknowledge that the introduction of choice by the Labour Government has been a major driver in improving NHS performance across the piece?

**Ben Gummer:** The fact the right hon. Gentleman missed out was that that was a different survey, so the figures are not comparable. However, I agree that choice is important. We are still not doing enough, and we should do more. I would like to take this opportunity to congratulate the team at his local hospital, which has just been rated good by the CQC—the first hospital in the south-west to receive that rating.

**Luciana Berger (Liverpool, Wavertree) (Lab/Co-op):** Patients needing mental health services do not get to choose where they receive their care, as highlighted in the Commission on Acute Adult Psychiatric Care report, which was published today. The report says

"the whole system has suffered from a steady attrition in funding...in recent years."

It highlights

"poor quality of care, inadequate staffing and low morale."

It describes the situation as "potentially dangerous". Does the Minister now accept that the Government have let vulnerable people down? Will he implement the commission's recommendations in full to put this serious situation right?

**Ben Gummer:** We have just received the report. It is a good report; we have taken note of it; and NHS England is already working on its recommendations. I remind the hon. Lady that this Government have put mental health on equal parity of esteem within the NHS constitution for the first time. [Interruption.] Opposition Front Benchers say that is meaningless, but why did they not do it when they were in office? We have done it for the first time and we are acting on it, not just in the constitution but in funding for the NHS, which is going up in real terms in the course of this spending review.

### Cambridgeshire and Peterborough Clinical Commissioning Group

10. **Daniel Zeichner** (Cambridge) (Lab): What progress his Department has made on reviews investigating the end of the contract between Cambridgeshire and Peterborough clinical commissioning group and UnitingCare Partnership. [903543]

**The Minister for Community and Social Care (Alistair Burt)**: The CCG expects to publish its internal review by the end of February, and NHS England's independent review is expected to be completed by the middle of the month. Monitor is assessing the project from the providers' perspective and will share its findings with NHS England in due course.

**Daniel Zeichner**: The UnitingCare contract in Cambridgeshire was an attempt to join up unintegrated services. We now appear to be having a series of unintegrated reviews. What is actually needed is a single overarching review that looks at the roles of NHS England, Monitor, the strategic projects team, and, of course, Ministers. When are we going to get that review?

**Alistair Burt**: As I said, there are ongoing reviews concerning the precise responsibilities of each individual part. There is no doubt that this is a very serious matter—a serious failure—that raises serious concerns. We want to know what went on as much as the hon. Gentleman does, so once the reviews have been completed and we have been briefed, I will be very happy to talk to him about their consequences.

**Mr Speaker**: I call the victorious team leader, Mr Stephen Pound.

### Community Pharmacies

11. **Stephen Pound** (Ealing North) (Lab): What assessment he has made of the potential effects on public health of his Department's proposals on the future of community pharmacies. [903544]

**The Minister for Community and Social Care (Alistair Burt)**: It is my considerable honour, Mr Speaker, to respond to the hon. Gentleman in his victorious mode.

Community pharmacy is a vital part of the NHS and it plays a pivotal role in improving the public's health in the community. We want a high-quality community pharmacy service that is properly integrated into primary care and public health. The proposed changes will help us, in conjunction with the pharmacy profession, to do just that.

**Stephen Pound**: I am very grateful to the Minister for that answer. There is always a place for him in our team next year, although we are running trials in the next few weeks.

Despite the generosity of the Minister's response, does he not accept that community pharmacies are of great and growing importance to our constituents and provide an ever-increasing range of healthcare and advice in accessible high street locations? What message does he have for these dedicated professionals, who, frankly,

now fear for the future due to the uncertainty arising from the announcement of a 6% cut in funding for the NHS pharmacy service?

**Alistair Burt**: I am grateful to the hon. Gentleman not only for his question but for the way he put it. The message is that community pharmacy does, and is doing, an extraordinary and important job, but it will change. In 2013, the Royal Pharmaceutical Society said in its publication, "Now or Never: Shaping pharmacy for the future":

"The traditional model of community pharmacy will be challenged"

due to

"economic austerity in the NHS, a crowded market of local pharmacies, increasing use of technicians and automated technology to undertake dispensing, and the use of online and e-prescribing".

It pointed to the massive potential of community pharmacists to do more and sees pharmacy as ideally placed

"to play a crucial role in new models of...care."

All that is to come. We are negotiating with the pharmaceutical profession. A consultation is going on. There is a great future for pharmacy, but, like so much else, it will be different.

### Antimicrobial Resistance

13. **Kevin Hollinrake** (Thirsk and Malton) (Con): What progress his Department has made on making the UK a world leader in tackling antimicrobial resistance. [903546]

**The Parliamentary Under-Secretary of State for Health (Jane Ellison)**: The UK continues to play a global leadership role on antimicrobial resistance. We co-sponsored the World Health Organisation's 2015 global action plan on AMR, created the Fleming fund to help poorer countries tackle drug resistance, and are promoting action through the G7. The O'Neill AMR review is galvanising global awareness.

**Kevin Hollinrake**: Antibiotic resistance is one of the biggest global challenges for public health, making routine operations impossible within 10 or 15 years unless action is taken. I welcome the Government's action on this. Antibiotic Research UK is the world's first charitable organisation, set up in my constituency, to tackle this issue. Will the Minister look at how we might fund such organisations in the charitable sector?

**Jane Ellison**: I very much welcome the fact that my hon. Friend is becoming a real champion of this important international and national agenda. I am aware of the important work of the charity he mentions, and I believe it has already had some contact with the Department. I do not make the decisions on these sorts of funding issues, but I am happy to look at the issue he mentions and to meet him to discuss it.

**Margaret Greenwood** (Wirral West) (Lab): UK health and medical research projects benefit hugely from European Union funding, with the UK at the top of the table for approved grants. That funding is vital if we are to tackle global health challenges such as resistance to antibiotics.

Does the Minister accept that pulling Britain out of the EU may have a detrimental impact on the UK's role as a world leader in health research and development?

**Jane Ellison:** I reassure the House that the vital funds mentioned by the hon. Lady are protected in the spending review.

**Mr Speaker:** Last but not least, Sir Simon Burns.

#### GP Practices: Chelmsford

14. **Sir Simon Burns** (Chelmsford) (Con): What assessment he has made of the adequacy of provision of GP practices in Chelmsford constituency. [903547]

**The Minister for Community and Social Care (Alistair Burt):** NHS England advises that in Chelmsford there is a GP to patient ratio of 1,927 patients per whole-time equivalent GP, which is slightly lower than that for the Mid Essex clinical commissioning group area. The Care Quality Commission has inspected eight of the 13 Chelmsford GP practices—seven were rated “good” overall and one, Sutherland Lodge, was rated “outstanding”.

**Sir Simon Burns:** Does the Minister think it would be possible for the NHS review of the personal medical services scheme to ensure that the good and innovative work promoted by PMS, as exemplified by Sutherland Lodge surgery, can be sustained?

**Alistair Burt:** I hope so. I appreciate my right hon. Friend's visit to my office yesterday with members of that surgery and NHS representatives. The £1.4 million released from PMS in Essex will be reinvested in the CCG area, but it is important that there is an opportunity for all practices to bid for that money so that some of the work already done under PMS gets the chance, if it is vital and still needed, to continue, which certainly includes services that are rated “outstanding”.

#### Topical Questions

T1. [903559] **Rosie Cooper** (West Lancashire) (Lab): If he will make a statement on his departmental responsibilities.

**The Secretary of State for Health (Mr Jeremy Hunt):** Significant progress has been made in our negotiations with the British Medical Association on a new contract for junior doctors, but agreement has not been reached on the issue of Saturday pay, despite previous assurances from the BMA that it would negotiate on that point. So, regrettably, 2,884 operations have been cancelled ahead of tomorrow's industrial action, which will affect all non-emergency services. I urge the BMA to put the interests of patients first and to reconsider its refusal to negotiate.

**Rosie Cooper:** At Prime Minister's questions in February 2014, I raised with the Prime Minister my very serious concerns about the dangerous bullying culture at Liverpool Community Health NHS Trust. I understand that the Capsticks inquiry into parts of that is now complete, so will the Secretary of State, in the spirit of honouring his stated commitment to openness and transparency, ensure

that that report is made available, perhaps via the NHS Trust Development Authority, if necessary, to the public trust board on 23 February?

**Mr Hunt:** I will happily look into that matter. The Under-Secretary of State for Health, my hon. Friend the Member for Ipswich (Ben Gummer), has held a round table on bullying and harassment. I thank the hon. Lady for raising the issue, because over the past decade—none of us should be proud of this—the number of NHS staff who say they are suffering from bullying and harassment has gone up from 14% to 22%. If we are going to deliver safer care, we have to make it easier for doctors and nurses on the frontline to speak out without worrying about being bullied or harassed.

**Several hon. Members rose—**

**Mr Speaker:** Order. As in the health service, so at Health questions: demand always exceeds supply, so we need short questions and short answers.

T4. [903563] **Ben Howlett** (Bath) (Con): I am sure Ministers will join me in congratulating Number 18 surgery in Bath on being ranked in the top 10 GP practices in the country. Do they agree that patients having a choice of where they are treated will increase patient satisfaction in the NHS?

**The Minister for Community and Social Care (Alistair Burt):** Yes, it certainly will. That is another reason why we hope to have 5,000 more doctors and 5,000 more allied health professionals working in general practice, to expand the primary care service by 2020.

**Justin Madders** (Ellesmere Port and Neston) (Lab): Today's *The Independent* reports that a potential deal on the junior doctor contract was put to the Government that would have resolved junior doctors' concerns without costing any more money and potentially avoided tomorrow's industrial action. A source close to the negotiations told the newspaper:

“The one person who would not agree was Jeremy Hunt. Even though the NHS Employers and DH teams thought this was a solution he said no”.

So let me ask the Health Secretary a very direct question: have the Government at any point rejected a cost-neutral proposal from the BMA on the junior doctor contract—yes or no?

**Mr Jeremy Hunt:** The only reason we do not have a solution on the junior doctors is the BMA saying in December that it would negotiate on the one outstanding issue—pay on Saturdays—but last month refusing to negotiate. If the BMA is prepared to negotiate and be flexible on that, so are we. It is noticeable that despite 3,000 cancelled operations, no one in the Labour party is condemning the strikes.

T6. [903565] **Oliver Colvile** (Plymouth, Sutton and Devonport) (Con): Will my right hon. Friend update us on the progress in decriminalising dispensing errors for pharmacists?

**Alistair Burt:** I am aware of my hon. Friend's keen interest in the rebalancing programme of work, and particularly the work on dispensing errors. We are fully

committed to making that change. There are a number of stages to amending primary legislation through a section 60 order. Given the timetable, it is likely that the order will be laid before the Westminster and Scottish Parliaments in the autumn.

T2. [903560] **Tommy Sheppard** (Edinburgh East) (SNP): The Secretary of State will be aware that Maximus is recruiting junior doctors to perform work capability assessments in the Department for Work and Pensions. The company is offering £72,000 a year, which is up to twice the salary that junior doctors would get in the health service. Is he concerned that that will result in inexperienced medical staff making judgments that relate to people's livelihoods? Is he not also concerned that it will result in a drain of staff resources out of the NHS and out of providing general healthcare for the public?

**Mr Jeremy Hunt:** As a result of the changes the Government have made on welfare reform, we have 2 million more people in work and nearly 500,000 fewer children growing up in households where nobody works. Part of that is making important reforms, including having independent medical assessments of people who are in the benefit system. I think everyone should welcome that.

T8. [903567] **David Tredinnick** (Bosworth) (Con): Comparative research has shown that proton therapy is as effective as radiotherapy for certain cancers, but has fewer side effects. Do Her Majesty's Government accept the use of comparative evidence in deciding the availability on the NHS of emerging treatments such as proton therapy?

**The Parliamentary Under-Secretary of State for Health (Jane Ellison):** I will reflect on the wider point my hon. Friend makes, but the House will be keen to know that we are investing in building two proton beam therapy facilities at the Christie in Manchester and University College London hospitals. Work has already started on that £250 million project, and the first facility is due to become operational in 2018.

T3. [903561] **Steven Paterson** (Stirling) (SNP): Will the Secretary of State provide an update on efforts and contingencies to combat the Zika virus, and on how that is being co-ordinated with the devolved Administrations, including Scotland?

**Jane Ellison:** The Government are taking the matter extremely seriously, and they have it under active review. Up-to-date medical guidance has been cascaded to the NHS in England. As the hon. Gentleman will know, the UK is at the forefront of some of the world's response. We are a major funder of the World Health Organisation. We have got people on the ground helping in Brazil, in particular. I assure him that we are maintaining close links with the devolved Administrations at official level, and I am always happy to speak to colleagues. We take very seriously keeping those links live.

T9. [903568] **David T. C. Davies** (Monmouth) (Con): Has the Secretary of State seen the comments of Professor Angus Dalglish, who is widely reported in the papers today as suggesting that EU rules are

forcing us to spend billions of pounds treating health tourists and preventing us from undertaking important clinical trials? Has the Secretary of State made any assessment of Professor Dalglish's comments?

**Mr Jeremy Hunt:** The Government have made a huge and significant assessment of the cost of overseas people using the NHS, and we think that there are £500 million of recoverable costs that we do not currently recover. When it comes to the EU, the biggest problem that we have is that we are able to reclaim the costs of people temporarily visiting the UK, but we do not do so as much as we should because the systems in hospitals are not as efficient as they need to be. We are sorting that out.

T5. [903564] **Liz McInnes** (Heywood and Middleton) (Lab): Despite the prevalence of pancakes in Parliament today, I am pleased to be asking a food-related question. A recent opinion poll performed by Diabetes UK showed that three quarters of British adults think food and drink manufacturers should reduce the amount of saturated fat, salt and sugar in their products. Does the Minister support introducing mandatory targets for industry to reformulate food and drink products to help people to eat more healthily, and will that form part of the Government's childhood obesity strategy?

**Jane Ellison:** We made considerable progress in this area in the last Parliament, under the responsibility deal, but we have always said that there is more to do and the challenge to industry remains. We will say more about that when we publish the childhood obesity strategy in due course.

**Nusrat Ghani** (Wealden) (Con): Midwife-led units, such as the brilliant Crowborough birthing centre in my constituency of Wealden, are key to the provision of high-quality, safe and compassionate maternity care. Last year, it scored 100% satisfaction on a friends and family survey. Will my hon. Friend outline the Government's plans for midwife-led care, particularly given this weekend's launch by *The Sunday Times* of the safer births campaign?

**The Parliamentary Under-Secretary of State for Health (Ben Gummer):** Midwife-led units have increased in number in the past few years, to the great advantage of women wanting a full range of choice when they give birth. That is why we are all looking forward to the publication of the Cumberlege review, which I hope will map out the future of maternity services and show what midwife-led units will do within maternity services in the NHS. I am very excited about that, and I know that my hon. Friend will be, too.

T7. [903566] **Alison Thewliss** (Glasgow Central) (SNP): Ministers will be aware of *The Lancet* series on breastfeeding and the open letter signed today by a range of organisations in the field calling for concerted action to promote, protect and support breastfeeding. Will the Minister meet me and these organisations to discuss the proposals further?

**Ben Gummer:** I am aware of *The Lancet* review, which makes some important points. We are not doing well enough yet in England, and it is of note that progress has been made in Scotland, Wales and Northern

Ireland that we should be able to copy in England. I know that the Under-Secretary of State for Health, my hon. Friend the Member for Battersea (Jane Ellison), who has responsibility for public health, will want to hold such a meeting to discuss that. We have made considerable progress, but there is still a differential between rich and poor that we need to fix.

**Henry Smith** (Crawley) (Con): I am pleased to support the National Society for the Prevention of Cruelty to Children's "It's Time" campaign, which is an initiative to ensure that children who have been the victims of abuse receive ongoing support. May I seek assurances from the Government that they will actively help with this initiative?

**Alistair Burt**: Yes, indeed. We strongly support the initiative. Our work to look after children who need extra care, particularly in relation to their health and emotional needs, has been helped by the transforming care package, which is going through local authorities at the moment. Their vulnerabilities are certainly a matter of great concern, and that will be followed up by the Government.

**Mrs Emma Lewell-Buck** (South Shields) (Lab): Over 1 million elderly people are able to maintain independence and remain in their own homes due to the attendance allowance. What discussions has the Minister had with his colleagues about ensuring, when the fund is transferred from the Department for Work and Pensions to the Department for Communities and Local Government, that the allowance will remain at the same level?

**Alistair Burt**: The consultation is ongoing between Departments. A unit has been set up by the Department of Health and the DWP to look at a range of issues that concern us both. The actual detail of the future attendance allowance has not been finalised yet, but it is a matter of concern and discussion between Departments.

**Dr Sarah Wollaston** (Totnes) (Con): In asking a question about mental health, may I remind the House that I am married to an NHS forensic psychiatrist, who is also registrar of the Royal College of Psychiatrists? Have the Government looked carefully at today's report from the independent commission on improving mental health services, particularly its finding that provision nationally for the most severely ill acute patients is inadequate? Will the Government set out what measures they will take to make sure we really see progress on parity of esteem and on improving access to such severely ill patients?

**Alistair Burt**: I thank my hon. Friend for her question, and the Royal College of Psychiatrists for its work on Lord Nigel Crisp's commission, which we have supported. The report and recommendations have only just come to us, but they certainly travel in the direction in which the Government are already going. We want to reduce out-of-area placements. The NHS is already committed to that, and is working on moving to a definitive target to reduce the number of them and, I hope, eventually to scrap them. I was up in Hull last week to look at problems in that particular area. The recommendations on waiting times are very important. As we all know, this area has been undervalued in the past. It is under

greater scrutiny, and more investment and support are going in through the Government. Today's report will help us in relation to that.

**Greg Mulholland** (Leeds North West) (LD) *rose*—

**Mr Speaker**: I will call the hon. Gentleman if his question consists of one sentence.

**Greg Mulholland**: Leeds has a shortage of integrated care beds and pressure on acute services. Will the Secretary of State—*[Interruption.]* That was a comma, Mr Speaker. Will the Secretary of State please intervene, so that Leeds Teaching Hospitals NHS Trust can open wards at Wharfedale hospital, which it wants to do, while the clinical commissioning group provides the money?

**Mr Jeremy Hunt**: I am very happy to look at that.

**Mr Speaker**: Well done.

**Andrea Jenkyns** (Morley and Outwood) (Con): By refusing to condemn the junior doctors strike, the hon. Member for Lewisham East (Heidi Alexander) has shown that she has little regard for patient safety. *[Interruption.]* Will my right hon. Friend repeat his condemnation of this strike, which will seriously endanger patient safety, and assure me that he will continue to press for the new contracts, which will guarantee safer patient care and a better contract for doctors?

**Mr Hunt**: I think my hon. Friend got a bit of a reaction with those comments. The Labour party is saying that if a negotiated settlement cannot be reached, we should not impose a new contract—in other words, we should give up on seven-day care for the most vulnerable patients. There was a time when the Labour party spoke up for vulnerable patients. Now it is clear that unions matter more than patients.

**Several hon. Members** *rose*—

**Mr Speaker**: I am sorry, but demand is so high. Last but not least, I call Kevin Barron.

**Kevin Barron** (Rother Valley) (Lab): The 6% cut in the pharmacy budget will come in in October—halfway through the next financial year. Will the Minister tell us what the percentage cut will be in a full financial year?

**Alistair Burt**: Negotiations are ongoing with the Pharmaceutical Services Negotiating Committee. The amounts that have been set out cover this financial year and the settlements are moved on from year to year, so the discussion is ongoing. The future for pharmacy is very good, although it will be different, as the profession has wanted for some time. Not only is there a great future for high-street shops in areas where we need them, but there will be an improvement in and enlargement of pharmacy services in healthcare settings, primary care settings and care homes around the country.

**Several hon. Members** *rose*—

**Mr Speaker**: Apologies to colleagues. I did stretch the envelope as far as I could, but we must move on.

## Points of Order

12.37 pm

**Mrs Sharon Hodgson** (Washington and Sunderland West) (Lab): On a point of order, Mr Speaker. It has been brought to my attention that the use of vellum—the calfskin material on which Acts of Parliament are printed—is to be discontinued, with Parliament giving 30 days' notice to cease to the printers. However, in response to a point of order made by the hon. Member for North Wiltshire (Mr Gray) on 26 October last year, you made it clear that a decision on this matter would have to be taken on the Floor of the House.

May I therefore seek your guidance on what should be done now in order that Members from across the House can register their opposition to the decision and make the case for the continued use of vellum, especially in the light of significant disputes over the so-called savings that have been cited by the Administration Committee and influenced its recommendation to end the centuries-old practice of using vellum to print this country's legislation? Surely we think that the legislation that we make in this place—the mother of all Parliaments—is worthy of nothing less.

**Mr Speaker:** I am very grateful to the hon. Lady for her point of order and for her courtesy in giving me notice of it. She is, indeed, correct that when the matter was raised in October last year by the hon. Member for North Wiltshire (Mr Gray), I indicated that, as had been the case in 1999, the House would be asked to decide whether to agree to the recommendation of the Administration Committee that it should agree to the proposal of the House of Lords—indeed, the decision of the House of Lords—to replace vellum with archival paper. That was my understanding at that time, not least for the historical reason that I have just given. No such opportunity has, however, been offered to the House. That is why she is complaining. The provision of such an opportunity is not in my gift.

I should also say that the arrangements for printing Acts of Parliament and the associated expenditure are matters for the House of Lords, and not for this House, so its arrangements with the printers of Acts are not matters for the Chair.

As for seeking an opportunity to demonstrate the depth and breadth of support for the continued use of vellum, I am sure that the hon. Lady will have thought of tabling an early-day motion. I shall leave the matter there for now.

**Chris Stephens** (Glasgow South West) (SNP): On a point of order, Mr Speaker. As you may recall, last week I asked the Minister of State for the Department for Business, Innovation and Skills a topical question. It was about facility time and check-off provisions contained in the Trade Union Bill, and whether they would be removed as they apply to Scotland and Wales. The *Socialist Worker* newspaper—you may have a subscription, Mr Speaker—and other media outlets have published a letter from the Minister of State to other Ministers, including the Prime Minister, which indicates that concessions will be made to devolved Administrations, effectively removing the Bill's check-off and facility time arrangements. That letter was dated 26 January.

The information that I was given on 2 February and the letter of 26 January are contradictory to say the least. Can you indicate, Mr Speaker, whether the Minister of State has made a request to clarify those contradictory statements, and can you say what options are available to hon. Members who wish to seek clarity on that matter?

**Mr Speaker:** I am grateful to the hon. Gentleman for his point of order, but I have received no indication from any Minister from that Department about an intention to make a statement on the matter. I hope he will forgive me, but I do not recall off the top of my head which Minister responded to the question last week.

**Chris Stephens:** It was the Minister of State.

**Mr Speaker:** Yes, but there is usually more than one Minister of State. Name recognition is helpful, but in the absence of a declared name, I cannot recall which Minister answered. I hope I followed the drift of the hon. Gentleman's attempted point of order, but I was not conscious that Ministers had a hotline to the *Socialist Worker* newspaper.

**Tim Farron** (Westmorland and Lonsdale) (LD): Not yet.

**Mr Speaker:** Not yet, says the leader of the Liberal Democrats from a sedentary position. I read the journal myself occasionally when I was a school student, but I readily concede that it has not passed my desk since. If there is confusion about the matter, it is best that that is dispelled. My advice to the hon. Member for Glasgow South West (Chris Stephens) in all seriousness is that he should wend his way to the Table Office and table a written question on the matter. If, when he receives a response, the fog has not lifted, I have a feeling that he will turn up at business questions on a Thursday to press for an early statement or debate on that matter. He is nothing if not dogged, and I feel sure that he will pursue his objective with the fixity of purpose that is required.

**Mr David Winnick** (Walsall North) (Lab): Further to that point of order, Mr Speaker. If I remember correctly, you said that in your youth you read the *Socialist Worker*. Would it be right to come to the conclusion that having read that revolutionary journal, you decided to become a Tory?

**Mr Speaker:** The hon. Gentleman may be correct in that surmise. A young lad at my secondary school was a devoted seller of that paper, and another young lad was also a devoted seller of the paper and has since become a distinguished academic, but as far as I know, he no longer adheres to the precepts of the Socialist Workers party. Did reading that paper make me a Tory? Probably. I am grateful to the hon. Gentleman, both for his point of order and for his sense of humour.

## BILL PRESENTED

### BLOOD DONOR (EQUALITY) BILL

*Presentation and First Reading (Standing Order No. 57)*

Tim Farron, supported by Michael Fabricant, presented a Bill to make provision about the conditions to be met by male blood donors, including removing the restrictions relating to blood donation from men who have sexual intercourse with men; and for connected purposes.

*Bill read the First time; to be read a Second time on Friday 11 March, and to be printed (Bill 130).*



## Ofsted Inspections (Schools' Rights of Challenge)

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

12.45 pm

**John Pugh** (Southport) (LD): I beg to move,

That leave be given to bring in a Bill to establish the right of schools and academies to challenge the timing and format of school inspections; to appeal against the outcomes of such inspections; to make provision about increasing accountability and quality assurance within the school inspection system; and for connected purposes.

I apologise in advance, Mr Speaker, for my lacklustre demeanour. I recently had a bout of winter vomiting, and I am concerned that I have more to worry about than projecting my voice.

Her Majesty's inspectorate of schools, as Ofsted used to be called, has a long and distinguished history stretching back to the days of Queen Victoria, when inspectors such as the great poet Matthew Arnold fought against the scourge of philistinism in British society—a term, incidentally, he invented. Historically, it has always been torn between its twin and not always compatible roles of supporting school improvement and ensuring that state-funded schools abide by whatever standards and rules are currently laid down by the Government of the day.

We are now witnessing an interesting period of Ofsted's development. It is a huge multimillion pound organisation, with 1,000-plus permanent employees and a remit stretching not just over the entire school system but over nursery, pre-school, out-of-school provision and sundry aspects of childcare. The varying and occasional pronouncements and opinions of the head of Ofsted, whether delivered with the self-effacing modesty of Sir David Bell or the misguided arrogance of Chris Woodhead, are treated as though they are the ex cathedra announcements of a pope. Unlike other HMIs toiling away for the public good, the head of Ofsted is guaranteed celebrity status. For schools and providers, Ofsted is critical. Preparing for Ofsted—pleasing or pacifying Ofsted—is hugely important. It casts a long shadow over the entire school year. Its verdict can determine a school's reputation, future funding, governance, the professional careers of its staff, ownership and very survival.

I do not, at this stage, want to minimise the very real role that HMIs have, and have had, in school improvement. However, we need to flag up that as a country we are almost unique in currently having such a heavy duty, high-stakes, expensive and unaccountable public body policing our schools. It is also worth pointing out that many of the countries we seek to emulate—in terms of pupil progress, whether in science, technology, engineering and maths, PISA ranking or whatever—lack such a cumbersome and encumbering apparatus.

The considerable amount spent by the Government on Ofsted is a mere fraction of the amount that schools spend in trying to ensure and protect themselves from a perverse or unfair judgment from Ofsted. Again, as a nation we are an outlier here. Unsurprisingly, good teachers and heads who fear an errant verdict are diverted or stressed. They leave the profession early, or, in the worst cases, pass up opportunities for promotion. We do not have a collegial, peer-reviewed model of

school improvement. Instead, we have what can become, at worst, the teaching equivalent of the Spanish inquisition, where careers go up in flames at the mere whiff of educational heresy.

I recognise that inspection has a valuable role in education, but the way we currently do it in England, via the bloated bureaucratic beast that Ofsted has become, is clumsy, poor value for money and unaccountable. Critically, there is no independent appeal on matters of substance. The Bill seeks to give schools powers to contest an unfair judgment by appeal to independent regional panels. Where disagreements remain, it would give a school the right to table its response for inclusion in the final Ofsted report. Currently, even lodging a legitimate complaint is seen as futile and positively risky. Very few schools actually do it—it is about as good as arguing with traffic wardens or traffic cops. We need to change this top-down culture and address the imbalance of power. We need a cultural change.

It is not as though Ofsted has never been without flaws. In 2015, Ofsted dismissed 40% of its inspectors for reasons undisclosed. It is not as though it has never been arbitrary. The current head of Ofsted summarily announced recently that schools would be graded inadequate for allowing full veils—that was just his decision—and a nursery was downgraded from outstanding to inadequate simply for emailing a picture of a happy child to its parents.

Worse still, it is not as if judgments are wholly impartial or immune from political pressure—or the suspicion of that. I do not suggest that that is systematic, but it can happen. It is a known fact that the Government want all schools to become academies, and that the head of Ofsted worked for an academy chain. He sought to inspect academy chains but, to be fair, he has been blocked from doing so by the Government. The only antidote to the suspicion that free schools and academies get an easy ride is more transparency and the possibility of challenge, as there is not a straightforward read-across from the data collected to the verdict reached.

I have with me two Ofsted reports on two schools in Liverpool, both in tough, challenging areas, and both with similar scorecards—virtually identical in every respect. Notre Dame Catholic College is rated good by Ofsted. The Savio Salesian College in Bootle is said to require improvement. Oddly, the apparently inferior school has appreciably better results in English than the so-called good school, and its maths results, too, are better in places. Ironically, the head of Notre Dame has been invited to take over Salesian school based on the Ofsted judgment. To add to the irony, I taught in Savio Salesian High in the early '70s under a saintly headmaster called Father Maurice Gordon, an Oxbridge graduate who, on stepping down as a successful head did not become a consultant—not even an Ofsted inspector—but timetabled himself to teach remedial maths to hard-to-reach pupils. He fostered a glorious sporting tradition, and numbered among his alumni Jamie Carragher and the deputy leader of the UK Independence party.

I know absolutely nothing of the college in its current incarnation, but my suspicion, based on the evidence provided on Ofsted's website, is that Ofsted has little reason to be confident in its verdict, hence the need for the right to challenge. Ofsted verdicts shape the destiny of schools, and determine their structure, ownership

[John Pugh]

and very survival. Not to have the right to challenge such a fallible system—it clearly is such a system—is not only demoralising but fundamentally unjust.

**Mr Speaker:** The Question is that the hon. Gentleman have leave to bring in the Bill. As many of that opinion say “Aye”. It would be helpful if the promoter of the Bill declaimed with enthusiasm.

**John Pugh:** My enthusiasm is undiminished, Mr Speaker.

*Question put and agreed to.*

*Ordered,*

That John Pugh, Mr Clive Betts, Norman Lamb, Tom Brake, Kelvin Hopkins, Greg Mulholland, Mr Mark Williams, Steve McCabe and Fiona Bruce present the Bill.

John Pugh accordingly presented the Bill.

*Bill read the First time; to be read a Second time on Friday 11 March 2016, and to be printed (Bill 131).*

## Opposition Day

### EU Referendum: Timing

12.54 pm

**Mr Nigel Dodds** (Belfast North) (DUP): I beg to move,

That this House notes and regrets that the Government appears set to rush to a referendum on the UK's membership of the European Union in June 2016; believes that no case has been made for holding a referendum at such an early stage, and that further, any such needlessly premature date risks contaminating the result; believes that a subject as fundamental as EU membership should be decisively settled after a full and comprehensive debate; notes the recommendations of the Electoral Commission on best practice for referendums; further notes that there are elections happening in Northern Ireland, Scotland, Wales, London and some local authorities in May 2016 and that the First Ministers of each of the devolved administrations have all expressed opposition to a June referendum date; and urges the Government to set the date for the referendum having respect for the May elections as distinct electoral choices.

The referendum on EU membership is one of the biggest decisions that the people of this country will be asked to make in our lifetime. I, for one, am glad that we have been afforded the opportunity to have our say. The Democratic Unionist party campaigned long and hard, when the two major parties were against a referendum, for the people of the United Kingdom to have their say. I commend the Government very much for introducing legislation to allow the referendum to take place during this Parliament.

Today's debate is about the timing of the referendum and the date on which the vote is held. Some Members who support our motion hold different views on EU membership and, indeed, on whether we should have a referendum at all. However, whatever side of the argument we are ultimately on, we agree that, when the referendum is finally held, there must be the fullest, most comprehensive debate possible, which does not overlap with, or otherwise become enmeshed in, the election campaigns in May for the Scottish Parliament, the Northern Ireland and Welsh Assemblies, and indeed for that matter, for the London Mayor, and other local elections.

**Mr Mark Williams** (Ceredigion) (LD): I am grateful to the right hon. Gentleman for taking an early intervention. Does he take comfort from the fact that the view that he has just expressed has been endorsed by all the party leaders in the National Assembly for Wales—not just the First Minister but the Liberal Democrat leader, the Plaid Cymru leader, the Labour leader and, critically, the Conservative leader?

**Mr Dodds:** The hon. Gentleman makes an extremely important point, which I shall come to, about the cross-party nature of the sentiments behind the motion. It is not motivated by one side or the other on the EU referendum debate, or by a party political consideration, and it has the support of a diverse range of parties on both sides of the argument. The issue needs to be taken very seriously by the Government, and cannot be dismissed lightly or set aside easily, given the breadth of support that it attracts from all parties, including the major parties mentioned by the hon. Gentleman: the Conservative and Labour parties in Wales, and the Labour First Minister in Wales. It would be interesting to know the position of the main parties in Scotland.

**Ms Margaret Ritchie** (South Down) (SDLP): Does the right hon. Gentleman agree that having elections to the devolved Administrations and the campaign for the European referendum running in parallel could obfuscate the issues and confuse them? Politicians in the devolved Administrations should concentrate on the principal issues of health and education, and working towards an evolving programme for government.

**Mr Dodds:** Again, that illustrates the point. The hon. Lady and I may have different views on EU membership and so on, but we agree on the need for a full and comprehensive debate that is not caught up in the election campaigns for the devolved Administrations. I will discuss that in more detail shortly. .

**Philip Davies** (Shipley) (Con) I commend the right hon. Gentleman and his party for the work that they have done to campaign for an EU referendum for many years, long before it was fashionable. Has he also taken into consideration the fact that there is a European Council meeting scheduled for 23 June—apparently, the Government's favoured date for the EU referendum? Does he think it appropriate for a European Council meeting—and who knows what reports might come out from that meeting on the day—to be held on the same day as the EU referendum?

**Mr Dodds:** The hon. Gentleman, as always, makes an interesting point, which will no doubt have been listened to with great interest by his ministerial colleagues. It is a very valid point indeed.

**Mark Spencer** (Sherwood) (Con): I wonder whether the right hon. Gentleman's constituents will pay more attention to the European Council meeting on 23 June than the Northern Ireland fixture against Ukraine on 16 June. Perhaps his constituents have other things in their life, and Europe is not a constant feature in their psyche.

**Mr Gregory Campbell** (East Londonderry) (DUP): It's not an either/or.

**Mr Dodds:** As my hon. Friend says, it is not an either/or. People are capable of watching the football, listening to the political debate and doing other things. If this is to be an issue, it will be because the Government have chosen to foist the EU referendum on us at the time of the Euro championships, which people will want to concentrate on. That is another good argument for having the debate later. Another good reason is that many fans from England, Wales and Northern Ireland—sadly not Scotland—will be travelling to France. We could avoid the extra cost of postal votes, proxy votes and the rest of it, if we had the vote on a different date.

**Mark Spencer:** Given that the right hon. Gentleman accepts that the good people of Northern Ireland can focus on more than one thing at once—football and politics—surely they can focus on local elections and the EU referendum at the same time.

**Mr Dodds:** This is an issue not about the voters being confused—it is a bit patronising to talk in those terms—but about the Government's deliberate choice to rush the referendum by holding it on that date. I will deal with that in more detail later.

**Alex Salmond** (Gordon) (SNP): Does the right hon. Gentleman agree that this is not about the voters in Northern Ireland, who are quite capable of concentrating on the European championships—we envy them for being in it—and politics but about the devolved Administrations, who, unlike the one closer to here, respect *purdah*? If the referendum is on 23 June, the three Administrations will be in *purdah* for 10 out of 13 weeks. I do not know whether Conservative Members have considered that.

**Mr Dodds:** The right hon. Gentleman, from his considerable experience, makes a very salient point.

This debate is not about the substance of the EU referendum argument or the deal that the Prime Minister has negotiated, so I will pass over the details of that deal—it is surprisingly easy to do so. Instead, I want both sides of the House to consider whether the result of the referendum will be morally binding or politically conclusive and whether we will settle the debate for a generation. We can do that, of course, but, on the Government's current timetable, I fear we will not. This is needless folly, not least for the Conservative party, but there is time, even now, for it to reconsider—that would be in its long-term interests—and I believe it should.

To be clear, there is no suggestion that the public cannot choose or that a compressed electoral cycle would, as some have suggested, be too complex for the voters. Of course the people can choose and understand the issues. This is not about their choice, and still less is it about their ability to choose; it is about the Prime Minister's desire that they choose in a particular way at a particular time in the rushed referendum that I fear he is set upon.

Why hold the referendum on 23 June? No Minister has made the case for an early referendum—quite the reverse; they have extolled and observed the virtues of Electoral Commission guidance and past polls at all levels, be they general elections, local elections, devolved elections and, yes, both the national referendum in the last Parliament on the alternative vote and the recent Scottish referendum. The House and public are entitled to ask, therefore, why they are seemingly intent on kicking over their own precedents. Why is this poll to be so very different from all that have gone before? What explains the rush and the panic?

**Hywel Williams** (Arfon) (PC): Given the congestion of events in May and June, what does the right hon. Gentleman make of the comparative coverage already in the media of the referendum and the elections in our own backyards?

**Mr Dodds:** The hon. Gentleman makes a good point. Despite the public's ability to discern the different issues at stake in the different election questions, the media often fixate on one issue. They will undoubtedly concentrate heavily on the national question of the EU referendum while giving little coverage to the elections in the devolved regions. That is another good argument for why the two should not become enmeshed.

**Lucy Frazer** (South East Cambridgeshire) (Con): Is the right hon. Gentleman aware that in Sweden in 1994 two months elapsed between a general election and a referendum on membership of the EU; in Denmark,

[Lucy Frazer]

two months elapsed between the general election and the referendum on the treaty of Amsterdam; in Malta, one month elapsed between two such elections; and in Switzerland, 15 referendums were held in 1992 alone? Is he suggesting that these countries have abdicated their responsibility to the general public?

**Mr Dodds:** No, not at all. That is a rather strange argument to make. In Northern Ireland and elsewhere, European elections have been held on the same day as local and Assembly elections. So that is neither here nor there. We have already made the point that people are quite capable of separating out the issues. We are talking about the impact on the functioning of the devolved Administrations and the ability of political parties to campaign and work with others, if necessary, on those issues; about the purdah issue the right hon. Member for Gordon (Alex Salmond) rightly raised; and about the media's concentration on EU issues to the exclusion of devolved issues. This debate is about those important issues, not the question the hon. and learned Lady raised.

On 3 February, the First Ministers of Northern Ireland, Scotland and Wales, along with the Deputy First Minister of Northern Ireland, wrote jointly to the Prime Minister to set out the case against a June referendum and to argue for the debate to be free from other campaigning distractions. That needs to be taken seriously and treated with the respect it deserves. We hear a lot about the respect agenda and taking on board the views of the devolved Administrations, and that now needs to be put into practice. This is an important moment in this Parliament. Will the Government respect the devolved Administrations?

**Kevin Foster** (Torbay) (Con): I was interested to hear the right hon. Gentleman talk about listening to the views of the Electoral Commission. Last Thursday, in questions to the hon. Member for South West Devon (Mr Streeter), who was representing the commission, I asked if it had given a view yet on dates in June. It had—it had only ruled out the 2nd and the 9th. Does the right hon. Gentleman think that says something?

**Mr Dodds:** I will come to the Electoral Commission shortly.

The leaders of the Administrations in Scotland, Wales and Northern Ireland have very different views and come from very diverse backgrounds. We have the leader of the Scottish National party, the leader of the Labour party in Wales, the Democratic Unionist party leader and the Sinn Féin leader in Northern Ireland. That is a diverse group of politicians with very different backgrounds—to say the least—but they have come together not out of party political interest but in the interests of the peoples they represent in their respective countries. Whether on the “remain” or the “leave” side, they have set aside party political considerations in the common interest that the referendum should not happen in June. My colleague, Arlene Foster, Northern Ireland's First Minister, has rightly observed that any premature European referendum campaign would inevitably become intertwined with the Stormont elections. How could it not?

**Sir Edward Leigh** (Gainsborough) (Con): I suspect that the right hon. Gentleman and I will both vote to leave. From a Eurosceptic English point of view—we are self-confident and we know our arguments—we say to the Prime Minister, “Bring it on—no delay, don't look worried, bring it on!”. We can have a proper debate, and we can win this.

**Mr Dodds:** I respect the hon. Gentleman's point of view. I understand where he, as an English Eurosceptic, is coming from. I hope he respects where we in Northern Ireland, Scotland and Wales on both sides of the argument are coming from. We will weigh the arguments and consider whether his view should be tempered by the contributions of colleagues from other parts of the UK, some of whom might share his views.

**Simon Hoare** (North Dorset) (Con): A phrase in the motion stands out as pretty strong stuff, and I would welcome the right hon. Gentleman's explanation of it. It claims that the

“needlessly premature date risks contaminating the result”.

I thought we had already established across the House that the electorate can both walk and chew gum. I am not entirely sure how the result could be “contaminated”.

**Mr Dodds:** It is pretty obvious on an issue that the Conservative party has debated for many decades and the country raised many concerns about, that when the deal is finalised—the “t”s are crossed, the “i”s dotted and all the rest of it—we surely deserve more than a short 18, 17 or 16-week campaign for detailed consideration. If the Conservative party and others are really interested in putting the issue to bed once and for all, I think they will want the fullest and most comprehensive debate possible.

**Mr Gregory Campbell:** Does my right hon. Friend agree that a consensus seems to be emerging that this serious issue needs to be examined, debated, made subject to dialogue and voted on? We need to have this discussion and debate unencumbered by regional influences, London Mayoral elections and other issues that will undoubtedly feature in the media, sidelining the issues relating to a European referendum, which should take place at a time later than June this year.

**Mr Dodds:** I quite agree with my hon. Friend, who sets out the position very clearly.

Only last month, the Prime Minister himself was pretty unambiguous about this matter. He said:

“I'm not in a hurry. I can hold my referendum any time up until the end of 2017”;

and that

“it is more important to get this right than to rush it.”

My fear is that he is rushing it and not getting it right.

**Mr David Hanson** (Delyn) (Lab): As a Welsh Member of Parliament, I have some sympathy with the right hon. Gentleman's argument on grounds of purdah and for other reasons, but will he help to clarify it by telling us on what date he thinks the referendum should be held? I am also concerned that the longer this is left, the more damaging it will be to the long-term economy of the United Kingdom.

**Mr Dodds:** The Government have set in legislation the end of 2017 as the backstop. I generally think that the longer the debate, the better, because it will give people the fullest and most comprehensive debate possible. Personally, I would be content to have the referendum in the autumn. We do not have to go to the end of 2017, but we should certainly go beyond June and not have it enmeshed with the other elections we have mentioned.

Many people are asking the question—it needs to be asked—of what the Prime Minister is afraid of in relation to the summer. What is it that he does not want to risk voters see happening over the course of the summer when they consider the issue of British membership of the EU? What mistakes does he anticipate our EU partners will make? What is he really worried about?

That brings me on to some of scare stories that are going around at the minute and, sadly, getting a lot of currency. Some are silly; some are implausible; some, of course, are simply knockabout stuff, without which politics would be infinitely duller and the papers would have less to write about. However, some are pernicious and should not be casually repeated.

In anticipation of our referendum deciding our membership of the EU on the grounds of what is or is not in our national interest, I entirely acknowledge the right of friendly foreign Governments to say how that might affect them. What I do not accept, and what I can hardly believe has happened from the mouths of serious figures who really should know better, is the sort of absurd nonsense that British exit from the EU could somehow in itself precipitate the rise of Irish republican terrorism again. It is hard to know what is worse about claims such as these—that they are criminally irresponsible, or logically fatuous. Brexit will neither cause republican terrorism, nor make any difference to it. Its cause, wrong and bad as it is, is Northern Ireland's membership of the United Kingdom, democratically decided and settled—not the UK's membership of the EU. Those who have claimed in recent weeks that terrorism would be encouraged or facilitated by a leave vote in the EU referendum are peddling scare stories of the very worst nature. I can only hope they are already ashamed of them, and will not repeat them again.

**Ian Paisley** (North Antrim) (DUP): It is worth outlining that every single witness to the Northern Ireland Affairs Committee, which is looking into this issue, has underscored and reiterated what my right hon. Friend has just said—that there is no chance of terrorism being affected one way or the other by this debate.

**Mr Dodds:** My hon. Friend reinforces the point strongly. I look forward to reading the Select Committee's report when it comes out. It will provide a very useful contribution to the debate in Northern Ireland and indeed more widely.

We have provided for a body to administer these things. The Electoral Commission is not wholly without fault or flaw, but it has been consistently clear on how this referendum should best be conducted. It has said that administrative necessity, the needs of the other elections in the first half of this year and fairness all combine to suggest that the referendum should not, in my view, be on 23 June. Of course, the Electoral

Commission is not in charge of the process—the Government are. Indeed, they took to themselves additional powers to determine how this very referendum should be run.

It is interesting that the designation process for lead campaigners is still murky and uncertain, and I wonder who benefits from that. By way of contrast, long before the regulated campaign began in Scotland, both Yes Scotland and Better Together had been designated lead campaigners for their respective sides on the ballot paper. What is the point and what is the reason for the Government to flout for the very first time their own guidelines, as issued by the Electoral Commission? To do so is very telling—and not in a good way.

The Electoral Commission has said:

“We currently do not know when we will be able to run the process to appoint lead campaigners.”

It is now February, and the Government are planning to hold this referendum in June. Frankly, this is not fair play, but foolish game playing. Having taken to themselves the power to set both the date of the referendum and the date of designation for lead campaigners, this puts in front of the Government the temptation, in some people's eyes, to rig the process. They would be very foolish to succumb to that temptation. Let me say to the Government that the Prime Minister and his successors will sorely regret any perceived fixing of this referendum. We have already debated some of the issues surrounding purdah and so forth, and I think the Government should learn from that debate, as well as from the 40 years of debate within the Conservative party on this issue.

**Mr Bernard Jenkin** (Harwich and North Essex) (Con): On the advice of the Electoral Commission and the timing of designation, there is a growing concern that the designation process will finish up overlapping the referendum period. In a letter to me, the chair of the Electoral Commission, Jenny Watson noted that the commission had

“recommended that the statutory six week process for the designation of lead campaigners should take place shortly before, rather than during the first weeks of the referendum period. This ‘early’ designation would provide clarity earlier for voters and campaigners about the status of campaigners.”

Does the right hon. Gentleman agree that it would be unforgivable if the Government were to allow, by sleight of hand, what amounts, frankly, to corruption of the designation process?

**Mr Dodds:** I agree with the hon. Gentleman. The Government really need to get on with this and get the matter resolved. Frankly, it would be scandalous if matters were allowed to drift and to drag. Again, that would call into question the Government's handling of the referendum and its fairness. It would give cause for people to question whether they have made the final decision on this matter. If the Government were wise, they would want to ensure that once the people had spoken on this matter in a referendum, everyone would accept—from whatever side and whatever the outcome—that the decision had been properly taken by this country under the proper rules and that everybody will respect it for the foreseeable future. To do otherwise is short-term opportunism.

[Mr Dodds]

In conclusion, we need to face up to this crucial issue of the timing of the referendum. We need to ensure that the Government respect the Electoral Commission and that they respect the devolved Administrations in Northern Ireland, Scotland and Wales. On an issue of such import, we must put the national interest above every other consideration. We must respect the rights of the people who go to the polls in May. We must allow for the fullest possible debate on the biggest decision to be made by this country for generations. For those reasons, I commend the motion to the House.

1.19 pm

**The Parliamentary Secretary, Cabinet Office (John Penrose):** I am delighted to respond to this important debate, and I commend the long-standing support of the Democratic Unionist party for the principle of holding a referendum on the European Union. As was pointed out by the right hon. Member for Belfast North (Mr Dodds), its members were there earlier than many, and I think that their consistency and constancy in respect of that principle can serve as a model for others.

Before we get too far into the debate, let me say that I think it is important for us all to remember that any debate about the referendum date needs to be undertaken in the conditional mood. In other words—if I may make a statement of the blindingly obvious—the date has not yet been set. As the Prime Minister has consistently said, it is renegotiation and then referendum. As the renegotiation is not yet complete, there is, as yet, no referendum date.

**Alex Salmond:** Given the breadth of the range of interests among the parties in the devolved nations that are asking for the referendum not to be held in June, and given that no date has been set, why are the Government so reluctant to accede to the views of the right hon. Member for Belfast North (Mr Dodds)?

**John Penrose:** I am coming to that, but I think it would be, at the very least, disrespectful to the principle behind the European Union Referendum Act 2015, which requires the date of the referendum to be set through a debate in the House on a statutory instrument, under the affirmative resolution procedure, in due course. When that point comes, there will be plenty of opportunities to debate the issue. I think that it would be premature to start ruling too many dates in or out, although I will be specifying the dates that we have already ruled out.

**Philip Davies:** Will my hon. Friend give way?

**John Penrose:** I will, but then I really must make some progress.

**Philip Davies:** I am grateful to my hon. Friend for giving way so early in his speech. I realise that we are not talking about a specific date proposed by the Government, but about the principle of opting for certain dates. Will my hon. Friend comment on the appropriateness of holding the referendum on the same date as a European Council meeting?

**John Penrose:** I know that my hon. Friend is an assiduous follower of matters European, but I suspect that he may be one of the very few people in the entire country who pay quite so much attention to the musings of the European Council. I think that the Council would be honoured to feel that its conclusions carried as much weight with anyone else as they clearly do with him. I shall address some of the broader issues underlying his question in a moment.

I said that the renegotiation was not yet complete and that, therefore, a date for the referendum had not yet been set because I suspected that certain Members might try—gently and kindly, I am sure—to tempt me to commit some hideous indiscretion by revealing a planned referendum date, whether in June or in any other month between now and the end of 2017. For the sake of our collective mental and emotional health, and to save us all an awful lot of time, I thought that I should take this opportunity to advise any amateur Kremlinologists who might be hoping to glean clues about the date of the referendum from close textual analysis of my remarks not to bother, because there are no clues.

**Stephen Gethins (North East Fife) (SNP):** Notwithstanding what the Minister has said, will he answer a very simple question? Does he agree with the points that were raised in the letter from the three First Ministers?

**John Penrose:** I shall address those points in a moment. I am sure that the hon. Gentleman will pick me up if he feels that I have glossed over any of them inappropriately.

Let me repeat that there are no clues. Alan Greenspan, the famously gnomic and opaque former chairman of the United States Federal Reserve, once said:

“I guess I should warn you: if I turn out to be particularly clear, you’ve probably misunderstood what I’ve said.”

He went on to say:

“I know you think you understand what you thought I said but I’m not sure you realize that what you heard is not what I meant.”

In other words, clues are to be avoided.

However, even if we do not know the precise date on which the referendum will be held, we know several dates on which it will definitely not be held. It will not be held on 5 May this year or on 4 May 2017, because both those dates are expressly excluded in the primary legislation that we passed last year, and—as was recently promised by my right hon. Friend the Prime Minister—it will not be held within six weeks of 5 May this year. Although we do not yet know the exact date, those exclusions are important, because they create and guarantee enough time between the referendum and any other upcoming elections to ensure that the important issues that arise in each set of polls are debated fully and separately in each case.

**Peter Grant (Glenrothes) (SNP):** The Referendum Act specifies a 10-week period between the Government’s publication of their response to the negotiations and the referendum date, presumably because both this House and the other place thought that people needed that period to digest the information. Would it not be wrong for three of those 10 weeks to fall right in the middle of an election campaign affecting over 20 million citizens who will be voting in the referendum a few weeks later?

**John Penrose:** I am coming to that point. I hope that I shall be able to respond to it adequately, but I am sure that the hon. Gentleman will come back to me if I do not.

It is important for those issues to be debated fully and separately, because, as we have just heard, 5 May this year will be a very busy time at the ballot boxes. I need mention only a few of the votes that will be held then: votes for the Mayor of London, for police and crime commissioners, and for devolved legislatures in Stormont, Cardiff and Edinburgh.

I am not arguing, as some do, that it is impossible to hold more than one election in the same place and on the same day. The fact that local council elections took place at the same time as the general election in many parts of the country last May without democracy collapsing in a heap shows that voters, and election administrators, are perfectly capable of handling such a situation comfortably. As we heard from my hon. Friend the Member for North Dorset (Simon Hoare), everyone is capable of walking and chewing gum at the same time, and I think that the right hon. Member for Belfast North made it clear that that was not the main source of his concern.

**Mr Gregory Campbell:** I accept what the Minister has said, but does he agree that this particular referendum will absorb the minds and hearts of people throughout the United Kingdom as no referendum has for 40 years, and must therefore be unencumbered by any other electoral considerations?

**John Penrose:** I agree with part of that. The important point is that the overlap needs to be dealt with extremely carefully. We must not attempt to run two polls at the same time, but an overlap is perfectly feasible provided that we accept a gap of a minimum of six weeks between them. I remind the House that six weeks is the full length of a general election campaign during which we decide who is to govern the country.

**Mark Spencer:** I am sorry to tell the Minister that after a six-week general election campaign my constituents are pretty cheesed off with politics. I think we need to understand that not everyone in the country is as excited about politics as we are in this place. A short campaign enables people to focus on the issues, and then to make a decision at the end of that short campaign.

**John Penrose:** Absolutely. Europe is one of those issues that may be extremely exciting for a small number of people—extremely exciting, perhaps, to a small number of people in this place and in the half-mile that surrounds us—but if we “bang on about Europe” for far too long, we shall run the countervailing risk of starting to turn people off the whole issue, important though it is. A decent period which, after all, we use to decide general elections is what the country and the electorate are used to. It allows plenty of time for a full and in-depth discussion of the issues that need to be covered, without

necessarily boring everyone to tears and turning everyone off before they go to the ballot boxes. Of course I entirely accept that a gap will be necessary.

**Lady Hermon** (North Down) (Ind): Given that Northern Ireland remains part of the United Kingdom and will continue to do so for a long time, I expect the Prime Minister of the United Kingdom to come to Northern Ireland and campaign for it to remain part of the European Union. It would be helpful if the Minister confirmed that the Prime Minister will indeed campaign in Northern Ireland, but will do so after the Northern Ireland Assembly elections and not before.

**John Penrose:** I thank the hon. Lady for giving me this opportunity to commit the Prime Minister’s forward diary in such a specific way, although I think it would be a career-limiting move were I to do so. I suspect that she will nevertheless make her point strongly, and my right hon. Friend will have an opportunity to respond to it specifically.

**Patrick Grady** (Glasgow North) (SNP): I am sure the Minister would agree that the decision on whether to remain in the European Union is at least as important as the decision that Scotland had to take on remaining in or leaving the United Kingdom. There were 540 days between the announcement of the Scottish referendum and the date of the poll. We are not necessarily suggesting that there should be that length of time before this referendum, but if the Minister is saying that there should be a free and open discussion, the period should surely be longer than six weeks.

**John Penrose:** This is where I would respectfully part company with the hon. Gentleman. While it would be stretching a point to argue that holding two polls in the same place a minimum of six weeks apart would be somehow disrespectful or that it would prejudice the result of either poll—

**Sir William Cash** (Stone) (Con): Will my hon. Friend give way?

**John Penrose:** May I just finish this point, then I will give way?

While that would be stretching a point, I believe that it is important to provide enough time for the issues and arguments to be debated fully. A six-week minimum—which is, after all, the length of an entire general election campaign—would provide plenty of time for an extremely full and detailed democratic debate to take place.

**Sir William Cash** *rose*—

**Mr Speaker:** Order. I think the Chairman of the European Scrutiny Committee, the hon. Member for Stone (Sir William Cash), is seeking to fox the Chamber. I will not say that he has perambulated around the Chamber, but he has entered, most uncharacteristically, from a different door and he is seated in a different place. There is nothing disorderly about this, but it is mildly confusing and I hope that he might perambulate towards his normal position in due course, because that would make us all feel so much more comfortable.

**Sir William Cash:** Thank you very much indeed, Mr Speaker. I love that! The final possible date for the referendum is 31 December 2017. Would the Minister be kind enough to confirm that it is a slam dunk that we would not hold the referendum during the French presidential elections in April and May 2017 or during the German federal elections on 22 September of that year?

**John Penrose:** May I first congratulate my hon. Friend on sitting in a different place in order to demonstrate flexibility of mind and his ability to take a different approach once in a while, just to keep us all on our toes? On the specifics of his question, I have to confess that those elements have not been factored into any of my discussions on potential dates so far. Perhaps they should be, however, and I will take that information away if I possibly can.

The motion also notes the recommendations of the Electoral Commission on best practice for referendums. The commission has produced reports on previous referendums and we have taken on board many, if not all, of its recommendations in the European Union Referendum Act, including those on pre-poll reporting of donations and loans. We have also taken on board its views in other areas. For example, we followed its recommendation to change the wording of the referendum question. We also consulted it on the draft conduct regulations, which set out the detailed framework for the administration of the referendum poll. Those are just a few examples of how we have listened to the commission's thoughts.

**Alex Salmond:** I am slightly puzzled as to why the Minister is praying in aid the fact that the Government have ruled out 5 May—the date of the elections in Scotland, Wales, Northern Ireland and London. My certain memory of the process last year during the passage of the Bill is that the Government did that only unwillingly when they were facing certain defeat on the legislation, so why is he now presenting this as a great Government concession?

**John Penrose:** I am just referring back to my notes, because I do not think I said that we did anything in that regard. I said that “both those dates are expressly excluded in the primary legislation that we passed last year”—that is, the legislation that this Parliament passed last year. I will leave it to Kremlinologists and others to decide whether that was done under pressure, with grace or in any other way. None the less, I hope the right hon. Gentleman will agree that the will of Parliament was expressed and that it was listened to extremely carefully.

**Mr Jenkin:** I am sure the Minister will know that the Public Administration and Constitutional Affairs Committee, of which I am Chairman, is taking an interest in the matter of the date. I also declare my interest as a director of Vote Leave, one of the potentially designated campaigns. May I press him on an assurance that he gave the House in September last year? He said that

“it is important that the designation process means that the decision on who are the lead campaign groups for the in and the out campaigns is properly arrived at that and those groups are

clearly designated before the start of the 10-week campaign”.—[*Official Report*, 7 September 2015; Vol. 599, c. 157.]

Does the Minister stand by that assurance, or is this going to be fudged?

**John Penrose:** I remember that moment clearly. In fact, I think I was responding to a question from my hon. Friend the Member for Stone (Sir William Cash) in making that point. What I was trying to put across was that I had what I thought was a brilliant solution to the potential problem of any compressed timetable, should there be one, in order to find enough time for both the designation and the full referendum timescale. The original point I was making at that point in our discussions—I think it was during the Bill's Committee stage, but I could be wrong—was that we could have dealt with the designation process through a negative statutory instrument, which could be made when it was laid, thus allowing the designation process to start early and finish before the beginning of the referendum period. I think that that is what everyone was driving at, at that time.

However, the equivalent of the Joint Committee on Statutory Instruments in the Lords felt that a negative statutory instrument was inappropriate and said that a positive statutory instrument should be used. That has made it rather more difficult, as my hon. Friend will appreciate, for me to achieve the aims that we were discussing at that point. If I may, I will take his earnest and strongly made point, and the point that he made earlier to the right hon. Member for Belfast North, to indicate a strong preference for starting the designation process as early as possible, should there be a compressed timetable. I am sure that the various campaigns are already working on their designation submissions and that, were it to be necessary, my hon. Friend would be able to aim for a shorter and very efficient designation process in order to avoid an overlap between the end of the designation and the start of the referendum process.

**Mr Jenkin** *rose*—

**John Penrose:** Does my hon. Friend want to come back to me, perhaps to assure me that I have understood him correctly?

**Mr Jenkin:** I am most grateful to the Minister for that explanation. However, I believe that he will be bound by his commitment unless the Government put on record before the House agrees to that affirmative resolution procedure that the consequence of agreeing to that procedure might be that the campaigns may not be designated until the referendum campaigns had already started. If there is going to be a referendum on 23 June, which seems to be a possibility, either the regulations will have to be expedited in order to foreshorten the period and allow us to start the designation process earlier or the Minister must put back the date. I am as keen as anybody to get on with this referendum, but not on the basis of undesignated campaigns going into the referendum process without the necessary resources and authority and without being able to plan what they are going to do.

**John Penrose:** It is helpful for my hon. Friend to remind me of the point that I made last year. We are all subject to the will of Parliament, and because the



Lords—in this case—decided in their wisdom to change the process that I was laying out at that point, it is now difficult for me to be bound by anything other than the later expressed will of Parliament. However, I appreciate his point that it would be a superior outcome if we could possibly avoid any overlap between the two processes. I think he is saying that he would prefer to see a rapid process for designation, and to start it as promptly and efficiently as possible, should that be necessary. I will take his strongly expressed point back and ensure that we strain every sinew to accommodate him if we can.

I am conscious that other Members want to speak in the debate, so I shall omit my further comments about the other aspects of the Electoral Commission's advice that we have either been following or not. I want to make it clear that the process from here on is clearly laid out by Parliament in the European Union Referendum Act. The Act requires the Government to bring forward a number of statutory instruments that are subject to the affirmative process—as we have just been hearing—before a poll can be held. They will cover the conduct rules—the detailed plumbing of how the poll will be held—which are already laid before the House and which I hope are uncontroversial, plus regulations setting the date of the referendum period and the start date of the designation period. Those regulations have not yet been laid, but when they are, this debate will be able to move, at last, out of the conditional tense and into action.

**Carol Monaghan** (Glasgow North West) (SNP): I want to make a point about the compressed time period and the possible date of 23 June. Scottish schools will be about to go on holiday at that point and many of the electorate will be either planning or starting to take their holidays. In some local authorities, 22 June will be the date in question. It would be unthinkable to have a vote of such importance during the English school holidays, yet this vote could actually take place during the Scottish school holidays.

**John Penrose:** I have to go back to my starting point about being tempted into giving guidance on when the referendum vote might be; that is not a matter about which we are able to tell anybody yet, because we do not have a completion of the negotiations and without that there can be no referendum. The Prime Minister has been very clear on that point, but I am sure he will note the hon. Lady's point when he considers the matter.

The Government are going to be doing something that has not been achieved for more than a generation. We will be giving people something that I, along with many others in Parliament and across the entire country, have long been denied: a vote, a say, a voice on our relationship with the European Union. Whichever side of that argument we are on, whether we vote to leave or to remain, I hope that as democrats we will all welcome the dawning of that referendum day.

**Several hon. Members** *rose*—

**Mr Speaker:** Order. Just before I call Pat Glass to speak on behalf of the Labour Opposition, I should point out to the House that 18 Back Benchers wish to contribute and some sort of time limit will be inevitable. I know Members will want to get in, and I want to help them, so they will recognise the need for the time limit.

1.40 pm

**Pat Glass** (North West Durham) (Lab): With that in mind, Mr Speaker, I will endeavour to be brief.

Interestingly, we are having this debate when no referendum date has been set, the starting gun has not yet gone off and the deal the Prime Minister is negotiating with our partners in the EU is not yet agreed—if it ever will be. I therefore agree with the Minister—I do not think I am going to say that often—that in many respects this debate is somewhat premature.

**Patrick Grady:** The Leader of the Opposition called last Wednesday for the referendum to happen on 23 June. Does the hon. Lady disagree with him?

**Pat Glass:** Now the hon. Gentleman is just trying to get me into trouble. I would never disagree with my leader.

Let me deal with the motion by discussing each of its parts, and I start with the premise that no case has been made for holding an early referendum. May I remind this House that we have been debating the UK's place in Europe on and off for more than 40 years? I voted in the last referendum. It was 43 years ago, so we are hardly rushing at this.

**Mr Dodds:** If the hon. Lady will not make any comment in support of her party leader here at Westminster, what has she to say to the Labour leader in Wales, the First Minister, who has come out strongly against a 23 June date?

**Pat Glass:** He has given his opinion, and of course we will listen respectfully to those arguments, as I am sure the Government will. We know that while all this goes on, uncertainty and instability is created in our businesses and in our economy. We are already seeing the damage done to business confidence in the UK, inward investment and the economy by the uncertainty and the potential risks that lie with an EU referendum and exit. Those uncertainties and risks increase the longer they go on. That is not good for our country, for our economy and for regions such as mine, where hundreds of thousands of jobs depend directly and indirectly on our membership of the EU.

**Stephen Gethins:** I appeal to the hon. Lady, because she and I are going to be on the same side in this referendum, that we have a positive case and that we should put forward the positive case. The words about “uncertainty” have no place in this referendum, and I hope she will put forward some positive arguments, too.

**Pat Glass:** I, too, hope that we will be able to make a positive case for remaining, but there are clearly risks to business of delay, and they get greater the longer the delay goes on. There are very good arguments to support the view that, as soon as the Government's European renegotiations are complete, they should get on with having the referendum and ending the uncertainty, which is bad for the whole UK—for jobs, growth, investment and working people.

The motion says that a “needlessly premature date risks contaminating the result”.

[Pat Glass]

In what way would a referendum five months from now contaminate the result? If there is evidence that holding the referendum on a specific date, whether in June 2016, September 2016 or April 2017, would in any way contaminate the result or lead to greater or lesser risk of electoral fraud, let us see it. I have not seen any such evidence, so I can only assume that what is meant by that statement is that a shorter campaign is more likely to lead to a remain vote. Given that we have had more than 40 years of hearing one side of the argument, are we really being told that the leave campaign arguments are so lacking in substance that four months of campaigning from the other side will devastate its arguments and campaign?

The motion goes on to say that

“a subject as fundamental as EU membership should be decisively settled after a full and comprehensive debate”.

I absolutely agree, but I say again that we have already had 40 years of debating the UK’s place in Europe, so this is not a surprise and it is not happening quickly. It has been 40 years in the making.

**Mr Jenkin:** The hon. Lady’s party set up the Electoral Commission when it introduced the Political Parties, Elections and Referendums Act 2000, presumably, so that the commission would give advice that the Government would generally accept. The Electoral Commission argues that there should be a six-month period between the regulations and the referendum date, but the Government are set to ignore that. Like her, I am enthusiastic to get on with this, but what consideration has she and her party given to the designation being compressed with the referendum period? Has her party expressed a view on that matter, or does she believe that she and I should discuss it, with a view to when this referendum should be?

**Pat Glass:** The hon. Gentleman has made that point several times, and in many respects I think this is down to those campaigns. This is not a surprise, so they need to get on and get designated. What is the delay? Why are they delaying? They need to get on and do it.

**Alex Cunningham** (Stockton North) (Lab): My hon. Friend is a colleague from the north-east, so she knows as well as I do how important the EU is to jobs in our region. Another important European date is almost upon us; the Government have to make an application within the next three or four weeks for EU solidarity funds to help flood victims across our country. Does she agree that the Government should perhaps concentrate on that date first?

**Pat Glass:** Yes, I do. In areas such as my hon. Friend’s and my own, which have been dominated by flooding, that is a big issue.

**Lady Hermon:** The hon. Lady will of course be aware that the Northern Ireland Labour party intends to run candidates in the Assembly election, whether or not her party leader agrees. Is she aware of any objections from her colleagues in the Northern Ireland Labour party to the possibility of an early EU referendum in June? Has she heard of any complaints from them?

**Pat Glass:** I thank the hon. Lady for the intervention, but those are internal matters and do not really relate to today’s motion.

I believe that the people of the UK are easily capable of absorbing the issues and making a decision after five months of a comprehensive campaign. As has been said, we have six weeks of the campaign in general elections, with three weeks of the short campaign, yet we are still able to come to a decision. If the referendum is held in late June, we will have had at least 16 weeks of the campaign, in which people can listen to both sides of the case, weigh the arguments and the risks, and make a decision.

The motion talks about

“the recommendations of the Electoral Commission on best practice for referendums”.

The Electoral Commission has said that the referendum date should be separate from a day on which other polls are taking place. Labour agreed with that and succeeded in pressuring the Government to amend the European Union Referendum Bill to stop the holding of the referendum on 5 May 2016. However, the Electoral Commission also said that the final Act, following the amendments made,

“provides a good basis for the delivery of a well-run referendum and the effective regulation of referendum campaigners.”

The bottom line is that if the referendum is held on 23 June or 30 June, that would be more than a month and a half after the 5 May elections. I, for one, believe that the people of the UK are perfectly capable of making an important decision in late June, a month and a half after local elections. To suggest otherwise is patronising and disrespectful.

**Alex Salmond:** The legislation also specifies a 10-week campaign period. Therefore, if the referendum was held on 23 June, the campaign period, with all the attendant regulations, would take place in the middle of the Scottish, Welsh, Northern Irish and London elections. How can that possibly be a good thing?

**Pat Glass:** That argument has been well rehearsed in the House and it has been very clearly agreed on all sides that people can do two things at the same time.

I want an early referendum, so that this country’s businesses, workers and people can get on with their lives in a safer, stronger and more prosperous union with our partners in the EU. Labour believes that the UK is better off in Europe and it is campaigning to stay in. The European Union brings us jobs, growth and investment. It protects UK workers, the UK environment and consumers and helps to keep us safe in an increasingly unsafe world; leaving would put all that at risk.

I want to finish by reminding the House why the EU was established in the first place. Up until 1945, we in western Europe committed genocide on one another every 30 years. Families such as mine and those of other Members fought and died in those wars. Although I appreciate that the EU is not the only reason why we settle our differences around a negotiating table rather than on a battlefield, it does remain one of the main reasons. In a world in which we are facing Russian expansionism, global terrorism and global criminality,

we in the UK are safer as well as stronger and more prosperous as part of the EU, which is why Labour is campaigning to remain.

1.50 pm

**Mrs Anne Main** (St Albans) (Con): I am pleased to be called so early in this debate in which there have been many interventions.

May I say to the right hon. Member for Belfast North (Mr Dodds), who proposed the motion, that I welcome this debate, because there are issues around the proposed date of 23 June? As someone who professes to want to leave the Union, I am happy that the date has been set sooner rather than later, but I can understand his concerns, and it is good that we explore them.

On the designation of the Leave groups, the Go groups, or whatever group there is for those who think that we will be better and stronger outside the European Union rather than in it and controlled by it, there is a real concern that the date will mean that they are less able to get their act together. In the end, though, I encourage the right hon. Gentleman to believe that whoever knocks on people's doors—whether it is a Go campaigner or a Leave campaigner—they will all be asking the same question. There are only two questions on the ballot paper. It is not as though people will be asked which political party they support at a general election. The argument will be made by all groups, whether or not they receive designation, so I am not discouraged about the process, but I can see the point that he is making.

**Peter Grant** *rose*—

**Mrs Main:** The hon. Gentleman has made a lot of interventions, and some of us have waited to make our remarks within our own speeches, so I will make some progress before taking interventions from those who have already intervened.

As I have said, I am not too discouraged by the designation process, but I can understand the right hon. Gentleman's point. If several people knock on someone's door and say why they wish to make the case for leaving the EU, it will only reinforce the views of that person and help them with their decision-making process when they cast their vote. None the less, I do understand that there is a concern for those of us who are waiting eagerly to see what date has been chosen.

I note that the word "contaminating" has been used in the motion. Although I would not use that word in relation to the date, I understand that it does give those who wish to remain in the EU a bit of an advantage. A lot of information will come out later in the year. I am not talking so much about the European Council meeting to which my hon. Friend the Member for Shipley (Philip Davies) referred. In a letter on subsidiarity, Mr Tusk said:

"The Commission will propose a programme of work"—  
by which I believe he means the competences—  
"by the end of 2016 and subsequently report on an annual basis to the European Parliament and the Council."

Therefore, if we do have a vote in June, we will not know what the Commission is proposing on subsidiarity and on the competences that are being brought back. We will only know what our Parliament has control

over after that vote. However, some of us in the Leave and Go campaigns believe that we can make the case already, but there will be very thin gruel, as my hon. Friend the Member for North East Somerset (Mr Rees-Mogg) has said, for us to consider.

Another matter that we need to know, but that we will not know by June—we will probably not know it by the end of the year or at any other date—is to do with the proposal that the Prime Minister is currently exploring with other EU countries on limiting benefits across the 28 countries. After looking into the matter, I have found that some countries have very different rules on child benefit. Some have no child benefit; some have benefits for one child; and some have benefits for multiple children. That will be a minefield to explore. We have no details on it at the moment. More to the point, the deal will be struck behind closed doors, so before the date in June we will not know whether any of the deals that may have been agreed will hold up. That is a concern, but I am not sure that we will be any the wiser the longer we leave it. Whichever treaty we have in place either guarantees EU nationals the rights to claim welfare in each other's countries or it does not. If those treaties do guarantee those rights, I am not sure how legally binding they will be in the future; they could all fall apart two days after the referendum. However, pushing the date further down the road to later in the year will not make us any the wiser.

The motion talks about a rush to the referendum, but I think that there is a compression. For those on the Front Bench with Eurosceptic leanings who currently feel constrained to speak, the compression gives them less opportunity to cite their views in favour of removing this country from the European Union. On that basis, I can see why having a date early might constrain some of our colleagues on the Conservative Benches who are waiting to hear what the Prime Minister delivers on 18 February. That is probably the only conspiracy theory that I can see going around. I personally think that the public would rather get on with this matter. Our Conservative manifesto promise is delivering this referendum. I pay tribute to the Ulster Unionists for their long-standing campaign.

**Jim Shannon** (Strangford) (DUP): It is the Democratic Unionist party.

**Mrs Main:** I mean the DUP. I am so sorry. I pay tribute to its long-standing campaign. If we push this matter even further into the long grass, none of the questions that I have about treaty change or about what Mr Tusk and his colleagues will allow us to bring back in terms of subsidiarity will be answered until 2017. One of my biggest concerns as a Eurosceptic is that we constantly have to ask 28 countries what they think. Trying to get three or four countries to agree to anything is pretty difficult, but getting 28 countries to agree is almost impossible, which is why I want to leave. We will not have the clarity that the Democratic Unionist party seeks today.

Although I have a slight concern about the designation process, I do think that the groups will sort themselves out. On the May elections, let me offer a scrap of comfort to those who say that the Remain campaign would benefit from an early referendum. I suggest that that campaign may be experiencing voter fatigue. Those of us who feel passionately and strongly about this

[Mrs Main]

matter—I add that many of our Conservative Associations feel the same way, even if some of the Members do not—have been out talking to our constituents. I did so on a market stall over the weekend and at various meetings, including one with my Conservative ladies yesterday. I will be out there to vote—it will not matter that we have had a vote six weeks before—because I feel very strongly that, for the first time, I will be able to ask myself, “Do I wish to be in this European Union as it is with all its failings and all its flaws?” My answer will be, “No, I want to leave.”

Those campaigning to go or to leave, however that is framed, will be more agitated and more wishing to get out the front door on whatever date is chosen than those who may feel voter fatigue as a result of being involved in all those other elections. In short, I am reasonably encouraged that people may feel that they have had enough of voting in local elections, mayoral elections and all the other elections and will just sit at home and watch the Romanian rugby match or whatever is on the television on the day. I do not think that we will ever get the clarity that we want. I will be sticking with whatever date is picked, because I would like to get on and resolve this matter. It is a shame—I mean not that it is shameful but that it is an issue for me—that colleagues on the Front Bench who see the matter our way will have such a short amount of air time and a short amount of time to campaign and put their case.

**Mr Stewart Jackson** (Peterborough) (Con): As usual, my hon. Friend is making a tremendously eloquent case. Does she remember that just a few years ago—in the blink of an eye—we were told that merely having an EU referendum would lead to economic instability, threats to our prosperity and threats to jobs and growth in this country? Of course, it was all unadulterated nonsense propagated by Labour and, sadly, to some extent by some people in our party.

**Mrs Main:** Well, we have heard a lot of unadulterated nonsense already. I am amazed that we are invoking the dead. Lady Thatcher, apparently, is speaking from the grave. In her speech in Bruges in 1988, she said:

“We have not successfully rolled back the frontiers of the state in Britain, only to see them re-imposed at a European level with a European super-state exercising a new dominance from Brussels.”

I say hear, hear to that. I am sure we will hear a lot of ridiculous comments. A lot of nonsense will be proposed—that we cannot possibly exist outside—

**John Redwood** (Wokingham) (Con): Is it not the case that if the best that the “stay in” side can do is scares, trying to tilt the playing field and invoking the dead when they believe the opposite, we have nothing to fear and we will be leaving?

**Mrs Main:** My right hon. Friend is right. We need to make sure that we have an informed debate. The European Communities Act 1972 gives EU law precedence over British law. Let us not fudge the matter. If the public wish to stay in on that basis, fine. If they do not, they vote to leave. If they want to bring back those competences and the authority that Lady Thatcher was talking about, the date cannot come soon enough.

I make a plea, however: may we please have the argument, not the scaremongering, not the fear factor, not the suggestion that we would be moving the borders to Kent and we would have camps that we cannot control of migrants pushing their way across Europe to come and knock on a British door? That is nonsense. It is fear; it is phobic, and I am disappointed that those arguments are coming out now. Let us talk about what the argument means. To me, it is all about control by this Parliament, rather than being controlled by 28 other Parliaments via an unelected bureaucrat in Brussels.

**Several hon. Members** *rose*—

**Mr Speaker:** Order. I point out to the House that 14 Back Benchers are seeking to catch my eye and the debate has to conclude, with Front-Bench winding-up speeches, by 3.54 pm. So if we can get on to Back-Bench speeches by 2.15 pm, that would be immensely helpful, but I am in the hands of the right hon. Member for Gordon (Alex Salmond).

2.2 pm

**Alex Salmond** (Gordon) (SNP): You could not be in safer hands, Mr Speaker.

May I say to the hon. Member for St Albans (Mrs Main) that there was a time when the Conservative party would have been more sure-footed on the designations in Northern Ireland politics? I am not making a particular point about her not knowing the difference between the Ulster Unionists and the Democratic Unionists, but that gets to the heart of the debate and to the heart of why I will support the motion in the name of the right hon. Member for Belfast North (Mr Dodds) and his Democratic Unionist colleagues.

We are told, and we were told in particular during the Scottish referendum campaign, that there were four equal parts of this United Kingdom. Now, the democratically elected leaders of three of those four parts, backed up by a range of agreement in the political parties in their Parliaments, have written to the Prime Minister saying that they do not think it is a good idea to hold the referendum in late June because it would conflict with the electoral process taking place in Scotland, Wales and Northern Ireland. Members on the Government Benches do not seem to think that that is a clinching argument. Of course it is a clinching argument if we have a respect agenda encompassing the four component parts of the United Kingdom.

The Minister said that we were trying to tempt him into naming the day, which he would not do because of career-limiting implications. We are not trying to get him to name the day; we are trying to get him to name the day when the referendum is not going to be held. It is a question of “*calculatus eliminatus*”. I commend the poem to him:

“When you’ve mislaid a certain something, keep your cool and don’t get hot...”

*Calculatus eliminatus* always helps an awful lot.

The way to find a missing something is to find out where it’s not.”

We are merely trying to get the Government to exclude 23 June because it conflicts with the important elections taking place in three out of the four nations of this United Kingdom.

When I heard the speech of the hon. Member for North West Durham (Pat Glass) from the Labour Front Bench, I was encouraged because I thought an element of flexibility was moving in, as opposed to last week's rather foolish declaration of 23 June from the Leader of the Opposition. If it was a good idea for the Opposition parties, supported by many on the Conservative Benches, to combine last year to make sure that the Government did not hold the poll on the same day as the Scottish, Welsh, Northern Irish and London elections, why is it not a good idea similarly to combine now to make sure that the 10-week campaign period, as defined in the legislation, does not overlap with those elections? If there was logic in not having the referendum on the same day as the elections, why is there not logic in making sure that the two campaign periods are different as well?

**Mr Jackson:** Is the right hon. Gentleman really saying that the people of Scotland—that wonderful country that has played such an enormously positive role in the history of the United Kingdom and produced statesmen, engineers, educators and pioneers across the world—are unable to distinguish between an election for a devolved and unique Parliament and a once-in-a-generation EU referendum? Is he saying that the people of Scotland are too stupid to understand the difference?

**Alex Salmond:** The right hon. Member for Belfast North dealt with that point well in his opening speech, to which I am sure the hon. Gentleman was paying the closest attention. We are saying that it is better to have the two campaigns distinct for all sorts of reasons, including broadcasting and the publicity that goes through people's doors.

My hon. Friend the Member for Glasgow North (Patrick Grady) pointed out that there were 540 days between designating the date of the Scottish referendum and the poll. Whichever side of that campaign they were part of, people cannot argue with a 98% registration to vote and an 85% turnout in the referendum. In this European referendum, if the date is as specified in a dash to the poll, we suspect, by the Prime Minister, public engagement is unlikely to come anywhere near such a desirable figure.

There is a shabby and sleight aspect to the Government's argument. I wrote to the Prime Minister at this time last week. I referred to his "junior" Minister, for which I apologise. I said:

"Your junior Minister David Lidington quoted me several times today in the emergency statement as pointing to the necessary 6 week period between the devolved elections and the referendum.

However, while six weeks clearance is a necessary condition it is not a sufficient one."

I went on to point to the 10-week campaign period, which would start in the middle of the devolved elections. I pointed out the position that the Scottish National party holds on the matter. Despite that, the next day the Prime Minister quoted me and suggested that I had had thumbscrews applied to me by the First Minister of Scotland in order to change my position. The Prime Minister reveals how little he knows that lady. Thumbscrews are not necessary; one glance from the formidable Ms Sturgeon would be more than enough to persuade any politician to see the wisdom of her ways. I have never made the case for a six-week period and I am concerned about the 10-week campaign period.

**Peter Grant:** I am sorry to interrupt my right hon. Friend when he is in full flow. Does he recall that shortly after he stood down as First Minister, the media and the Tory press were full of stories that the new First Minister of Scotland would not be her own woman because she would be bullied by the former First Minister of Scotland? Does he agree that there has been a remarkable switch in roles in that short time?

**Alex Salmond:** Another scare story set to rest, as my hon. Friend points out.

**Mr Jenkin:** The right hon. Gentleman talks about how outrageous it would be to have just a six-week referendum period, but if the designation of the two campaigns is delayed some weeks into the 10-week referendum period, that is what we will finish up with. Does he agree that it would be outrageous for the Government to corrupt the process of this referendum by delaying the designation of the in and out campaigns in the way the Minister suggested might be the case?

**Alex Salmond:** I agree with the hon. Gentleman. We also agree on another aspect: *purdah* in referendum periods has not previously been properly observed in this place and by this Government, although it has been observed by the Scottish, Welsh and Northern Irish Administrations. Having a long *purdah* period, with a *purdah* period for the Scottish, Welsh and Northern Irish elections, and then a further *purdah* period for a referendum on European issues, would mean that those Administrations had a double *purdah* period, which cannot be a good thing for governance. I know that that point will not be lost on the hon. Gentleman.

Let me get to the nub of my concern, apart from the patent lack of respect. We have already seen the start of the European referendum campaign, and a thoroughly depressing start it has undoubtedly been. Yesterday's ludicrous exchange about on which side of the channel there will be a giant refugee camp just about sums up this miserable, irrelevant debate. The truth, of course, is that it does not matter; it will take at least five years to withdraw from the European treaties, and by then we could have 10 times the number of refugees or indeed none at all. No one knows how the bilateral arrangements between Britain and France will be affected. This is a pointless, pathetic, puerile debate, typical of what looks like it will be a depressing campaign—the political equivalent of a no-score draw.

As we anticipated, the lead responsibility for this state of affairs lies with the Prime Minister—this whole mess is of his creation. The time to propose a referendum is when we want to achieve something important, such as Scottish independence, not when we want to achieve nothing at all, as is the case with his sham Euro-negotiations on points of little substance. He has set out the terms for this depressing campaign, which is, to quote the Scottish play,

"full of sound and fury,  
Signifying nothing."

The chance of those who are anti-European Union of winning has always been greatest if the campaign is reduced to a competition of scare stories—a war of attrition—to find out who can tell the biggest porkies. That is exactly what is unfolding before our eyes. It is

[Alex Salmond]

almost as if the Better Together campaign from the Scottish referendum had split in two. We now have two versions of “Project Fear” from opposing sides in the Europe poll. At this rate, the only thing these two campaigns will scare is the voters—away from the polling stations.

The Prime Minister is gambling this country’s entire European future on his sham negotiation and this shame of a campaign—even Jim Hacker would have fought on a more visionary platform on Europe. We need to fight an entirely different campaign in Scotland. People want to hear how we can build a Europe that acts on the environment; faces down multinational power; shows solidarity when faced with a refugee crisis; acts together when faced with austerity; respects the component nations of Europe; co-operates on great projects such as a supergrid across the North sea; and revitalises the concept of a social Europe for all our citizens. That will be a Europe worth voting for, not the Prime Minister’s teeny-weeny vision of nothing much at all.

**Several hon. Members** *rose*—

**Mr Speaker:** Order. I am afraid that, with immediate effect, there will have to be five-minute limit on Back-Bench speeches. I call Mr Paul Maynard.

2.13 pm

**Paul Maynard** (Blackpool North and Cleveleys) (Con): Thank you, Mr Speaker. It is a pleasure to speak in the debate, and particularly so early. I was not expecting to be raised so far up the list of speakers, but let us take our chances while we can.

I have been struck by the fact that there seems to be a degree of consensus on this issue in the Chamber, on what should be an issue that greatly divides us. We agree on a number of things. We do not know what the date is, and we can all agree on that—even I do not have telepathic powers at Prime Minister’s Question Time quite yet. Beyond that, we have also managed to agree that all our electors—be they young or old, or male or female, and whatever party they vote for—can perform the amazing feat of considering two important issues at roughly the same time. It is a great step forward that we can broadly agree on all that.

Looking at the DUP motion, however, I do not agree that we are somehow in an unseemly rush. I would dispute the use of the word “rush” in the motion. Before Christmas, I had the misfortune to turn 40. It was a chance to look back at my life. Have I gone down a cul-de-sac or down the wrong path? Am I stuck in a rut? Is now the time to throw it all in, go away and run an artisan cheese factory somewhere? Should I get out of politics now? The Whips will be pleased to know that I might just stick with what I am doing at the moment.

None the less, it was a chance to reflect on the fact that I am 40, so I was not born the last time we had a referendum on this issue. It is not that I did not have a chance to vote—I was not even alive when we had the previous referendum. To say that we are somehow in a rush, therefore, misunderstands the long campaign the DUP itself has run to get us where it wants to go. If it had had its way, this would all have been over and done

with many years ago—certainly before I was elected to this House. I do not, therefore, accept that we are in a rush.

I do accept, though, that our electors can cope with these things. That goes back to the real reason why we are having a referendum: we want to trust the people. Certain issues are greater than the party divide in this place. Trusting the people is at the heart of what the referendum will be about.

Electors across the board are capable of making important decisions during campaigns that are, by their very nature, compressed. One need only think of the French electoral system, which has a two-week gap between rounds. What happens in the first round dictates the campaign in the following fortnight, and the truth will then be available at the end of that fortnight. For example, a far-right candidate might have got through to the final two in the contest, and a fundamentally different campaign would then have to ensue in metropolitan France. However, the voters manage to cope with that.

Voters are also quite discerning. We need only remember the Darlington by-election of 1983. A chap called Ossie O’Brien won it for the Labour party shortly before the House dissolved for the 1983 election. But a few weeks later, the good voters of Darlington repented of their decision and elected someone else entirely—the current Defence Secretary. I think we all agree that voters are very sophisticated, and they can cope with compression, as well as with doing two things at once. I would therefore urge people to have confidence in their voters.

There was some discussion of the role the media might play. Once again, however, voters in Blackpool North and Cleveleys are more than capable of seeing through what the media are up to.

**Patrick Grady:** Will the hon. Gentleman give way?

**Paul Maynard:** In the interests of time, I will give way just this once.

**Patrick Grady:** How does the hon. Gentleman respond to the point made by my right hon. Friend the Member for Gordon (Alex Salmond) about the impact on the purdah period, given that the devolved Governments might theoretically be in purdah for 10 out of 13 weeks?

**Paul Maynard:** I thank the hon. Gentleman for that point. It is no different, in a way, from what central Government will have to go through. Every Department will have to work out how it engages on European issues during a long campaign and a short campaign.

I am left in no doubt that this is one of those important issues in the lives of my constituents that passes the “stop me in the street” test. If I am out shopping in my local Sainsbury’s, I am already being asked what I think about this issue. The notion that we can somehow say that the campaign does not start until we the politicians say it does, is rather naive. The campaign has started; the number of emails in my inbox is increasing, and people want to know where I stand. I am trying to deal with those queries, as I am sure every other Member of the House is trying. Setting an arbitrary starting point, when we will allow people to think about this issue, will not be possible. The reality is that we have already begun thinking about it, and the media will keep reporting on it. However, my constituents

are perfectly capable of thinking about it for themselves. They are desperate to have this vote. Many of them have waited 40 years for it, and they do not want to wait a single moment longer than is absolutely necessary. Many of them have made their minds up already. They want the vote now, without even knowing what the final decision is or what deal might be reached in Brussels.

In conclusion, I recall the words of my former hon. Friend the Member for Hertsmere during consideration of a private Member's Bill a few years ago. Surely, the question now is not what to do, but, "If not now, when?" Now is the time, and we need to move as fast as we can.

2.19 pm

**David Simpson** (Upper Bann) (DUP): The Common Market, as it was known way back then, was founded on 25 March 1957. It did not come into operation until 1958, long before I was born—I know that is hard to believe. *[Interruption.]* I wish my own colleagues were supportive of that. The aims and objectives of the Common Market were to emulate what the United States had—open markets and no borders. People were jealous of that. The United Kingdom joined the European Union in 1973, just over 40 years ago. Within this timescale of almost 60 years, the United Kingdom has been part of the European Union for just over 40 years.

So why the rush now? Suspicious minds would think that perhaps the deal that the Government, or the Prime Minister and his officials, have almost negotiated is so thin that it hangs by a thread and would unravel. Or is it the case that we are going to see a large influx of people from other countries over the summer? I ask what is the reason because I have not yet heard a convincing argument from the Government as to why this referendum should be held in June.

**Alex Salmond:** I would not in any way dispute the hon. Gentleman's chronology regarding age or anything like that. Could this not also be about the internal cohesion of the Conservative party? Could it be that the Prime Minister is so fearful of the lack of unity in his own party that he wants as short a period as possible for that to be understood?

**David Simpson:** Far be it from me to go into the internal frictions, if that is the right word, within the Tory party. All parties have their issues to resolve, so I leave the Tory party to deal with that one.

One area that has not been much mentioned over the past weeks and months is the agri-food sector. Our farming community has gone through very difficult times over the past number of years. I do not speak on behalf of the Ulster Farmers Union—I do not have the authority to do so—the National Farmers Union of Scotland, the Farmers Union of Wales, or indeed the National Farmers Union. Whenever they make their decisions, they will advise their members on which way to go. However, when I speak to farmers in my constituency, they are concerned about how things are going to pan out for them in future. Will there be an agri-food industry at all? Do the Government have enough interest in the sector to help and defend it in the years to come, and encourage young farmers into it? A lot of issues across the board need to be addressed.

The European Union Referendum Act 2015 provides for a referendum to be held on the UK's membership of the EU before the end of 2017. This adds up to approximately 15 months following the Assembly elections, yet some within the Government find it appropriate to send the electorate back to the polls within seven weeks. As we have heard, the European championship will be taking place and some 200,000 people might be out of the country. Of course, people from my constituency will be across the water supporting Northern Ireland. I want to ensure that they are at home when the biggest political decision of their day will be taken. That is vital.

During this debate there will no doubt be accusations that we are undermining the voters, as we have already heard, and that we do not trust the British people to make two different decisions within a seven-week period. Those accusations are untrue. Nevertheless, for the good of our nation, let us allow each voter the time and space to study the arguments and the effects that this will have on them and on their families to come. The EU referendum provides one of the biggest political decisions in a generation. Let us ensure that the right final decision is made and that, whatever it is, we embrace the new era and ensure that the livelihoods of our elderly, our young and our employed are changed for the better.

2.25 pm

**Iain Stewart** (Milton Keynes South) (Con): I am grateful for the opportunity to contribute to this debate. I congratulate the right hon. Member for Belfast North (Mr Dodds) and his colleagues on introducing this important topic and exploring some of the genuine issues of concern in a very moderate and civilised way.

Whatever date is eventually chosen for the referendum and the campaign period, there will always be perfectly good arguments that can be made against it. In this country, by democratic tradition, we narrow down a lot of the time for holding elections to when it is sensible to do so. Traditionally, unless there is a period of emergency, we have them in the spring, early summer or autumn. There are perfectly good reasons for that. It is not pleasant to be out knocking on doors and delivering leaflets in the wilds of winter. It is important to respect the times when different parts of the United Kingdom have their summer holidays. For example, I would not suggest that we hold a referendum in July because that would clash with the Scottish holiday period, or August in the case of England.

**Patrick Grady:** The Scottish referendum was held very successfully in September when we had longer evenings, warmer days, and the full summer period in which to campaign. That would give us more of the time and opportunity that the hon. Gentleman is talking about than a June date.

**Iain Stewart:** If the hon. Gentleman is suggesting that he would like a roadshow visit from my hon. Friend the Member for Stone (Sir William Cash) or my right hon. Friend the Member for Wokingham (John Redwood) to entertain his electors over the summer, he is very welcome to it.

[Iain Stewart]

The point I am making is that there are a relatively small number of periods when we can sensibly have an election.

**Alex Salmond:** I understand the hon. Gentleman's point perfectly, but, as a matter of interest, what are the arguments against an autumn date, as specified by the right hon. Member for Belfast North (Mr Dodds) in opening the debate and as mentioned by my hon. Friend the Member for Glasgow North (Patrick Grady)?

**Iain Stewart:** I will happily answer that. First, I am not in charge of selecting the date, and I have no objections to June or September. I am merely saying that there are a number of considerations that we have to bear in mind.

Another consideration, more generally, is that there is a delicate balance to be struck between allowing a sufficient period of time for all the arguments made by both sides of the campaign to be properly explored and challenged, and not having so elongated a campaign that we bore the electorate to death or create such a long period of uncertainty that it is unhelpful to our economy. I am not arguing that it should be 23 June, or 18 September or whatever it would be at that time of year, because that is not my job; I am saying that it is about a balance of different considerations.

**Ms Tasmina Ahmed-Sheikh** (Ochil and South Perthshire) (SNP): Where do the views of the First Ministers of all the devolved Governments fit into the balance of considerations that the hon. Gentleman mentions?

**Iain Stewart:** That neatly leads me on to the point I was about to make.

In relation to purdah, we have heard about the potential overlap between the Scottish Parliament campaign and the referendum campaign, if the date were to be 23 June; that is hypothetical. I will make two observations on that. First, whenever purdah is, it will be disruptive to the usual governance of the UK Government, the Scottish Government, and the Governments of Wales and Northern Ireland. If it were to be in September, it would cause disruption to the legislative programme of whoever forms the Scottish Government after May. There is a case to be made that it would be less disruptive for one period to immediately follow the other. The Scottish and other Governments could then get on with their full programmes without interruption, rather than being blocked in the autumn. I would also point out that, to avoid future election clashes, the length of the next Scottish Parliament has been extended by a year, so the Scottish Government have more time than was originally envisaged.

**Alex Salmond** *rose*—

**Iain Stewart:** If the right hon. Gentleman will forgive me, I have taken a few interventions and have a limited amount of time left.

I am not an expert on what Governments can and cannot do during purdah, but I hope we can have a sensible debate so that if a purely domestic Scottish

matter that would have no impact on the EU referendum needs to be introduced during purdah, a way could be found for that administrative work to continue.

There is a precedent on this matter, namely the alternative vote referendum, which was held on the same day as the Scottish, Welsh and Northern Ireland elections in 2011.

**Alex Salmond:** That was a success?

**Iain Stewart:** I am not arguing that the elections should be held on the same day—we have accepted that they should be held on a separate day and that there should be a minimum of six weeks between them and the referendum—but there are lessons that we can extrapolate from that campaign. The Electoral Commission report on the 2011 AV referendum specifically addresses the issue of media coverage, which a number of Members have raised, and it concludes that it was not an issue. Paragraph 3.60 states that there was

“no inherent disinclination on the part of the media from Scotland, Wales and Northern Ireland...to cover the referendum; rather, the elections were considered to be a greater priority than the referendum.”

The right hon. Gentleman and his colleagues should not be worried about the capacity of the Scottish media to cover both the Holyrood elections and the referendum over the same period.

**Hywel Williams** *rose*—

**Stephen Gethins** *rose*—

**Iain Stewart:** Forgive me, but I am down to my last minute and I want to conclude.

As my hon. Friend the Member for Blackpool North and Cleveleys (Paul Maynard) said, this debate is not starting from a zero base. The arguments about Europe are not new. People are already exploring them and have been doing so over many years and many election campaigns. They are perfectly capable of computing the arguments for the devolved elections and for the referendum at the same time. To be fair to the right hon. Member for Belfast North, he is not saying that they are incapable of doing that.

Ultimately, this comes down to a judgment of whether we as a country have the bandwidth in Government, the media and among our voters to make up our minds on the referendum and the devolved elections at the same time. My judgment is that we can perfectly well do that. America combines many elections—presidential, Congress, state and referendums—at the same time. If it can do it, so can we.

2.32 pm

**Ian Paisley** (North Antrim) (DUP): As many Members have said, this is one of the most important constitutional questions that perplexes our nation, and the referendum provides probably a once-in-a-lifetime opportunity—it is certainly a once-in-a-generation opportunity—to shape where the nation goes. That is why it is essential that we have a full, frank, proper and considered debate about all the issues that affect our membership of the European Union.

A rushed referendum will only threaten to present to the public a debate that is shaped according to the most baseless of arguments, namely that of “Johnny Foreigner” versus “What will we get out of the European Union?”



That is not the way to have this debate, but unfortunately it appears that it is in the Government's interests to have a debate shaped according to that base argument. If only a limited amount of time is made available for the debate, we will not be able to deal with the issues that affect all our constituents, including issues to do with trade, the rural economy and the social agenda, and, indeed, the very important issue of immigration.

**John Redwood:** Does the hon. Gentleman agree that the “stay in” side is worried that it does not have enough disinformation and nasty scares to last until September?

**Ian Paisley:** I have no fear that it will promote all those nasty issues, but we should be proud of the fact that we can present a cohesive argument that will convince many people who are at present wavering on the vital questions. That is why we should take time to have a proper debate.

I, like most Members in this House, but probably more than some, am familiar with “Never, never, never” speeches. We witnessed one such speech in this House on 3 February, when the Prime Minister made self-fulfilling “never” prophecies, none of which is even on the agenda. For example, there is not going to be a European army and the United Kingdom is not going to adopt the single currency. That has been ruled out by the people, but none the less the Prime Minister has nailed the arguments of this debate to solid winds that were never up for grabs in the first instance.

Over the next few weeks, we are going to be fed a diet based on soundbites, not on substance. My right hon. Friend the Member for Belfast North (Mr Dodds), supported by the right hon. Member for Gordon (Alex Salmond) and others, has stated very clearly that we want the debate to be based on sound, substantive arguments, because the public—our public, our electorate—expect much more. Although I accept the universally expressed view that the public can deal with multiple choice questions, that is not what is at stake. What is at stake is that we have a cogent, clear and sophisticated debate that deals with all the issues.

Some Members have argued that the reason we can rush into this is that the issue of security has already been dealt with and we need to get on with it, but the European Community, which is now known as the European Union, has singularly failed on the issue of security decade in, decade out. It failed to give this kingdom a clear position on the Falklands. It failed to give the UK support whenever we tried to purchase weapons for the Royal Ulster Constabulary in the 1980s. It failed Europe in its lacklustre response to Kosovo. It failed the middle east when we were dealing with Kuwait 1, and it has clearly been an abject failure in recent weeks and months when we as nations have been trying to deal with the important issue of immigration. We should have a proper debate so that the public can be reminded of the catastrophic failures brought about by the EU week in, week out.

Domestically, it is important that we talk about the potential opportunities if Britain exits the Union. At present, my constituents are not allowed even to consider the prospect of what farming would be like post-common agricultural policy. The fact of the matter is that it is our money that is being spent on our farmers by European bureaucrats. I want to have a debate that allows us to

focus on where the money comes from—it comes from here—and how we could better spend it if we were not tied to European policy, but we will not have the opportunity to get into the nitty-gritty of that debate and my farmers will go to the polls on the basis of the fear that they could lose their subsidy when that is not right at all. We should have the opportunity to deal with that.

The Northern Ireland Affairs Committee is currently trying to address some of the issues. Every single witness—there have been six or seven to date—has indicated, as my right hon. Friend the Member for Belfast North said, that this is going to be decided not by whether it will affect terrorism, but by trade and other issues. We have only brushed the surface of border security in that inquiry so far, yet it is a key issue, given that we are the only part of the United Kingdom that, if we leave Europe, would have a land border with a nation that is in Europe. We need a proper debate about that, but we are not being given the time. I implore the Government to listen and, in the same way as they have ruled out other dates, to rule out June and suggest a more acceptable date, probably in the autumn.

2.38 pm

**Stuart Andrew** (Pudsey) (Con): I congratulate the Democratic Unionist party on this debate, which is obviously of interest to many of us, but clearly not to the Labour party, given that its Benches are all empty.

**Stephen Pound** (Ealing North) (Lab): I'm here!

**Stuart Andrew:** I am sorry—there are two of them, including the right hon. Member for Gordon (Alex Salmond), who has defected by the looks of it.

**Simon Hoare:** I have heard a rumour that the Labour Members are all in a Trident submarine somewhere, sailing around and looking for things.

**Stuart Andrew:** That was a wise intervention.

I come at the issue having always supported a referendum. Dare I say it with the Government Whip on the Front Bench, but I was one of the rebels who voted for a referendum back in the day. I was four when the people of this country last had an opportunity to have a say on our relationship with Europe. That relationship has clearly changed over the past 40-odd years, and many of my constituents want the opportunity to discuss the matter and have their say again. That is backed up by evidence; in 2008, an organisation called Open Europe organised an all-postal ballot in my constituency, asking people whether they wanted a referendum and whether they supported the Lisbon treaty. Even though it was a voluntary postal ballot, more than 13,000 people took part in it, and more than 11,400—some 88% of those who took part—voted to say that they wanted to have the opportunity for a referendum on Europe. There is a clear appetite for such a referendum.

Many people have expressed to me their frustration about the fact that the referendum could be as late as 2017. They want to get on with it, regardless of which side of the argument they are on. I suspect that if there was a further delay because of the issues that have been raised in the motion, many of my constituents would view that with some scepticism.

[Stuart Andrew]

When the European Union Referendum Bill was going through the House, I had sympathy with the views about the referendum being held on the same day as the 6 May elections. I am glad that the Government responded to the pressure that was applied, because those two things needed to be very separate, but to suggest that a longer period of separation is needed is, frankly, patronising. As others have said, it is not as though the Europe debate has not been going on for years and years. All who are for or against our partnership in Europe have made their points eloquently over the past four decades. In addition, the Government have also committed to allowing at least a six-week period between the elections and the referendum. I believe that that is more than adequate. Frankly, if those campaigns cannot get their message across in six weeks, perhaps they, and not my constituents, need to ask themselves some serious questions. My constituents are more than able to understand the issues that are being debated.

The truth is that there is history here. The previous European referendum was held only one month after the completion of the legislation. With the alternative vote referendum, there was plenty of time to discuss the issues. I know from being on the doorstep that many people understood what was being asked of them. When it comes to separating the issues, I refer back to my point about being patronising. Yes, the elections in May are incredibly important. In Wales, people will be elected to the Assembly, and in Scotland to the Parliament. There will be mayoral elections and the Northern Ireland elections. In my constituency, people will have to vote for their local councillors and for their police and crime commissioners.

**Peter Grant:** Will the hon. Gentleman give way?

**Stuart Andrew:** I do not have enough time; I am sorry.

I know my constituents, and I know that they are more than capable of separating those issues and campaigns, particularly because they will be at least six weeks apart. Last May, they were able to distinguish between electing a Member of Parliament, their local councillor and their parish councillor, all on the same day. My constituents knew that each candidate would hold a different office, and they fully understood that difference.

In addition, those who call for a delay because people will be confused assume that they are thinking only about the next election and the next referendum. I envy such people; my constituents have got lives to get on with and other things to think about. They are not obsessed with the referendum, as we may be. Six weeks-plus is plenty of time. Our constituents will be able to make a decision on what they want their future relationship with Europe to be. If the period was to be prolonged, I fear that that would switch many people off.

I come here as someone who was born in Wales, whose father is a Scotsman and whose mother is English. I respect every part of this nation, and I know that every part of this nation, just like my constituents, understands the difference. The 88% of people in my constituency who voted in favour of a referendum should be given the opportunity to have one. Who am I—who is anybody in this Chamber—to deny them that opportunity? I credit them with the ability to separate two very different voting responsibilities.

2.44 pm

**Stephen Gethins** (North East Fife) (SNP): I thank the right hon. Member for Belfast North (Mr Dodds) and his colleagues in the Democratic Unionist party for giving us the opportunity to debate the subject. This is our opportunity and the Government's opportunity, as the right hon. Gentleman said, to put the respect agenda into practice. My right hon. Friend the Member for Gordon (Alex Salmond) and colleagues in the DUP have mentioned the letter of 3 February from the First Minister of Scotland, the First Minister and Deputy First Minister of Northern Ireland and the Labour First Minister of Wales, all of whom hold very different views about the European Union referendum, just as they hold many different views on a whole range of issues. I also tabled an early-day motion on the referendum, which received backing from Members from every party in this House.

Democratic representation does not begin and end in this place. Decisions that affect the day-to-day lives of our citizens are not purely taken here. At the beginning of May, issues such as health, education and transport will be debated and decided on by something north of 20 million voters across the United Kingdom. This has nothing to do with minor sporting events such as the European football championship, or major sporting events such as Andy Murray defending his title at the Queen's Club. More than anything else—even the respect agenda, important though that is—this is about the Government and those of us who want to remain in the European Union having the courage of our convictions and putting the matter to a thorough democratic test.

A thorough democratic test does not mean simply rushing the referendum in six weeks; it means having a balanced and fair opportunity to debate this important issue. That is why throughout proceedings on the European Union Referendum Bill, we said that we wanted to see a fair playing field. That is why we worked with colleagues across the House to ensure that that happened, and we will be more than happy to work with colleagues across the House on the date of the referendum.

My hon. Friend the Member for Glasgow North (Patrick Grady) pointed out, as I did during the debate last week, that the campaign on the independence referendum called by my right hon. Friend the Member for Gordon ran for 545 days.

**Patrick Grady:** I congratulate my hon. Friend on achieving cross-party support for early-day motion 1042 on the date of the referendum. Does he agree with the point I made earlier about the impact of the autumn date of the Scottish referendum, which allowed an invigorating campaign to take place during the long summer days with good weather and lots of daylight? There is a lot to be said for an autumn date.

**Stephen Gethins:** My hon. Friend makes a valid point, which I hope that the Government will take into account. In Scotland, both those who campaigned for yes and those who campaigned for no should be credited for having one of the greatest democratic debates that any part of the United Kingdom has ever seen. A great deal of that was owing to the fact that we had a long run-in, and we had the summer to debate it.

We in the Scottish National party have some experience of the matter, and I hope that other hon. Members will listen to us. I hope that they will listen to my right hon. Friend the Member for Gordon, who led much of the debate over that long period. He rightly gave credit to those on both sides of the debate for the way in which they conducted themselves. He also spoke about the 10-week period, which my hon. Friend the Member for Glenrothes (Peter Grant) raised. The Government have not dealt with that adequately, and I hope that the Minister will tackle it when he sums up.

I want to see a positive campaign, and I am disappointed by what we have heard from Government Members who want to stay in. I am disappointed by some of the words that we have heard from Labour Members, and we will be debating the matter with them. We want to put forward the positive impact that Europe can have. Think about charges for roaming, workers' rights and the security challenges that we face together as a European Union.

We must always be mindful of where the role of member states begins and that of the European Union ends, because we have not always been honest about that. It was not the European Union that described Scotland's fishermen as "expendable". It was not the European Union that introduced policies that were damaging to Scotland's renewables industry. It was not the European Union that gave Scotland's farmers the lowest single farm payment in the whole European Union. These were faults of the member state and the way in which it chose to exercise its membership of the European Union. We will bring all those issues to the fore during this debate.

Let us think about the areas on which we have had European co-operation that is much closer to Scotland's opinion than this Government's ever could be. Let us look at the refugee crisis—the worst since the second world war—on which the UK Government are not stepping up to the mark, as the Irish Government, who have disregarded their opt-out, have. Let us look at climate change policy, where Scotland led the world and on which the European Union is now leading the charge. Let us look at renewables, which I have already mentioned. Let us look at security issues and tackling, as a European Union bloc, the issues of Ukraine, Syria and all the other huge challenges we face; no member state can face such challenges alone.

My appeal to the House is that we do not want any scaremongering or a re-run of "Project Fear", because that is the way in which the yes side will lose this referendum. We want a positive debate, but we also want a debate that runs beyond the summer and possibly into September. That is why I will back the DUP motion.

2.50 pm

**David Rutley** (Macclesfield) (Con): I am grateful to you, Madam Deputy Speaker, for the opportunity to speak in this debate, and to the right hon. Member for Belfast North (Mr Dodds) for securing it and bringing forward this subject. It is a very important subject—hon. Members from all parts of the House are passionate in their views on Europe—and the timing issue is clearly of concern to him and his colleagues.

I tend to find that my views agree with those of DUP Members most of the time. We clearly agree on one very important thing, which is that this is the time—this is a once-in-a-generation opportunity—to give the public a referendum so that they can have their say. However, I disagree with them today and I will not support them on the timing issue. I think that there will be enough time. The Prime Minister has clearly set out in legislation that there will be time for people to think and there will be enough information for them to make up their minds.

Let me explain why I will not support the motion. As colleagues have already mentioned, the aim of the Conservative party to hold a referendum on this subject has not exactly been the best-kept secret on the planet. Indeed, during the last election, many Conservative Members, and probably many Members on the Opposition Benches, talked about the referendum in their election literature. It was in our manifesto, and it was certainly in my election materials. I was very proud to talk about it, because I think it is time for this subject to be put to the British public so that they can express their views.

In fact, I distinctly remember that we were able to debate the issue extensively during the last Parliament, even though we were part of a coalition Government at the time. Government Members, particularly me and my Conservative party colleagues, found a mechanism to have such a debate on private Members' Bills, particularly those introduced by our hon. Friends the Members for Stockton South (James Wharton) and for Bromley and Chislehurst (Robert Neill). They put forward those Bills continually to seek a debate on this subject, even though we were constrained within the coalition. As parliamentary private secretary to the Minister for Europe during 2014 and 2015, I know that the issue was much debated as a matter of clear concern that agitated many of our colleagues. They wanted to talk about Europe, and they did, and they wanted the referendum. During all the parliamentary discussions, it was also clear that a wider debate was taking place. News reports and TV programmes went on about it, and I did detect one or two tweets on the subject as well. This was not a surprise—it has been well trailed—and it is therefore important to address head-on the concerns expressed in the motion, because we need such a debate more quickly than not.

I listened carefully to the right hon. Member for Belfast North. I believe that his concerns, and indeed those of other Members on the Opposition Benches, are sincere, but that they are overstated. That brings me back to an experience I had in a Leeds shopping centre, not far from Pudsey, several years ago. I was in a rush—I needed to get to a meeting, and I had to move very quickly—and I had to make a quick decision about which escalator to go up to get to the meeting. I ran up it as fast as I could, and it became pretty obvious that I had chosen the wrong escalator: I was running up the down escalator. An older lady, who was mesmerised by the spectacle, looked me in the eye and said, "That's what comes from rushing." I have never forgotten that. Rushing is having to deal with decisions within split seconds. I can assure the House that this is not about rushing, but about having a conversation and a debate over weeks and, indeed, months.

**Alex Salmond:** I am still grappling with which side of the argument the escalator analogy supports, but if six weeks were enough, why does the legislation specify a

[Alex Salmond]

10-week period for the European referendum campaign? Does that not conflict with the argument the hon. Gentleman is making?

**David Rutley:** No. We know that if the Prime Minister is successful in securing the negotiation and is minded to put it forward in the referendum, there will be challenges in terms of the multiple debates that will be going on. Like the hon. Member for North Antrim (Ian Paisley), who talked about there being multiple choice questions, I do not think that is a problem. This is about putting two separate questions: who will the electorate vote for in local elections, or indeed the Assembly elections or the parliamentary elections in Scotland; and how will they vote in the referendum. Those two things are separate and clearly set out, and I do not think there will be a conflict. In the minute I have left, I will explain why.

If the Prime Minister chooses the timescales I have set out, there will be seven weeks between the May elections and the referendum. Indeed, there will be more than 17 weeks between the decision being made to progress with the referendum and the referendum being held, so there will be 17 weeks in which to have such a discussion. If we compare that with what happened in previous referendums, we can see that in 1975 there was just one month between the completion of the legislation and the referendum, and that in the alternative vote referendum, which some hon. Members have talked about, there were three months—it felt like an eternity—but the Prime Minister has promised more time. There is therefore enough time and I believe that the electorate will be able to separate their thoughts about whatever the issues are in Northern Ireland or Scotland from their thoughts about the referendum. For those reasons, I support those on both sides of the debate—whether they are ins or outs on this subject—who say we need to take the earliest opportunity to have the referendum.

2.57 pm

**Danny Kinahan** (South Antrim) (UUP): I, too, congratulate my DUP colleagues and the right hon. Member for Belfast North (Mr Dodds) on raising this matter. I agree with their premise about not having the referendum too soon, although not necessarily for the same reasons. June seems far too early and the autumn, or later, seems more sensible because we must give the public time to understand all the pros and cons.

The Ulster Unionists—for those who do not know, I make it clear that we are very different from the Democratic Unionists—have consistently said that we want Britain and Northern Ireland's membership of the EU reformed and renegotiated before we make a decision. We therefore need the facts and the details to be able to decide. It is good that the referendum will happen, but we need it to be held later.

What I ask is that when you all make your decisions—not that many Government and Opposition Members are in the Chamber—you think of the whole Union, not just your small part of the United Kingdom. This has to be something that works for all of us. If I can leave you with a clear message, it is: can you think about how it benefits—

**Madam Deputy Speaker (Natascha Engel):** Order. May I just remind the hon. Gentleman that he is speaking through the Chair?

**Danny Kinahan:** I apologise, Madam Deputy Speaker.

It is very important that we keep the Union in mind when we take our decisions in the future. In a poll last week, 42% said they are for leaving and 38% said they are for staying. It saddens me that they have already made up their minds, but we have not even got the facts. I want to use an analogy that is slightly different from the escalator one. I am a sci-fi fan: I am a “Doctor Who” fan and perhaps even a Trekkie. In wanting to make a decision, it is rather as though all those who want to leave are charging into the Tardis—hon. Members will remember that it did not know whether it was going backwards or forwards, where it would land or anything else—so we are going into the unknown. I want the electorate to understand what they are voting for. That is why I am asking for a delay. I hope that Members will keep the Tardis in mind. If I may mix my metaphors or even sci-fi series, this is about boldly going where no man has gone before.

**Gavin Robinson** (Belfast East) (DUP): That's a vote for leave.

**Danny Kinahan:** Or not.

As the House has heard, the Northern Ireland Affairs Committee heard evidence from three economists last week. It basically came down to certainty against uncertainty. We need to know more. We need to be more certain. We must know where we are going. For those of us who have elections in May, this matter will be part of the debate. That is how the whole thing is being pitched. Already, I am being asked more questions about the European Union than about how good the Assembly will be in the future.

I want us to have the facts in front of us. I do not necessarily think that we should stay in, although that is where I am leaning at the moment. I want to know the risk factors. I want to know how good things could be for us if we leave. I look at the many other things going on in the world, such as how the Chinese economy has changed. I look back at Lehman Brothers and Enron, and at the great USA hope. Look what that did to our economies. I want to know where we will tie ourselves to in the future if we leave. We must have the facts. Do the leadership debates in the United States give us confidence about where we will go with our trade in the future? We need to know.

As others have said, agriculture is phenomenally important in Northern Ireland. It means £250 million to us. If we are to make this decision, we need to know what the guarantees are for the future, how we will work in the future and how we can keep Northern Ireland's agricultural economy as one of the best in Europe.

That is why I agree with the motion. Let us make sure that we have the facts. Let us make sure that the electorate have the facts. That will take time and time is what we are asking for. Let us not have the referendum at the end of June. That will help those of us who want to go and watch Northern Ireland play. I have tickets if they get into the last 16. So come on Northern Ireland, and come on everybody else—let's get the facts out.

3.2 pm

**Mark Spencer** (Sherwood) (Con): It is a pleasure to follow the hon. Member for South Antrim (Danny Kinahan), with his extreme optimism that Northern Ireland will reach the final 16. I, too, shall be cheering on Northern Ireland. I wish them all the best.

It is always a pleasure to participate in a DUP debate, because I know that the wording of the motion will challenge me quite a lot. I am often minded to support DUP motions because they are often very sensible, and this one is no exception. This is a very important debate. At the same time, we must recognise that this is a debate about a date that has not been set. No one has announced this date. Those of us in the Chamber are engaging in pure speculation about possible dates and possible outcomes, and about the implications of any of those dates.

I welcome the optimism among colleagues on the Opposition Benches that the Prime Minister will secure what he wants from the European Council in February, that that will be enough for him to fire the starting gun and that we will all be able to crack on with the referendum.

The motion says that Government are “set to rush” the referendum. My constituents would disagree with that. It has been 40 years in the making. I was three when the decision was made to join the Common Market. To suggest that we are rushing towards a referendum would frankly be viewed as laughable in Sherwood. My constituents are bouncing off the walls with delight that the referendum will finally be put in front of them, whichever way they are minded to vote, so that we can once again put to bed our relationship with the European Union for a generation.

**Alex Salmond:** The fundamental point that is being made by Members from Northern Ireland, Wales and Scotland is that of the four parts of the United Kingdom, three are clearly asking for it not to be a June date. What is the hon. Gentleman’s response to that?

**Mark Spencer:** I think we should consider the views of colleagues, but it is worth recognising that there are elections in England in May as well, including in London. It is not just colleagues from the devolved Administrations who need to be given that consideration. I have confidence in the ability of my constituents and the right hon. Gentleman’s constituents to separate the issues and decide whether they are voting in a Scottish election or an EU referendum. That is a bit of a red herring.

**Stephen Gethins:** If the hon. Gentleman will not accept the points that are being raised by Members from Scotland, Northern Ireland and Wales, will he accept the opinions of the Members from England who have signed my early-day motion to call for the referendum not to be in June because of the English local authority elections?

**Mark Spencer:** To be absolutely clear, I give no more weight to an English opinion than to a Scottish opinion. They are both completely valid. I recognise the point that the hon. Gentleman is making. What I am saying to SNP colleagues is that our constituents have the ability to separate the issues and to understand the enormity of the decisions they are making—who will

govern Scotland, who will govern Wales, who will be the next Mayor of London and whether our relationship with the European Union should change or remain the same, or whether we should come out completely.

**Mr Jim Cunningham** (Coventry South) (Lab): The hon. Gentleman knows that many people in his constituency, as in mine, would rather the referendum was separate from the local elections. He knows that as well as I do.

**Mark Spencer:** I have good news for the hon. Gentleman: the referendum will be separate from the local elections. They will be at least six weeks apart. At the risk of bursting his bubble, I say to him that while many people in this place are very focused on political issues, many of my constituents are busy going about their normal business. They are thinking about paying their mortgage, where to go on holiday and whether their kids will get into the school of their choice. Europe is not as high on their political agenda as it is for some in this place.

At some point, we will be told the date of the referendum. We can then have six weeks of campaigning to establish which way we want to vote. By the end of those six weeks, I guarantee that our constituents will be fed up to the back teeth with the debate.

**Peter Grant:** We keep hearing that people get fed up after a three or four month campaign, and some people are clearly fed up after a three hour debate. Why do Conservative MPs never refer to the last referendum we had, which was in 2014? After a campaign of over 500 days, people were so fed up that almost every polling station in the country reported queues at the door before 7 o’clock, the biggest number of people registered to vote and the biggest number of people voted in Scotland’s history. That is how fed up people were.

**Mark Spencer:** That is a really important point and there is an important distinction here. Clearly, the starting gun has already been fired. The Prime Minister had committed himself to a referendum on our relationship with Europe so the second there was a Conservative majority in May 2015, we knew that there was going to be a referendum. So the starting gun has been fired.

However, there is a difference between the long campaign, when we all know that the debate will happen and we start to engage in it, and the short, intensive campaign, when the leaflets come through the door and people knock on the door, asking, “Which way are you going?”. I absolutely adore knocking on doors. It is great fun and I hope that my constituents like me appearing on their doorstep. However, there does come a point when it becomes a bit tiresome—when the fourth person knocks on their door to ask the same question, just as they are sitting down to watch “Coronation Street” or to eat their tea. I start to get a bit of negative feedback from my constituents at that point.

I think we have got the balance about right. The starting gun has been fired. We are aware that the referendum is coming at some point in the future. As soon as the Prime Minister has secured the deal he wants to secure, we can make up our minds and our constituents can make up their minds which way to go. We can have an intense debate and campaign at that point. It is right not to rule out any more dates. Let us see what the Prime Minister comes forward with.

3.9 pm

**Hywel Williams** (Arfon) (PC): I congratulate the right hon. Member for Belfast North (Mr Dodds) on securing this debate. The Minister referred to Alan Greenspan, and said that he was not going to give any clues, and that certainly was the case with his remarks. I quote back to him Henry Kissinger who, when facing a very excited press conference, scanned the excited news hounds and said, “Do any of you boys have questions for the answers I’ve already prepared for you?” That is rather how it felt this afternoon.

Plaid Cymru is in favour of staying in the Union—we believe there is a strong positive case to be made for that, and that another EU is possible. Among other things, developing the Union has strengthened protection measures for the environment, farming and rural life, increased social protection for the workforce, improved the protection, wellbeing and prosperity of minorities—including linguistic minorities—and strengthened progressive cohesion and regional policies. We will campaign on those issues. I certainly regret the rather tetchy tone of the campaign so far, but that is quite separate from our concern about the date of the referendum—a concern that is shared by people on both sides of the argument.

The First Ministers of the three devolved Governments have written a joint letter to the Prime Minister to insist on a later date for the referendum, and, as others have said, that is important for the respect agenda. There is a risk that the May elections could become proxy votes for the referendum, and I agree with the Electoral Commission’s concern about the proximity of the proposed referendum date to the elections, which could lead not to confusion but to voter fatigue.

The DUP will campaign for a power-sharing set up in Northern Ireland, and—from my reading at least—it is unlikely that an early EU referendum could influence the consequence of the Northern Ireland Assembly elections in the same way and to the same degree as might be the case in Wales, Scotland or London. The result in Northern Ireland will be a power-sharing Executive, but the result in Wales, I am glad to say, is much more open—indeed, it is possibly wide open. That is why I was particularly disappointed with the response of the hon. Member for North West Durham (Pat Glass), because there is a question for us in Wales about the position of the Labour party—I note the vast green acres of empty Labour Benches.

**Alex Salmond:** And on the other side.

**Hywel Williams:** And on the Conservative Benches.

Carwyn Jones, our First Minister, has written to the Prime Minister and made his views abundantly clear. However, the Labour party at Westminster does not oppose a June referendum—in fact, it seems very much in favour of that as it wants a quick referendum. Either the Labour party headquarters does not listen to Carwyn Jones, or possibly it is part of a less laudable plan to frame the National Assembly election as a fight between Labour and UKIP. There is no doubt that there will be a strong UKIP campaign in Wales, and it might even achieve some membership of the National Assembly. It is in the Labour party’s interest to frame the debate in that way, thus avoiding scrutiny of its dismal record in government for the past 17 years.

**Alex Salmond:** It is difficult to see how the Government or the Labour party can pursue a respect agenda to the devolved nations if none of their Members is in the Chamber to hear the arguments being articulated from those countries.

**Hywel Williams:** The right hon. Gentleman makes a good point. Some Welsh Members were here earlier in the debate, but it is regrettable in the extreme that they are not here now to contribute. I assume, however, that they will be trooping through the Lobby if the Labour party decides to take part in a vote.

The media campaign has already started, and it feels almost as if every news broadcast and every newspaper is running stories on the latest developments in the referendum campaign. The hon. Member for Milton Keynes South (Iain Stewart), who is no longer in his place, said that it was quite easy for people to make up their minds, and mentioned the press in their respective countries. However, 85% of people in Wales get their newspapers not from Cardiff or Llandudno Junction, but from London, and the so-called national debates in England and Wales, or the UK, often influence their voting behaviour. Few media outlets will pay proper attention to the Welsh general election, and anything that detracts from that is to be regretted.

Few media outlets will cover crucial issues such as the state of the Welsh NHS, the proposed 32% cuts to Welsh universities by the Welsh Labour Government, or election pledges from other parties. The Welsh NHS is no less important to the people of Wales than the English NHS is to the people of England. Given the constitutional significance of the result of the referendum, particularly if people in Wales and Scotland vote in contrast to the people of England, the Government would be well advised to pause before setting an early referendum date.

3.16 pm

**Ms Tasmina Ahmed-Sheikh** (Ochil and South Perthshire) (SNP): I rise to speak in favour of the motion: the Prime Minister should reconsider his rather obvious plan for an early referendum. That is not just because it undermines his self-set “respect, one-nation, agenda”; this is about Parliaments and National Assemblies in the UK whose views on this issue must be taken into account.

We have heard today about boring campaigns and bored people—it seems as if the people of this country do not have an awful lot to look forward to with whatever will make up the positive campaign to stay in the European Union, and it will clearly fall to the SNP to be the leading light in that campaign. It raises the question why we are having a referendum in the first place, if it will be so boring for the people of this country.

The First Ministers of Wales and Scotland, and the First Minister and her Deputy in Northern Ireland, represent what could euphemistically be described as a diverse range of political views, but they all wholeheartedly agree that to hold the Prime Minister’s referendum in June would be wrong. This is not simply a political issue, because those whom we trust to ensure our elections are run fairly and honestly also have concerns about a June referendum.

At the end of last year, the chair of the Electoral Commission stated in evidence to a Committee of this House that a referendum date close to the May elections would reduce the window of opportunity for registering new voters, and for raising awareness of the impending referendum—that issue is so important for this vital decision. There are also concerns about how broadcasters will interpret their rules on impartiality when reporting on political issues, during a period when both campaigns are under way in earnest. Those key issues must be resolved to ensure a fair referendum campaign, and the simplest way to deal with that is to move the date.

When the Prime Minister made his first visit to Scotland in May 2010, he stated clearly and simply:

“I want a real agenda of respect between our parliaments... This agenda is about parliaments working together, of governing with respect, both because I believe Scotland deserves that respect and because I want to try and win Scotland’s respect as the Prime Minister of the United Kingdom.”

Well, cometh the hour, cometh the man—I shan’t be holding my breath.

The date is also wrong because those of us in favour of remaining in the EU want to take every opportunity to make a positive case for it. The UK Government cannot make a unified case for membership, given how deeply divided the Conservative party and Cabinet are on this crucial issue, so we must have an informed debate and time to hold it. It would be wrong for the Prime Minister to spare no effort or time in speaking individually to the Heads of State of each EU nation, without giving due cognisance to the views of the respective Governments across these islands.

The Prime Minister’s negotiations appear to be serving no purpose other than to appease his own Eurosceptic Back Benchers, most of whom have removed themselves from the Chamber today. Instead of carping around the fringes of Europe, we should be seeking to maximise the benefits that our partnership with other European countries offers. For example, let us see action to ensure transparency in our negotiations with the USA on the Transatlantic Trade and Investment Partnership, so we can have an agreement that is seen to deliver the reassurances promised by Ministers. Let us have concrete action now to reform the common agricultural policy and the common fisheries policy, so that our agriculture and food industries can benefit directly from strong leadership in this area—leadership which, sadly, and for long periods of time, has been lacking from this Government. Business need to see measures on how to remove the barriers to trade in all member states, in particular on the freedom to provide services, which would be a huge boost to several of Scotland’s key economic sectors at this time. Taking time to deliver tangible progress on those vital areas would show how the EU can work for Scotland and the UK.

Let us change the narrative. When people from this country go and spend their retirement in Spain they are “expats” and when people come here they are “economic migrants”. That needs to change. This is a 21st century of equal nations, as opposed to the UK’s own 18th-century constitutional arrangements. The European Union has been central in protecting peace in Europe since 1945, and has enshrined our citizens’ rights in international law to protect workers, consumers and trade unionists from reactionary right-wing Governments.

**Patrick Grady:** Does my hon. Friend agree that those protections extend to the 30,000 UK citizens claiming benefits overseas in the European Union? We have yet to hear how the negotiations will affect them.

**Ms Ahmed-Sheikh:** Absolutely. I raised the point about the importance of trade union representation and dealing with reactionary right-wing Governments, because time after time since our election in May, we have seen legislation pushed through this Parliament. We now need to rely on the EU to protect the rights of workers in this country.

Built on this firm foundation, social, economic and political union is to the benefit of all across Europe. We must work with our EU partners to achieve that. As my hon. Friend the Member for North East Fife (Stephen Gethins) said, from dealing with the refugee crisis on our doorstep to protecting our economies in the face of international challenges, we cannot address these serious issues by pulling up the drawbridge and turning our backs on the international community. If we are threatened by the changing world in which we live, we must face it head on and not retreat into a backward era of international isolationism, which is where this Government will take us.

In conclusion, given the significant and serious prospect of a vote to leave, we must take the necessary time to take the population with us and not force voters to the polls without the opportunity to come to an informed and considered view. A headlong rush would be contrary to our country’s interests on every level. If we act in haste, I fear we will repent at leisure.

3.22 pm

**Ms Margaret Ritchie** (South Down) (SDLP): I am pleased to follow the hon. Member for Ochil and South Perthshire (Ms Ahmed-Sheikh). I rise to speak in support of the motion and I would like to take the opportunity to commend the right hon. and hon. Members responsible for it. We may not agree at all times, and perhaps not even on the very issue on which the referendum will be held, but I none the less hope that the debate so far has motivated a desire for a fair and open debate on the EU referendum.

As other hon. Members have said, we should be worried about electoral fatigue setting in among the voting public this year. I know, however, that people will still want to register their votes. What I am more concerned about is the issue of purdah, which was raised by the right hon. Member for Gordon (Alex Salmond). We will have two periods of purdah running from the end of March to 23 June—if that is the date. Many of us have been led to believe that that is the date in the Prime Minister’s head, subject, of course, to his getting agreement in Brussels on 18 February. Notwithstanding that, to me and to my party colleagues it is undemocratic to have such a period of purdah, because it prevents Ministers, MPs and members of devolved Administrations from properly representing their constituents.

**Alex Salmond:** The hon. Lady will have heard earlier one of the “speeches for England,” to quote the *Daily Mail*, in which it was suggested that an Administration being elected and then going into an immediate period of purdah was somehow a good thing. Can the hon. Lady explain that extraordinary argument any better than the hon. Member who made it?

**Ms Ritchie:** The right hon. Gentleman makes a very helpful intervention. I did not think that that comment, made from the Government Benches, was all that helpful. I believe that such periods of purdah will simply stultify a democratic institution in undertaking its new work in preparing a programme for government, detailed work for ministries, and a strategy and plan—whether in finances, resources or in any other discipline—for the next four to five years of that Administration. It would minimise the amount of time available to an Administration for preparation.

It is not hard to imagine, if I may be parochial and talk about Northern Ireland, that we will have two campaigns running at the same time. Important issues such as health and education, policy making and setting a programme for government could be erased from the front pages of our local newspapers and from hustings as the press devotes time—perhaps quite rightly—to the big issue of the EU referendum and all the political drama that that will entail. The two elections should be separate. They should be conducted separately to allow a full and active campaign and debate to take place. There are major issues in the EU referendum. I come to this as somebody who wants to remain within the EU, because I have seen clear benefits of Northern Ireland being a member. I believe my colleagues in the Democratic Unionist party take a different view. Notwithstanding that, there needs to be time for a measured and considered debate on this issue, irrespective of which side people are on.

Many issues have been raised today, but we do not want to get into the whole area of partisanship. As one who represents a constituency in Northern Ireland, I believe that our membership of the EU should not be moulded by identity issues. That is the nature, I suppose, of Northern Ireland, but the debate about membership of the EU is very serious, complex and deserves to be given adequate space and time. Between now and 23 June does not provide that adequate time and it is vital that the Government appreciate the danger of that. No matter what anyone claims, Northern Ireland's place in the EU is not an identity issue. It is not a nationalist or a Unionist issue and it should never be treated as such. The funding that came, and continues to come, from the EU, whether for agriculture or through the fisheries fund announced yesterday in Poole in Dorset for the next five years, is for all communities. All communities can derive benefit from that. The cross-border trade enabled by the EU is worth billions each year. It does not just bring jobs and growth to one community, but to all of Northern Ireland.

We need to address another particular issue as part of that: the south of Ireland remaining in the EU. The issue that needs to be considered is the one I put to the Prime Minister last week. How is the free movement of people within the island of Ireland going to be facilitated if the UK chooses Brexit? That issues needs to be discussed, so the referendum should not be held on 23 June.

3.28 pm

**Jim Shannon** (Strangford) (DUP): It is a pleasure to speak in the debate. It is good for the Democratic Unionist party to propose a debate on an issue that concerns our constituents, whether in the Northern Ireland Assembly, where we are the party of leadership,

or in the House, where we are the party of leadership when it comes to these issues.

It is concerning and, indeed, saddening, that the Prime Minister is happy for people in the devolved regions of the greater United Kingdom of Great Britain and Northern Ireland to be second-class citizens in this once-in-a-lifetime decision on the future of our country. Welsh, Scottish and Northern Irish citizens of this great unitary state are set to be punished for having devolved Assemblies and making local decisions at a local level. That is how we feel, and that is how many of my constituents feel as well.

We will have just over half the time to campaign, consider and make this huge decision in the devolved regions. The proposed referendum date is a huge insult to voters in Scotland, Northern Ireland and Wales, and if we cannot secure a reasonable accommodation—nothing stands in the way of doing so—that will rub salt into the wounds. My colleagues in the House and our Scottish countrymen will have just over half the time to campaign and make that major decision on the future of the United Kingdom than they had when they voted to maintain the Union. In the Scottish referendum they were given some 540 days. I am not saying that we should have 540 days for this referendum, but hon. Members can see the difference between those two referendums.

With the general election last year, local government elections the year before last, and now an Assembly election and the biggest referendum in a generation, the proposed referendum date risks not only a democratic deficit in campaigning but voter fatigue. Many Members have mentioned that, and we cannot ignore it. We are constantly pressing for better voter engagement and participation, and we are constantly working to improve voter turnout and engagement in the Province. If the Government continue to take the same approach to the EU referendum date, that will only hinder the positive work that has been done.

I think that we have had 14 elections in 14 years in Northern Ireland, so we are electioneered almost to the max. The British people, including the Scots, the Welsh and the Northern Irish, gave the Prime Minister time to renegotiate, and now he will give millions of British citizens just six weeks to consider something he took months to obtain and which, in reality, amounts to nothing at all. One of his MPs, who is not in the Chamber—the hon. Member for North East Somerset (Mr Rees-Mogg)—described it as “thin gruel”. It certainly is: there is nothing that has been negotiated so far that gives us any hope, but it stops us having the referendum at a time when all the citizens of Great Britain and Northern Ireland have democratic equality.

I have been contacted by many of my constituents, who are in a state of dismay, and I want to speak in the remaining couple of minutes about the fishermen and farmers across my constituency and Northern Ireland who will be disadvantaged. Fishermen and fisherwomen in Northern Ireland, Scotland, Wales and parts of England, to a man and woman, will vote to leave the Union, because they are burdened with red tape, bureaucracy and restrictions on fishing. The hon. Member for Ochil and South Perthshire (Ms Ahmed-Sheikh) referred to the common fisheries policy, which should change, as we need regionalisation. We need responsibility back in our own hands. That is a huge issue for fishermen



and fisherwomen, and it requires consideration, as it directly affects their livelihood. Normal, hard-working, everyday folk are the backbone of our nation, and they should be given the same democratic rights as farmers and fishermen in England. With Assembly elections around the corner, my hard-working constituents in that sector have enough on their plate.

Farmers are up to their eyes in paperwork, regulation, rules and laws. Quite simply, the fishermen and farmers want to know what is going on. We put £19 billion into the European Union, and I understand that the common agricultural policy costs £15 billion. That is the debate that we need to take to the farmers, so we can let them know what we are going to do for them and make sure that they understand.

The Prime Minister has signalled that he intends to visit Northern Ireland as part of his attempt to convince Eurosceptics that his “thin gruel” is palatable. It will never be palatable as it does not suit the energy or taste of anyone in Northern Ireland. The proposal completely disregards the democratic rights of citizens in our corner of the United Kingdom. There is no good reason or excuse for not having a referendum on a different date—even four weeks later, or whenever. We have not heard anything to convince us as citizens in Wales, Scotland and Northern Ireland that we will not be at a disadvantage in the referendum.

In conclusion, the Prime Minister and the Minister need to take these comments on board and listen to their fellow countrymen and women in Scotland, Wales and Northern Ireland, give them the respect that they deserve, and make sure that the people there have the same ability to participate in the referendum as their counterparts in England.

3.33 pm

**Sammy Wilson** (East Antrim) (DUP): I thank my right hon. Friend the Member for Belfast North (Mr Dodds) for the way he started the debate. He set out the DUP’s case while also speaking for other parties across the devolved Administrations.

As many have said, we all come to this debate with different views. I welcome the fact that the Government have afforded the UK people a referendum, although I differ from some in my reasons for wanting it. Some want to cement even more firmly the relationship between the UK and the EU, while others, such as myself, want to break down the walls of the prison in which we have been held for the last 40-odd years. In that time, we have been robbed of our money, our fishing grounds have been violated, our farmers have been destroyed and the EU Court of Justice has run over the rights of victims while upholding those of terrorists. We want a referendum for many reasons. At least we now have one.

The Minister said that the referendum would be an exercise in democracy. If so, as many have said, its terms must reflect the views of all those taking part. Despite coming from different angles, parties across the three devolved Administrations have united in saying that 23 June is not the appropriate date, for all the reasons given. The word “respect” has been used time and again. We need respect not just for the Administrations but for the millions of UK citizens they represent, who will want to engage in this exercise in democracy on a fair basis.

There is already a view that the debate has been contaminated and that this exercise is not being conducted in the most democratic way. The Prime Minister and other Ministers who support our membership are free to wander the country, go on the airwaves and express their views, while Cabinet Ministers who hold a contrary view are bound and gagged. That does not indicate a level playing field. Hardly have the scare stories passed the Prime Minister’s lips before they are dismissed by the very people he claims will do terrible things to the UK. We were told yesterday that we would have immigrant camps on our own shores. No sooner had he said that than the French Government dismissed it.

**Gavin Robinson:** My hon. Friend is making a great contribution. Does he agree that the Government’s chief fear is that, were we to have another summer of the migrant crisis before the referendum, they could lose the vote?

**Sammy Wilson:** Several Members have said that already. The Government have tried to perpetuate these scare stories, but they do not have enough to last them until September. The danger is that there are not scare stories, but scary facts and events in the pipeline that could influence the referendum. Again that might be one reason for the decision to have an earlier referendum. The Minister rightly said that no date had been set and that he was not in the job of giving clues. It was the first time I had heard anybody in the House admit to making a clueless speech. Those were his own words. He said he would not be giving any clues about when the referendum would be held.

**John Penrose:** In my defence, I think the word has a double meaning, and I meant the other one.

**Sammy Wilson:** It does. I accept that. I was simply stating that the Minister had indicated he was going to make a clueless speech. The one thing I would say to him is that he has already ruled out certain dates, so ruling out one more day in the 670 days that remain before the last date on which the referendum could be held is not an unreasonable request, especially when there has been such unanimity among the devolved Administrations to do so. I hope that the Minister carries back the message that has come from the Chamber today.

Let me go through some of the arguments used by those who oppose the motion. The first is that using the term “rushed” is a bit over the top. I noted that the hon. Members for Pudsey (Stuart Andrew), for Macclesfield (David Rutley), for Blackpool North and Cleveleys (Paul Maynard) and for Milton Keynes South (Iain Stewart) all queried the point about the referendum being rushed. Of course the debate about our membership of the EU has been going on for some time now, but the referendum is going to be on the Prime Minister’s promised reform, and we do not yet know the terms of what he has got. Those issues will have to be addressed along with all the wider issues affecting our membership of the EU.

It is not a question of our simply having talked about the issue for a long time. The same thing could be said about what happens between one election and another. All the issues pertaining to an election are discussed

[Sammy Wilson]

over a five-year period, but the election campaign is the time when people focus most on those issues. When we talk about the referendum being rushed, we are simply asking why we should compress the debate into a short period, especially when it has implications for the devolved Administrations.

I have not heard any Member answer the point put time and again by the right hon. Member for Gordon (Alex Salmond): how this will affect Administrations that are having elections. Governments will need to be formed after the elections, but instead of getting into the full role of forming a new Government, a new Administration and a new programme for government, we will be into another period of purdah for at least six weeks—after having one of at least four weeks beforehand. That is disruptive of government, and this important point has not been addressed by any Members participating in the debate.

**Ms Ritchie:** Does the hon. Gentleman agree that there is a need, an urgency and an obligation on the Government to provide a Minister to answer that particular issue about the disruption to democracy resulting from two periods of purdah?

**Sammy Wilson:** Yes, and we have heard allegations that straw men are being put up to indicate, for example, that the electorate would be confused. However, my right hon. Friend the Member for Belfast North never claimed that. He simply made the point that conflating the election campaign with the referendum campaign was inappropriate where different nations and different issues apply. Indeed, parties will be competing with each other in the Assembly or devolved Parliament elections, but they might want to co-operate during the referendum campaign, so further confusion is introduced there, too.

**Peter Grant:** Does the hon. Gentleman appreciate that a further aspect not touched on is the fact that there will be different electorates? Thousands of people entitled to vote in the Scottish Parliament elections will be barred from voting in the EU referendum. Does he agree that, in those circumstances, having both campaigns running in parallel would be completely unacceptable?

**Sammy Wilson:** That is another important point that has not been raised before. It is one of a number of essential points that need to be considered.

Another argument I have heard is that people will get bored. When people are thinking about their long-term future and they vote, should their vote actually mean something or should they vote for people who come to this institution but then find that their views are overridden by bureaucrats in Brussels or by judges in the European Court? That, to me, is a fundamental issue. Given the impact that the European Union has had on the lives of so many people throughout the United Kingdom, I cannot imagine that they will be bored by the debate. I have addressed a few campaign meetings. I spoke at a Grassroots Out meeting not long ago, and the one thing I noticed about that audience was that they were not bored by politics in general, or by the politics of discussing the European Union. They were raring to go: they

wanted to get into the campaign. I believe that this “boredom factor” is another straw man.

**Mr Jim Cunningham:** Anyone who took part in the Scottish referendum knows that this referendum will not be boring. I was involved in the 1975 referendum, and that was not boring. In fact, this referendum will generate a great deal of heat. I think that the real reason the Government are rushing it is the problem that they have with their right wing, which will try to sabotage it.

**Sammy Wilson:** I think the hon. Gentleman is right. The campaign will not be boring, and nor will the issues, because they are so fundamental to people's lives.

Another argument that has been advanced, notably by the hon. Member for North West Durham (Pat Glass), is that the longer the campaign goes on, the more destabilising it will be for the United Kingdom and its economy. That was the Labour party's argument for not having a referendum in the first place. It did not apply then, and it does not apply now. It was significant that the hon. Lady could not even give any examples of investors fleeing the United Kingdom or withholding investment from the United Kingdom, or of jobs moving out of the United Kingdom, simply because of the prospect of a referendum on our membership of Europe.

This is an important issue, and one that should be given full consideration. It should not be squeezed as it has been. I have not even touched on the issue of designation, but the Minister indicated that even that might be squeezed, which would cause further suspicion in people's minds. We need to have a positive debate. The right hon. Member for Gordon spoke of the benefits of membership, and of his wish to extol them to the people. I want an opportunity to extol to the people of Northern Ireland and the rest of the United Kingdom the great life that we can have outside the EU: the great life that we can have when the chains are off our arms and off our economy, when we can decide how we can spend our own money, decide who we let into our country and who we keep out, decide what laws we want and how they are applied, and decide how we trade with other parts of the world.

That is the positive debate that I want to have, and I want it to continue throughout June, July, August and September. It will not be boring, and it will give the people of the United Kingdom, including the people of Northern Ireland, an opportunity to make their decision on the basis of the facts, not on the basis of the scare stories, and not on the basis of a compressed campaign that the Government hope can take place quickly so that only their side of the argument is heard.

3.48 pm

**The Parliamentary Under-Secretary of State for Northern Ireland (Mr Ben Wallace):** Let me begin by saying that following the frequent speeches and wise words of the hon. Member for East Antrim (Sammy Wilson) is never boring.

We should not forget that we are having this debate partly because the Government have delivered a referendum on our membership of Europe. While for many of us that may be cause for celebration, whatever our views on Europe, we should perhaps reflect on the fact that

one or two people may have helped to cause our victory at the last election, which enabled us to deliver the referendum, and which may have resulted not just from our great manifesto, but from the wise words of the Scottish National party, which, at the time, said “Vote SNP to keep the Tories out of Downing Street.”

Much of the debate has been interesting, and I congratulate the Democratic Unionist party and the right hon. Member for Belfast North (Mr Dodds) on initiating it. It is important for us to hear people’s views on whether there should be a long or a short campaign, and whether it should be close to or far away from other elections in the United Kingdom. It is absolutely true that there is no date for the referendum, although some Members spoke as if they knew the date on which the Prime Minister had decided, and the basis on which we would consequently proceed.

**Alex Salmond:** Will the Minister give way?

**Mr Wallace:** I must get on, because I have only a few minutes in which to speak. I shall be dealing with what the right hon. Gentleman said earlier in any event.

It is important that we remember what this is really about. It is about trusting the people; it is about trusting the voters. No one in the Chamber has challenged the fact that members of the public will be able to distinguish between two elections. There is also the central allegation, coming predominantly from the Scottish National party, that we are not listening to the devolved institutions and that we do not trust or respect them. Let us remember that we have ruled out the dates of the Scottish Parliament and Northern Ireland and Welsh Assembly elections this year and in 2017. Not only that, we have respected the right hon. Member for Gordon (Alex Salmond)—

**Alex Salmond** *rose*—

**Mr Wallace:** I am not going to give way to the right hon. Gentleman. He said on 12 January 2016 that it would not be right to hold the referendum unless it was at least six weeks after the date of the Scottish elections. He said that in Foreign Office questions, and we have absolutely listened to that point about the six-week period—[*Interruption.*] Of course it is not a big issue. Speaking from the Labour Front-Bench, the hon. Member for North West Durham (Pat Glass) said that it was correct—

**Alex Salmond** *rose*—

**Madam Deputy Speaker (Natascha Engel):** Order. The Minister has said that he will not give way.

**Mr Wallace:** It is absolutely right, as the hon. Member for North West Durham said—

**Alex Salmond:** On a point of order, Madam Deputy Speaker. The Minister is summing up from the Front Bench and he has made a direct reference to another Member. Is it not a matter of courtesy and respect in those circumstances to give way to that Member? Is not this typical of the lack of respect, not just to Members—

**Madam Deputy Speaker:** Order. That is not a point of order. It is a point of debate.

**Mr Wallace:** I could say that if the right hon. Member for Gordon had not made such a long speech, we might all have had more time to contribute to the debate and I might have had time to give way.

My hon. Friend the Member for St Albans (Mrs Main) made some true points about the views of the public—

**Alex Salmond:** On a point of order, Madam Deputy Speaker.

**Madam Deputy Speaker:** This had better be a point of order.

**Alex Salmond:** It is. It is a matter of record that I conformed exactly to the Speaker’s advice during my speech. Would the Minister like to withdraw his no doubt inadvertent misleading of the House?

**Madam Deputy Speaker:** That is also not a point of order. This has been a good debate and people have had plenty of time to make their speeches, but the Minister has only one minute left. He has said that he will sit down at that point in order not to talk out the debate.

**Mr Wallace:** I think the right hon. Gentleman’s not wanting to listen demonstrates why he lost the referendum in Scotland.

The debate will now have to be curtailed, but the reality is that Members on both sides of the House want to trust the people. This Government have heard what has been said. No date has been picked, and no doubt all the contributions will weigh on the mind of the Prime Minister when he makes the decision on the date of the referendum. It is important that everyone engages in the debate on Europe in a positive way, whatever their view on it. I agree with some of the Members who spoke. It is important that people understand that the electorate are perfectly capable of distinguishing between elections for the Scottish Parliament and the Northern Ireland Assembly and the EU referendum.

Finally, on the point about purdah, the law states clearly that the devolved institutions may continue to discuss their domestic agenda without purdah. They can launch their manifestos and make announcements about hospitals and schools, and that will not be affected. Only on the issue of European membership will purdah come into effect, so they can carry on and have the debate. They can implement their legislative programmes and at the same time have a healthy debate about Britain’s future in Europe.

*Question put.*

*The House divided: Ayes 70, Noes 286.*

**Division No. 188]**

**[3.53 pm**

**AYES**

Ahmed-Sheikh, Ms Tasmina	Cash, Sir William
Arkless, Richard	Chapman, Douglas
Bardell, Hannah	Cherry, Joanna
Black, Mhairi	Cunningham, Mr Jim
Blackman, Kirsty	Davies, Geraint
Bone, Mr Peter	Day, Martyn
Boswell, Philip	Dodds, rh Mr Nigel
Brock, Deidre	Donaldson, Stuart Blair
Brown, Alan	Edwards, Jonathan
Cameron, Dr Lisa	Elliott, Tom
Campbell, Mr Gregory	Fellows, Marion

Ferrier, Margaret  
 Gethins, Stephen  
 Gibson, Patricia  
 Grady, Patrick  
 Grant, Peter  
 Gray, Neil  
 Hendry, Drew  
 Hoey, Kate  
 Hopkins, Kelvin  
 Kerevan, George  
 Kerr, Calum  
 Kinahan, Danny  
 Law, Chris  
 MacNeil, Mr Angus Brendan  
 McCaig, Callum  
 McDonald, Stewart Malcolm  
 McDonald, Stuart C.  
 McGarry, Natalie  
 McLaughlin, Anne  
 Monaghan, Carol  
 Monaghan, Dr Paul  
 Mullin, Roger  
 Newlands, Gavin  
 Nicolson, John  
 O'Hara, Brendan  
 Oswald, Kirsten

Paisley, Ian  
 Paterson, Steven  
 Pursglove, Tom  
 Ritchie, Ms Margaret  
 Robertson, rh Angus  
 Robinson, Gavin  
 Salmond, rh Alex  
 Saville Roberts, Liz  
 Sheppard, Tommy  
 Skinner, Mr Dennis  
 Stephens, Chris  
 Thewliss, Alison  
 Thompson, Owen  
 Thomson, Michelle  
 Weir, Mike  
 Whiteford, Dr Eilidh  
 Whitford, Dr Philippa  
 Williams, Hywel  
 Williams, Mr Mark  
 Wilson, Corri  
 Wilson, Sammy  
 Wishart, Pete

#### Tellers for the Ayes:

**Jim Shannon and  
 David Simpson**

#### NOES

Adams, Nigel  
 Afriyie, Adam  
 Aldous, Peter  
 Allan, Lucy  
 Allen, Heidi  
 Andrew, Stuart  
 Ansell, Caroline  
 Argar, Edward  
 Atkins, Victoria  
 Bacon, Mr Richard  
 Baldwin, Harriett  
 Barclay, Stephen  
 Baron, Mr John  
 Barwell, Gavin  
 Bebb, Guto  
 Bellingham, Sir Henry  
 Benyon, Richard  
 Beresford, Sir Paul  
 Berry, Jake  
 Berry, James  
 Bingham, Andrew  
 Blackman, Bob  
 Blackwood, Nicola  
 Boles, Nick  
 Borwick, Victoria  
 Bradley, Karen  
 Brazier, Mr Julian  
 Bridgen, Andrew  
 Brine, Steve  
 Brokenshire, rh James  
 Bruce, Fiona  
 Buckland, Robert  
 Burns, Conor  
 Burns, rh Sir Simon  
 Burt, rh Alistair  
 Cairns, Alun  
 Carmichael, Neil  
 Cartledge, James  
 Caulfield, Maria  
 Chalk, Alex  
 Chishti, Rehman  
 Chope, Mr Christopher  
 Churchill, Jo

Clark, rh Greg  
 Clarke, rh Mr Kenneth  
 Cleverly, James  
 Clifton-Brown, Geoffrey  
 Coffey, Dr Thérèse  
 Collins, Damian  
 Colville, Oliver  
 Costa, Alberto  
 Cox, Mr Geoffrey  
 Crabb, rh Stephen  
 Davies, Byron  
 Davies, Chris  
 Davies, David T. C.  
 Davies, Glyn  
 Davies, Dr James  
 Davies, Mims  
 Dinenage, Caroline  
 Djanogly, Mr Jonathan  
 Donelan, Michelle  
 Dorries, Nadine  
 Double, Steve  
 Dowden, Oliver  
 Doyle-Price, Jackie  
 Drax, Richard  
 Drummond, Mrs Flick  
 Duncan, rh Sir Alan  
 Duncan Smith, rh Mr Iain  
 Dunne, Mr Philip  
 Ellis, Michael  
 Ellwood, Mr Tobias  
 Elphicke, Charlie  
 Eustice, George  
 Evans, Graham  
 Evennett, rh Mr David  
 Fabricant, Michael  
 Fallon, rh Michael  
 Fernandes, Suella  
 Field, rh Mark  
 Foster, Kevin  
 Fox, rh Dr Liam  
 Frazer, Lucy  
 Freeman, George  
 Freer, Mike

Fuller, Richard  
 Fysh, Marcus  
 Gale, Sir Roger  
 Garnier, rh Sir Edward  
 Garnier, Mark  
 Gauke, Mr David  
 Ghani, Nusrat  
 Gibb, Mr Nick  
 Gillan, rh Mrs Cheryl  
 Glen, John  
 Goodwill, Mr Robert  
 Gove, rh Michael  
 Graham, Richard  
 Grant, Mrs Helen  
 Grayling, rh Chris  
 Green, Chris  
 Green, rh Damian  
 Greening, rh Justine  
 Grieve, rh Mr Dominic  
 Griffiths, Andrew  
 Gummer, Ben  
 Gyimah, Mr Sam  
 Halfon, rh Robert  
 Hall, Luke  
 Hammond, rh Mr Philip  
 Hammond, Stephen  
 Hancock, rh Matthew  
 Hands, rh Greg  
 Harper, rh Mr Mark  
 Harrington, Richard  
 Harris, Rebecca  
 Hart, Simon  
 Haselhurst, rh Sir Alan  
 Hayes, rh Mr John  
 Heald, Sir Oliver  
 Heapey, James  
 Heaton-Harris, Chris  
 Heaton-Jones, Peter  
 Henderson, Gordon  
 Herbert, rh Nick  
 Hermon, Lady  
 Hinds, Damian  
 Hoare, Simon  
 Hollingbery, George  
 Hollinrake, Kevin  
 Hollobone, Mr Philip  
 Hopkins, Kris  
 Howell, John  
 Howlett, Ben  
 Huddleston, Nigel  
 Hunt, rh Mr Jeremy  
 James, Margot  
 Javid, rh Sajid  
 Jayawardena, Mr Ranil  
 Jenkyns, Andrea  
 Jenrick, Robert  
 Johnson, Boris  
 Johnson, Gareth  
 Johnson, Joseph  
 Jones, Andrew  
 Jones, rh Mr David  
 Jones, Mr Marcus  
 Kawczynski, Daniel  
 Kennedy, Seema  
 Knight, rh Sir Greg  
 Knight, Julian  
 Kwarteng, Kwasi  
 Lancaster, Mark  
 Latham, Pauline  
 Leadsom, Andrea  
 Lee, Dr Phillip  
 Lefroy, Jeremy

Leslie, Charlotte  
 Letwin, rh Mr Oliver  
 Lewis, Brandon  
 Liddell-Grainger, Mr Ian  
 Lidington, rh Mr David  
 Lilley, rh Mr Peter  
 Lopresti, Jack  
 Lord, Jonathan  
 Lumley, Karen  
 Mackintosh, David  
 Main, Mrs Anne  
 Mak, Mr Alan  
 Malthouse, Kit  
 Mann, Scott  
 Mathias, Dr Tania  
 May, rh Mrs Theresa  
 Maynard, Paul  
 McCartney, Jason  
 McCartney, Karl  
 McLoughlin, rh Mr Patrick  
 McPartland, Stephen  
 Menzies, Mark  
 Mercer, Johnny  
 Metcalfe, Stephen  
 Miller, rh Mrs Maria  
 Milling, Amanda  
 Mills, Nigel  
 Milton, rh Anne  
 Mitchell, rh Mr Andrew  
 Mordaunt, Penny  
 Morgan, rh Nicky  
 Morris, Anne Marie  
 Morris, David  
 Morris, James  
 Morton, Wendy  
 Mowat, David  
 Mundell, rh David  
 Murray, Mrs Sheryll  
 Murrison, Dr Andrew  
 Neill, Robert  
 Nokes, Caroline  
 Nuttall, Mr David  
 Offord, Dr Matthew  
 Opperman, Guy  
 Parish, Neil  
 Patel, rh Priti  
 Pawsey, Mark  
 Penning, rh Mike  
 Penrose, John  
 Percy, Andrew  
 Perry, Claire  
 Phillips, Stephen  
 Philp, Chris  
 Pickles, rh Sir Eric  
 Pincher, Christopher  
 Poulter, Dr Daniel  
 Prentis, Victoria  
 Pritchard, Mark  
 Quin, Jeremy  
 Raab, Mr Dominic  
 Redwood, rh John  
 Rees-Mogg, Mr Jacob  
 Robertson, Mr Laurence  
 Robinson, Mary  
 Rudd, rh Amber  
 Rutley, David  
 Sandbach, Antoinette  
 Scully, Paul  
 Selous, Andrew  
 Shapps, rh Grant  
 Sharma, Alok  
 Shelbrooke, Alec

Simpson, rh Mr Keith  
 Skidmore, Chris  
 Smith, Chloe  
 Smith, Henry  
 Smith, Julian  
 Smith, Royston  
 Solloway, Amanda  
 Soubry, rh Anna  
 Spelman, rh Mrs Caroline  
 Spencer, Mark  
 Stephenson, Andrew  
 Stevenson, John  
 Stewart, Bob  
 Stewart, Iain  
 Stewart, Rory  
 Streeter, Mr Gary  
 Stride, Mel  
 Stuart, Graham  
 Sturdy, Julian  
 Sunak, Rishi  
 Swayne, rh Mr Desmond  
 Swire, rh Mr Hugo  
 Syms, Mr Robert  
 Thomas, Derek  
 Throup, Maggie  
 Tolhurst, Kelly  
 Tomlinson, Justin  
 Tomlinson, Michael  
 Tredinnick, David  
 Trevelyan, Mrs Anne-Marie

Truss, rh Elizabeth  
 Tugendhat, Tom  
 Tyrie, rh Mr Andrew  
 Vaizey, Mr Edward  
 Vara, Mr Shailesh  
 Vickers, Martin  
 Villiers, rh Mrs Theresa  
 Walker, Mr Charles  
 Walker, Mr Robin  
 Wallace, Mr Ben  
 Warburton, David  
 Warman, Matt  
 Watkinson, Dame Angela  
 Wharton, James  
 Whately, Helen  
 Wheeler, Heather  
 White, Chris  
 Whittaker, Craig  
 Whittingdale, rh Mr John  
 Williamson, rh Gavin  
 Wilson, Mr Rob  
 Wollaston, Dr Sarah  
 Wood, Mike  
 Wragg, William  
 Wright, rh Jeremy  
 Zahawi, Nadhim

**Tellers for the Noes:**  
 Sarah Newton and  
 Simon Kirby

*Question accordingly negatived.*

**Ian Paisley** (North Antrim) (DUP): On a point of order, Madam Deputy Speaker. Can you confirm for the House whether the Secretaries of State for Northern Ireland, for Scotland and for Wales voted in the Division and, if so, in which Lobby?

**Madam Deputy Speaker (Natascha Engel):** I am afraid I cannot do so at this short notice but, as the hon. Gentleman knows, it will be a matter of public record shortly when *Hansard* publishes the results of the Division.

## Housing: Long-term Plan

4.6 pm

**Tim Farron** (Westmorland and Lonsdale) (LD): I beg to move,

That this House believes everyone deserves a decent, affordable home to live in; regrets that many people are priced out of the communities in which they grew up due to rising house prices and rents; acknowledges the achievements of the Coalition Government in implementing Help to Buy, bringing empty homes back into use and increasing support for self-build; condemns the present Government's housing reforms which will lead to fewer new affordable homes for rent and breakdown in communities by selling off affordable homes with no guarantee of replacement; further notes their devastating impact on supported housing of the most vulnerable including those with learning disabilities; recognises the need for a huge increase in the supply of homes due to decades of under-delivery by successive governments; notes that an increase in apprenticeships and other skills training within the construction industry is required to meet that need; further notes the particular challenges of affordable housing in rural areas; regrets that the average cost of a home in London is now over £500,000; endorses the proposal of London Mayoral candidate, Caroline Pidgeon, to convert the Olympic precept into a funding stream that would enable 200,000 new homes to be built in London; acknowledges the benefits of building sustainable homes; and calls on the Government to set out a long-term housing plan to meet the housing needs of future generations which includes lifting the borrowing cap for councils and at least ten new garden cities.

Nothing robs people of their freedom more than poor housing, unaffordable housing or insecure housing. Housing is fundamental to our liberty and it is the entry point to a civilised society, yet despite being one of the world's richest countries, we have a housing crisis in Britain that stunts freedom and crushes aspiration for many millions of people who want nothing more than to have a decent, secure and affordable place to live.

House prices are now almost seven times average incomes. In my constituency in Cumbria, house prices are 10 times average local incomes. Home ownership is falling, especially among those below the age of 40, and a majority of those who manage to get on the housing ladder have had to rely on the bank of mum and dad. Britain needs an approach to housing that provides people with a genuine opportunity to access the housing they need at an affordable cost, but this is not happening for too many people. That is why I have made housing a key priority for the Liberal Democrats and why we have chosen to talk about housing in our first Opposition day debate of this Parliament.

For decades successive Governments have not built enough homes, leaving the UK with a crippling undersupply and an industry producing only around half the houses that we need. This desperate lack of supply has fuelled rising house prices, with millions now priced out of the communities in which they grew up or the places in which they work. At the same time the lack of affordable housing to rent is at crisis point, with 1.6 million households on the social housing waiting lists and 100,000 homeless children, the most vulnerable people in our society, being let down. I wonder whether it is a coincidence that those sections of society most in housing need are those sections of society least likely to cast a vote.

None of this will be fixed by accident or by blinkered ideology. Put simply, we need house building on a scale not seen since the post-war housing crisis was alleviated

[Tim Farron]

by Harold Macmillan, whose wise, effective and dogma-free pragmatism saw the building of 300,000 homes a year—the same number, incidentally, as Liberal Democrats have been calling for and continue to call for to tackle our present housing crisis. However, the Government have not yet demonstrated a Macmillan-style commitment to solving this crisis. They have introduced a short-term target of building 1 million homes by 2020, but even that falls well short of need. Of course, setting even an inadequate target is no guarantee that that target will be met.

As a matter of urgency, the Government must give us a long-term plan for fixing the problem of housing supply. We need to know how many homes their current strategy is set to deliver in 20 or 30 years' time and how those homes will be delivered. Unless we build enough homes to meet demand year after year, housing costs will spiral further out of reach. For those with aspirations of getting on to the housing ladder, their dream will become less and less likely to become a reality.

The coalition Government made a good start on tackling the housing crisis. They inherited a situation in which house building across the UK had dropped to its lowest level since the 1920s, and a waiting list that had increased to 1.7 million in England alone—even higher than it is today. We brought 70,000 empty homes back into use, released enough public sector land for more than 100,000 homes and oversaw the building of 700,000 more homes. We made a start on Ebbsfleet garden city and got rid of 1,000 pages of planning guidance. There was a sincere commitment on the part of the coalition to bring housing back from the brink and to provide homes to buy and to rent. Before anyone jumps in, let me add that that record was far from perfect, but it stands out as a rare example of where a Government took real action to tackle housing need.

Since May 2015, however, without the influence of the Liberal Democrats, the Government have moved in the wrong direction. They have brought forward a Housing and Planning Bill that will all but destroy social housing, that will prevent the building of affordable homes for rent and that merely tinkers around the edges in an attempt to increase supply, rather than pushing forward the ambitious, radical plan for housing that Britain desperately needs.

**Andy Slaughter** (Hammersmith) (Lab): Before the hon. Gentleman gets carried away with this Manichean view of how wonderful things were then and how terrible they are now, let me point out that he is right in the sense that the income needed to buy shared ownership housing in London in April this year will be £90,000. However, under the coalition Government, it was £85,000 for three bedrooms or more, which is not really affordable either, is it?

**Tim Farron:** The hon. Gentleman makes the point that I made a moment or two ago, which is that the coalition's record was far from perfect. What I would say, however, is that those years were the only time since the 1970s that a Government saw a net increase in the social housing available. It was a matter of a few thousand houses, which is small beer, but that is significantly better than the record of the previous Administration. Perhaps one of the greatest shames that hangs over the

13 years of the Labour Government is that Labour somehow managed to build fewer council houses than Margaret Thatcher, which is quite an achievement.

The reality is that the Housing and Planning Bill will tinker around the edges. It will not bring forward the ambitious, radical plan that Britain desperately needs. Indeed, it has redefined what an affordable home happens to be—apparently, it would include houses of £450,000 in London under its starter homes initiative. There is nothing wrong, by the way, with the idea, at least, of starter homes, but they are for better-off renters. Shelter has calculated that someone would need a £40,000 deposit and a £50,000 salary, and much more in London, to afford one.

There is a place in the market for starter homes, but the way they are being introduced has three fundamental flaws. First, they will not be kept affordable in perpetuity so that future generations can benefit, and the lucky few who get one will make a huge profit. Secondly, they will be instead of, not as well as, other forms of affordable homes. Thirdly, they will be exempt from the community infrastructure levy and section 106 requirements.

**James Cartledge** (South Suffolk) (Con): Is the hon. Gentleman aware that although a discount in perpetuity is very attractive in theory, the problem has been that mortgage lenders have not been so keen and have, historically, insisted on quite large deposits for those rare schemes where such a discount applies? That would be a barrier.

**Tim Farron:** The hon. Gentleman makes a fair point. In my part of the world, many of our homes are local-occupancy and have covenants that affect their long-term value.

If this is the Government's only way of trying to tackle this problem, they will not succeed. Their flagship policy on providing affordable homes is narrowly based on a group of homes that are really affordable only for people at the higher end of the private rented sector. That would be fine if it were part of a panoply of offers, but it is not. Those houses are provided at the expense of more affordable homes that would have been provided through section 106 instead. That is why my criticism is fair, and it stands. The houses that are built under this scheme will be exempt from the community infrastructure levy and from section 106 requirements. That means that the families who live in them will, quite rightly, make use of the schools, the roads and the infrastructure in those communities, yet the developers will not have paid a penny to contribute to the upkeep of any of those parts of the vital local infrastructure.

The Bill fails to guarantee that homes sold off under the right-to-buy extension to housing associations will be replaced, and we know from experience that that is unlikely to happen. The hon. Member for Hammersmith (Andy Slaughter), who is now leaving the Chamber, criticised the coalition. He could have criticised the fact that so far only one in nine of the homes sold off since 2012 have managed to be replaced. Even a Government who were keen to replace homes that are sold off find it hard to do so.

**Mr Nick Clegg** (Sheffield, Hallam) (LD): My hon. Friend is making a compelling argument. Does he agree that there is an ideological irony in the right-to-buy

scheme in that what are, in effect, charitable organisations are being, in some sense of the word, renationalised by this Government?

**Tim Farron:** That is a very interesting observation. Given that this will be counterproductive in trying to tackle the housing crisis, it can only be ideological. It is massively ironic, as well as totally and utterly counterproductive, that outfits such as Lakeland Housing Trust, which looks after 100 or so affordable homes, many of which are gathered through bequests from very well-meaning, decent people who want affordable homes in their communities, will be put under Government diktat that means that, in future, we will be unable to recruit the benefactors who will enable us to provide affordable homes in places such as the Lake District.

The right-to-buy extension is being funded through the sale of high-value council houses. That is an outrage. It will again reduce the homes available for social need without a guarantee of replacement. If this is to happen, councils should be allowed to retain 100% of the sales of those homes to reinvest in housing in their communities—but they will not be permitted to do so.

The Government have stopped councils and housing associations from building thousands of homes that they were planning to build. A 1% cut in social rents is a good thing if it is done fairly, but the Government did not do it fairly; they chose instead to be generous with other people's money. A rent cut is right, but to make housing associations and the often vulnerable users of their services pay for it is pretty mean and massively counterproductive. In Hampshire, for example, 400 fewer new homes will be built than planned, as a direct result of this policy. At a time when councils should be expanding their building projects, they are being forced to cut back. Consequently, the housing crisis is set to get even worse. At a time when new homes should be encouraged from every direction, the Government are relying on a broken market to deliver, skewing the building of new homes away from being affordable. While we should make home ownership an option for as many as possible, we also need to ensure that there are homes available for those for whom that is not within reach.

Rural areas such as mine in Cumbria face particular challenges in housing. Land for building is hard to find.

**Julian Knight (Solihull) (Con):** The hon. Gentleman has been talking about fewer homes being built as a result of the change to the relationship with the housing associations. When four leaders of housing associations were before us in the Communities and Local Government Committee, I asked them whether more or fewer homes would be built as a result of these changes. Three out of four said that more would be built. Would the hon. Gentleman like to comment on that?

**Tim Farron:** The idea that the income and borrowing of a housing association is reduced and it can then therefore build more utterly beggars belief. That is not the experience of housing associations in Cumbria or those anywhere else that I have spoken to. I would be very keen to look at the Select Committee report and see the angle that those folks come from.

**Simon Hoare (North Dorset) (Con):** I have had conversations with housing associations in my constituency,

two of which are merging. Housing associations now face a challenge and an opportunity to scale up, make back room efficiencies and continue to drive delivery. That is what is going to happen. We are not going to see the terrible scenes that the hon. Gentleman seems to be suggesting. The housing associations are going to rise to the challenge, as evidenced by my hon. Friend the Member for Solihull (Julian Knight).

**Tim Farron:** The hon. Gentleman is basically saying, eloquently, that, despite the Government's attack on housing associations, they will somehow muddle through. Many of them will, indeed, have to increase their efficiency; otherwise, people will be hit, including those in supported accommodation, young people who are attempting to get back on the straight and narrow after a difficult start in life, and people living in sheltered accommodation. Others will also be affected by the lack of investment resulting from the reduced income. Good, decent, responsible housing associations will not just sit and grump and sulk; they will make the best of things, but they will do that despite the Government, not because of them.

**Tom Brake (Carshalton and Wallington) (LD):** May I update my hon. Friend on the conversation I had with a local housing association? It had put in place investment plans to build new homes, but all of a sudden those plans have been blown apart because their income is going to fall as a result of the rent cut. It therefore has to readjust its investment plans downwards.

**Tim Farron:** My right hon. Friend makes a perfect point that is relevant to my experience in Cumbria. None of this is to say that a reduction in social rents is a bad thing—it is a good thing—but, as I have said, there is something utterly mean-spirited and counterproductive about being very generous with other people's money.

Rural areas such as mine in Cumbria face particular challenges in tackling the issue of affordable housing. If we consider the fact that some 8% of homes in rural areas are affordable, compared with 20% across the country, we will realise how difficult it is for children who grow up in rural communities to cling on, make a living there and raise their own families when they get older, and, indeed, for key workers to live in the areas in which they work.

On the positive side, when councils have been empowered and supported to deliver homes, they have proven that they can do so. South Lakeland District Council has delivered hundreds of new affordable homes, bringing the waiting list down by 18% in a single year. It is a fantastic example of a council with the right priorities delivering to meet the needs of its community. So many communities are under threat. The growth in second home ownership means that communities can be hollowed out as the result of a diminished resident population and the subsequent loss of schools, post offices, shops and public transport links.

The increase in stamp duty on the purchase of second homes is good news, but mostly for the Treasury. When communities such as Hawkshead have roughly 50% second home ownership, why cannot those funds be redirected to those communities, to support local services and to help provide new affordable homes? Why will the Government not support Liberal Democrat plans to

[*Tim Farron*]

allow second homes to be charged double council tax, to tackle the immense damage that excessive second home ownership does to towns and villages in places such as the west country, Northumberland and Cumbria?

Councils have a valuable part to play in providing the homes we need to tackle the crisis of supply. They could play an even greater role in providing homes of all tenures, by which I mean not just social homes, but homes for sale and private rent, improving the quality of homes in that sector. Yet councils are being hit with cuts and extra taxes from every side by this Government in what appears to be a war of attrition aimed at putting councils out of the business of providing homes.

Councils are not the whole answer to the housing crisis, but they are part of the solution, as are starter homes. We must trust our democratically elected councils, which know and understand local needs, to deliver for their communities. That is why we are calling on the Government to lift the borrowing cap to enable councils to borrow to build. That could lead to an extra 80,000 homes over four years, each providing a secure home for a family to bring up their children. That has been called for by the London Chamber of Commerce and Industry, the Local Government Association and others. Most solutions to the housing crisis are long term, but where immediate action can be taken, the Government surely must take it. Ideology must not be allowed to get in the way of supplying the homes that are needed. It is time to trust councils again.

**Mr Jim Cunningham** (Coventry South) (Lab): I am sure the hon. Gentleman remembers as well as I do the days when parties stood for election with housing targets for the number of council houses that they would build each year in government. More importantly, I agree that allowing councils to borrow to build council houses would take the pressure off prices for young people who want to buy homes and get a start in life. There is an imbalance in relation to housing.

**Tim Farron:** The hon. Gentleman makes a great point. Demand and supply are at the heart of our housing crisis. All the evidence suggests that it just makes sense to provide more social housing—people who believe in the free market should understand this—because it will take the heat out of the bottom end of the bought market and make houses more affordable.

**Mr Clegg:** On my hon. Friend's point about giving councils greater borrowing powers—this also relates to his earlier point about borrowing powers for housing associations—does he agree that any entity, whether it is a housing association or a council, can be given the right to borrow money only if it has a reliable income stream? That is why when the previous coalition Government cut social rents, they gave a guarantee to housing associations that their revenues would remain stable for a decade and a half. That reliable revenue stream has been torn apart by the new Government.

**Tim Farron:** It rather plays into the pattern over the last nine months—since the coalition Government ended and the Conservatives came into power alone—of short-termism and a lack of a long-term thinking. The long-term

plan appeared to leave office with my right hon. Friend. Instead, we see short-termism over green energy cuts, for example, and over providing the certainty that businesses of any kind need to plan. That includes housing associations, which are charities but which have, in many ways, the acumen and the outlook of the private sector. If we reduce their income, their certainty and their confidence in their balance sheets, they will build less and provide fewer services. Society as a whole will end up picking up the cost for vulnerable people whom we cannot support, who become more costly to society in later life.

Other reforms are needed to boost supply on the scale that is required. That cannot be left to the social housing market or to the starter homes initiative. That is why we are calling for at least 10 new garden cities in areas where there is local support to create thousands of new homes in thriving and sustainable communities with effective transport links and schools, providing hundreds of jobs in the process. In addition, we are calling for many more garden villages—not building in people's backyards, but building beyond people's horizons, with consent, and giving a sense that there is a long-term answer to the crisis. The Government must create the conditions for those garden cities to work, by empowering councils to buy land more cheaply and providing incentives to make the plan a success.

**Marcus Fysh** (Yeovil) (Con): Given that in my area of south Somerset the council's local plan has failed to deliver a five-year housing land supply, would the hon. Gentleman ally with me in searching out a site for a suitable garden town in south Somerset to provide the infrastructure and homes that he is talking about?

**Tim Farron:** The hon. Gentleman is talking about creating more garden towns, and it is important that we take a cross-party approach to creating more garden villages, garden towns and garden cities. The danger is that if somebody comes up with bold ideas, others will knock them down. I will not play party politics, but towers and towers of Conservative leaflets have been delivered across south Cumbria over the past 10 years, all aimed at stopping the building of affordable homes. It took bravery from my Liberal Democrat colleagues on the council to stand up against that and build affordable homes. As a result, hundreds and hundreds of families have a place to call their home. Sometimes it is right for local and national Governments to do the right thing, even when it is difficult.

**Julian Knight:** The hon. Gentleman is being most generous in giving way. He mentions how parties are opposing the local council in his own constituency. As soon as we try to build anything in my constituency of Solihull, we have the same from the Liberal Democrats, who always try to oppose on almost every issue. Will he communicate with his grassroots—what remains of them—and let them know that they should in future get on board to produce more homes?

**Tim Farron:** I would be very interested to look at the detail of that. I am also keen to recognise that we have to take the community with us, which takes bravery at every level. It sometimes seems that we have to tackle this issue, as Harold Macmillan bravely did in the 1950s, by not looking at it from an ideological point of view



and by not scoring points. I would be pretty surprised if anybody on the Labour or Liberal Benches did that back in the 1950s. There are more people on the Liberal Democrat Benches today than there were on the Liberal Benches in the 1950s, which is progress. *[Interruption.]* There may have been three Members, depending on whether or not Megan Lloyd George had left by then.

The point is simply that if we are brave and do not look at this issue through an ideological prism—such as by saying that we can move forward only by having all social rented housing or by flogging off social rented housing—we can take people with us and minimise the number who will oppose us in the planning process. However, if we have a Government, as sadly we do, who look at this issue purely through an ideological prism, rather than by asking how we can solve the crisis, we will always land ourselves with opponents.

**Mims Davies** (Eastleigh) (Con): I note the hon. Gentleman's point about the long term. The lack of a local plan is a long-term issue in Eastleigh. The council, which is led by the Liberal Democrats, has not taken people with them and we have been without a plan for five, or nearly six, years. Lots of people are unhappy. On a party political point, for the council to allow the first options paper to come out on 23 December, when people were doing their Christmas shopping—he says that councils must take people with them on this important issue—was disingenuous at a local level.

**Tim Farron:** That is a staggering intervention from an hon. Lady who represents a constituency with one of the best housing records in the country. I remember taking part in the by-election in 2013—talk about bravery. It was brave of the council, led by a party that was defending a seat, to pass, weeks before polling day, exactly the sort of long-term local plan that she mentions because that was the right thing to do. For the next few days, Tory leaflets were full of criticisms of the Liberal Democrat administration for having the decency to build homes. She needs to look at her party's previous election literature in the constituency that she temporarily represents.

It is time for the Government to take action. We cannot simply rely on the dysfunctional market to deliver the homes we need. Even in the boom years of 1997 to 2007, the market delivered at best only 148,000 new homes each year, which is far lower than the Macmillan—or the Liberal Democrat—standard. The problem we face is not a result of the recession; it is a structural problem that will be solved only by intervention. The current system works for those who have, but not for those who have not. Britain should be a place where affordable housing is available for all, to rent or to buy, no matter the circumstances of their birth, but Britain is not such a place. It is time to put ideology and party politics aside and to build the homes that Britain needs.

4.33 pm

**The Minister for Housing and Planning (Brandon Lewis):** Once again, I thank an Opposition party—a different one this time—for choosing housing as the subject of its debate. We are a one nation Government, and our goal is to have a Britain where everyone who works hard can have a home of their own. That ambition is possible only because of our tough action to drive down the

deficit, and it is conceivable only because of the progress we made during the last Parliament. I therefore want to start with a word of thanks not for the hon. Member for Westmorland and Lonsdale (Tim Farron), who refused to serve in the coalition Government, but for his party, which did, and for his colleagues who played their role in helping to turn around the broken housing market we all inherited in 2010.

I just hope that this is a debate that the hon. Gentleman will remember. I say that because at his party conference in September, he declared:

“Housing is the biggest single issue that politicians don't talk about.”

That is news to me and, no doubt, to many Members across the House, because this is the eighth debate about housing in recent months, and that is not including the debates on the Housing and Planning Bill. On none of those occasions did we hear a contribution from a Liberal Democrat. On 10 June 2015, we had a debate on housing; on 24 June, we had a debate about leaseholders and housing association ballots; on 14 July, we had a debate about shared ownership housing; on 15 July, we had a debate on housing supply in London; on 9 September, we had a debate about affordable housing in London; on 4 November, we debated prefabricated housing; on 15 December, we debated housing again; and on 27 January 2016, we debated housing benefit and supported housing. Not a single Liberal Democrat took part in any of those debates. Even during the passage of the Housing and Planning Bill, the hon. Gentleman was the only Liberal Democrat who bothered to speak on Second Reading and on Report, and they did not take a seat on the Committee—not once. If the hon. Gentleman believes that politicians should start talking about housing, I suggest gently that he should give his lectures closer to home.

**Tom Brake:** Will the Minister tell us how many social houses have been built in the time during which those debates took place?

**Brandon Lewis:** The right hon. Gentleman will appreciate that, as the hon. Member for Westmorland and Lonsdale said, we have built more social housing in the past few years than was built in the entire 13 years of the last Labour Government. In fact, we built more social housing in 2014-15 than was built in those 13 years.

Members may recall that during the last Opposition day debate on this matter I said that there was an appropriate film for the return to his old brief of the shadow Housing Minister, who I notice is missing yet another housing debate. I said that it was rather like the Soviet version of “Back to the Future”. It would be unfair to deprive the hon. Member for Westmorland and Lonsdale of a cultural reference of his own. Hon. Members will, by now, have realised that I like to use the odd film analogy. On account of his completely forgetting that politicians do occasionally talk about housing, I suggest a film from 2007 called “Goldfish”. It may be a little-known film—I admit that it is hardly a box office smash—but it is highly rated by the few people who have bothered to watch it. I admit that the plot bears little relevance to today's debate, but if you will bear with me, Madam Deputy Speaker, I can explain its relevance. Crucially, there were just eight people in the official cast.

[Brandon Lewis]

Most hon. Members will know that housing issues are given great prominence in this House, and that is entirely welcome.

**Julian Knight:** The Minister just mentioned 2007. Is he aware that in 2007, under a Labour Government, housing associations and local authorities built 12% of the new housing stock? Last year, the proportion was 22.6%.

**Brandon Lewis:** My hon. Friend makes a good point. To be fair to him, the hon. Member for Westmorland and Lonsdale referred to that fact. We should be proud that the coalition Government were the first Government in a generation to see an increase in affordable housing by the end of a Parliament, unlike the previous Government. My hon. Friend highlights the work we are doing and the changes we are making that are seeing housing supply go up. I will come to that in a few moments.

The Government are determined that everyone who works hard will be able to have a home of their own. After all, 86% of the population want to own their own home. Whoever you are and wherever you live, we want to support your ambition and aspiration to own your own home. That is not just a manifesto commitment of the Conservative party; it is an aspiration that is shared by the vast majority of the British public. That is why we are embarking on the largest Government house building programme for some 40 years. We aim to build a million homes by 2020 and to help hundreds of thousands of people to take their first steps on to the housing ladder. We will consolidate and expand on the progress that we have made since 2010, when we inherited a housing market on its knees.

Let me remind the House what our inheritance was—our shared inheritance: a burst housing bubble, an industry in debt, sites mothballed, workers laid off, skills lost, a net loss of some 420,000 affordable homes, rocketing social housing waiting lists and a collapse in right-to-buy sales, with just one home being built for every 170 sold.

Those failures were accompanied by a post-war low in house building by councils, a sustained fall in home ownership—the shadow Housing Minister was quite “pleased” about that, if I remember his quote correctly—and chaos in the regulation of lending. Underpinning that gigantic sorry mess was a planning system in disarray, presiding over the lowest level of house building since the 1920s with just 88,000 starts. The hon. Member for Westmorland and Lonsdale may struggle to remember that, but I know that the right hon.—and absent—Member for Wentworth and Dearne (John Healey) will have no such problem, because he was the Minister in charge at the time.

It is terrifying to think of where we would be today if we had not grappled those problems and applied the right solutions. In the previous Parliament, the number of first-time buyers doubled, as did the number of new homes built and public support for new house building. We helped more than 270,000 households buy a home with Government schemes, provided more than 270,000 affordable homes for rent—with nearly one third of those in London—and we were the first Government since the 1980s to finish their term with a higher stock of affordable homes.

We spent £20 billion on our affordable housing programmes, achieving the same rate of delivery with half the grant required by Labour policies. We built more, it cost less, and we did it faster. As the hon. Member for Westmorland and Lonsdale said, twice as many council homes were built in the five years of the coalition Government than during 13 years of Labour, and I reiterate that his party should be rightly proud of its role in achieving that progress.

**Mr Clegg:** We are indeed proud of that record, and I thank the Minister for extolling it so beautifully. Does he agree that it is a radical departure from that record to move from Help to Buy, which the coalition Government used to spread the opportunity to buy a home to many people across the county, to right to buy, which will help only a tiny fraction of people and do nothing for those facing very high rents, or build more homes in this country? Is that not a radical departure from the preceding excellent record that the Minister has been extolling so well?

**Brandon Lewis:** On this occasion I am afraid I have to “disagree with Nick”. We are expanding Help to Buy, as I will say in a moment, and I do not think that giving 1.3 million more people the chance to own their own home is a small percentage. A lot of people have the right to aspire to that, and we will support them in their aspiration.

Our plans for housing are delivering, but I agree that we must do more. We are still dealing with Labour’s deficit in public finances, and we must now tackle the housing deficit with that same determination. Both are required to ensure that this is the turnaround decade. We must build more, but this is not only about the number of new homes; we are also determined not just to halt, but to reverse the slide in home ownership that began in 2003, which the shadow Housing Minister said was not such a bad thing. With so many people kept off the housing ladder for so long, we are determined to deliver our promises quickly. That is why in the spending review the Chancellor announced the biggest investment in housing for 40 years. We are investing in what matters most to young people and British families, with £20 billion set aside for housing.

Our work includes major investments in large-scale projects, including garden towns in places such as Ebbsfleet, Bicester, Barking Riverside and Northstowe, and £7.5 billion to extend Help to Buy. The equity loan scheme through to 2021 will support the purchase of 145,000 new-build homes. I notice that the new adviser on housing to the Labour party wants to end that, so perhaps the shadow Minister will say whether Labour is supporting the end of Help to Buy, as its adviser has suggested.

Last week we doubled the value of equity loans in London to 40%, and 50,000 people have already registered their interest. We will ensure that the scheme continues, and we will deliver on our promise. A quarter of a million people are already investing in our Help to Buy ISAs so that they can save for a deposit. The brand new Help to Buy shared ownership scheme will deliver a further 135,000 homes, by removing many of the restrictions that have held back shared ownership. For example, an aspiring homeowner in Yorkshire could get on the housing ladder with a deposit of just £1,400. In the south-east, it will cost under £2,500, and in London,

£3,400. Those possibilities will be open to anyone of any occupation who earns under £80,000, or £90,000 in London. Our plans will improve the housing market across all tenures: a £1 billion housing delivery fund to support small and custom builders; £8 billion to help build 450,000 affordable homes; and 200,000 starter homes available to young first-time buyers with a 20% discount at least. We make no apology for this innovation in the delivery of affordable homes—it is what people want, with 86% of our population wanting to buy their own home—and for making sure that they can reach that aspiration. The reality of home ownership can be within their grasp. It is right that we help to make their aspiration more affordable.

**Mr Richard Bacon** (South Norfolk) (Con): The Minister talks about the many excellent things the Government are doing. The right hon. Member for Sheffield, Hallam (Mr Clegg) did not know it, but he is right that the Government have made a radical departure. Does the Minister agree that the Government are providing legislative support to self-build and custom housebuilders, building on the, if I may say so, excellent Self-build and Custom Housebuilding Act 2015 with further measures that will require local authorities to provide service plots for people who want to build their own dwelling for social rent and for ownership?

**Brandon Lewis:** My hon. Friend makes a very good point, particularly on the excellent Self-build and Custom Housebuilding Act 2015. He put a great deal of passion and determination into that. He is delivering something that the Housing and Planning Bill builds on and underpins to ensure a real step-change. It will help not just by providing people with more opportunities to own their own home, but by providing an opportunity for the reinvigoration of small and medium-size local builders that we all want to see. A few weeks' ago, we announced an expansion of direct commissioning, which will go even further to deliver that.

It would be simply old-fashioned political dogma to insist that Governments should intervene in the market only to support renters, when most people want to buy. To persist with an outdated mind-set risks creating a generation of young people exiled from home ownership; young people worse off than their parents, compelled to leave communities they love and grew up in, and forced to decline good job opportunities all because local housing is too expensive. That is bad for our economy and bad for society. Starter homes have the potential to transform the lives of young people. Just think about it: a first-time buyer able to get at least a 20% discount from a new home with just a 5% deposit. That really does change the accessibility to affordable housing for thousands more people. Starter homes will help young people and ensure that more homes are built.

We must not fall for the lazy assumption that there is a contradiction between supporting the dreams of homebuyers and ensuring that more affordable homes are built. Nowhere is this lazy thinking clearer than in the opposition to our extension of right to buy for housing association tenants. In the previous Parliament, we improved dramatically the right to buy for council tenants. Some 47,000 tenants seized the opportunity, with more than 80% of those sales under the reinvigorated scheme, and yet 1.3 million social tenants in housing

association properties continued to receive little or no assistance and continued to be trapped out of ownership. That cannot be right. We promised the electorate that we would end this unfairness and we have. Housing associations have also recognised this inequity. They have signed an historic agreement to end it, and I congratulate them on coming forward with that offer. They are giving tenants what they want: an option to buy their home and a ladder to real opportunity. I am delighted that we have five pilots already under way across the country. Every property sold will lead to at least one extra property being built.

**Tim Farron:** The Minister refers to housing associations and the National Housing Federation's involvement in discussions in putting together the Housing and Planning Bill. Will he confirm that this agreement with housing associations is voluntary? Will he confirm that housing associations that look at the needs of their community and decide, on balance, that the right to buy would be a negative for that community, will be allowed to maintain that position?

**Brandon Lewis:** It is a voluntary agreement. The Housing and Planning Bill does not legislate for that. It underpins the agreement by providing the legal ability to pay the housing associations for discounts. Exemptions are outlined in the voluntary agreement, so I suggest the hon. Gentleman reads it. In rural areas, for example, housing associations will be able to use the exemptions. After we reinvigorated the scheme in 2012 for council tenants in London, 536 additional homes were sold in the first year, and 1,139 were built. For clarity, that is two-for-one replacement. That success has the potential to be repeated on a much grander scale. Where buyers can buy, builders will build, and we can support the aspiration of hard-working people. That will be true for right to buy, starter homes and Help to Buy. Those plans are at the heart of our ambition to build 1 million more new homes, but we have made it clear that we must do more in all areas of housing supply.

**Tim Farron:** After this, I promise to leave the Minister alone for a while. Is he aware that one in three homes that have been bought under right to buy are now privately rented, so they do not help people to get on the housing ladder? They help other people to make a living from renting out property. What will he do to ensure that any homes that are sold under right to buy belong to people who need an affordable home, and do not end up slipping into the private sector, becoming less affordable and more insecure?

**Brandon Lewis:** With those kind words, I am happy for the hon. Gentleman to intervene, as it gives me an opportunity to highlight another good scheme that the Government have introduced. With the voluntary right to buy, and with right to buy more generally, I defend the homeowner's right to do with their home what any other homeowner can do. I do not know why he thinks that a particular part of society that owns their own home should have fewer rights than he or any other hon. Member has in a house that they own. After that short period of five years, when that home is protected and has to be that person's home, it is absolutely right that they should have the same rights as any other homeowner. It is disgraceful that he wants to stop that.

**James Cartledge:** The former Deputy Prime Minister has extolled the virtues of Help to Buy, which is fine, but there is absolutely nothing to stop someone, after purchasing a Help to Buy home, renting it out should their circumstances change, which would be the same for anyone buying on the open market.

**Brandon Lewis:** My hon. Friend highlights an important point. What the hon. Member for Westmorland and Lonsdale seems to be asking for with the right to buy and, to an extent, in the arguments that he made about starter homes, is second-class ownership, and I do not support that. If someone owns their home they should have the same rights as anyone else. It is sometimes tiresome to hear people who own their home explain why we should not let someone else have the chance to do so. The Housing and Planning Bill is part of our work to drive up the housing supply and home ownership, and it will give house builders and local decision makers the tools and confidence to deliver more homes.

**Mr Bacon:** Before the Minister moves on, this issue riles a lot of us, as it riles him. The hon. Member for Westmorland and Lonsdale (Tim Farron) made the point that buying a house and renting it out at some point in the future was bad per se. At the same time, we are supposed to take measures to encourage the private rented sector. Is it not a good thing if more houses are made available for rent? Particularly in the light of what has happened with City of London pensions for 50 years, it is hardly surprising that people are looking for good investment alternatives to safeguard their future and provide more housing for rent.

**Brandon Lewis:** It is always good to see the institutional money to which my hon. Friend refers investing in the British property market and playing its part in driving up housing supply. I am keen to see, as I have said before in the House, an increase in supply across all tenures. We have to make sure that we build the right homes in the right places, with the right tenures for the people who need and want those homes.

**Mr Clegg:** The Minister is generous in giving way. On the point about extra supply, he said—I do not quite know which schemes he was referring to—that in some London schemes there is evidence of a 2:1 replacement, rather than the wider picture of a 1:10 under-replacement. Will he tell me a little more about that scheme, and does he believe that when the right to buy is extended from the five pilot areas, once a property is sold it will be replaced twice over in all the areas where the right to buy applies?

**Brandon Lewis:** The point I was making was that in the first year's sales of right to buy homes in the reinvigorated scheme in London, properties have been replaced in the timeframe at a ratio of 2:1. That is a fact. The one for nine to which the right hon. Gentleman refers does not compare like-for-like figures—it is a totally false representation. On the wider scale, there is 1:1 as well. I would go further, as this is not about replacement. Once a home has been bought by someone who lives in it for five years, it does not disappear from the housing stock. The homes that are built are extra homes that increase the housing supply. Under the voluntary agreement, housing associations will deliver

one extra home at least for every home that is sold. The Housing and Planning Bill, which the hon. Member for Westmorland and Lonsdale has consistently opposed, would ensure that the planning system plays a part in helping to drive up an increase in supply.

In the last Parliament, we reformed and streamlined the failing top-down planning system we inherited. Today, local people are in control and developing their own plans for house building, while the planning system is faster and more efficient.

**Dr Roberta Blackman-Woods (City of Durham) (Lab):** Rubbish!

**Brandon Lewis:** I am sorry the hon. Lady thinks giving that power to local people is rubbish. I think that local people are the right people to make these decisions.

Since 2010, the number of planning permissions for new homes has risen by 50% and the number of local plans has more than doubled. I gently say to the hon. Member for Westmorland and Lonsdale that my hon. Friend the Member for Eastleigh (Mims Davies) was absolutely right and he was wrong: the local authority in Eastleigh does not have a local plan. It should do the right thing and get one in place. That is what she is fighting for on behalf of her residents.

I know that Members want building on brownfield land to be the first choice. Under this Government, brownfield land will be prioritised and new homes will be built near existing residences so that the green belt and local countryside is protected. A new statutory register of brownfield land will provide up-to-date and publicly available information about land suitable for housing. Planning permission in principle will drive that further. Our estate regeneration programme will transform rundown bad estates across the country, and 40 brownfield housing zones, including 20 in London, are also being created.

We want planning permissions in place for 90% of these sites by 2020 so that we can regenerate eyesores and derelict land to create modern homes for the next generation. We will change the parliamentary process to allow for urban development corporations, and smaller firms in particular will benefit from quicker and simpler ways to establish where and what they can build. We are supporting smaller house builders by directly commissioning the construction of new homes on publicly owned land. Our pilot schemes will see work start on up to 13,000 homes on four sites this year, with 40% of them being starter homes. Nothing on that scale has been done for 30 years. Our new approach will support smaller house builders and new entrants that are ready to build but lack the resources and access to land. We will help them. Currently, the top eight house builders provide 50% of all new homes, and we are determined to change this ratio, as we build more homes this Parliament.

Great progress has been made since the great housing crash under Labour. We took the tough decisions, in coalition and then in a Conservative Government, to tackle the deficit, help homebuyers and get Britain building again. We reformed the planning system and ensured that local people were in control of building the homes they needed, and we ensured that new homes were built across all tenures. In 2010, the housing market was in danger of collapsing altogether, and house building had almost stopped. At the same time, public opposition

to new housing was enormous, because people were sick and tired of being bossed from Whitehall. Dramatic improvements have been made in all these areas.

Problems that fester for years, however, take a long time and great effort and commitment to solve. There is still a profound need to build more homes in our country across all tenures to support the aspirations of people who want to buy their own home. Everyone in the Chamber and in public life has a role to play in making the case to local communities for seeing these homes built. This will be a defining challenge of our generation. That is why the Government will be unwavering in their commitment to deliver a better housing market—one that secures our economic recovery, boosts productivity and rebalances our economy. That is a prize worth fighting for. Its economic and social legacy could last far beyond any of our political lives.

These plans are about working people—the people we all serve. It is about their hopes, their dreams, their plans for their and their families' futures, and their confidence that their hard work will be rewarded. That must be our motivation. We are one nation—north and south, renters and buyers, young and old. Whoever and wherever they are, anyone can walk through the door of opportunity and into a home of their own.

4.58 pm

**Teresa Pearce** (Erith and Thamesmead) (Lab): I am pleased that the issue of housing has once more been brought to the Chamber. It seems to be virtually a weekly occurrence now, and I am glad about that, because the housing crisis is one of the greatest challenges that has faced our country in recent times.

Members across the Chamber will know the impact housing has on our constituents' lives. My advice surgeries, my inbox and my office phone are always busy with the problems of people suffering from the housing crisis: rising rent costs; poor standards in the private rented sector; ever-increasing homelessness—statutory homelessness and rough sleeping—across the country; a Government committed to seeing an end to the social housing sector as we know it; fewer homes built than at any time since the 1920s; and a generation of young people priced out of the property market.

**Julian Knight:** The hon. Lady mentions the social housing market, so would she like to explain why, in 2001-02, the number of homes completed by local authorities was only 0.1% of the total? Moreover, that record continued from 2001 right the way through to 2007, so will she explain why?

**Teresa Pearce:** When figures are quoted on social housing, it is often council housing that is being talked about rather than the full social housing register, which includes housing association properties. When we have these debates, we trade statistics back and forth every time, but the problem is that trading statistics does not build homes and it does not take people off the housing waiting lists. Simply saying “You did this, but we did that” will not help anybody.

**Mr Bacon:** I completely agree with the hon. Lady that trading statistics does not help. I have listened to a lot of housing debates over the last three or four years, so I know that most of the debate has been of that ilk—and

it is very unhelpful. Will she therefore elevate the debate by explaining why she thinks the supply of housing does not rise to meet demand?

**Teresa Pearce:** I could say a lot about that, but I would rather get on with the points I intended to raise, which are about the private rented sector—a subject that has hardly been mentioned and one that did not appear in the Conservative manifesto. It is an issue that affects my constituency and London constituencies in particular. Supply has not risen—you are right—and I believe it is because parties of all colours have not done as much they could have done. I hope that this debate will be elevated above the “You're bad, they're worse” level, which gets us nowhere. It is very macho, but it really does not help and it does not play well outside this Chamber.

**Mr Bacon:** I do not think that you, Madam Deputy Speaker, have an opinion on this matter at all, but I share the hon. Lady's view that supply does not rise to meet demand, which she has just repeated. I am asking her why she thinks that is the case. I have a view; I wonder whether she has.

**Teresa Pearce:** I imagine that the hon. Gentleman's view is that not enough people self-build. What has happened with supply reflects problems with the availability of land, although some land has now been released. I believe that the hon. Gentleman still sits on the Public Accounts Committee, as did I when we looked at the parcels of public land that were disposed of, supposedly to build 100,000 homes—yet it appears that hardly any have been built. There is not just one problem. I should like to continue with my speech, if the hon. Gentleman would not mind, and talk about the fact that more needs to be done than providing a supposedly simple fix of helping people on to the housing ladder. More definitely needs to be done than that.

My hon. Friend the Member for City of Durham (Dr Blackman-Woods) and I led the scrutiny of the Conservative Housing and Planning Bill—for 55 hours, I am told, and at times it felt like 55 hours. There was much to scrutinise and much that we were concerned about, although we welcomed some parts of the Bill.

The Government's answer to the shortage of housing seems to be starter homes. To be fair, these homes are a solution for some young people, but only for young people who could have got on to the housing ladder anyway—people who have an income of £70,000 and a deposit of £98,000 in London or an income of £50,000 and a deposit of £40,000 outside London. This helps the few and not the many.

**Brandon Lewis:** The hon. Lady might want to refresh her memory by looking at the *Hansard* for the Housing and Planning Bill Committee, particularly at the evidence sessions, where it was very clear that the average price paid by first-time buyers was considerably lower than the figures she has just outlined. I can tell her from looking at the issue that a starter home was available last week that required a deposit of £11,800—nothing like the sort of figures the hon. Lady mentions.

**Teresa Pearce:** I thank the Minister for his intervention, but with Help to Buy and starter homes, many developers

[Teresa Pearce]

are seeing people queuing round the block for the opportunity to buy the few houses and flats that are available. That shows that people want to buy, but it also shows that more people want to buy than developers have properties to sell. In my experience, such a position simply inflates prices. What is more worrying, however, is the fact that developers can deliver starter homes to help the few, rather than affordable homes that would help the many. I do not think that Labour Front Benchers would have such a problem with starter homes if they were in addition to, but they are not in addition to; they are instead of.

Where are people supposed to live if they cannot afford a starter home? They will find themselves in the private rented sector, with insecure, short-term tenancies, unable to save for deposits on homes of their own because their rents are so high. In 2010, the average deposit was £43,000; it is now close to £60,000. If that trend continues, by 2020 the average deposit will be about £76,000.

At the core of the housing crisis is a fact that has already been touched on. Not enough homes are being built, but although in a year's time we may be judged by the number of homes that we have built, in 10 years' time we will be judged on the basis of the quality of what we have built. Although we need to build more homes, it is a question of not just number but quality, and the growing skills shortage in the construction industry seriously threatens our ability to deliver the types of home that we need.

The Construction Industry Training Board recently revealed that in 2013-14 just over 8,000 apprentices had completed their training, 10,000 fewer than in 2008-09. Many construction apprentices are working towards an NVQ level 2 qualification, which means that they will not have the complete skills set that would enable them to become fully trained construction workers. The Government need to tackle that growing skills shortage, because it is a key issue, and I look forward to hearing what the Minister has to say about it. We need the land, the developers and the people who want to buy, but we also need the people who can build.

In 2010, one of the first decisions made by the Chancellor in the coalition Government was to cut investment in affordable homes. Partly as a result of that short-term cut, the housing benefit bill has risen in the last five years as families have been forced into the expensive private rented sector. The provision of affordable homes would save money for the taxpayer by lowering expenditure on housing benefit.

The housing benefit cuts will have a devastating impact on supported housing, which we debated in the House two weeks ago. The Secretary of State is pressing ahead with the cuts although the evidence review on supported housing that he commissioned, which was supposed to be completed in November last year, has still not been completed. The National Housing Federation predicts that 156,000 supported homes could be forced to close. Moreover, the building of a further 2,400 homes has been stopped because of the proposals. The cuts in housing benefit, which supports thousands of elderly, disabled and homeless people, will have a catastrophic impact on those who can least afford it. Homelessness is becoming a national scandal. According to Shelter,

rough sleeping has increased by 55% since 2010. In fact, those statistics understate the true picture, because many thousands of people are hidden from view because they are sofa-surfing or staying temporarily with friends or family, with nowhere to call home. In London, that must be a priority for the next Mayor.

**Tom Brake:** I wonder whether the hon. Lady, like me, is surprised that on Monday the Prime Minister—rightly, in my view—spoke of the need to address reoffending, given that many organisations that provide supported housing for ex-offenders are telling us that they will have to close hostels, bedsits and one-bedroom flats because they will not be able to go on providing them from April 2018 onwards. That will clearly boost the level of reoffending.

**Teresa Pearce:** There are three prisons in my constituency, and that issue worries me greatly.

Private rents have soared well beyond inflation, which places more strain on tenants' finances. Although most landlords do provide good-quality accommodation, the English housing survey estimates that almost one in three privately rented homes are non-decent. A quarter of a million properties in the sector are estimated to have a category hazard. According to a major report by Shelter which followed a YouGov survey, 61% of tenants had experienced mould, damp, leaking roofs or windows, electrical hazards, animal infestations or gas leaks in the last 12 months.

**Andrew Bridgen** (North West Leicestershire) (Con): The shadow Minister should be aware that when the Conservatives took over North West Leicestershire District Council after 33 years of Labour local government, we inherited the worst standard of council housing in the country, with 75% of the homes non-compliant with the decent homes standard. I am pleased to tell her, however, that under the Conservatives—and a Conservative Government—all the council housing in North West Leicestershire was up to the decent homes standard by 2015 and we are now the best in the country.

**Teresa Pearce:** I can see that the hon. Gentleman is very proud of his constituency, and I am glad that the people there have decent homes to live in.

We tabled an amendment to the Housing and Planning Bill proposing that all private rented property should be of a decent standard and fit for human habitation, but the Conservatives voted it down, which quite surprised me. I am pleased to say that the Lib Dems voted in favour of our amendment. In the past five years, we have seen a rapid growth in the private rented sector. The number of people and families living in the sector has increased, and more than 9 million people now rent privately. Many of them are under 35.

**Brandon Lewis:** In the light of the hon. Lady's comments, does she not realise that powers already exist to cover those issues in local government housing? I also assume that she will want to welcome the biggest crackdown on rogue landlords ever made by a Government, which the Housing and Planning Bill is taking through.

**Teresa Pearce:** The Bill contains clauses on banning orders and rogue landlords, but they relate to taking action after the fact. I would prefer to see people

entering into tenancies for private rented properties that are already fit to live in, rather than having to wait until they become unfit before the landlord can be put on a register, banned or fined.

In the motion, the hon. Member for Westmorland and Lonsdale (Tim Farron) refers to the Lib Dems' candidate for London Mayor. Indeed, it is rare to have a debate on housing in the Chamber without the mayoral candidates from both sides—all sides—being mentioned. I should therefore like to point out that my right hon. Friend the Member for Tooting (Sadiq Khan) has described this election in London as a referendum on housing. I agree with him. The housing sector in London is in crisis and all the mayoral candidates need to pay great attention to that fact and to make this a top priority. My right hon. Friend has outlined a wide range of policies that will put Londoners first, secure more investment in house building across the capital and deliver more affordable housing for Londoners. He will do this by setting up a new team at City Hall dedicated to fast-tracking the building of genuinely affordable homes to rent and buy, and by establishing a London-wide not-for-profit lettings agency to promote longer-term stable tenancies for responsible tenants and good landlords across London.

**Tim Farron:** It is very decent of the hon. Lady to give way. I do not want to disappoint her and, in this debate on housing, we must of course talk about the London mayoral election, given that housing is comfortably the biggest issue on Londoners' agenda. Does she agree with Caroline Pidgeon's idea that we should maintain the Olympic precept beyond its expiry date this year in order to create a fund to build affordable housing across London? Does the hon. Lady agree that this would be an innovative way of tackling the housing crisis across the city?

**Teresa Pearce:** I am always in favour of innovation and new ways of looking at things, but I looked at that proposal only yesterday and I do not think it will raise enough money to do what the hon. Gentleman intends. However, innovation is always a good idea and I am glad that housing has now gone to the top of the agenda, particularly in London.

A lot has been written about the housing crisis, and we often trade statistics on the subject, but this is a crisis not only for the homeless or for those living in overcrowded slums; it is a crisis for all of us and for all our constituents. Decent homes make a decent society, and without a stable home people's education and health are affected and family cohesion is shattered. The housing crisis is not just about numbers or about bricks and mortar; it is about people and their life chances. It is about the children who have been in three primary schools before they are even 10 years old, and about the teachers who are struggling to deal with the effects of classroom churn every month. It is about the children who grow up unable to put down roots and build the childhood friendships that are so vital to their self-esteem. It is about the local GPs who cannot build patient relationships because, in their thousands, patients move on and off the register each year, as they get shifted from one private rented flat to another. It is about the isolation of elderly couples who bought a house when they first got married and have lived there all their lives, but now no longer know any of their neighbours because 25% of the properties in that street are houses in multiple

occupation, where there is a churn of tenants every six months. It is also about the millions of adults under 34 who are still living with their parents and about the parents of those adults, who worry that their children will never have a home of their own.

The life of the private renter is typically unstable, insecure and blighted by anxiety. The rogue landlords register has been mentioned and although it is welcome, it is action after the fact. Given that the private rented sector is likely to keep expanding, we need to create a reputable industry that protects the vulnerable and ensures that renters are not at the mercy of unscrupulous landlords. For too long, some private landlords have been able to take the money without the responsibility, while the rest of us pick up the costs of unstable communities, marriage breakdowns and children with no secure home life.

I opened by saying that the housing crisis is one of the greatest challenges to face our country, but we have seen house prices and rents far out of sync with earnings; a failure to tackle poor standards in the private rental sector; ever-increasing homelessness across the country. a Government who appear committed to seeing the end of the social housing sector as we know it; fewer homes built than at any time since the 1920s; and a generation of young people priced out of the property market. That is this Government's record and they will be judged on it.

**Several hon. Members rose—**

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. It will be obvious to the House that this is a short debate—we have less than two hours left—and a great many people wish to catch my eye. I hope we can manage without a formal time limit. Everyone will get a chance to speak if each hon. Member, out of courtesy for other hon. Members, keeps to somewhere between eight and nine minutes. You can work it out by adding eight minutes on to the time on the clock up there. I look on this as a test of very simple year 3 arithmetic. People who can add on eight will get it right and people who cannot will get it wrong, and we will see who is who.

5.17 pm

**Stuart Andrew (Pudsey) (Con):** I think I am going to fail at the first hurdle, Madam Deputy Speaker.

It is a pleasure to speak in this debate on a subject I have had an interest in for a long time, not least since I became a councillor back in 2003. Although I agree with the beginning of the motion, as I do believe that everyone has the right to a decent and affordable home, other parts of the motion are slightly disingenuous in respect of what this Government are achieving. My right hon. Friend the Prime Minister has acknowledged that this country has a housing crisis, but that crisis is down to successive Governments' chronic lack of investment in the housing that we need.

It is right that we do everything possible to help people fulfil their ambition to become homeowners. I grew up on a council estate in the 1970s and 1980s, and it is fair to say that the early part of that period was an era that silently expected families such as mine just to accept their lot. Chances to improve our lives and move to a different area were extremely limited, but something that changed that and tore up that ethos was Margaret Thatcher's right to buy policy. That was the first time

[*Stuart Andrew*]

people on my estate, and the first time in generations that families, were given the opportunity to own their home and enjoy the benefits that many other people had enjoyed in this country. This was not just about the opportunity and dream of owning one's own home; it also helped significantly with those families' social mobility. Some may say—I have heard it said today—that this policy is ideologically driven. If that ideology gives families such as mine the opportunity to become homeowners and improve their lives, it is an ideology I fully support. I am glad that this Government have kick-started that policy of right to buy again, so that families on those estates today are given the opportunities I was given. Furthermore, I am delighted that the Government have committed to a like-for-like rebuild for those houses. It is great that the replacement policy is already running at 2:1 in London.

I am proud that more council houses have been built under this Government since 2010 than the Labour party managed to achieve in a full 13 years. Other initiatives such as Help to Buy have also helped. Many of my constituents are now proud to have the family home and security that they want. I am proud, too, that our Help to Buy individual savings account is encouraging people such as my own parliamentary researcher to save up to become homeowners.

The right to buy scheme has now been extended to housing associations, which means that people such as my brothers and their families also have the opportunity to own their home. These schemes provide a real opportunity for young people to enjoy the social mobility from which I was fortunate enough to benefit.

It is important that we strike the right balance with the type of house that we build and where we build it. My hon. Friend the Minister will be fully aware of my concerns about the planning issues in Pudsey. My constituency has contributed greatly to the housing needs of Leeds. Many of the old mills have been rebuilt and used for housing. We have built many thousands of new homes to help supply housing for the Leeds area, but I have significant concerns about Leeds City Council's local plan. The council has set itself an over-ambitious housing target of 70,000 houses over 14 years, which poses a threat to the green-belt land that makes our city and my constituency great. The land serves as natural boundaries between historic towns and villages and helps to stop urban sprawl. It is important that we do not lose our identity of which so many people are proud. Areas are at risk from the council's target, and Leeds City Council is currently consulting on the site allocation plan. The response has been huge.

**Julian Sturdy** (York Outer) (Con): My hon. Friend is absolutely right to talk about green-belt land. Does he agree that green-belt land also plays a key role in driving urban regeneration and in delivering a lot of our brownfield sites not only in Leeds, but in my city of York as well?

**Stuart Andrew:** I completely agree with my hon. Friend, and I will come on to that point in a minute.

As I was saying, the response to the consultation has been significant. I pay tribute to the neighbourhood development group, Rawdon and Horsforth councils

and other community groups that have been helping local people understand these complex matters. What frustrates local people is that these valuable green sites are up for grabs while the brownfield sites in other parts of the city are just left abandoned.

**Greg Mulholland** (Leeds North West) (LD): I thank the hon. Gentleman who is my neighbour for giving way. He and I agree on the Leeds City Council targets, but does he not accept that there is a real disconnect between what he would like and what Ministers say, and the reality of the Conservative Government's planning system and what it delivers? Does he not agree that our constituents are frustrated about that? Does he not acknowledge that, and is he raising it with Ministers?

**Stuart Andrew:** The hon. Gentleman knows that I have raised those issues on a number of occasions. Of course the plan must go before the inspector, and we will be making it very clear that much of what Leeds City Council is advocating goes against Government advice. We will make that point very strongly again during the inspection period.

While I am talking about the brownfield sites, let me say that the Leeds City Council plan goes against the advice from Ministers on brownfield development first. Releasing green-belt land should happen only in exceptional circumstances, and those circumstances have not been proved by Leeds City Council.

What also frustrates people is that there are already 17,000 planning permissions in existence in the Leeds area, and not one single brick of those schemes has been built. We need to get the developers building. They cannot be allowed simply to say that they cannot afford to do so. We need far more help in this regard. Building on those sites with the 17,000 permissions would go a long way towards helping to deal with our housing crisis.

We have suffered significant floods in the Leeds area recently. It is easy to attack the Government on the flood defences project, but Leeds City Council must look at the plans that it is putting in place. Building on those important green-belt sites in my constituency will add to the amount of water coming off those new estates and into the rivers that serve the city further downstream.

We need to get some of those 17,000 houses rebuilt and implement the powers that already exist to bring empty houses back into use. We must regenerate the brownfield sites to create the housing that people need so that the residents who live there now can enjoy a much smarter area to live in. I welcome the fact that the planning process now involves more neighbourhood planning, and I hope Ministers will look carefully at the plan to see whether Leeds City Council has properly engaged with groups such as the Aireborough neighbourhood development forum, which has some strong concerns.

I am proud of our Government's achievements. Yes, 260,000 affordable houses have been built. The right to buy offers opportunities to families like mine and allows more young people to become homeowners. Some of us never had the bank of mum and dad, so I thank the Government for the initiatives that will help those 86% of people who aspire to own their own home, because my



experience shows that the best social mobility can start when we give people the reality, not just the dream, of owning their own home.

5.26 pm

**Alison Thewliss** (Glasgow Central) (SNP): I am glad to be able to contribute to this debate on housing, because it is a clear example of a tale of two Governments and of the positive effect that the different approach taken by the SNP Scottish Government is having on housing provision in Scotland.

I read with interest the Liberal Democrat motion before us today, for the Liberal Democrats' record on housing under the coalition Government was not great. They continually voted with the Tories in favour of the bedroom tax, and even voted against exempting social tenants who were carers or had disabilities. The SNP in Scotland has been working to mitigate this catastrophic policy and its effects on vulnerable people. The Scottish Government have committed £90 million since 2013 to mitigate the impact of the tax on 72,000 households in Scotland.

In Glasgow alone, £18.8 million has been spent providing community care grants and crisis grants from the Scottish welfare fund to mitigate the welfare reforms brought in under the coalition, with £8.3 million in discretionary housing payments to combat the bedroom tax specifically. The SNP has helped the most vulnerable, and I feel deeply for every household in England that struggles on unaided. The recent court cases demonstrate the deep injustice of this policy—many of those who had had their homes specially adapted for their needs have now lost their

“decent, affordable home to live in”.

In Scotland, too, the Lib Dems' legacy on housing is very poor. Their motion talks of under-delivery by successive Governments, and how right they are. In coalition with Labour, the Lib Dems in government in Scotland built all of six council houses in a full four-year term in Parliament. Those were all in Orkney and Shetland. I see that the right hon. Member for Orkney and Shetland (Mr Carmichael) is not in his place. Since the Scottish Government took office in 2007, 162 council homes have been provided in that constituency—a 2,600% increase. That is a good record for us in Orkney and Shetland at least.

In Scotland we are doing all we can to increase housing stock, having already exceeded our five-year target for building 30,000 affordable homes. Figures released on 1 December last year show that 30,133 affordable homes have been built since 2011, which is 133 more than our target. Since 2007, the Scottish Government have seen the completion of 54,186 affordable homes. Social rented completions have also exceeded our target of 20,000. At the end of October last year those stood at 400 more than our target. The target of 5,000 council homes has been exceeded by 292. The Scottish Government have already invested over £1.7 billion in affordable housing to achieve this target, despite a 26% real-terms cut to Scotland's budget since 2010. The Scottish Government are not stopping at that, however, and if re-elected in May, an SNP Government will press on with an even more ambitious target of 50,000 new affordable homes, a £3 billion investment that will help to create 20,000 jobs per year.

The Liberal Democrat motion notes the increase in training and apprenticeships that home building can bring, and, in that, it is absolutely correct. We have invested in apprenticeships in Scotland, and many of the developments I saw in my eight years as a councillor had significant apprenticeship programmes. Community benefit clauses have also been brought in as part of housing projects, which is really important for the local communities involved.

Investing in housing is particularly important in areas of deprivation, creating a virtuous circle that gets people out of poverty. The investment in affordable housing in Scotland over the current parliamentary term is creating an estimated 8,000 jobs per year.

In contrast to England, where the right to buy has been extended, the Scottish Government have increasingly restricted the scheme. In 2013, they confirmed that they will abolish it, and that will take effect soon. In July 2013, Nicola Sturgeon announced that they intended to do that to prevent the removal of properties from the social rented sector. She said:

“we can no longer afford to see badly needed homes lost to the social sector... That is why I am today announcing the final stage of the abolition of the Right to Buy—a decision that will safeguard Scotland's social housing stock for the benefit of citizens today and for our future generations.”

In 35 years, the right to buy has resulted in the selling of about 2 million council properties in England and just shy of 500,000 in Scotland. In Scotland, more than 160,000 replacement homes were built—leaving a huge deficit in social rented housing. By scrapping the right to buy, the Scottish Government are keeping up to 15,500 homes in the social sector for the next decade.

The UK Government's proposals involve selling off at least another 113,000 council properties to fund the selling-off of housing association properties, while so many people still languish on waiting lists. Conservative Members talk about people's right to own their own home, but they forget completely about the rights of the people on these waiting lists, who sit in accommodation for the homeless and do not have the right even to rent, never mind to buy.

The maddening thing is that this obsession with the right to buy does not even save money for the public purse. Often, these homes do not end up being lived in by the purchaser. Figures presented by the Scottish Federation of Housing Associations in evidence to the Communities and Local Government Committee inquiry into the right to buy show that 40% of the properties purchased under the right to buy end up in the private rented sector, incurring higher rental costs for tenants and higher rates of housing benefit than if they had remained in the social rented sector. SFHA estimates that that equates to £324 million per year in Scotland alone.

The Government's obsession with homeownership is resulting in the continuing depletion of social housing stock in a way that is unsustainable given the continued high levels of need. The proposals in the Housing and Planning Bill, which talks of pay to stay, ending secure tenancies, extending right to buy to the hard-pressed social rented sector and enforcing rent reductions on housing associations, all speak of a Government who do not recognise the significance and importance of being able to rent a decent home. Some people cannot afford to buy; some do not want to buy and are happy to be in social rented housing.

[Alison Thewliss]

I hope the Liberal Democrats are moving towards improving their previous position on social rented housing. If they are, I welcome that. I also hope that they will look to Scotland and follow the SNP Government's lead.

5.33 pm

**Mr Richard Bacon** (South Norfolk) (Con): It is a pleasure to follow the hon. Member for Glasgow Central (Alison Thewliss), because her leader at Westminster, the right hon. Member for Moray (Angus Robertson), was one of the sponsors of my Self-build and Custom Housebuilding Bill, which became law on 26 March 2015.

If the hon. Member for Erith and Thamesmead (Teresa Pearce) thinks I am going to talk about self-build and custom house building, I would not want to disappoint her. There are many good reasons for engaging in self-build and custom house building, and I will come to them shortly.

First, however, we have to analyse why so many Opposition Members—I have listened to them drone on for a long time—appear to think that the current housing system is, give or take, more or less, in reasonably good shape and that it just needs a few tweaks, give or take, more or less, to sort it out. The truth is that our housing system—the one we have endured for 50 years—is intellectually, socially and morally bankrupt. It is intellectually bankrupt because the supply of housing does not rise to meet demand—the hon. Member for Erith and Thamesmead could not give me a reason why, but she accepted that that was the case. It is socially bankrupt because not having enough housing is so extraordinarily divisive and limits opportunities. Finally, it is morally bankrupt because it is a disgrace that a rich country such as ours cannot supply enough decent housing for everyone to have somewhere to live, and that, in a country where the vast majority of people want to own their own house, homeownership is going down rather than up. This Government are starting to address these problems with the radical solutions that will make the difference.

The hon. Member for Westmorland and Lonsdale (Tim Farron), did not talk about self-build at all, although his motion refers to it. Yet that is by far the most radical suggestion in the Housing and Planning Bill, which amends the Self-build and Custom Housebuilding Act to take it further. Under the Act, local authorities will have an obligation that cuts in on 1 April this year to maintain a register of people who want to develop their own self-build project—individuals or groups of individuals. The Bill, which is currently in the other place, will place an obligation on local authorities—I do not think most of them have realised this yet, to be honest—to provide serviced plots commensurate with the demand as evidenced on their registers.

**James Cartlidge:** My hon. Friend speaks with great passion on this issue, and that is wonderful. If councils take these lists seriously, will not that offer the opportunity that, when significant development sites come up, whole areas can be set aside for self-build?

**Mr Bacon:** My hon. Friend is absolutely right. The only thing I would question is his use of the word “if”. Councils have a legal obligation to take the lists seriously.

A planning inspector would be quite right to find a local plan unsound if it failed to contain provision for serviced plots commensurate with demand as evidenced on the register.

When Councillor Barry Wood, the leader of Cherwell District Council came to our self-build summit in Downing Street last month, he talked about one of the sites in the National Audit Office report that the hon. Member for Erith and Thamesmead mentioned, which has 109,500 potential houses. I spent some time explaining to the permanent secretary of the Department that our constituents liked living in real houses rather than potential houses. The list is a bit distorted, because on some of that land nothing has happened at all, and on some of it a great deal has happened. There are 1,900 serviced plots in Bicester, at Graven Hill. Anybody can look at that scheme by going to [gravenhill.co.uk](http://gravenhill.co.uk). Once it gets off the ground, as Councillor Wood explained in his presentation, it will make a significant difference to the marketplace because people will start looking at it and saying, “They have that in their area—why can't we have it in ours?”

**Kevin Foster** (Torbay) (Con): As always, my hon. Friend is speaking as a passionate advocate of self-build. He talks about local authorities taking this seriously. He will be pleased to hear that my authority, Torbay Council, is already looking to identify sites for self-build projects.

**Mr Bacon:** I am very pleased to hear that. There is quite a lot going on in the south-west, and I hope it will spread right across the country to all corners of our great kingdom.

According to a YouGov survey, 75% of people do not particularly want to buy the product of the volume house builders. That probably has something to do with the quality of the offer and the fact that there is not enough choice. However, they sometimes have to do so even though they would prefer to do something else. An Ipsos MORI survey discovered that 53% of people would like to build their own house at some point in their lives, that 7 million people would like to do it in the next five years, and that 1 million would like to start in the next 12 months.

There are a whole range of benefits in this approach. We get much better quality building standards—I am sure the hon. Member for Erith and Thamesmead would approve of this—because people who are investing in their own homes are not doing it to get a margin that they can sell on in the way that, perfectly understandably, a volume house builder tries to do. Rather, they will try to get the highest quality fabric, and the highest thermal performance standards, that they can possibly afford. It also helps the skills agenda. Some people are doing it themselves, while some are commissioning others to do it but often still get involved at some level or other. There is a tremendous opportunity for the apprenticeships programme. Locally built housing causes money to stay in the local economy.

Self-builders are often much more community-spirited. They are much more likely to stay and to become pillars of their local communities; they are the ones who get on to the parish council. It is great for helping the vulnerable. What I find so depressing about the droning I have heard from the Opposition Benches for some years now

is that there is no sign of radicalism. Somebody who goes on to the Community Self-Build Agency's website—I encourage anyone to do this—will read the following on the front page:

"I was encouraged by the local council to apply for the CSBA Scheme, I rang them and said; 'I am disabled, unemployed, on benefits and I know nothing of building.' They said; 'You fit all the criteria!' I have never looked back."

Rod Hackney said:

"It is a dangerous thing to underestimate human potential and the energy which can be generated when people are given the opportunity to help themselves."

That is what this is really about.

I recently spoke to the headteacher of a small, rural high school in my constituency. It is always going to be a small school, because of the demographics, and it finds it difficult to recruit teachers. I told him, "You and the governors could tell a potential recruit in a difficult-to-fill subject, 'If you come to our school, we'll help you create your own house, which you could either rent or perhaps buy from us in the future.' A history teacher could have a library for a couple of thousand books, and an arts and crafts teacher could have a workshop. Do you think that would help you recruit teachers?" He said, "God, yes, it would."

The head of children's services at Norfolk County Council recently told me that it is very difficult to recruit senior social workers with lots of experience of leading teams. Under the Self-build and Custom Housebuilding Act, a county council could register as an association of individuals; a planning authority would then be required to provide them with serviced plots. The potential of the Act is extraordinary. It gives us a chance to change the equation and how things are done.

The hon. Member for Westmorland and Lonsdale said in his opening remarks that we cannot rely on the dysfunctional market. Of course we cannot. It is touching that there are people who think we have a functioning housing market, and the fact that he refers to the market in that way suggests that he is one of them. What we have to do is fix it. In markets, people have real choice. My hon. Friend the Member for Pudsey (Stuart Andrew) said earlier that there have been decades of under-investment. I was going to intervene on him, but I did not, to ask him why he thinks we have managed to have enough shoes for everyone without decades of Government investment in the shoe industry. No one says that we need a national shoe service in order to solve the problem of not having enough shoes. What we need is a market that actually works.

**Alison Thewliss:** Perhaps that is because shoes are not particularly expensive, whereas a flat in London can cost £500,000.

**Mr Bacon:** The word "expensive" is a function of supply and demand, and the word "affordable" is itself deeply laden. If there were enough supply, the price would not be as high relative to income. At present, the average cost of an average dwelling in South Norfolk and in Harlow is about 8.2 times the average income, while in Hertfordshire the average cost is 13.6 times the average income. If we had a market in which supply rose to meet demand, those statistics would not be so out of kilter. That is what we need to fix.

The hon. Member for Westmorland and Lonsdale said that it takes bravery to take the community with you. No, it doesn't! It does not take bravery to stand up for one's constituents and say, "I want you, your family and your children and grandchildren to have somewhere to live, and if we make it beautiful and somewhere that people would welcome, the people in your community would welcome it, too." We have a revolution on its way, and people should get with the programme or get out of the way.

5.42 pm

**Mr Mark Williams (Ceredigion) (LD):** As a former teacher of year 3 children, I will be particularly mindful of your stipulation on time, Madam Deputy Speaker.

It is a privilege to speak in this debate. My only tiny regret with the motion tabled by my hon. Friend the Member for Westmorland and Lonsdale (Tim Farron) is that it makes no reference to Wales. It does, however, make a specific reference to rural communities. I will restrict my comments to the situation on the ground in rural communities, not least in my own Ceredigion constituency.

It is a pleasure to follow the hon. Member for South Norfolk (Mr Bacon). Many of my constituents will appreciate some of his comments about self-build. My only regret is that his Act does not apply to Wales, but there is certainly an appetite for the initiative in parts of my constituency.

Housing responsibility for Wales rests, quite rightly, with the Cynulliad—our Assembly and Government in Cardiff—but I think that many of the concerns I will briefly outline in the time available will resonate across other peripheral and rural areas. I represent a constituency that covers a vast geographical area. It includes 147 small communities and 600 family farms in a sparsely populated part of west Wales. We have talked for many years, emotively perhaps, about a housing crisis, but now is the right time to do so, because that housing crisis exists.

My surgeries, like those of the hon. Member for Erith and Thamesmead (Teresa Pearce), are packed every week with people with housing concerns. More than 2,000 people in Wales have been on the waiting list for more than 10 years, and 90,000 households throughout Wales have been on social housing waiting lists for some time. The homelessness charity Crisis notes that overcrowding in houses in Ceredigion is above average compared with the rest of Wales. There is particular concern about those seeking social housing, of which there is a lack. Young people and young families face very real pressures. Many face the decision over whether they can stay in the community—the broader community, not just the county—and whether there is any accommodation available for them. The response from the Assembly Government has been inadequate. I regret that there are not more Labour Members of Parliament present, particularly those from Wales, although I pay tribute to the hon. Lady and one of her colleagues for being here. There are issues that the Welsh Assembly Government must address in the coming weeks and months.

The housing crisis has had an effect on rural services more generally, as my hon. Friend the Member for Westmorland and Lonsdale mentioned. When we see the reality of communities that depend on seasonal residents and seasonal tourism, not families who live

[Mr Mark Williams]

there week in, week out, we begin to understand the logic behind—and flawed concerns about—the closure of post offices, village shops and long-established banks, and the reduction in viable public transport. There is a vicious circle in the housing crisis. Young families' inability to stay in a community because of housing shortages directly affects its social and economic fabric. We do not want the vibrancy of our communities to be restricted to the summer holidays or new year's eve festivities, but that is the reality.

Our county has seen a programme of village school closures, much of it driven by the Labour Assembly Government's policies, but some of it dictated by declining numbers of schoolchildren in our villages. That is, in part, dictated by the number of young families who are able to stay in our communities without being priced out. That is a direct result of the sale of social housing and the inability to invest adequately, which mean that many people cannot stay in the locality. A few years ago, I remember arguing with the county council about keeping open a school in my constituency: the St John Rhys school in Ponterwyd, in the north of Ceredigion. An integral part of our case that persuaded the local authority to keep the school open was the fact that we could point to new housing development from Mid-Wales Housing Association, one of our social housing providers. We succeeded in keeping that school open, although the numbers are small. The development of that housing association project allowed the school to stay open.

The effect of not getting this right has a much deeper significance and impact on communities. When we read statistics such as those recently provided for my constituency by Savills, which showed that only 22% of my constituents can afford a medium-priced house of £166,000 and that only 52% of two-wage families can afford a property of that price, we begin to understand the enormity of the challenge. We have the widest disparity between wages and property prices anywhere in Wales. That has had a significant effect on the demographic of the community, as the National Housing Federation pointed out in some work last year. The demographic is changing, and the idea of a living, working countryside is at risk.

Last year, the NHF pointed out in an English context that we are seeing the emergence of "pensioner pockets", as communities shift from being a balance of young families and older people to being made up largely of the elderly. That puts added pressure on social and health services, and Ceredigion County Council and Hywel Dda health board have been grappling with that. The NHF has stated:

"All it would take to deal with the acute housing crisis in rural areas is a handful of high quality, affordable new homes in our villages or market towns."

My only hesitation in supporting what the NHF has said is that we will need rather more than a handful.

In my county, the local development plan has identified a need for 6,000 new homes, but there are challenges involved in achieving that. The building of affordable homes is governed by section 106 agreements, but the developer on a modest development must either build the affordable properties first—therefore, by implication, the project will not be as financially lucrative in the short term—or face a 10% levy. Of course, many of our small builders operate their businesses on the margins.

There is an automatic disincentive or cost to the builder. Many I have met—I met one a short time ago in the town of Lampeter—have remarked that that levy, plus some perhaps well-intentioned Welsh Assembly Government legislation on compulsory sprinkler systems in houses, has had the effect of ratcheting up prices by in the region of 30%. That has an impact on affordability, and it also explains why much dormant land has, in effect, been banked and has not so far been developed.

There are some new developments. I am thinking of the 27 units in the village of Bow Street, financed by the housing finance grant initiative, and the 23 units in the village of Felinfach, made possible by the council making land available at less than the market value. It is no exaggeration to say that these projects were snapped up at the earliest opportunity, which is in itself an indication of the challenge that many of my constituents face, as well as the opportunities for them and the realities on the ground.

5.50 pm

**Andrew Bridgen** (North West Leicestershire) (Con): The long-term strength and vitality of the housing market is of great importance to North West Leicestershire. It is the base of three of the UK's leading house builders—Barratt, Bloor and Davidsons—and it is also the home to aggregate industries such as Midland Quarry Products, Breedon Aggregates and Lafarge, which produce a considerable amount of the UK's aggregates requirements. In addition, we have two of the largest and most efficient brick factories in Red Bank and Ibstock Brick. Indeed, it could be argued that no constituency has a greater vested interest in the health of the UK housing market.

With that in mind, I am proud of this Government's housing record, compared with the lamentable one of the Labour party. I can ably demonstrate that with figures from my own constituency. Only 186 new homes were built there in 2010-11, but that figure had more than tripled to 678 new homes completed in 2014-15. I and my council fully expect the figure to be even higher next year—well in excess of 700 new homes a year.

The previous Labour Government's lamentable record extends to social housing. The last social housing built in my district council area was back in 1991. None was built when the Labour party was in power, either nationally or at district level. Indeed, the former Labour-controlled North West Leicestershire District Council wanted to dispose of the council's property portfolio in a stock transfer. Had the newly elected Conservative district council not cancelled the previous Labour administration's planned stock transfer on taking office, we would not have been able to get Government funding to upgrade the 75% of the council housing stock that was left below the decent homes standard after 33 years of Labour neglect, as I mentioned in an intervention. That has been corrected under the Conservatives, and all our houses have been brought up to the decent homes standard and are now equal to the best in the country. I am pleased to tell the House that, instead of disposing of our homes, my council will, under this Conservative Government, build new council-owned homes during its present term. They will be the first council houses to be built in my constituency for 25 years.

One factor we must consider is that this is not just about the quantity of houses built—many hon. Members have spoken about that—but about the quality of homes

we are building. We have all seen the social problems that have in some ways been compounded by poor housing design from the 1950s onwards. We still have at least 140,000 households with children in this country who live on the second floor or above, despite lots of evidence that multi-storey flats attract higher crime rates and social breakdown, potentially offering our children a poor start in life. This Government have wisely scrapped the previous Labour Government's Whitehall targets, which forced local authorities to build high-density flats, rather than family homes and attractive terraces.

In addition, the Government have embraced Building for Life, a hallmark of quality design pioneered in my very own constituency of North West Leicestershire. Building for Life now offers a planning process based on what people care about.

**Mr Bacon:** It sounds to me as though my hon. Friend has visited [buildforlife.org.uk](http://buildforlife.org.uk), the website of the all-party parliamentary group on self-build, custom and community housebuilding and place-making.

**Andrew Bridgen:** Indeed. My hon. Friend will know that a couple of years ago I hosted the Building for Life function in the House of Commons, which was attended by the Housing Minister of the time. This is something that I very much believe in. One of my sayings is that Building for Life is not just about building houses, but about building communities. That is what we are doing in North West Leicestershire.

People care about privacy, private space, amenities and safety. Building for Life focuses on such fundamentals. It offers community-focused design tools that aim to ensure that existing and new residents are happy with the development and, therefore, raise minimal concerns about the impact of the new development. Importantly, it also offers home builders the opportunity to work with the planning authority ahead of an application to make sure that those shared objectives will be met, which makes for a more streamlined planning process. It is clear that good design is vital to avoid the mistakes of the last century, which have led to ugly and crime-ridden tower blocks and sink estates.

With that in mind, I encourage the Government to do all they can to help local authorities lodge their local plans and to offer clear guidance on what is required of them. My authority is having problems ascertaining what house building levels are expected of it and in calculating the five-year land supply. I urge the Minister to consider whether the Planning Inspectorate should look at the number of permissions that are granted by a council, rather than simply at the build rate, which is not necessarily within the council's control. I would appreciate a meeting with the Minister at his earliest convenience to discuss these matters.

Turning to the Liberal Democrats' housing plans, their manifesto claimed that they had a target to build 300,000 homes a year and 10 new garden cities, but there was no credible detail on how that would be delivered in reality. They say that this Government have chosen to keep the broken market broken, without acknowledging that since 2010, partly with their help, more than 700,000 additional homes have been provided, the number of empty homes is at its lowest level since

records began, the number of affordable homes is growing at the fastest rate since 1993 and council house starts are at a 23-year high.

**Brandon Lewis:** My hon. Friend outlined clearly what a good Conservative authority can do to deliver housing. I would be very happy to meet him at an early opportunity to discuss the situation that his council is in, as it tries to do the right thing by its community.

**Andrew Bridgen:** I thank the Minister for agreeing to a meeting. I hope that he and our Liberal Democrat colleagues will bear it in mind that if every constituency in the country was completing homes at the same rate as North West Leicestershire, there would be more than 450,000 new homes this year, which is one and a half times the Liberal Democrat target.

**Bob Stewart (Beckenham) (Con):** With his great expertise and knowledge of house building, would my hon. Friend ever contemplate building on the green belt?

**Andrew Bridgen:** There is no green belt in my constituency, but there is a green wedge, which is a valued area of separation between Coalville and the villages of Swannington, Whitwick and Thringstone. In a recent survey, it was claimed to be the most valued green space in the whole of Leicestershire. It is under threat from developers at the moment and we wish to defend it from that.

**Bob Stewart:** So the answer is no.

**Andrew Bridgen:** Indeed.

The Government have announced that there will be 400,000 new affordable homes and they aim, as the Minister mentioned, to have planning permission in place on 90% of suitable brownfield sites by 2020.

In summary, it can be seen from my constituency that the Government are delivering not just houses, but good-quality, well-designed homes that will provide much more social benefit and a better quality of life than many of the estates that were constructed in the past. Thanks to our long-term economic plan, house builders and home seekers have greater confidence to build and to purchase than at any time in the last decade.

The shadow Minister said in response to an intervention that I was obviously proud of my constituency. Indeed I am. Whether it is in housing, the fact that my constituency is delivering the highest economic growth outside London and the south-east, or the fact that unemployment is at an historic low of below 1%, I assure her that where North West Leicestershire leads, everyone else would be very wise to follow.

5.59 pm

**Greg Mulholland (Leeds North West) (LD):** It is a pleasure to take part in this debate and to follow the hon. Member for North West Leicestershire (Andrew Bridgen), and it is good to hear that positive things are happening. During debates on important subjects—albeit on an Opposition day—it is important to acknowledge the gravity of the challenge that we face as a nation in addressing the housing crisis. We must consider that in a serious way, rather than just score party political points.

[Greg Mulholland]

The housing crisis has not been properly dealt with by Governments in the past, and the lack of contributions to this important debate from Back-Bench Members from all parties is disappointing. Whatever positive things may be going on in certain parts of the country with certain sectors of the population, more people in my surgeries mention housing than any other issue, and every week families come to me who are living in unacceptably overcrowded social housing.

We are desperate for more social housing in Leeds, and to pin all our hopes on this extraordinary—and in my opinion disgraceful—extension of the right to buy, not to the state but to housing associations, will make that worse not better. At the same time, what is happening in Leeds shows not only a lack of balance but real confusion from this Government. Although he is no longer in his place, my neighbour, the hon. Member for Pudsey (Stuart Andrew), knows full well the frustrations of the national planning system. In his constituency and mine, the current planning system sometimes gives carte blanche to developers to develop greenfield sites, because we do not have the brownfield sites and the kind of houses that we need.

Although a number of houses are being built, if we build expensive housing in already popular areas—that is what developers want to do and it will not be solved by the market—we will end up with more expensive housing, which those who do not have access to housing, be they in private rented housing or social housing, or trying to get on the housing ladder, could never have considered buying in the first place. That does nothing for the housing crisis even though it leads to more housing, and the Government must be more honest about that.

The target of 300,000 new homes a year is perfectly achievable, but it is just as important to ensure that we focus that on the right kind of housing and in the right places. At the moment that is not happening sufficiently, and I look forward to hearing more about how Ministers will achieve that. We hear consistently from the Minister and his colleagues that brownfield development is being prioritised and incentivised, but that is not happening in Leeds, and I look forward to hearing how it will happen over the next few years. We need bold thinking on garden cities and not to have that shot down, and there is support for some of the areas suggested by the Liberal Democrats in their manifesto, including between Oxford and Cambridge—a great part of the country and an area of particular demand—and for a garden cities railway.

On the right to buy, why is there a blind spot for those people and families—including, in some cases, single parents—who work incredibly hard bringing up children on very low incomes and who are stuck in the private rented sector? Where is the hope for them? In many cases, their only hope is to get into a more affordable social home—a council house, as people in the north of England call houses that are owned by the local authority. Frankly, I have heard nothing from the Minister today that will give that huge section of the population any hope. Until they can get a council house—and that means building more of them—those people simply will not have that possibility. The idea of them getting enough money for a deposit is cloud cuckoo land.

**James Cartledge:** The hon. Gentleman makes a very important point, with which I strongly agree, about institutional investment. Does he not accept that one of the big factors that will eventually lead to greater choice and supply in the private rental market is institutional money coming in and building large-scale development for rent, which is happening now across the country?

**Greg Mulholland:** That is an intelligent intervention and a sensible point. Of course I agree, but that does not build council houses and it does not give people hope. It creates more private rented accommodation, but it does not deal with the problem these people face.

We talk about wanting local authorities to build more council houses. That is not some crazy left-wing idea; it is investment. It is the state building and investing in property. As everyone knows and would agree, it is a very good investment not only for housing associations but for councils and for innovative schemes. We need to see an increase in the ability of local authorities to invest in that way. I have been very critical of the Labour-run council in Leeds. Councils—certainly Leeds City Council—are not using the powers they have to borrow. That is very disappointing, particularly as we need to get away from the idea of social housing being on council estates. Social housing should be integrated. We need to integrate our towns, cities and villages. I have pressed Leeds City Council to purchase properties, using the money it has and the powers given to it by the coalition Government, in and around the place and to get away from having all our social and council houses together. That approach should be consigned to the past. I again call on Leeds City Council to use the powers it has to buy up properties, particularly in LS6.

**Kelly Tolhurst (Rochester and Strood) (Con):** Would you agree with me that your council could take guidance from Medway Council, a Conservative-run council that has been building council houses for the first time in a long time? It has smashed its own targets on affordable housing, delivering far more than our percentage target over a number of years. Do you think that your council could take advantage of Medway Council's experience in delivering in this area?

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. I do not want to interrupt the hon. Lady, but this happened yesterday five times and it has happened today three times. When you use the word “you” you are referring to the Chair. The hon. Gentleman is the hon. Gentleman and his council is his council. It is like the eight minutes—you just use the third person. We are back to year 3 again.

**Greg Mulholland:** Thank you, Madam Deputy Speaker. I welcome the intervention from the hon. Lady, and indeed anything that will get Leeds City Council building more and using its powers. We need to learn from best practice everywhere and from councils of any colour.

My final point is that the planning system is not set up to deliver the solution to the housing crisis. Deregulating and making it easier for developers to build on green belt and greenfield sites will not help. I share the criticism of the housing targets and the fact that Leeds City Council will not revise its target. I have campaigned with my neighbouring MPs and with Wharfedale and

Airedale Review Development, which highlighted the flaws in the council's case. At the same time, WARD is very clear that there need to be changes in the planning system. It feels that, because of the planning system and the way that developers are able to exploit it, Leeds City Council will not stand in the way of developers. I again ask the Minister to look at my National Planning Policy Framework (Community Involvement) Bill, which came up with a number of solutions last year on how we can give more specific powers to communities and councils; look at housing targets not on a council but on a regional level; allow co-operation; and do more to put into practice the words from the Minister about ensuring that we incentivise development on brownfield sites.

The balance is not right on either the planning system or housing. Until the Government accept that and stop hiding behind the dangerous gimmick of the right to buy, it will leave many sections of our society with no way out of this housing crisis.

6.9 pm

**Julian Knight (Solihull) (Con):** The crux of the problem that we face, and which we have faced for many years, is the fact that we do not build enough homes. I can count on the fingers of one hand the number of times we have built enough homes to meet the formation of new households, whether that is the result of divorce or the fact that we lead more solitary lives with more solitary households. Perhaps migration features around the edges, but those are two quite major issues. That means that we have not built anywhere near enough houses. This is not a new phenomenon, as it is a generational issue.

Many social aspects have been touched on by other hon. Members, so I shall discuss the considerable economic damage caused by building too few homes. It exacerbates the north-south divide, and means that demand for land and housing is concentrated in the south-east and they become more expensive, which damages the mobility of labour. It also leads to boom and bust. The recession of the late 1980s and early 1990s was domestically driven, and was caused by the shock of interest rate rises to combat inflation caused by an asset bubble.

An asset bubble in housing skews the way in which people invest in other assets. We have a low propensity to save partly because of the housing asset bubble and the fact that it predominates in our personal finances. It drains money away from other assets, and interest rates are kept artificially low, because of the debt that comes with housing. That is why we have so few savings, and so little confidence in our pension system. The housing asset bubble also divides the generations, and we can see that acutely today—many of us will have seen it in our surgeries.

Owning a home is a great thing, and is a moral good that has raised the wealth and life chances of millions. Like many Conservative Members I am from a council house background. Without the property-owning democracy of the 1980s, I would not be standing in the Chamber today, such are the opportunities that have arisen in my lifetime for my family.

**Mr Bacon:** Does my hon. Friend—by the way, I was born in his constituency, in Browns Coppice Avenue—think that it is instructive that we have heard a number of contributions from Conservative Members who were

brought up in council houses? Those who strongly oppose the right to buy, although some of them are no longer in the Chamber, come from a wealthy background, and have been to top public schools. Whether or not they might one day have the chance to own their own home has never been an issue.

**Julian Knight:** I completely agree. It is ridiculous politics for people on the housing ladder to seek to pull it up and not allow others on. That is terribly two-faced, and entirely wrong.

Help to Buy is a fantastic innovation and is a good measure for an emergency. Our housing industry was dying, which is why we introduced it. The Government should be commended for continuing with that policy. Social mobility is aided by the measure, but this is not a demand issue. It is a problem of supply.

**James Cartlidge:** My hon. Friend is making an excellent speech. He is the first person to make the wider point that I think we should focus on, which relates to issues such as the pensions system and the price of money. We often talk about supply, but the price of money is an issue too. After the crunch there was a complete collapse in economic activity, and Help to Buy was given a huge boost, with maximum prices of £600,000 and so on, which was necessary to rescue the economy from what would have become a depression.

**Julian Knight:** My hon. Friend is absolutely correct. Help to Buy is very similar to the car scrappage scheme, which helped to rescue a major industry in 2008-09. The measure was introduced to allow house builders to get rid of dormant stock. As an economy, we are held captive by the lack of supply. Responsible Governments look at the supply side—that is what we did in the 1980s—for solutions, and that is what we are trying to do. We are trying to get more homes built: the Government aspire to 200,000 a year, or 1 million in total. It is good to have stretching goals, but if we could just produce enough for the new families being formed, that would be satisfactory. In my constituency, we are stepping up to the plate. We have a local plan in place, unlike many areas represented by Opposition parties. We have met the challenge and are looking to build more homes, be it through direct build, right to buy or getting housing associations to build more homes—they have not been building enough. I believe that devolution, through the combined authorities, can also help.

Finally, I turn to our opponents. The hon. Member for Erith and Thamesmead (Teresa Pearce) said she did not want to trade statistics, so I will not delve into them, but I will say one thing: the real shame of the 1997-2010 Labour Government was that their flagship policy was home information packs. That was basically it on housing. All those people waiting on the housing list, looking for a home to follow their dreams, had to wait, because the homes were not being built for the households being formed.

Labour has commissioned a report into housing, as it did in 2004, and I presume that this time the findings will again be ignored. I will be interested to read the report—I do welcome it—but instead of commissioning a report, the Government are getting on with building houses. They can truly say, “We are the builders”.

6.16 pm

**Rachael Maskell** (York Central) (Lab/Co-op): I want to bring this debate back to the reality I see in my surgeries week after week, as families come to me pleading for help.

Last Friday, a family with two children came to see me. The father had become ill and had lost the ability to pay his rent in the private sector. He is now living with his family of four in a hostel for the homeless. His children are stigmatised by that experience. That is no way for children to grow up in our country. It is a family full of aspiration who just want a home of their own—somewhere safely to bring up their children. Following that, an intelligent gentleman came in. He was homeless. He was desperate to get a job, but he needed a home. He was desperate to get a home, but he needed a job. He was in a vicious circle. Homelessness, as we have heard, is on the increase, and that is unacceptable.

Those are not unique stories. I am confronted by similar ones every week. In York, 1,624 people are desperate for a home, so I want to reflect on the housing crisis there, some of the challenges and some of the fortunes we could turn around. Over the past 10 years, York has built only half the number of homes it needs. We need to be more ambitious. The housing market in York is collapsing, and people are being forced into the private rented sector because there is not enough social housing available. Some 26% of housing in my constituency is now private rented. The average price of a private rented house in York is £988 per calendar month—we are moving up rapidly to London-style prices—but the average wage is just £473, which is way below the national average. People aspire to a home of their own, but social housing is not available and they cannot engage in the private rented sector.

**Julian Knight:** Is the hon. Lady aware that in some parts of the country, such as Hull, the private rented sector is actually cheaper than the social rented sector? In some parts of the country, the private rented sector is sometimes a better option.

**Rachael Maskell:** That is not the experience in my constituency, where people are being priced out of the city, which is having an impact on the local economy. Businesses are saying that it is really difficult to recruit and retain the vital staff they need because people cannot afford to live in our city. The NHS requires improvement, not on account of the excellent care provided by NHS staff, but because it is unable to recruit the staff it needs—doctors, nurses and physiotherapists.

Our care sector, too, is in crisis at the moment because careworkers cannot afford to live in our city. It is impacting on discharges from hospital. I know of someone who was in hospital for seven months, trying all the time to get out. We have seen care homes shut down, and we know that it costs more to keep people in the NHS than to care for them in the community, but if we do not have the care staff in the community, people are going to be left in hospital, which is totally unacceptable. What is happening to our public services and to businesses in our city is impacted on by our housing crisis.

We know how much demand there is for homes. We have two universities in the city, which means 22,000 students all looking for homes, on top of the 1,624 people

who simply do not have a home in our city at the moment. Under the Government's right to buy scheme, the situation is going to get worse. The City of York Council will be asked to sell just short of 1,500 homes. It will stretch opportunity further and further away from people because of the price of housing in our city.

We have heard a lot about the opportunity to buy homes, but again this is largely inaccessible for many people in York. Starter homes can cost £209,000 and we know that people cannot afford the deposits. An average income of nearly £59,000 is required, but the average wage in York falls less than half of that. Buying does not provide the solution that people in my city are looking for.

It is not all bad news in York. We have a great opportunity because of the "York Central"—not to be confused with my York Central constituency—which is a 72-acre brownfield site looking to develop alongside the expansion of the National Railway Museum and the enterprise zone, which is coming in to build the opportunities for business in the city. The problem with the "York Central— Site, which is public land partly owned by the City of York Council, Network Rail and the museum, is that the council is looking at developing somewhere between 1,000 units and 2,500 units, depending on the size of the business area, but for high-value apartments. That will not at all address the social needs of my city. We are told that building on the site will be expensive because it is a brownfield site and that social housing cannot be considered. Expensive infrastructure in the form of access roads is necessary. The local housing associations have said that they simply cannot afford to build there. The situation is challenging, which is why I ask the Minister to look again at the principles of how to develop housing on brownfield sites as we move forward.

The reality in York is that recent housing developments are being sold off so that people can come and have somewhere to stay on race days. People have bought homes to use at the weekends or for holidays, or for commuters to use so that they can reduce the time of the journey down to this city to less than two hours, but none of that helps the 1,624 people who are on my city's housing waiting list. The opportunity to build houses will be lost if we do not change planning priorities.

I would like to see put behind all planning an analysis of the housing need in the city, and, secondly, an analysis of the impact on the local economy of what is happening in the housing market. Then we should use those priorities to apportion the way in which housing is developed. I am calling on York First to make sure that the priorities of the people who live in my city are taken into account, so that housing on public land can address their needs. We first need to ensure, then, that the priority is building homes for the most vulnerable in our community—the elderly and the homeless, for example—and making sure that supported housing is affordable. We also need homes for social rent, which is the aspiration of so many. We cannot ignore the real needs of people who simply want a roof over the heads, and are being denied that at the moment. And, yes, we can then build starter homes and other homes. We know that that is possible. The Joseph Rowntree Housing Trust, for instance, has a fantastic development in our city, Derwenthorpe, to house a mixed community.



I ask the Minister to ensure that the Government think about the priorities of the city, rather than the priorities of those who want to make an asset out of land.

6.25 pm

**Mims Davies** (Eastleigh) (Con): I think that everyone has been delighted to contribute to the debate, and I am pleased to see that a quarter of the parliamentary Liberal Democrat party is present to appreciate it. [HON. MEMBERS: "One less now!"] I spoke too soon.

Like those of others who have spoken today, my inbox is full of e-mails from people who are worried about housing issues, including the need for housing to be built. Such issues unite Members across the Chamber. It is true that families need homes, but it is also true that development must be balanced with the way in which our communities exist. Reconciling those two great and important demands is a challenge to which the Conservatives are rising. I must add that I was disappointed by the release of the draft options plan for Eastleigh on 23 December, just before Christmas. That was both disingenuous and against the spirit of the Localism Act 2011.

Home ownership is fundamental to our society, and it is very important to our party. I am proud to be a member of a party that gave 5 million council tenants the right to buy their homes. At the time of the election, and afterwards, I heard from many housing association tenants who were delighted to have the opportunity to make their space into a home of their own. Of course, our party's policies will require the necessary amount of housing stock to be maintained. The number of new affordable and social rented homes has increased by more than two thirds in the last 12 months, but the picture has become slightly distorted in some parts of the country. Some residents feel locked out when it comes to housing in their communities.

**Steve Brine** (Winchester) (Con): I thank my long-term neighbour for giving way. I am glad that the leader of the Liberal Democrats has arrived to return his party's representation in the Chamber to a quarter. He said earlier that he needed to take people with him. Does my hon. Friend agree that it is not "taking people with you" to have a local plan and a borough consultation in my constituency that excludes Chandler's Ford? The people who live there have been locked out of the consultation.

**Mims Davies:** I think my hon. Friend must have read my speech. I was about to say that people in Eastleigh felt locked out of the local planning process by a complacent council that is not listening to residents and taking them on the planning journey. No neighbourhood plans are being subjected to a referendum. Residents have not been encouraged to take part in the process; indeed, I would say that Eastleigh Borough Council has barred them from it. My inbox is full of correspondence from frustrated constituents who want to play their part in the provision of homes, but do not feel part of the process. The council is riding roughshod over where the homes should be built.

The other day I went for a ramble through the most beautiful countryside, with a view of Winchester. I walked along highways and byways, past horses and

cows, and reflected that this was the area where 3,500 homes are due to be built following the publication of the "Issues & Options" paper to which I referred earlier. I think it is entirely wrong that residents learned about that proposal just before Christmas, when present-buying, rather than house-buying, was their priority.

We need a strategic oversight for the housing of people throughout Eastleigh, and the lack of a local plan is very disappointing. However, I welcome the neighbourhood plans from Botley, which I have encouraged, and from Bishopstoke, where it has been recognised that most of the parish could be concreted over. When I spoke to the Minister yesterday, he agreed with me that the best way of providing housing locally was a locally adopted plan, and I am pleased that Eastleigh Borough Council has provided one for my constituents. They have waited for it for some time, and I want to ensure that it is not simply a rehash of the last one.

We must accept that housing is important and put it in the right context. When the Conservative coalition came into office in 2010, we inherited a housing crisis, and let us not forget that it continues today in Eastleigh because of the Liberal Democrats. So what is the future for the borough? We want homes that our children can afford, we need the right starter homes and we need to prepare the right brownfield sites. One such site in Eastleigh is about to become available, after some delay, for a new McDonald's and new offices, but it should be used for starter homes in our community, and an Eastleigh residents group is fighting to achieve that aim. Housing is the No. 1 issue in my inbox. People are concerned about where the homes should be and how they should be built, and I believe that this Government are tackling the issue in the right way.

6.30 pm

**James Cartledge** (South Suffolk) (Con): I declare my interest as a director of a shared ownership property portal and a mortgage broker. I want to make a couple of points about second-hand supply, which is often overlooked, and about estate regeneration, for which the Prime Minister has set out a very bold agenda. All the statistics show that there is a record low in the number of instructions to estate agents in the second-hand market. That is actually one of the main crises that we are facing, because the second-hand market forms such a large part of the market.

However, there is evidence that hope might be around the corner. We have recently heard a prediction from the National Landlords Association that 500,000 extra properties will come on to the market this year because of the buy-to-let tax changes and other changes that we are bringing in. I will put my neck on the line here and say that those measures represent the single most radical change that this Government have introduced so far, in the light of the wider impact that they will have. It is extraordinary to note, however, that just as it appears that those changes could have an impact, someone out there is going to go to court to try to stop them. I am of course talking about Cherie Blair. Looking at Blair Inc., we see that when Tony Blair finished as Prime Minister, he went round the world advising dodgy dictatorships, and that Cherie Blair is now going to lead a court action on behalf of, and defending, the rentiers. That is an interesting legacy indeed. It proves that champagne socialism is not yet dead.

[James Cartlidge]

On the regeneration agenda, I am proud that the Prime Minister has seized this important opportunity. He has set out plans to provide £140 million to transform 100 of our very worst estates. The theory behind estate regeneration is clear: it is that we can rebuild the very worst estates in the country and yet deliver a higher density of homes, thereby providing more housing for those who need it. That is an incredibly powerful agenda. Some will say, “Well, that all sounds very good in theory, but in practice those are people’s homes.” Developing those estates is not easy.

As the chairman of the all-party parliamentary group on housing, I have had the privilege of visiting two major estate regeneration schemes in recent weeks: Woodberry Down in Hackney, and Elephant Road at the Elephant and Castle. In both cases, I saw the practical reality on the ground: we have rebuilt terrible sink estates with higher density housing of better quality and with a better eco-rating. We should be seizing this agenda. There is a link between the changes that we are bringing in on buy to let and the estate regeneration agenda.

**Bob Stewart:** Given my hon. Friend’s great expertise on this matter and my lack of knowledge, could he enlighten me as to what happens to the people who live on a sink estate when it is brought down and rebuilt? What happens to those people while they are having their homes rebuilt?

**James Cartlidge:** This is very simple. My hon. Friend is an expert on decanting, I think, and the answer to his question is that we decant them. That is the technical term. I am sure that this will be interesting to him, and I am sure that I know what he keeps in his decanter. It is probably the same nationality as his wife. The process is difficult, however, because we do have to decant those people. One solution, which we saw at Woodberry Down, is to build the new housing and decant the people in stages. We saw another solution at the Elephant and Castle, which was difficult but there was no alternative. It was to allow the estate to run down and become empty over time. That is the toughest part of the process.

The details of regeneration are incredibly difficult, as my hon. Friend the Housing Minister will know. However, the aim—which is the same as that of our policy on buy to let—is a one-nation Conservative housing policy that is about revitalising our worst estates and extending opportunities to first-time buyers, and if that hits some of those buy-to-let landlords, all I can say is that I wish them good luck in court but I believe we need a housing policy that is on the side of those who aspire to own their own home.

6.34 pm

**Tom Brake** (Carshalton and Wallington) (LD): First, I thank everyone who has contributed to this good-natured debate, leaving aside the unfortunate references to the size of the Liberal Democrat party. We can live with that for the next four and a half years, and we look forward to 2020 and seeing the Conservative Benches severely depleted.

We have heard contributions from a number of Members, and I hope to make a brief reference to each. My hon. Friend the Member for Westmorland and Lonsdale (Tim Farron) set out why lives are blighted, insecure and unfulfilled without housing. He rightly dwelt on the

coalition Government’s record, which was in some aspects very positive, particularly on empty homes—all Members have campaigned on that, because it is such a waste of resource—and on scrapping the planning guidance. In a meeting with planning officers a few days ago, they described how the guidance had shrunk, and that is clearly welcome. My hon. Friend also focused on the negative impact a lack of housing has on rural communities.

I thank the Minister for his thanks for what the Liberal Democrats contributed in the coalition Government. I intervened on him to ask whether he would confirm how many social homes had been built during the time the debates he mentioned had taken place, but he did not give me that answer—I suspect it was probably not many more than the number of those debates. He focused on Eastleigh and it is worth pointing out, just in case any Members were of the opinion that nothing was happening on the local plan in Eastleigh, that it is being consulted on it at this very moment.

The hon. Member for Erith and Thamesmead (Teresa Pearce) spoke for the official Opposition and referred to the fact that starter homes should be additional, and I agree with her. There is nothing wrong with a starter homes initiative if it is part of a package and provides additionality. She referred to the skills shortages and helpfully referred to what the Liberal Democrat London mayoral candidate, Caroline Pidgeon, is planning.

The hon. Member for Pudsey (Stuart Andrew) is no longer in his place, but he said that everyone has the right to a decent home, and I completely concur with him on that. That of course applies whether they can afford to buy their own home or whether they cannot and need to rent an affordable home. He touched on the issue of the sustainability of housing, and I am sure that is key in his area. There is no point in building housing that is not sustainable, particularly in areas where flooding is prevalent.

The hon. Member for Glasgow Central (Alison Thewliss) is no longer in her place, but she presented a glowing picture of the housing situation in Scotland under the Scottish National party. She did not, however, refer to figures from June 2015—it may be that things have moved on since then—when there were 150,000 families on the waiting list for a decent place to live in Scotland, and there were 1 million people suffering fuel poverty and 60,000 overcrowded homes. The picture is not quite as glowing as the one presented earlier.

The hon. Member for South Norfolk (Mr Bacon) complained that, although our motion contained a reference to self-build, my hon. Friend the Member for Westmorland and Lonsdale did not refer to the issue. Of course, the hon. Gentleman will know that that was because my hon. Friend knew that the hon. Gentleman was going to concentrate exclusively on the subject of self-build in his speech and in a series of interventions, so he should be grateful to my hon. Friend for allowing him to focus on that in the way he did.

My hon. Friend the Member for Ceredigion (Mr Williams) focused on rural communities and rural services, and the impact that seasonal tourism can have on a range of services and the social fabric in areas where it means many homes are unoccupied at other times of the year.

The hon. Member for North West Leicestershire (Andrew Bridgen) rightly focused initially on Labour’s

poor track record over a 13-year period in its level of contribution to housing stock. He also focused on the importance of good design. That is particularly true, as I suspect that many of the developments we are going to see in future years will be at a higher density and therefore the design will need to be of even better quality.

My hon. Friend the Member for Leeds North West (Greg Mulholland) talked about prioritising brownfield sites. Well, I have been a Member of Parliament for 18 years, and for each of those 18 years there has been a call for brownfield sites to be prioritised. It seems as though we have never quite got to the point where it has happened. He also pointed out that councils can take advantage of their borrowing powers—certainly my local council has done this—to invest in council housing. Like him, I regret the fact that his local authority has not done so. He also referred to his excellent National Planning Policy Framework (Community Involvement) Bill, which he would like all Members to support for the good ideas that are contained therein.

The hon. Member for Solihull (Julian Knight), who is in his place, praised Help to Buy, which was an excellent coalition policy that continued into this Government. The scheme clearly has made a contribution at a difficult economic time, where the market was dead, the skills associated with house building were being lost and something needed to be done, and the Government acted on that.

The hon. Member for York Central (Rachael Maskell) mentioned the impact on businesses when employees cannot afford to live in the city in which they work. That is not just an issue for York. At the first meeting organised around the mayoral hustings for London, we heard about a large firm of accountants—a household name—that was having to find accommodation for their young employees, as those employees could not find anywhere in which they could afford to live, so affordable housing is a big issue for employers in London. As she pointed out, it is regrettable that, when there are sites that could provide a substantial level of affordable housing, very little, if any of it, ends up being used for social housing. In London, for example, New Scotland Yard has been bought up by a developer from Abu Dhabi for £370 million. The starting price for a flat is just below £1 million. I do not know whether there will be any affordable homes in that development. Clearly, that is a huge missed opportunity.

The hon. Member for Eastleigh (Mims Davies) had a number of pops at her Liberal Democrat councillors. I simply point out to her that the local plan in Eastleigh is under consultation, and I hope that she is encouraging her constituents to take part, either by email or in writing.

The hon. Member for South Suffolk (James Cartledge) talked about the importance of regenerating estates, which is essential, and can work effectively. In the London borough of Sutton, we have a good example in the Roundshaw estate, which was completely regenerated under Labour's single regeneration budget, and it works very well. The residents of the old estate—it is the concrete monstrosity with 1960s tower blocks and aerial walkways that features in "The Bill"—wanted to stay on the estate, and were able to do so. The scheme was a total success. We need to regenerate, but, at the same time, maintain our communities.

In my last couple of minutes, I should like to comment on a couple of things that have not been mentioned in as much detail as I would like. The first is supported housing, to which I and the hon. Member for Erith and Thamesmead referred. I hope that the Minister will listen carefully to this, because it is an issue to which the Government need to respond. In my constituency, I had a meeting with Transform Housing and Support and Langley House Trust that provide supported housing. They are very concerned about what will happen from April 2018 onwards when they will receive the housing revenue account figure only for that particular area. They say that they will not be able to provide supported housing. One housing association predicts that it will lose 300 units. I hope Ministers will listen to that concern and look carefully at the position. We do not want to see ex-offenders turfed out on to the streets because their housing providers cannot continue to meet their housing needs. That will not help the Prime Minister's drive to cut reoffending rates.

On environmental standards, to which we heard reference, the Liberal Democrats pushed hard on that in coalition and made it a priority. It did not last very long once the Tories came to power. It is clear that the Prime Minister's beloved huskies have been taken out and quietly shot. As the Wildfowl and Westland Trust requests, we should not neglect the quality of new housing from the perspective of resilience and environmental sustainability. When building new homes, we should have regard to natural resilience, such as sustainable drainage, which is vital for flood mitigation. We also need to have regard to carbon emissions and energy costs. What is the point of cutting the cost of new build by a fraction, thereby guaranteeing extra energy costs associated with heating that home for the next 50 or 60 years? That is what the Government have done by scrapping the zero carbon homes initiative.

I do not want to say that everything is bleak and there are no good opportunities out there. There are, and my local authority has taken advantage of them. It took up the ability to borrow and is building an extra 140 council homes as a result. It has set up a company, Sutton Living Ltd, which will build homes across all tenures—homes for sale, which will subsidise homes for affordable rent. That will provide hundreds of new homes.

In conclusion, I do not always agree with the Institute of Economic Affairs, but I share its view that unless we address the supply problem, we will not bring down prices or ensure wider home ownership. The Government's plans do nothing to address the scale of the supply problem for would-be homeowners on lower or middle incomes, and their ideological opposition to social housing will ensure that the supply of affordable homes is cut. We often hear from the Government Benches the refrain "the long-term economic plan". What families in overcrowded homes and young people still living at the hotel of mum and dad want to hear echoing round this Chamber is a long-term plan for housing. That is what we offer in our motion and what the Government have failed to provide. I commend the motion to the House.

6.47 pm

**The Parliamentary Under-Secretary of State for Communities and Local Government (James Wharton):** What a fascinating debate this has been. It was opened

[James Wharton]

by the hon. Member for Westmorland and Lonsdale (Tim Farron) with a detailed speech containing the concerns that he wanted to raise.

I welcome the contribution from the shadow Front Bench—not for its content, but for its tone. At least it was positive in its approach to a very serious issue. Of course, I welcome the excellent comments from my hon. Friend the Minister for Housing and Planning, who covered nearly every topic that was then discussed by hon. Members.

When my hon. Friend the Member for Eastleigh (Mims Davies) rose to speak, half of those on the Liberal Democrat Benches exited in fear of her incredible reputation for bringing down those of that party political colour.

My hon. Friend the Member for Pudsey (Stuart Andrew) spoke passionately about right to buy, what it meant to him and why it matters. How any hon. Member, almost all of whom will own at least one property of their own, can oppose assisting others to do the same is anathema to me, and I am sure it comes as a shock to my hon. Friend.

Having listened to the comments of my hon. Friend the Housing Minister, I do not think there is much that needs to be added to a comprehensive tour de force that explained why this is a one-nation Government who will build more homes, meet more aspiration, fight to deliver on our objectives and deliver our long-term economic plan. This is a Government who know what they are doing on housing, know where we are going on housing, and will make a real difference to all our constituents when they deliver on that plan.

*Question put.*

*The House divided: Ayes 15, Noes 274.*

### Division No. 189]

[6.49 pm

#### AYES

Campbell, Mr Gregory  
Carswell, Mr Douglas  
Clegg, rh Mr Nick  
Durkan, Mark  
Farron, Tim  
Hermon, Lady  
McDonnell, Dr Alasdair  
Mulholland, Greg  
Pugh, John

Ritchie, Ms Margaret  
Robinson, Gavin  
Shannon, Jim  
Simpson, David  
Williams, Mr Mark  
Wilson, Sammy  
**Tellers for the Ayes:**  
**Tom Brake and**  
**Mr Alistair Carmichael**

#### NOES

Adams, Nigel  
Afriyie, Adam  
Aldous, Peter  
Allan, Lucy  
Allen, Heidi  
Andrew, Stuart  
Ansell, Caroline  
Argar, Edward  
Bacon, Mr Richard  
Baker, Mr Steve  
Baldwin, Harriett  
Barclay, Stephen  
Baron, Mr John  
Barwell, Gavin  
Bebb, Guto

Bellingham, Sir Henry  
Benyon, Richard  
Beresford, Sir Paul  
Berry, Jake  
Berry, James  
Bingham, Andrew  
Blackman, Bob  
Blunt, Crispin  
Boles, Nick  
Bone, Mr Peter  
Borwick, Victoria  
Bradley, Karen  
Brady, Mr Graham  
Brazier, Mr Julian  
Bridgen, Andrew

Brine, Steve  
Brokenshire, rh James  
Bruce, Fiona  
Buckland, Robert  
Burrowes, Mr David  
Burt, rh Alistair  
Cairns, Alun  
Cartledge, James  
Cash, Sir William  
Chalk, Alex  
Chishti, Rehman  
Chope, Mr Christopher  
Churchill, Jo  
Clark, rh Greg  
Clarke, rh Mr Kenneth  
Cleverly, James  
Clifton-Brown, Geoffrey  
Coffey, Dr Thérèse  
Colville, Oliver  
Cox, Mr Geoffrey  
Crabb, rh Stephen  
Davies, Byron  
Davies, Chris  
Davies, David T. C.  
Davies, Glyn  
Davies, Dr James  
Davies, Mims  
Davies, Philip  
Dinage, Caroline  
Djanogly, Mr Jonathan  
Dorries, Nadine  
Double, Steve  
Doyle-Price, Jackie  
Drax, Richard  
Drummond, Mrs Flick  
Duncan, rh Sir Alan  
Duncan Smith, rh Mr Iain  
Dunne, Mr Philip  
Elliott, Tom  
Ellis, Michael  
Ellwood, Mr Tobias  
Elphicke, Charlie  
Eustice, George  
Evans, Graham  
Evennett, rh Mr David  
Fabricant, Michael  
Fallon, rh Michael  
Fernandes, Suella  
Foster, Kevin  
Fox, rh Dr Liam  
Frazer, Lucy  
Freeman, George  
Freer, Mike  
Fuller, Richard  
Fysh, Marcus  
Gale, Sir Roger  
Garnier, rh Sir Edward  
Garnier, Mark  
Ghani, Nusrat  
Gibb, Mr Nick  
Gillan, rh Mrs Cheryl  
Glen, John  
Goodwill, Mr Robert  
Gove, rh Michael  
Graham, Richard  
Gray, Mr James  
Grayling, rh Chris  
Green, Chris  
Green, rh Damian  
Greening, rh Justine

Grieve, rh Mr Dominic  
Griffiths, Andrew  
Gummer, Ben  
Gyimah, Mr Sam  
Halfon, rh Robert  
Hall, Luke  
Hammond, rh Mr Philip  
Hammond, Stephen  
Hancock, rh Matthew  
Harper, rh Mr Mark  
Harris, Rebecca  
Hart, Simon  
Haselhurst, rh Sir Alan  
Hayes, rh Mr John  
Heald, Sir Oliver  
Heapey, James  
Heaton-Harris, Chris  
Heaton-Jones, Peter  
Henderson, Gordon  
Herbert, rh Nick  
Hinds, Damian  
Hoare, Simon  
Hollingbery, George  
Hollinrake, Kevin  
Hollobone, Mr Philip  
Holloway, Mr Adam  
Hopkins, Kris  
Howarth, Sir Gerald  
Howell, John  
Howlett, Ben  
Huddleston, Nigel  
Hunt, rh Mr Jeremy  
James, Margot  
Javid, rh Sajid  
Jayawardena, Mr Ranil  
Jenkin, Mr Bernard  
Jenkyins, Andrea  
Jenrick, Robert  
Johnson, Boris  
Johnson, Gareth  
Johnson, Joseph  
Jones, Andrew  
Jones, Mr Marcus  
Kawczynski, Daniel  
Kennedy, Seema  
Kinahan, Danny  
Knight, rh Sir Greg  
Knight, Julian  
Kwarteng, Kwasi  
Lancaster, Mark  
Latham, Pauline  
Leadsom, Andrea  
Lee, Dr Phillip  
Lefroy, Jeremy  
Leslie, Charlotte  
Letwin, rh Mr Oliver  
Lewis, Brandon  
Lewis, rh Dr Julian  
Liddell-Grainger, Mr Ian  
Lidington, rh Mr David  
Lilley, rh Mr Peter  
Lord, Jonathan  
Loughton, Tim  
Mackinlay, Craig  
Mackintosh, David  
Main, Mrs Anne  
Mak, Mr Alan  
Malthouse, Kit  
Mathias, Dr Tania  
Maynard, Paul

McCartney, Jason  
 McCartney, Karl  
 McLoughlin, rh Mr Patrick  
 McPartland, Stephen  
 Menzies, Mark  
 Merriman, Huw  
 Miller, rh Mrs Maria  
 Milling, Amanda  
 Mills, Nigel  
 Milton, rh Anne  
 Mordaunt, Penny  
 Morgan, rh Nicky  
 Morris, Anne Marie  
 Morris, David  
 Morton, Wendy  
 Mundell, rh David  
 Murray, Mrs Sheryll  
 Murrison, Dr Andrew  
 Neill, Robert  
 Nokes, Caroline  
 Nuttall, Mr David  
 Offord, Dr Matthew  
 Opperman, Guy  
 Parish, Neil  
 Patel, rh Priti  
 Pawsey, Mark  
 Penrose, John  
 Percy, Andrew  
 Perry, Claire  
 Phillips, Stephen  
 Philp, Chris  
 Pickles, rh Sir Eric  
 Pincher, Christopher  
 Poulter, Dr Daniel  
 Prentis, Victoria  
 Prisk, Mr Mark  
 Pritchard, Mark  
 Pursglove, Tom  
 Quin, Jeremy  
 Raab, Mr Dominic  
 Redwood, rh John  
 Rees-Mogg, Mr Jacob  
 Robertson, Mr Laurence  
 Robinson, Mary  
 Rosindell, Andrew  
 Rudd, rh Amber  
 Rutley, David  
 Sandbach, Antoinette  
 Shapps, rh Grant  
 Sharma, Alok  
 Shelbrooke, Alec  
 Simpson, rh Mr Keith  
 Skidmore, Chris  
 Smith, Chloe

Smith, Henry  
 Smith, Julian  
 Smith, Royston  
 Soames, rh Sir Nicholas  
 Solloway, Amanda  
 Soubry, rh Anna  
 Spelman, rh Mrs Caroline  
 Spencer, Mark  
 Stephenson, Andrew  
 Stevenson, John  
 Stewart, Bob  
 Stewart, Iain  
 Stewart, Rory  
 Streeter, Mr Gary  
 Stride, Mel  
 Stuart, Graham  
 Sturdy, Julian  
 Sunak, Rishi  
 Swayne, rh Mr Desmond  
 Swire, rh Mr Hugo  
 Thomas, Derek  
 Throup, Maggie  
 Tolhurst, Kelly  
 Tomlinson, Justin  
 Tomlinson, Michael  
 Tredinnick, David  
 Trevelyan, Mrs Anne-Marie  
 Truss, rh Elizabeth  
 Tugendhat, Tom  
 Turner, Mr Andrew  
 Tyrie, rh Mr Andrew  
 Vaizey, Mr Edward  
 Vara, Mr Shailesh  
 Vickers, Martin  
 Villiers, rh Mrs Theresa  
 Wallace, Mr Ben  
 Warburton, David  
 Watkinson, Dame Angela  
 Wharton, James  
 Whately, Helen  
 Wheeler, Heather  
 White, Chris  
 Whittaker, Craig  
 Whittingdale, rh Mr John  
 Wiggin, Bill  
 Williamson, rh Gavin  
 Wilson, Mr Rob  
 Wollaston, Dr Sarah  
 Wood, Mike  
 Wright, rh Jeremy

**Tellers for the Noes:**  
**Simon Kirby and**  
**Sarah Newton**

(1) the payment out of money provided by Parliament of any expenditure incurred under or by virtue of the Act by the Treasury; and

(2) the payment of sums into the Consolidated Fund.—  
*(Dr Thérèse Coffey.)*

## Business without Debate

### EUROPEAN UNION DOCUMENTS

**Mr Deputy Speaker (Mr Lindsay Hoyle):** With the leave of the House, we shall take motions 4 to 6 together.

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

#### BETTER REGULATION

That this House takes note of European Union Documents No. 9079/15 and Addenda 1 and 2, a Commission Communication: Better regulation for better results - An EU agenda, No. 9121/15 and Addendum, a Commission Communication: Proposal for an Interinstitutional Agreement on Better Regulation, and unnumbered European Union Document, an Interinstitutional Agreement on Better Law-Making; welcomes the Commission's intention to use these documents to refresh and take forward its work on better regulation; and supports the negotiations on the Interinstitutional Agreement that started in June last year, aimed at setting out the commitments of the European Parliament, the Council and Commission concerning better regulation, interinstitutional relations and the legislative process.

#### FINANCIAL MANAGEMENT: COUNTERING FRAUD

That this House takes note of European Union Document No. 11470/15 and Addenda 1 to 6, a Commission Report: Protection of the European Union's financial interests—Fight against fraud 2014 Annual Report, and unnumbered European Union Documents, the European Court of Auditors' 2014 Annual Reports on the implementation of the budget and on the activities funded by the 8th, 9th, 10th and 11th European Development Funds; agrees that budgetary discipline and robust financial management at all levels remains crucial, and that EU taxpayers must have confidence that their funds are being effectively managed and implemented at an EU level; expresses disappointment that the error rate for EU budget payments shows only a slight improvement on last year; supports the Government's efforts to continue to engage with the Commission and Member States to drive improvements to reduce the error rate, in particular, advancing the simplification agenda; stresses the importance of the EU budget achieving results as well as being compliant; and presses the Commission for a clear action plan to address the European Court of Auditors' recommendations relating to the European Development Fund in order to improve its error rate.

#### ASSESSMENT OF EXHAUST EMISSIONS FROM PASSENGER CARS AND LIGHT VANS

That this House takes note of European Union Document No. 14506/15 and Addendum, a Commission Regulation (EU) ...of...amending Regulation (EC) No 692/2008 as regards emissions from light passenger and commercial vehicles (Euro 6); and urges the Government to continue to press for action so that EU emissions testing accurately reflects real-world performance of vehicles on the road.—*(Stephen Barclay.)*

*Question agreed to.*

*Question accordingly negated.*

### HOUSE OF COMMONS (ADMINISTRATION) BILL (MONEY)

*Queen's recommendation signified.*

*Resolved,*

That, for the purposes of any Act resulting from the House of Commons (Administration) Bill it is expedient to authorise:

## Humber Energy Estuary

*Motion made, and Question proposed,* That this House do now adjourn.—(*Stephen Barclay.*)

7.4 pm

**Martin Vickers** (Cleethorpes) (Con): This is a timely debate on jobs and growth in the Humber energy estuary, as the estuary has been christened by many people, including many Ministers. The Minister herself has said that it is a key part of the northern powerhouse or, to be more precise, the northern energy powerhouse.

If I may, I will spend a minute or two on the background of the Humber and its importance to the offshore renewables sector. The Humber is ideally positioned geographically to serve the wind turbines that are located in the North sea. In recent years, the port of Grimsby has benefited from multimillion-pound investment connected with the renewables sector. That has included resources from the regional growth fund and has created hundreds of jobs.

Since the late 1990s, Able UK has acquired around 2,000 acres of land on and around the south bank of the Humber. The process was complex and involved multiple landowners. In 2008, the site was identified as a potential location for the emerging offshore wind sector. There followed a protracted and, it has to be said, frustrating process to achieve the required planning consents. North Lincolnshire Council, under the leadership of Baroness Redfern, whom it is good to see in the Public Gallery, has been fully supportive at every stage.

The protracted and exhaustive planning process culminated in the Transport Secretary giving consent in October 2014. Associated British Ports appealed, and there followed a hearing before a Joint Lords and Commons parliamentary Committee—chaired by you, Mr Deputy Speaker, among others—which wisely threw out the appeal.

This Government and the previous coalition Government have done a great deal to attract the renewables sector to the Humber and to establish the Humber as the energy estuary. They have created the largest enterprise zone in the country, supported to the tune of £11 million the establishment of the university technical college in Scunthorpe, and established the Humber local enterprise partnership with the specific remit of developing skills for the renewables sector.

**Melanie Onn** (Great Grimsby) (Lab): I congratulate the hon. Gentleman on securing the debate. It is wonderful to see so much investment in our area. DONG Energy alone is spending some £1 billion a year on offshore wind in the Humber region. Does he agree that we have to ensure that young people in the local area have the opportunity to learn the skills of the trade and get the jobs that the renewables industry has to offer, and does he support the renewable energy skills fair that I am hosting in Grimsby on 25 February to help local young people get into the industry?

**Martin Vickers:** I congratulate the hon. Lady on organising her skills fair. Her intervention was timely, because I was just about to say that only last week, in a letter following my question to him on 27 January, the Prime Minister reminded me that

“another welcome development is the 19+ skills strategy that North East Lincolnshire Council is developing with support from the Humber LEP...through the Humber LEP Growth Deal we are investing nearly £4 million in a skills capital project”.

That will be based at the CATCH training facility at Stallingborough in my constituency. The Government have contributed £15 million towards infrastructure work at the Able UK site. Most notably, DONG Energy has benefited to the tune of billions of pounds from the contracts for difference that were agreed before the recent changes.

It is fair to say that many people have been sceptical about the benefits of wind power—that comes, in part, from opponents of onshore wind turbines—and my constituents are no different: the majority of them oppose onshore wind turbines. They have a positive view of the offshore sector, however, partly because of the positive media coverage in the area. The local media have repeatedly published very positive reports about the industry and the anticipated benefits. The *Grimsby Telegraph* produced an energy estuary supplement, in which you are pictured, Mr Deputy Speaker. It described the term “energy estuary” as a “worthy title”. It rightly pointed out that the Humber has, in reality, been the energy estuary for a century or more, with Immingham, by tonnage the largest port in the country, having a massive throughput of traffic connected with the energy industries. One reason for the port’s construction was to enable coal exports. More recently, coal imports have been vital to the economic success of the port, but for a host of reasons coal traffic has fallen dramatically in recent months, leading to recently announced redundancies. It is to be hoped that Associated British Ports can find replacement contracts in the near future. Its recent investment in facilities to handle biomass pellets is an indication of its continued investment in the port.

Another article in the estuary energy supplement was penned by Marcus Walker, the senior officer at North Lincolnshire Council who is responsible for handling the Able project. He said:

“The Humber Estuary is fast becoming the energy capital of Europe. The Government’s £100 billion offshore wind programme is the largest engineering project in the history of the UK and plans for Able Marine Energy Park...play a key part in helping create the energy clusters that we need to be able to compete with major manufacturers in mainland Europe.”

**Melanie Onn:** On that point about the energy capital, Grimsby has recently been named the renewable energy capital of England. Does the hon. Gentleman agree that the Humber is the obvious location for a national college for wind energy, and will he join me in calling on the Government to grant the Humber local enterprise partnership’s bid for the college?

**Martin Vickers:** It is perfectly true that, unfortunately, there was a misunderstanding and the LEP submission was too late. I certainly urge the Minister, if it is within her power, to grant an extension to the Humber LEP so that the college can be established in the obvious place for it.

**Andrew Percy** (Brigg and Goole) (Con): Goole.

**Martin Vickers:** I cannot think why my hon. Friend is shouting “Goole”, but to give him his due he has played a supportive role in all that we have done. Certainly, the MPs from the south bank—

**Diana Johnson** (Kingston upon Hull North) (Lab): And the north bank.

**Martin Vickers:** Hang on a moment. Those MPs have always been united to establish the Able site, to complement the Siemens investment in Hull.

Stephen Savage, a leading local solicitor who serves on the Humber LEP board, states in the estuary energy supplement:

“The £450-million Energy Estuary scheme will create around 4,000 jobs and provide a new deep water port on the Humber”.

Were these people, all of whom were and are very close to events and are closely watching developments, all deceived or misled, because as yet the Able site remains fallow? They have all reached the conclusion that the wider Humber, and the Able site in particular, was going to be not just a secondary centre, but a real hub of activity, construction, assembly and all the support activities that would generate a growing and extensive supply chain.

**Nic Dakin** (Scunthorpe) (Lab): I congratulate the hon. Gentleman, who is my constituency neighbour, on securing this very timely and important Adjournment debate. He has come to the nub of the issue. There is a great deal of expectation that the Government investment in the project will deliver manufacturing jobs on the Humber estuary. That is a matter of concern and we need it to be delivered.

**Martin Vickers:** The hon. Gentleman is absolutely right.

When the memorandum of understanding between Able and DONG was signed last summer, there was an indication that final agreements would follow, with last October as the target date. My understanding is that this memorandum was for DONG to establish an operational hub or installation port at the Able marine energy park. North Lincolnshire Council was under the impression that DONG had suggested that the Government should be involved in this exercise, and that an immediate priority was to secure a UK tower manufacturing facility. I hope that the Minister will be able to clarify that.

DONG had indicated that it requires the new quays, which are being constructed as part of the marine energy park, to be available by the first quarter of 2018. To meet that timescale, all the preparation, design and development work must begin almost immediately if the conditions of the planning consent are to be met, including restrictions and conditions linked to ecological compensation and mitigation.

Many of the negotiations were conducted by Peter Stephenson, the executive chairman of Able, and Joachim Steenstrup, the head of strategic supply chain at DONG. I understand that Able learned on 31 October that Mr Steenstrup had been dismissed.

In November and December, Ministers were good enough to meet me and other Members to discuss the situation. This all happened at a time when Tata Steel in Scunthorpe was reviewing its activities and announcing redundancies. The location of the steelworks just a few miles from the Able site had been an important part of the attraction of the south bank as a centre for turbine manufacturing.

It is worth putting it on the record at this point that the Government handled the situation at Scunthorpe extremely well and, along with North Lincolnshire Council, are putting together an excellent package of support, as well as plans for a sustainable steel industry in the town. The early statement from the Prime Minister, in which he made it clear that steel manufacturing at Scunthorpe would continue, was welcome, timely and crucial in giving confidence to the many people affected by the anticipated change of ownership.

The clear understanding of North Lincolnshire Council, the local enterprise partnership and just about everyone else is that the Able development will proceed. On 9 July last year, talking about the project and the £15 million from the regional growth fund, the northern powerhouse Minister, the Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Stockton South (James Wharton), said:

“As part of our long-term economic plan we’re determined to back business in the Humber and the Government’s £15 million infrastructure funding is helping kick-start development at the site that will help create 4,000 new jobs for local people.”

He continued by restating that:

“The Government is committed to backing offshore wind... This agreement will help the UK supply chain develop in key areas like towers manufacturing and ensure the UK remain market leaders in this sector.”

The leader of North Lincolnshire Council, Baroness Redfern, last week attended DONG Energy’s inauguration of Westernmost Rough, which brought the Race Bank announcement. She said:

“This is fantastic news for North Lincolnshire and the Humber.”

She said that the Able marine energy park

“will deliver a state of the art purpose built facility—the largest in Europe. It is the UK’s best opportunity to attract a brand new offshore wind sector in the country and I am delighted that such a world leader like DONG have made this commitment.”

I hope that the Minister will confirm that DONG has made a long-term commitment to the south bank of the Humber. Baroness Redfern stated that the new university technical college in Scunthorpe

“will provide the right skills for the offshore sector and our major infrastructure improvements to support this development are almost complete. AMEP has the real potential to transform the economy across...North Lincolnshire”.

The chairman of the local enterprise partnership, Lord Haskins, added:

“The signing of the Memorandum of Understanding which holds out the prospect of Dong Energy becoming the first user at AMEP is a significant step forward... Attracting the interest of companies such as Dong endorses that we are the UK’s Energy Estuary with the Humber ports developing as a strong and growing national hub for the new offshore renewables industry.”

I hope that the Minister is in a position to make clear exactly where we are. Companies such as DONG have benefited greatly from the generosity of British taxpayers, particularly but not solely through the contracts for difference. DONG Energy has given the impression that it is committed to investing in the marine energy park to North Lincolnshire Council, local MPs, the local media and the Minister for Small Business, Industry and Enterprise, whom I can see nodding on the Front Bench. Such companies have benefited from the regional growth fund, the Government’s investment in the university technical college and the establishment of the enterprise zone. All that is very welcome, as is DONG Energy’s investment in northern Lincolnshire and the wider Humber

[*Martin Vickers*]

region. Jobs exist that did not exist just a few years ago. However, with billions of pounds of taxpayers' money already committed and the assurance that there is more to come, it is payback time for those companies. I hope that the Minister, who has been extremely helpful, supportive and robust in this matter, can provide some positive news in her response.

7.19 pm

**The Minister of State, Department of Energy and Climate Change (Andrea Leadsom):** I congratulate my hon. Friend the Member for Cleethorpes (Martin Vickers) on securing this debate, as it gives me a fantastic opportunity to set out my vision for the growth and jobs that can flow from the UK offshore industry to the northern powerhouse and across the UK. I am delighted to see the hon. Members for Kingston upon Hull North (Diana Johnson), for Great Grimsby (Melanie Onn), and for Scunthorpe (Nic Dakin) in their places, as well as my hon. Friend the Member for Brigg and Goole (Andrew Percy).

This is an important area, and the Humber estuary has a long history as a driver of jobs and growth in the region, with roots dating back to the 13th century. It has played a key role in our energy infrastructure over many decades—indeed, my right hon. Friend the Minister for Small Business, Industry and Enterprise and I like to call it the northern energy powerhouse. It has played host to vital energy activities, including coal, and more recently offshore wind, not to mention all the other commodities that pass through the numerous ports on the estuary every day. Its location has enabled it to build industries around agriculture, construction, production and energy. My hon. Friend the Member for Cleethorpes is right to point out that it has the potential to deliver much-needed jobs and investment.

There has been a £75 million investment in the Humber international terminal at the port of Immingham, which is receiving some of the world's largest shipments of biomass destined for Drax. That has the potential to increase to some 6 million tonnes per annum of pellets imported into the UK, becoming a hub for future business, including in the heat sector.

**Andrew Percy:** The Minister is right to mention the huge investment at Immingham in biomass that feeds Drax, which is a massive employer. With the use of coal stopping by 2025, will she commit that biomass will remain an option for energy generation into the future, and that Drax, which has several more units yet to be converted, will be able to bid for that? I have a new role as trade envoy to Canada, so does she recognise the potential growth in jobs in the Humber as a result of sustainable biomass coming in from Canada via Immingham? [*Interruption.*]

**Andrea Leadsom:** My right hon. Friend the Minister for Small Business, Industry and Enterprise is asking whether we can carry my hon. Friend's bags—I think that is a very good idea. I congratulate him on his new role as trade envoy, and assure him that we are doing what we can to try to secure the future for sustainable biomass, which is important.

We are all aware of the Siemens investment at the port of Hull. That £310 million investment will help to support the industries of the future, and is due to be

completed by the end of this year. Of course, we could not talk about the Humber without mentioning Hull, which has been named as the UK City of Culture 2017. We all hope that that will leave a lasting legacy in Hull and the region, as has happened in previous cities.

All those achievements have seen the Humber become a key element of the northern powerhouse, but a key driver for growth in the region will be the offshore wind industry. There has been an incredible expansion in offshore wind which, as my hon. Friend the Member for Cleethorpes rightly pointed out, has been at the expense of bill payers in the UK. Much of that growth is off the east coast of England, generating clean power for hundreds of thousands of homes.

In November 2015, the Secretary of State for the Department of Energy and Climate Change set out our commitment to the future of the UK offshore industry, backed up by the pledge of three contract for difference auctions in this Parliament, provided that we get costs down. Those actions are part of what makes us the greenest Government ever. Alongside our support and commitment to offshore wind, this Government are determined to see higher levels of supply chain content in our energy infrastructure. Our objective is to have a strong, industrialised UK supply chain that delivers higher UK content in offshore projects, and proves its capability, increasing its capacity to win export orders.

**Nic Dakin:** On the supply chain and local content, this is a great opportunity for the Minister, and the Minister for Small Business, Industry and Enterprise who is sitting alongside her, to ensure that the procurement guidelines that the Government have put in place have leverage, and that the development is built with UK steel.

**Andrea Leadsom:** My right hon. Friend and I have spoken about that on a regular basis, and we will continue to work together to ensure that we maximise the procurement of UK content wherever we can. The Humber region has huge potential to contribute to growth in the UK supply chain. Just last week we saw DONG Energy secure financial approval to build what will be by far and away the biggest offshore wind farm in the world, with around 1.2 GW—enough to power 800,000 homes. By its own estimate that will create 2,000 jobs during construction, and 300 long-term permanent jobs in operations and maintenance.

The region has had success in realising many of these jobs already. Grimsby is fast becoming the centre of excellence for operations and maintenance activities for offshore wind farms in the North sea, with DONG, Centrica and E.ON having located their bases there. I enjoyed visiting the E.ON operations and maintenance facility with the hon. Member for Great Grimsby and my hon. Friend the Member for Cleethorpes when I was in the area to open the Humber Gateway wind farm last September. During that visit, I also went to see the site where Siemens is constructing its blade manufacturing facility and service centre at Green Port Hull, which will provide over 1,200 much-needed apprenticeships and skilled jobs in the local area when it opens later this year. I was particularly struck by the export capability of this new factory.

**Melanie Onn:** On that point about skills, and as I mentioned to the hon. Member for Cleethorpes (Martin Vickers) earlier, does the Minister agree there has never



been a more opportune time to make sure the national college for wind energy is situated in the Humber estuary? Does she agree that we should all be working together to try to encourage the Government to support the local enterprise partnership in bringing the college to the Humber area?

**Andrea Leadsom:** As I think was pointed out to the hon. Lady, the application was slightly late but the Minister for Small Business, Industry and Enterprise is here. I will make sure that the hon. Lady's lobbying is passed on to her team.

**Diana Johnson:** Will the Minister very kindly agree to have a meeting to discuss the national college for wind energy? The sticking point seems to be the Minister for Skills not being able to attend the meeting. As it is in the gift of the Department for Business, Innovation and Skills to agree to the name being given, even if it is privately financed, I wondered whether the Minister might have a word with her colleague to see if she can get him to the meeting too.

**Andrea Leadsom:** Absolutely. I am very happy to do that. As I said when we last spoke about this, I will be delighted to meet the hon. Lady.

Like my hon. Friend the Member for Cleethorpes, I want to see the Humber estuary achieve much more. I want developers to do more to share the economic benefits to be gained from building and operating offshore wind farms, and to share the gains of our new offshore wind policy. As he rightly said, it is payback time. I have instructed my officials to set up bilateral discussions with key offshore wind developers, such as DONG, SSE and Scottish Power. As I will make clear to them, the current round of projects provides a clear opportunity to stimulate further UK supply chain activities that will enable us to reap the rewards of our offshore wind leadership, both in terms of securing more jobs in the current projects and industrialising the supply chain. I want the UK to be exporting our technology and skills to projects in Europe and elsewhere. This is my ambition, and I want the Humber estuary to be at the forefront of that ambition.

**Martin Vickers:** What the Minister has just outlined is clearly good news. She has made rapid progress since our last discussions and I compliment her on that. Can she give a timeframe for that? It is critical that we move forward now. We have already lost quite a few months.

**Andrea Leadsom:** Yes, absolutely. I can tell my hon. Friend that it is a very top priority for me to have those meetings. We will be reconvening the offshore wind industry council in the near future and I want to have met each of the key developers before that meeting takes place.

On the Able marine energy park, I agree with my hon. Friend that the proposed facility is a significant opportunity to build on the successes in offshore wind and renewable energy more generally. It would be a fantastic addition to the UK offer. When it is completed, for example, it is well located to be a construction and staging facility, and could open up further port infrastructure facilities for the industry, as well as additional land for quayside supply chain investments. I encourage Able to continue to make the case for the facility, which has the potential to attract a range of developers.

As my hon. Friend pointed out, Able issued a press release on 9 July 2015 announcing the signing of a memorandum of understanding with DONG Energy, which committed to early stage talks on the project. Expectations are high that the facility would provide much-needed jobs. The recent announcement by DONG about Hornsea reaching a financial close last week is timely. I understand the importance of this project to my hon. Friend and to the UK. I therefore wrote and spoke to DONG seeking an update.

I am pleased to tell my hon. Friend the Member for Cleethorpes that DONG has replied saying that it continues to see AMEP as an as an important facility in the development of the offshore wind sector in the UK. DONG proposes to establish and lead a strategic joint industry and Government review to identify opportunities to develop the east coast as a UK construction and staging facility for the UK and European offshore wind industry. DONG would expect the AMEP facility to be a key consideration in this exercise, and I am pleased that DONG has appointed Benj Sykes, who co-chairs the Offshore Wind Industry Council with me, to lead that work. I shall shortly write to other developers regarding their participation in this review.

I am also pleased to say that DONG has told me that discussions on a UK tower manufacturer continue to progress well. To secure the first UK tower facility would be a major achievement, on which developers and the supply chain can continue to build. Let us be clear: the ability of the UK offshore industry to contribute to jobs and growth is a key part of what makes it an attractive industry. It is not the only one: climate change is one of the biggest challenges that we face, and it needs big technologies if we are to achieve our decarbonisation goals. Offshore wind offers one of those solutions.

**Martin Vickers:** Will the Minister confirm that she or her officials will have an input in those discussions, and not leave it entirely to the industry?

**Andrea Leadsom:** I can assure my hon. Friend that this interests me a great deal, and I shall certainly be involved.

When the Secretary of State set out the Government's new direction for UK energy policy last November, she highlighted the challenge we face in making sure that energy remains the backbone of our economy while we transform to a low carbon system that is secure, affordable and clean. We want a consumer-led, competition-focused energy system that has energy security at its heart and delivers for families and businesses.

Britain is already the world leader in offshore wind, with over 5GW operational, which could double by the end of the decade, with the UK on track to reach around 10GW by 2020. That supports a growing installation, development and blade-manufacturing industry that employs about 14,000 people, but there is clearly potential for many excellent new careers. The Secretary of State has provided what the offshore wind industry has been asking for: clarity. She announced last November that the Government would hold three further contract for difference auctions in this Parliament, with the first due to take place by the end of 2016. If costs come down sufficiently, the UK could support up to another 10GW of new offshore wind in the 2020s, which is a doubling of capacity.

[*Andrea Leadsom*]

The offshore wind industry must do its part in return for being provided with such long-term clarity. The technology needs to move quickly to cost-competitiveness. There will be no blank cheques. A priority is the UK supply chain playing a full part in enabling the offshore wind industry to drive towards cost-competitiveness. The industry exemplifies what the Government are trying to achieve: creating jobs and apprenticeships, and working towards full employment while delivering our decarbonisation targets—but not at any price.

The Government have set their new energy policy direction. Offshore wind developers fully understand the importance of UK companies securing economic

benefit from our programme of development, and they agree that it is not unreasonable to want to see UK companies competing for this work, as they can then use the home market as the perfect launch pad to export their capability and expertise.

In conclusion, the Government are fully committed to the continued growth of UK offshore wind and its supply chain, and to building on the success that the region is already seeing. I congratulate my hon. Friend the Member for Cleethorpes once again on raising this important issue.

*Question put and agreed to.*

7.33 pm

*House adjourned.*

# House of Commons

*Wednesday 10 February 2016*

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

## PRAYERS

[MR SPEAKER *in the Chair*]

**Mr Speaker:** I hope the House will join me in welcoming to the Serjeant's Chair the new Serjeant at Arms on the occasion of his first Prime Minister's questions, which is an exceptional day—[HON. MEMBERS: "Hear, hear."]—and an exceptional response. Secondly, the House might wish to join me in warmly congratulating Kim Sears and Andy Murray on the birth of their baby daughter.

## BUSINESS BEFORE QUESTIONS

### COMMITTEE OF SELECTION

*Ordered,*

That Heidi Alexander be discharged from the Committee of Selection and Jessica Morden be added.—(*Anne Milton, on behalf of the Committee of Selection.*)

## SPOILIATION ADVISORY PANEL

*Resolved,*

That an humble Address be presented to Her Majesty, That she will be graciously pleased to give directions that there be laid before this House a Return of the Report from Sir Donnell Deeny, Chairman of the Spoliation Advisory Panel, dated 10 February 2016, in respect of a gothic relief in ivory now in the possession of the Ashmolean Museum, Oxford.—(*Stephen Barclay.*)

**Tommy Sheppard** (Edinburgh East) (SNP): On a point of order, Mr Speaker.

**Mr Speaker:** We do not take points of order now. Points of order come after questions and statements.

## Oral Answers to Questions

### SCOTLAND

*The Secretary of State was asked—*

#### Single Market

1. **Neil Carmichael** (Stroud) (Con): What assessment he has made of the value to the economy in Scotland of UK membership of the single market. [903484]

**The Secretary of State for Scotland (David Mundell):** Mr Speaker, I am sure that everyone, particularly in Scotland, will share your warm wishes to Andy Murray and Kim Sears on the birth of their daughter.

Latest official statistics published last month show that in 2014 around 42% of all Scottish international exports were destined for countries within the European Union. The value of these exports is estimated at around £11.6 billion.

**Neil Carmichael:** Does the Secretary of State agree that the package that the Prime Minister will discuss in greater detail with his colleagues on the European Council will bring about much needed reform and be a catalyst for further reform in the future, thus making it quite clear that the single market is good for the United Kingdom and, of course, good for Scotland?

**David Mundell:** In a reformed EU, we could have the best of both worlds—access to the single market while not being a member of the euro or Schengen. I believe that would be good for Scotland and good for the rest of the United Kingdom.

**Angus Robertson** (Moray) (SNP): The single European market and the ability to affect the legislation that governs it is hugely important to the Scottish economy, especially the exporting sectors such as whisky. Will the Secretary of State confirm that, regardless of the ongoing negotiations, he will personally campaign for Scotland and the UK to remain within the European Union?

**David Mundell:** The right hon. Gentleman will know and will, I am sure, be pleased to have heard that the leader of the Scottish Conservative and Unionist party, Ruth Davidson, has expressed exactly that position.

**Angus Robertson:** The good news is that I get a second bite of the cherry, so perhaps at the end of this question the Secretary of State will answer my question about whether he will support Scotland and the UK remaining within the European Union. Making a positive case for remaining in the EU will be crucial in the weeks and months ahead, so will the Secretary of State give a commitment not to repeat the grinding negativity of project fear and condemn ridiculous scare stories such as those from the Prime Minister on immigration and the refugee camp in Calais?

**David Mundell:** I will make my position known when the negotiations have been concluded, but I make this offer to the right hon. Gentleman: if the reform package goes ahead and if I am campaigning to keep Scotland in the United Kingdom I would be delighted to join him, the right hon. Member for Gordon (Alex Salmond) and the First Minister on a platform to make that case.

**Mrs Anne-Marie Trevelyan** (Berwick-upon-Tweed) (Con): Last night I had the pleasure of meeting the Scotch Whisky Association, which introduced me to some of the finer products from across the border. Simpsons Malt in my constituency produces an enormous amount of the malted barley sold across the border in Scotland to produce this whisky. Does my right hon. Friend agree that expansion into new markets that have nothing to do with the EU is the growth area for the whisky industry?

**David Mundell:** There are tremendous opportunities for development of the Scotch whisky industry. I think that the Scottish Government, the United Kingdom

Government and all parties in the House are united on that. When the President of China was in the United Kingdom recently, we had the opportunity to present his wife with a bottle of her favourite malt whisky from Scotland, and both he and his good lady were able to make clear how important the product is to developing markets in China.

**Kirsten Oswald** (East Renfrewshire) (SNP): What discussions has the Secretary of State had with Scottish businesses about the possibility of a UK exit from the European Union, and what concerns have those businesses expressed about the impact it would have on their ability to gain access to, and export to, the single market?

**David Mundell:** The clearest message that I receive from businesses in Scotland is that they want a short EU referendum campaign so that we can have the minimum amount of uncertainty.

### Revised Fiscal Framework

2. **Nic Dakin** (Scunthorpe) (Lab): What recent discussions he has had with the Chancellor of the Exchequer and Ministers of the Scottish Government on negotiation of a revised fiscal framework for Scotland. [903485]

**The Secretary of State for Scotland (David Mundell):** I have regular discussions with the Deputy First Minister to discuss the fiscal framework. The Joint Exchequer Committee met on Monday, and negotiations are ongoing.

**Nic Dakin:** Yesterday the First Minister wrote to the Prime Minister listing the issues on which agreement still needed to be reached. They were the method for “block grant adjustment...set-up and administration costs, capital and revenue borrowing, fiscal oversight and dispute resolution.” Can the Secretary of State confirm that those are all the outstanding issues on which agreement still needs to be reached?

**David Mundell:** It was established at the start of the discussions that until everything was agreed, nothing was agreed, but considerable progress has been made on all those issues. I was very pleased to learn from the First Minister’s letter that the Finance Secretary would be presenting revised proposals from the Scottish Government. That is what a negotiation involves: it involves both parties presenting revised proposals as the negotiation progresses, and that is exactly what the UK Government are committed to doing.

**David Mowat** (Warrington South) (Con): The starting point of the fiscal framework discussions is the Barnett formula, which means that Scotland’s public spending per capita is 15% higher than the United Kingdom average. Does the Secretary of State believe that that differential will be maintained in perpetuity?

**David Mundell:** My hon. Friend’s views on the Barnett formula are well known. I do not agree with them, and nor do the Government. The Government’s position is that the formula will remain, even in the post-fiscal framework environment.

**Pete Wishart** (Perth and North Perthshire) (SNP): The negotiations on the fiscal framework are in a very sensitive and fragile state, and we must be very careful about the language that is used. However, the Secretary of State has used language like “ludicrous” and “chancing his arm” when it comes to one party to the negotiations, which is profoundly unhelpful. If the Secretary of State and the Scotland Office have nothing to offer the negotiations, will the Secretary of State vow to stay right out of it, and leave those who want to find a solution to try to get those negotiations fixed?

**David Mundell:** I find it a little odd to take a lecture from that particular hon. Gentleman on moderate language.

I do not think anyone can doubt my commitment to ensuring that we have a negotiated fiscal framework, and I am delighted that, in her letter to the Prime Minister, the First Minister set out her strong commitment to achieving such an agreement, because that is the Prime Minister’s position. As I said at the weekend, both sides have done the dance; now let us do the deal.

**Mr Kenneth Clarke** (Rushcliffe) (Con): Does my right hon. Friend agree that if we are to have the successful devolution that we all want, we need a firm and sensible framework for fiscal discipline that will last, and will stand the tests of all the unknown economic vicissitudes that may hit the country? Will he assure us that we will not repeat the mistakes that have been made in Spain, where devolved provinces frequently run up unsustainable debts which they then blame on Madrid, causing great difficulties to Spanish Governments who are seeking recovery?

**David Mundell:** As my right hon. and learned Friend will recognise, the settlement in Spain is entirely different. I agree with him about the need for a sustainable fiscal framework, but, as the Government have made clear in the negotiations, we are willing to accept a review of the arrangements in a few years to ensure that they stand up to scrutiny, and are seen to be fair to both Scotland and to the rest of the United Kingdom.

**Ian Murray** (Edinburgh South) (Lab): Mr Speaker, I join you in congratulating Andy Murray and Kim Sears on the birth of their baby daughter. However, their baby daughter might be winning Wimbledon by the time we get a deal on the fiscal framework. The UK and Scottish Governments have now been negotiating it for more than six months, which is longer than it took to negotiate the Scotland Bill itself, longer than it took to strike the historic international climate change agreement and longer than it took the G20 leaders to negotiate \$1.1 trillion of support for the global economy. It is clearly the indexation model that is contentious, so will the Secretary of State tell the House why he thinks the per capita index model is not appropriate for the indexation of the block grant?

**David Mundell:** I have made it clear in previous discussions that we are not going to have detailed negotiations on this matter on the Floor of the House. I have also said that I very much welcome the fact that the First Minister has indicated that the Scottish Government are going to bring forward a revised proposal, just as we have done through the negotiations. I believe that we are within touching distance of striking a deal and I remain optimistic that we will do so.

**Ian Murray:** The Secretary of State says that he will not provide a running commentary on the fiscal framework, yet both Governments are providing exactly that. The respected economist Anton Muscatelli has said of the fiscal framework:

“I do not understand why it should be such a huge stumbling block.”

The constitutional expert Jim Gallagher has said:

“This fiscal framework is an eminently solvable problem.”

The Prime Minister has spent recent months shuttling around Europe trying to strike a deal on EU reform. Is it not time that he got involved and showed the same enthusiasm for striking a fair deal for Scotland in our own Union as he has shown for the European Union?

**David Mundell:** The Prime Minister is committed to securing a deal. He has spoken to Nicola Sturgeon about this issue and they have had productive discussions. They are now involved in an exchange of letters, but they are both quite clear that they now want a deal. I am confident, given the position set out in the letter from the First Minister that the Scottish Government are actively engaging in that negotiation process, as are we, that we will be able to get that deal.

#### North Sea Oil and Gas

3. **Alberto Costa** (South Leicestershire) (Con): What discussions he has had with representatives of the North sea oil and gas industry on Government support for that sector. [903487]

**The Secretary of State for Scotland (David Mundell):** On 28 January, the Prime Minister and I held discussions with industry representatives in Aberdeen on further support for the North sea. As a member of the joint ministerial group on oil and gas, I also engage with key stakeholders, such as the Oil and Gas Authority, on a regular basis.

**Alberto Costa:** Calor Gas has its largest operational UK site in my constituency in South Leicestershire. A number of residents in the Scottish highlands and other rural areas rely on Calor Gas, which receives a large part of its Scottish gas supply from the North sea. Does my right hon. Friend agree that, as a result of the support that the UK Government are able to provide, we are much better placed to absorb the fall in oil prices than would have been the case had Scotland been an independent country?

**David Mundell:** I acknowledge the importance of Calor Gas and all those who supply off-the-network energy to people living in rural Scotland. On my hon. Friend's wider question, he makes an important point about the ability of the United Kingdom as a whole to absorb the change in the oil price.

**Dr Eilidh Whiteford** (Banff and Buchan) (SNP): What discussions has the Secretary of State had with the Chancellor about continued funding for seismic surveys on the UK continental shelf?

**David Mundell:** I am sure that the hon. Lady welcomed the Prime Minister's announcement when he was in Aberdeen of a £20 million contribution to a second round of new seismic surveys.

**Sir Alan Duncan** (Rutland and Melton) (Con): The severity of the collapse in global oil prices carries with it the danger that a number of fields in the North sea will suspend production and perhaps never resume it. Given that this would represent a serious loss of national assets and national infrastructure, may I invite the Secretary of State to have further discussions with the Chancellor in advance of the Budget to try to ensure that these fields are not lost forever and that they remain an important part of our national economy?

**David Mundell:** It will not surprise my right hon. Friend to know that that issue was part of the discussion with the Prime Minister, Fergus Ewing from the Scottish Government and representatives of the oil and gas industry at the recent meeting in Aberdeen. The Prime Minister made it very clear that he would look at any specific request or proposal in relation to supporting the industry in the forthcoming Budget.

#### Welfare Programme

4. **Anne McLaughlin** (Glasgow North East) (SNP): What recent discussions he has had with the Secretary of State for Work and Pensions on the effects of the Government's welfare programme on social and economic inequalities in Scotland. [903488]

9. **Mike Weir** (Angus) (SNP): What recent discussions he has had with the Secretary of State for Work and Pensions on the effects of the Government's welfare programme on social and economic inequalities in Scotland. [903493]

**The Minister for Employment (Priti Patel):** On behalf of the Secretary of State for Work and Pensions, I meet the Secretary of State for Scotland on a regular basis to discuss the devolution of welfare programmes to the Scottish Government; at a meeting just yesterday we discussed the ever-improving labour market in Scotland. I also have regular meetings with my counterparts from the Scottish Government and we have a joint ministerial working group. I will be speaking tomorrow to the Scottish Ministers with responsibility for fair work, and for children and young people.

**Anne McLaughlin:** The Smith agreement devolved employability funding and services to Scotland, but then the autumn statement cut funding for it by an eye-watering 87%, so that the Scottish Government now have only £7 million with which to deliver those services. Notwithstanding the general acceptance that this was a politically motivated decision, what does the Minister have to say to my constituents, who live in one of the areas of highest deprivation in the whole of the United Kingdom and are, after all, the people this will have the largest impact on?

**Priti Patel:** I start by hoping that the hon. Lady will welcome the fact that in her constituency the claimant count has decreased by 49% since 2010. We have record levels of employment in Scotland. There will be greater devolution for the Scottish Government in welfare, and we would be particularly happy to have discussions with them on employment programmes. Many of those will look at how we take these programmes further to support those who are out of work in Scotland but desperately want to work.

**Mike Weir:** As a result of the changes from disability living allowance to the personal independence payment, thousands of Scots are losing their rights to Motability vehicles. That is particularly devastating in rural areas, where accessible public transport may be limited. Will the Minister end this iniquitous policy?

**Priti Patel:** As I have said, there will be new powers under the devolution deal, which will also include top-up payments; this is still very much based on welfare payments as well. It will be down to the Scottish Government in particular to get on and start making some of these decisions. They have got the powers coming to them so they will have to start deciding how they want to use them.

**Wayne David (Caerphilly) (Lab):** It was thanks to Labour peers that the Government's initial cack-handed and unfair cuts to tax credits were brought to an abrupt end, but we now know that the Government want to introduce new changes to income disregard which will leave 800,000 people on tax credits across the United Kingdom worse off come April. Can the Minister tell the House how many people in Scotland will be affected?

**Priti Patel:** I will say, as I have previously said when the House has discussed the issues of welfare reform and welfare changes, that we have the Bill going through the other place right now and the changes we are making are to bring fairness and stability to the welfare bill in this country. We know, and we have made it clear, that despite the figures that the hon. Gentleman and the Labour party leverage constantly, people will not be affected and the right kind of transitional support will be put in place.

### Employment

5. **Maggie Throup (Erewash) (Con):** What steps the Government plan to take to increase the level of employment in Scotland. [903489]

**The Minister for Employment (Priti Patel):** The employment rate in Scotland has never been higher, and it now stands at 74.9%. Our employment support offer will build on that, recognising the changing labour market environment, while delivering value for money to the taxpayer.

**Maggie Throup:** Erewash has many great examples of businesses whose commercial operations north of the border help to sustain jobs locally, including Rayden Engineering and West Transport. Does the Minister agree that Scotland not only supports jobs for its own population, but creates a great deal of employment across the rest of the United Kingdom?

**Priti Patel:** My hon. Friend is absolutely right to say that record levels of employment in Scotland have clearly benefited her constituency, as there is a crossover in employment opportunities between her constituency and Scotland. With our growing economy, and the strength of our economy, those levels will continue to grow and grow.

**Chris Law (Dundee West) (SNP):** Under the SNP Scottish Government, Scotland's youth employment is at its highest level since 2005, and is 7% higher than that

in the rest of the UK. Can the Secretary of State reassure me that he will make representations to the Secretary of State for Business, Innovation and Skills to ensure that Scotland receives a fair share of funding from the apprenticeship levy?

**Priti Patel:** I did not fully hear the hon. Gentleman's question, but I will certainly take it away. I understand that the Department is already looking at that matter.

**Mr Speaker:** It is a very serious situation if Ministers cannot hear the questions. It is also a considerable discourtesy to the people of Scotland if, when we are discussing these important matters, questions and answers cannot be heard. Let us please try to have a bit of order.

### West Coast Main Line

6. **Sue Hayman (Workington) (Lab):** What discussions he has had with the Secretary of State for Transport and Ministers of the Scottish Government on the effect on communities in Scotland of the partial closure of the west coast main line. [903490]

**The Secretary of State for Scotland (David Mundell):** I have had a number of discussions with the Department for Transport and others to ensure that the closure of the Lamington viaduct, which is in my own constituency, is addressed as quickly as possible. We remain absolutely committed to working together with all parties to reopen the west coast line in the first week of March.

**Sue Hayman:** I apologise for my lack of voice. The closure of the west coast main line has a huge impact not only on the economy of southern Scotland, but on Cumbria, too, as it is a strategic cross-border crossing on which many businesses in my constituency rely. I was pleased to hear the Secretary of State say that it will be open in the first week of March, as it is so important. Will he confirm that the entirety will be open by 1 March?

**David Mundell:** I welcome the hon. Lady's comments because, as she will be aware, my own constituents who use Lockerbie station are among those most affected by these changes. We are determined to get the west coast main line fully reopened in that first week in March.

**John Nicolson (East Dunbartonshire) (SNP):** The Prime Minister claims that he will get a good deal for Britain in the European Union. Would the Secretary of State like to see the United Kingdom play the same role and have the same powers in the EU that he claims Scotland currently has in the UK?

**Mr Speaker:** That was quite tangentially related to the west coast main line, but I hope that the dexterity of the Secretary of State will admit of an answer.

**David Mundell:** Mr Speaker, the west coast main line is one of the most important routes within the United Kingdom to Europe via London. I have set out my position in relation to the EU referendum. If the SNP genuinely wants Scotland to remain in the EU, it is important that, rather than concentrate on process issues, it gets out and campaigns for it.

### Devolution and Local Government

7. **Mr Graham Allen** (Nottingham North) (Lab): What recent discussions he has had with Ministers of the Scottish Government on the effect of devolution on the powers and autonomy of Scottish local government; and if he will make a statement. [903491]

**The Secretary of State for Scotland (David Mundell):** I do not know whether the hon. Gentleman has had the opportunity to read my speech of 21 December, in which I set out that I fully support the devolution of power from Holyrood to local communities, as Lord Smith recommended in his commission agreement. This is the responsibility of the Scottish Parliament to implement, and I encourage them to do so.

**Mr Allen:** Will the Secretary of State condemn those who use devolution to centralise power in Holyrood—whether it is the centralisation of the police, the fire service, health spending, local government spending, courts, colleges and enterprise companies? Will he ensure that he stands together with those who feel that devolution does not stop at Holyrood, but goes down to the Scottish local authorities and to the Scottish people?

**David Mundell:** I absolutely agree with the hon. Gentleman, and I can tell him the best way to achieve it, which is, under Ruth Davidson, to elect more Scottish Conservative MSPs to the Scottish Parliament.

**Philip Boswell** (Coatbridge, Chryston and Bellshill) (SNP): In the interests of the record, can the Secretary of State confirm that, under the powers that are being devolved as part of the current Scotland Bill, the Scottish Government will be able to vary rates and bands of the Scottish rate of income tax—[*Interruption.*]

**Mr Speaker:** Order. I apologise for interrupting the hon. Gentleman. The Secretary of State and the Minister could not hear the question because of a rude eruption of noise. Perhaps the hon. Gentleman can ask his question again, and perhaps Members will have the common courtesy to allow him to be heard by their own Ministers.

**Philip Boswell:** Thank you, Mr Speaker. We are getting used to interruptions. In the interests of the record, can the Secretary of State confirm that, under the powers that are being devolved as part of the Scotland Bill, the Scottish Government will be able to vary rates and bands of the Scottish rate of income tax, allowing the Scottish Government to make progressive choices on these additional powers, and that the half-baked Labour plan to raise Scottish income tax for everyone before these additional powers are transferred—

**Mr Speaker:** Order. Members need to learn the merits of the blue pencil. If they used the blue pencil and questions were shorter, they would benefit.

**David Mundell:** The Scottish Parliament will indeed take on those very significant tax powers, which it will be able to use as it sees fit. I hope it will use them to make Scotland a more attractive place for business and commerce and to grow the Scottish economy and the Scottish population.

**Mr Speaker:** Last but not least, I call Fiona Bruce.

### Economic Trends

8. **Fiona Bruce** (Congleton) (Con): What discussions he has had with business organisations on economic trends in Scotland. [903492]

**The Minister for Small Business, Industry and Enterprise (Anna Soubry):** My right hon. Friend the Secretary of State for Scotland has had a number of discussions with business organisations, including the Institute of Directors, the Scotch Whisky Association and Oil and Gas UK. It is because of this Government's commitment to our long-term economic plan and economic prosperity that we have seen such growth in the Scottish economy. Thank goodness that the good people of Scotland voted to stay within a United Kingdom and reject independence.

**Fiona Bruce:** Research by the Union of Shop, Distributive and Allied Workers shows that Scottish shop workers could lose up to £1,300 annually as stores increasingly abandon their additional Sunday pay rates in the light of the proposed Sunday trading regulations. Will the Minister take up these concerns with the Business Secretary?

**Anna Soubry:** I did not hear all that my hon. Friend said, but I can tell her that we intend to devolve power down to local authorities, so that they make the decisions on what is in the best interests of people locally. That includes local people who may want to shop on a Sunday and the interests of businesses that may want to open more liberally on a Sunday to take full advantage. I think that is a good idea. I hope that my hon. Friend might consider supporting it.

### PRIME MINISTER

*The Prime Minister was asked—*

#### Engagements

Q1. [903569] **Mims Davies** (Eastleigh) (Con): If he will list his official engagements for Wednesday 10 February.

**The Prime Minister (Mr David Cameron):** I know the whole House has been deeply saddened by the death of Harry Harpham last week from cancer. After a distinguished career as a miner, an adviser to David Blunkett and a Sheffield councillor, he was returned to this place last May, succeeding David Blunkett himself. Although he was in this place only a short time, he quickly became a popular MP, recognised for his commitment to his constituents and his beliefs. It is a measure of the man that he continued to carry out his work as an MP throughout his treatment. We offer his wife Gill and his five children our profound condolences. [HON. MEMBERS: "Hear, hear."]

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

**Mims Davies:** First, may I associate myself, alongside colleagues, with the sentiments expressed at the sad loss of the Member for Sheffield, Brightside and Hillsborough? He came to this House with an excellent record in local government and will be greatly missed. I am sure the whole House sends our condolences to his family at this sad time.

Housing is the No. 1 issue in my constituency—a workable local plan that looks after our green spaces while offering that pure Conservative value, the right to buy. Does the Prime Minister agree that our Help to Buy ISAs, one of which is currently being taken out every 30 seconds, is the right way to promote savings and encourage home ownership?

**The Prime Minister:** I absolutely agree with my hon. Friend. One of the most difficult things for young people is to get that deposit together for their first flat or their first house. That is where Help to Buy ISAs, where we match some of the money they put in, can make such a difference. Some 250,000 first-time buyers have opened a Help to Buy ISA, so under this Government we have seen 40,000 people exercise the right to buy their council house. Now we are extending that to all housing association tenants, and we have seen 130,000 people with Help to Buy getting their first flat or house. There is more to do—mostly, building houses—but helping people with their deposits is vital for our country.

**Jeremy Corbyn** (Islington North) (Lab): I join the Prime Minister and the hon. Member for Eastleigh (Mims Davies) in paying tribute to Harry Harpham, the hon. Member for Sheffield, Brightside and Hillsborough, a former miner, who passed away last week. Just a short time ago, Harry used his last question here to ask the Prime Minister about Sheffield Forgemasters and the steel industry. I hope the Prime Minister will reflect on his diligence in representing that industry and his constituency.

Yesterday, I had a chance to have a very nice conversation with Harry's widow, Gill, and his family. I asked them to say how they would like to remember Harry. She gave me this message, which I will read out:

"We have admired the bravery and courage he showed in his life which was formed during the miners' strike, and carried him forward for the rest of his life".

I am sure the whole House and many in the much wider community will remember Harry as a decent, honourable man absolutely dedicated to his community and his constituents. We are very sad at his passing.

Also following the hon. Member for Eastleigh, I have a question on housing. I have an email from Rosie. She is in her 20s—[*Interruption.*] Unfortunately, the Rosie who has written to me does not have the same good housing that the Chief Whip of our party does, but aspiration springs eternal. The Rosie who has written to me is in her 20s, and she says:

"I work incredibly hard at my job, yet I am still living at home with my parents".

The lack of housing options is forcing her to consider moving—even leaving the country. She asks the Prime Minister what action he is going to take to help young people and families suffering from unrealistic house prices and uncapped rents to get somewhere safe and secure to live.

**The Prime Minister:** First, let me say to the right hon. Gentleman that when you get a letter from the Chief Whip, that normally spells trouble. What I would say to Rosie—the Rosie who wrote to him—is we want to do everything we can to help young people get on the housing ladder. That is why we have got these help-to-save ISAs, and I hope she is looking at that. We are cutting Rosie's taxes, so this year she will be able to earn

£11,000 before she starts paying any taxes. If Rosie is a tenant in a housing association home, she will be able to buy that home, because we are introducing and extending the right to buy. And, of course, she will have the opportunity to register for Help to Buy, which gives people the chance to have a smaller deposit on owning their own home. If Rosie is not earning that much money, but wants to be a homeowner, shared ownership can make a real difference. In some parts of the country, you will only need a deposit of some £1,000 or £2,000 to begin the process of becoming a homeowner. But I recognise, in this Parliament, building more houses, following those schemes, we have got to deliver for Rosie.

**Jeremy Corbyn:** I am very pleased that the Prime Minister wants to help deliver decent housing for Rosie. She lives and works in London, and as the Prime Minister knows, London is very, very expensive. He talks about people getting on the housing ladder, but the reality is that home ownership has fallen under his Government by 200,000—it actually rose by 1 million under the last Labour Government. His record is one, actually, of some years of failure on housing. He said that council homes sold under the right to buy would be replaced like for like. Can the Prime Minister tell us how that policy is panning out?

**The Prime Minister:** First, let me start with what happened under Labour with right-to-buy sales. What happened was one council home was built for every 170 council homes they sold. That is the record. We have said that we will make sure that two homes are built for every council home in London that is sold. That is because my hon. Friend the Member for Richmond Park (Zac Goldsmith) insisted on that in an amendment to the housing Bill. Now, these take some years to build, but they will be built, or the money comes back to the Treasury.

**Jeremy Corbyn:** The Prime Minister ought to be aware that just one home has been built for every eight that have been sold under his Government. People are increasingly finding it very difficult to find anywhere to live. The Chancellor's crude cuts in housing benefits for those in supported housing are putting at risk hundreds of thousands of elderly people, people with mental health conditions, war veterans, and women fleeing domestic violence who need support. Can the Prime Minister tell the House what estimate housing providers have made of the impact of this policy on supported housing?

**The Prime Minister:** First, we are going to increase housing supply in the social sector through an £8 billion housing budget during this Parliament that is going to build 400,000 affordable homes. When it comes to our reforms of housing benefit, yes, we have cut housing benefit because it was completely out of control when we came into government. There were families in London who were getting £100,000 of housing benefit per family. Think how many people—think how many Rosies—were going to work, working hard every day, just to provide that housing benefit for one family. We support supported housing schemes, and we will look very carefully to make sure they can work well in the future, but I make no apology for the fact that in this Parliament we are cutting social rents, so that the Rosies who are living in social houses and going out to work will have lower rents under this Government.



**Jeremy Corbyn:** I am pleased the Prime Minister finally got on to the question of supported housing. Housing providers estimate that nearly half of all supported housing schemes will close. One in four providers is set to close all their provision. This is a very serious crisis. I assume the Prime Minister is not content to see the elderly, people with mental health conditions and others with nowhere to live, so can he assure the House now that the warm words he has just given on supported housing will be matched by action, and that he will stop this cut, which will destroy the supported housing sector?

**The Prime Minister:** We will continue to support the supported housing sector. The report that the right hon. Gentleman quotes from was an opinion poll with an extremely leading question, if he actually looks at what he was looking at. The changes that we are making are reducing social rents by 1% every year for four years. That is good news for people who go out to work, who work hard and who would like to pay less rent. That goes with the lower taxes that they will be paying and the more childcare they will be getting. The other change that we are making, which does not actually come into force until 2018, is to make sure that we are not paying housing benefit to social tenants way above what we would pay to private sector tenants. The simple point is this, and this is where I think Labour has got to focus: every penny you spend on housing subsidy is money you cannot spend on building houses. So let us take this right back to Rosie, in the beginning. She wants a country where we build homes. She wants a country where you can buy a home. She wants a country with a strong economy, so you can afford to buy a home. All those things we are delivering, and you will not deliver them if you go on spending more and more money on subsidised housing and housing benefit. One day Labour has got to realise that welfare bills have to be brought under control.

**Jeremy Corbyn:** Shelter estimates that the measures in the housing Bill will lose 180,000 affordable homes over the next four years. The Prime Minister is actually overseeing a very damaging housing crisis. It is pricing out people from buying and it is not providing enough social housing. Therefore, many people are forced to rely on the private rented sector. Those on the Benches behind him recently voted against an amendment put forward by my hon. Friend the Member for Erith and Thamesmead (Teresa Pearce) for homes to be fit for human habitation. Labour invested £22 billion in government in bringing social homes up to the decent homes standard. There are now 11 million people in this country who are private renters. Does the Prime Minister know how many of those homes do not meet the decent homes standard?

**The Prime Minister:** In the last five years, we built more council houses than the previous Labour Government built in 13 years. Where was the right hon. Gentleman when that was going on? Thirteen years, and an absolutely hopeless record on housing. What we are doing is this: an £8 billion housing budget that will provide 400,000 new affordable homes, a target to build a million homes during this Parliament, getting housing benefit down so we can spend money on housing, and having a strong economy that can support the housing we need.

**Jeremy Corbyn:** I was asking the Prime Minister how many of the 11 million renters are living in homes that do not meet the decent homes standard and are, therefore, substandard. I will help him. One third of homes in the private rented sector do not meet the decent homes standard. Shelter has found that six out of 10 renters have to deal with issues such as damp, mould and leaking roofs and windows. It is simply not good enough.

Millions are struggling to get the home that they deserve. More families are slipping into temporary accommodation. The elderly are threatened with eviction. Homelessness is rising. Too few homes are being built. Social housing is under pressure. Families are being forced into low-standard, overpriced private rented accommodation. Young people are unable to move out of the family home and start their own lives. When is the Prime Minister going to realise there is a housing crisis in Britain? His Government need to address it now so that this dreadful situation does not continue.

**The Prime Minister:** Let me just take one of the figures that the right hon. Gentleman mentions. Homelessness today is less than half what it was at its peak under the last Labour Government. There is a simple point here. You can only invest in new houses, you can only restore existing houses, you can only build new houses and you can only support people into those houses if you have got a strong economy. We inherited mass unemployment, an economy that had completely collapsed and a banking crisis. Now we have got zero inflation, wages growing, unemployment at 5%, an economy growing and people able, for the first time, to look to their future and see that they can buy and own a house in our country.

Q2. [903570] **Robert Jenrick** (Newark) (Con): Nadia Murad, a Yazidi woman, was 19 years old when Daesh came to her village. They killed most of her family, they tortured her, they raped her and they made her their slave. Nadia's story is the same as those of thousands of Yazidi women, except that thousands of Yazidi women are still held in captivity and Nadia managed to escape. In fact, she is in the Public Gallery today. Will the Prime Minister join me in acknowledging Nadia's resilience and her bravery—the essential qualities that have allowed her to triumph over Daesh—and will he do everything in his power to redouble his efforts to support Yazidi women and to eradicate Daesh?

**The Prime Minister:** I thank my hon. Friend for raising this issue in such a way. Let me welcome Nadia Murad, who is here with us today. She and the Yazidi community have suffered appallingly at the hands of this murderous, brutal, fascist organisation in Syria and in Iraq. We must do everything we can to defeat Daesh and its violent ideology. We are playing a leading role in this global coalition. In Iraq, where so many Yazidis have suffered, Daesh has lost over 40% of the territory that it once controlled. We are making progress, but, as I said at the time of the debate about Syria, this is going to take a long time. Building up Iraqi security forces, working with Syrian opposition forces, building the capacity of Governments in both countries to drive this evil organisation out of the middle east—however long it takes, we must stick at it.

**Angus Robertson** (Moray) (SNP): We on the SNP Benches join in the condolences expressed by the Prime Minister and the Leader of the Opposition in relation to Harry Harpham, and we pass on our best wishes to his family at this sad and difficult time.

The Prime Minister made a vow, and his party signed an agreement, that there would be no detriment to Scotland with new devolution arrangements. Why is the UK Treasury proposing plans that may be detrimental to Scotland to the tune of £3 billion?

**The Prime Minister:** We accept the Smith principles of “no detriment”. There are two principles: first, no detriment to Scotland, quite rightly, at the time when the transfer is made in terms of Scotland having these new tax-raising powers; and then, no detriment to Scottish taxpayers, but also to the rest of the United Kingdom taxpayers, whom we have to bear in mind as we take into account this very important negotiation.

I have had good conversations with the First Minister, and negotiations are under way. I want us successfully to complete this very important piece of devolution in a fair and reasonable way, and these negotiations should continue. But let me remind the right hon. Gentleman that if we had had full fiscal devolution—with oil revenues having collapsed by 94%—the right hon. Gentleman and his party would be just weeks away from a financial calamity for Scotland.

**Angus Robertson:** In the context of the referendums, whether in Scotland or across the UK on EU membership, do not voters have a right to know that what is promised by the UK Government can be trusted and will be delivered in full? Will the Prime Minister tell the Treasury that time is running out on delivering a fair fiscal framework, and that it must agree a deal that is both fair to the people of Scotland and fair to the rest of the United Kingdom?

**The Prime Minister:** I can tell the right hon. Gentleman everything that has been committed to by this Government will be delivered. We committed to this huge act of devolution to Scotland, and we have delivered it—we committed to the Scotland Bill, and we are well on the way to delivering it—with all the things we said we would, including those vital Smith principles.

There is an ongoing negotiation to reach a fair settlement, and I would say to the Scottish First Minister and the Scottish Finance Minister that they have to recognise there must be fairness across the rest of the United Kingdom too. But with good will, I can tell you that no one is keener on agreement than me. I want the Scottish National party, here and in Holyrood, to have to start making decisions—which taxes are you going to raise, what are you going to do with benefits? I want to get rid of, frankly, this grievance agenda and let you get on with a governing agenda, and then we can see what you are made of.

Q3. [903571] **Michelle Donelan** (Chippenham) (Con): The skills shortage in engineering in Wiltshire is a particular problem. It is threatening and undermining all the work we have done in job creation and also in supporting businesses. It is, quite simply, a ticking time bomb. May I ask the Prime Minister what more he can do to remove the stigma, misunderstanding and problems associated with STEM—science, technology, engineering and maths—subjects and STEM careers?

**The Prime Minister:** My hon. Friend is absolutely right to raise this. There are special circumstances in Wiltshire, because it has the enormous success of Dyson, which is hiring engineers and skilled mathematicians and scientists from every university in the country, and long may that continue. What we will do is help by training 3 million apprentices in this Parliament, and we are giving special help to teachers of STEM subjects and encouraging them into teaching. I think there is a lot that business and industry can do to help us in this by going into schools and talking about what these modern engineering careers are all about—how much fulfilment people can get from these careers—to encourage people to change the culture when it comes to pursuing these careers.

Q4. [903572] **Mrs Louise Ellman** (Liverpool, Riverside) (Lab/Co-op): Young people afraid of losing their homes, women denied the pensions that they were expecting and, increasingly, the needy left exposed without the social care they need to live a decent life: when will the Prime Minister address these scandals?

**The Prime Minister:** What we are doing for pensioners is putting in place the triple lock so that every pensioner knows there can never be another shameful 75p increase in the pension that we saw under Labour. They know that, every year, it will increase either by wages, prices or 2.5%, and that is why the pension is so much higher than when I became Prime Minister. Of course we need to make sure there is a fair settlement for local government, too—we will be hearing more about that later today—but the ability of local councils to raise special council tax for social care will help an area where there is great pressure.

Q5. [903573] **Nigel Adams** (Selby and Ainsty) (Con): The Spitfire was a crucial element in our winning the battle of Britain 75 years ago and keeping our country free from tyranny. However, there are some who fear that our independent nuclear deterrent could be as obsolete as the Spitfire. Will my right hon. Friend the Prime Minister assure the House and the country that that is not the case?

**The Prime Minister:** It takes quite a talent for a shadow Defence Secretary to insult Spitfire pilots and our brave submariners all in one go. Another week, another completely ludicrous Labour position on defence. The last word should go to the hon. Member for Bridgend (Mrs Moon)—thank you Twitter for this one—who, as she came out of the parliamentary Labour party meeting, tweeted:

“Oh dear oh dear omg oh dear oh dear need to go rest in a darkened room”.

I expect that she will find the rest of her party there with her.

Q7. [903575] **Nic Dakin** (Scunthorpe) (Lab): At the Business, Innovation and Skills Committee today, the Business Secretary confirmed that the Government will not support the European Commission in raising tariffs on dumped steel from countries such as China. Why will the UK Government not stand up for UK steel?

**The Prime Minister:** We have repeatedly stood up for UK steel, including by supporting anti-dumping measures in the EU, but that is not enough. We need to get behind

public procurement for steel, and that is what we are doing. We need to get behind reducing energy bills for steel, and that is what we are doing. We need to support communities, like the hon. Gentleman's, that have seen job losses, and that is exactly what we are doing. We recognise what a vital part of Britain's industrial base the steel industry is, and that is why we are backing it.

Q6. [903574] **Victoria Atkins** (Louth and Horncastle) (Con): Julian Assange is accused of rape and is on the run. Despite that, a United Nations panel that nobody has ever heard of declared last week that he has been "arbitrarily detained" and is somehow deserving of compensation. Does my right hon. Friend agree that that was a nonsensical decision, that Mr Assange should hand himself over to the Swedish prosecutors and that if anyone is deserving of compensation, it is the British taxpayer, who has had to pay £12 million to police his Ecuadorian hideout?

**The Prime Minister:** My hon. Friend is absolutely right. It was a ridiculous decision. This is a man with an outstanding allegation of rape against him. He barricaded himself in the Ecuadorian embassy, yet claims that he was arbitrarily detained. The only person who detained him was himself. What he should do is come out of the embassy and face the arrest warrant against him. He is being asked to stand trial in Sweden—a country with a fair reputation for justice. He should bring to an end this whole sorry saga.

Q8. [903576] **Mike Weir** (Angus) (SNP): Women's aid groups, including my own in Angus, have raised the serious concern that changes in housing benefit may force the closure of many refuges. Will the Prime Minister undertake to specifically exclude refuges from the changes and to protect this vital service for vulnerable women and children?

**The Prime Minister:** As I said in my answers to the Leader of the Opposition, we want to support the supported housing projects that work in many of our constituencies. We have all seen how important they are. The changes to housing benefit that we are talking about will not come into place until 2018, so there is plenty of time to make sure that we support supported housing projects.

Q10. [903578] **Iain Stewart** (Milton Keynes South) (Con): Next month, Milton Keynes will host the first ever national apprenticeship fair. We have a strong record in expanding apprenticeships, but is there not still a need for a cultural shift in careers advice to show that high-level apprenticeships and university places are equally valid?

**The Prime Minister:** My hon. Friend is absolutely right. The careers advice that we need to give young people is that every school leaver has the choice of either a university place, because we have uncapped university places, or an apprenticeship, because we are funding 3 million of them in this Parliament. We need to go on to explain that if someone becomes an apprentice, that does not rule out doing a degree or degree-level qualification later on during their apprenticeship. The option of earning and learning is stronger in Britain today than it has ever been.

Q9. [903577] **Joanna Cherry** (Edinburgh South West) (SNP): Does the Prime Minister agree that how we protect human rights in the legal systems of the United Kingdom deserves full and careful consideration? Will he give an assurance that his consultation on the repeal of the Human Rights Act will not conflict with the pre-election purdah periods in Scotland and the other devolved Administrations?

**The Prime Minister:** We will look very carefully at all those issues, but I say to the hon. and learned Lady and Opposition Members that the idea that there were no human rights in Britain before the Human Rights Act is ludicrous. This House has been a great bastion and defender of human rights, but we will look carefully at the timing of any announcement that we make.

Q15. [903583] **Stuart Andrew** (Pudsey) (Con): I have spent most of my working life in children's hospices, which rely heavily on donations from organisations such as Children in Need, which has a long and proud association with the town of Pudsey. Last week, Children in Need's most famous celebrity sadly passed away. Will my right hon. Friend join me and the people of Pudsey in paying tribute to Sir Terry Wogan, who did so much to inspire millions of pounds to be donated to these causes?

**The Prime Minister:** I am very happy to do that. My hon. Friend, who represents a constituency—Pudsey—which has such a connection with Children in Need, is absolutely right to raise this. Terry Wogan was one of this country's great icons. Like many people in the House, I felt almost as if I had grown up with him, listening to him on the radio in the car, watching him present "Blankety Blank" or all the many other things he did. Perhaps many people's favourite was the "Eurovision Song Contest", to which he brought such great humour every year. You did not have to be a "TOG" to be an enormous fan. I think that we were all fans, and he will be hugely missed. His work with Children in Need was particularly special.

Q11. [903579] **John Nicolson** (East Dunbartonshire) (SNP): On Monday, I attended the Work and Pensions tribunal appeal hearing for my constituent, Mrs Jackie Millan, a brave, inspiring woman who has dwarfism. Despite being unable to climb staircases except on all fours, she was awarded zero disability points by her assessor. Has the Prime Minister, as a constituency MP, attended any tribunal hearings? If so, did he find the process fair, dignified and compassionate?

**The Prime Minister:** I am very happy to look into the specific case that the hon. Gentleman raises. As a constituency MP, of course I have people coming to my surgery with inquiries about either employment and support allowance or indeed, disability living allowance. I also have the experience, having had a disabled son, of filling out all the forms myself. I am looking forward to the new system, which I think, with a proper medical check, will work out better. I have listened to the arguments, but we have to have an adjudication system that is independent of politicians.

**Amanda Milling** (Cannock Chase) (Con): When I was growing up, I always knew I was nearly home when I saw the iconic cooling towers of the Rugeley power

stations on the horizon. On Monday, the owners of the remaining power station announced its likely closure this summer. Will my right hon. Friend ask the Secretary of State for Energy and Climate Change to meet me to discuss further the Government support that can be given to the 150 workers, and the provision that can be made to ensure that the site is redeveloped as quickly as possible?

**The Prime Minister:** I will certainly arrange for that meeting to take place. We should thank everyone who has worked at power stations that come to the end of their lives for the work that they have done to give us electricity to keep the lights on and our economy moving. My hon. Friend is right: as coal-fired power stations come to the end of their lives, we must ensure that proper redevelopment takes place so that we provide jobs for constituents like hers.

Q12. [903580] **Clive Efford** (Eltham) (Lab): The Football Supporters Federation is considering calling on fans to hold mass walk-outs to get their voices heard about ticket prices. Will the Prime Minister act to give fans a place at the table in club boardrooms so that their voices can be heard when issues such as ticket prices are discussed?

**The Prime Minister:** I will look very carefully at the hon. Gentleman's suggestion because there is a problem whereby some clubs put up prices very rapidly every year, even though so much of the money for football comes through sponsorship, equipment and other sources. I will look carefully at what he says.

**Dr Julian Lewis** (New Forest East) (Con): The vital debate and vote on the Trident successor submarine should have been held in the last Parliament, but was blocked by the Liberal Democrats. Given the fun that the Prime Minister had a few moments ago at the Labour party's expense over Trident's successor, it must be tempting for him to put off the vote until Labour's conference in October. However, may I urge him to do the statesmanlike thing and hold that vote as soon as possible because everyone is ready for it and everyone is expecting it?

**The Prime Minister:** We should have the vote when we need to have the vote, and that is exactly what we will do. No one should be in any doubt that the Government are going to press ahead with all the decisions that are necessary to replace in full our Trident submarines. I think the Labour party should listen to Lord Hutton, who was Defence Secretary for many years. He says:

"If Labour wants to retain any credibility on defence whatsoever, it had better recognise the abject futility of what it's leadership is currently proposing".

I hope that when that vote comes, we will have support from right across the House of Commons.

Q13. [903581] **Mr Gareth Thomas** (Harrow West) (Lab/Co-op): In the light of today's damning National Audit Office report on teacher shortages, will the Prime Minister take urgent steps to help excellent schools such as those in my constituency to recruit and—crucially—to retain the best teachers, including by extending the so-called inner-London weighting to all Harrow schools and other suburban schools in London?

**The Prime Minister:** Obviously we will look carefully at the report. There are 13,100 more teachers in our schools than when I became Prime Minister, and our teachers are better qualified than ever before—*[Interruption.]* People are shouting about increased pupil numbers, but they might be interested to know that we have 47,500 fewer pupils in overcrowded schools than in 2010, because we put the investment in where it was needed. Where I agree with the hon. Gentleman is that we need schemes such as Teach First and our national leadership programme, which are getting some of the best teachers into the schools where they are most needed.

**Mr Andrew Mitchell** (Sutton Coldfield) (Con): My right hon. Friend the Prime Minister deserves great credit for the results of the Syria replenishment conference that was held under his co-sponsorship in London. He will be aware, however, that that can only address the symptoms, and not the causes, of the catastrophe that is Syria today. Will he tell the House what more he thinks the British Government can do to try to promote the political track and ensure that it reaches the most speedy possible success?

**The Prime Minister:** I thank my right hon. Friend for what he says about the Syria conference, and that gives me the opportunity to thank my co-hosts, the Norwegians, the Germans, the Kuwaitis, and the United Nations Secretary-General. In one day we raised more money than has ever been raised at one of these conferences—more than \$10 billion—and I pay tribute to my right hon. Friend the Secretary of State for International Development who did a lot of the very hard work. That money helps because it will keep people in the region, feed and clothe them, and make sure that they get the medicine they need. But we do need a political solution and we will go on working with all our partners to deliver that. That requires all countries, including Russia, to recognise the need for a moderate Sunni opposition to be at the table to create a transitional authority in Syria. Without that, I fear that we will end up with a situation with Assad in one corner, and Daesh in the other corner—the worst possible outcome in terms of terrorism, and for refugees and the future of Syria.

Q14. [903582] **Diana Johnson** (Kingston upon Hull North) (Lab): I am sure that the Prime Minister is looking forward to visiting Hull next year, and as the UK city of culture, we are already backed by many prestigious organisations such as the BBC and the Royal Shakespeare Company. However, we could do much more to make this a real national celebration of culture. Will the Prime Minister join me in urging the many London-based national arts organisations to do their bit and contribute to the success of Hull 2017?

**The Prime Minister:** The hon. Lady makes an important point, which is that our national cultural institutions have an immense amount of work and prestige that they can bring out to regional galleries and centres when there is a city of culture event, or indeed more broadly, and I talk to them about that. I am looking forward to visiting Hull, and as it is the city of Wilberforce, I am sure my hon. Friends will want to join me. Hull

is a city of poets, including Andrew Marvell, and it was home to Philip Larkin for many years, and, of course, Stevie Smith—sometimes one might want to contemplate what it looks like “not waving but drowning.”

**Several hon. Members** *rose*—

**Mr Speaker:** Order. Before large numbers of hon. Members file out of the Chamber, I remind them that the election for the Chair of the Environmental Audit Committee is now taking place in Committee Room 16. Voting will continue until 1.30 pm. Voting on a deferred Division is taking place in the No Lobby, and that will continue until 2 pm.

## Points of Order

12.40 pm

**Mr James Gray** (North Wiltshire) (Con): On a point of order, Mr Speaker. I seek your guidance on a matter that is of marginal interest at best to the outside world, but which would risk a number of jobs and further undermine the traditions and standards of this House. That is, of course, the matter of the change from vellum to paper for the recording of Acts of Parliament.

You will recall, Mr Speaker, that on 9 October last year you indicated to me, in answer to a point of order, that there would be a substantive vote in this House before any such matter occurred. In answer to a point of order from the hon. Member for Washington and Sunderland West (Mrs Hodgson) on 9 February 2016, you indicated that you had changed your view on the matter: it would no longer be necessary for a substantive vote in this House, and that, if she wished to register her opposition, an early-day motion would be a way of doing so. That, of course, would have no effect whatever on the other place. However, if I were to call a debate under the aegis of the Backbench Business Committee, with a substantive motion which required that this retrograde decision should be reversed, can you advise me what effect that would have, both on our decision in this place and whether the other place would have any reason to listen to that decision?

**Mr Speaker:** Let me say the following to the hon. Gentleman, to whom I am grateful for his point of order. First, I have not actually changed my view on the desirability of a vote in this Chamber on the matter. The hon. Gentleman is quite right in saying, as I readily acknowledged yesterday when a point of order was raised, that I had expected a vote would take place on that matter in this House. However, the matter does fall within the aegis—and, it appears, in terms of decision-making competence, the exclusive aegis—of the other place. For that reason, and on account of their desire to proceed, there is no entitlement for this House to supersede the will of the other place.

Secondly, the hon. Gentleman quite correctly judges that it would be open to him and to other Members to seek a Backbench Business Committee debate on this matter. I wish the hon. Gentleman all success, presumably in a cross-party effort, to secure such a debate. It is not for me to seek to comment on how the other place judges matters. I would not have sought to do so anyway and I have been reminded by sound professional advice that it is not for me to do so. I therefore do not think I should get into the business of speculating as to what might happen. I have known the hon. Gentleman for well over 20 years and he is, at his best, a formidable and energetic campaigner. If he feels strongly, my advice to him, together with the hon. Lady from the Labour Benches who raised the matter yesterday, is to go ahead and seek a debate, marshal his forces and to plan for victory, rather than to spend time sitting around predicting it. Perhaps we can leave it there.

**Mr Dennis Skinner** (Bolsover) (Lab): You can do it when you get to the other place.

**Mr Speaker:** I think it would be tactful to ignore the undoubtedly purposeful interjection, from a sedentary position, by the hon. Member for Bolsover (Mr Skinner), but I heard what he said.

**Tommy Sheppard** (Edinburgh East) (SNP): On a point of order, Mr Speaker. I wish to raise a query about how we select ministerial questions in the post-English votes for English laws situation. Earlier today, we had Scottish questions. Some 45 Scottish Members submitted a question; three were chosen, which makes a success rate of 6%. Some 48 non-Scottish Members submitted a question; 12 were chosen, which makes a success rate of 25%. I appreciate that the randomness of the selection process can create these situations, but it is a matter of concern that Scottish Members had only a one-in-four chance of questioning the Scottish Secretary, as compared with other Members of the House. I ask you ever so gently, as part of the review into EVEL, to consider whether it might be appropriate, for those Departments with a specific territorial responsibility, to put in place some mechanism to allow the Members representing those areas a better chance of holding Ministers to account.

**Mr Speaker:** I am grateful to the hon. Gentleman for his point of order. The short answer to the thrust of his question is that the selection is done by electronic ballot. It is done that way for questions to the Secretary of State for Scotland and for every other Question Time. I am happy to consider his request for consideration of an alternative method, but I hope he will bear in mind the likelihood that there will exist opinions other than and different from his own.

**Tim Farron** (Westmorland and Lonsdale) (LD): On a point of order, Mr Speaker. I seek your help. Yesterday, in response to a written question, the Immigration Minister had to correct an inaccurate answer previously given to the question of how many young adults who had previously been refugees but unaccompanied minors had been forcibly removed from this country. The original answer was 1,600; the corrected answer was 3,750. Will you open an investigation into how that might have happened and press for information about the cost to the UK Exchequer, in forgone revenue, of deporting 3,750 young people in whom we had invested over many years and who were just at the prime of their lives and about to be able to contribute to our country?

**Mr Speaker:** I am grateful to the hon. Gentleman for his point of order. The short answer is that he can seek a debate on the matter, he can table written parliamentary questions pursuant to the information he has already extracted, and he can raise the matter, with all the authority of his leadership office, on the Floor of the House at business questions tomorrow. I keenly expect to see him in his place and leaping to his feet with alacrity tomorrow morning.

## BILLS PRESENTED

### NORTHERN IRELAND (STORMONT AGREEMENT AND IMPLEMENTATION PLAN) BILL

*Presentation and First Reading (Standing Order No. 57)*

Secretary Theresa Villiers, supported by the Prime Minister, Mr Chancellor of the Exchequer, Secretary Philip Hammond, the Attorney General, Greg Hands and Mr Ben Wallace, presented a Bill to make provision about the Independent Reporting Commission, extend the period for the appointment of Northern Ireland Ministers, modify the pledge made by Northern Ireland

Ministers on taking office, provide for persons becoming Members of the Northern Ireland Assembly to give an undertaking, and make provision about the draft budget of the Northern Ireland Executive, in pursuance of the agreement made on 17 November 2015 called A Fresh Start: The Stormont Agreement and Implementation Plan.

*Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 133) with explanatory notes (Bill 133-EN).*

#### POLICING AND CRIME BILL

##### *Presentation and First Reading (Standing Order No. 57)*

Secretary Theresa May, supported by the Prime Minister, Mr Chancellor of the Exchequer, Secretary Michael Gove, Secretary Jeremy Hunt, Secretary Greg Clark, the Attorney General and Mike Penning, presented a Bill to make provision for collaboration between the emergency services; to make provision about the handling of police complaints and other matters relating to police conduct and to make further provision about the Independent Police Complaints Commission; to make provision for super-complaints about policing; to make provision for the investigation of concerns about policing raised by whistle-blowers; to make provision about police discipline; to make provision about police inspection; to make provision about the powers of police civilian staff and police volunteers; to remove the powers of the police to appoint traffic wardens; to enable provision to be made to alter police ranks; to make provision about the Police Federation; to make provision in connection with the replacement of the Association of Chief Police Officers with the National Police Chiefs' Council; to make provision about the system for bail after arrest but before charge; to make provision to enable greater use of modern technology at police stations; to make other amendments to the Police and Criminal Evidence Act 1984; to amend the powers of the police under the Mental Health Act 1983; to extend the powers of the police in relation to maritime enforcement; to make provision about deputy police and crime commissioners; to make provision to enable changes to the names of police areas; to make provision about the regulation of firearms; to make provision about the licensing of alcohol; to make provision about the implementation and enforcement of financial sanctions; to amend the Police Act 1996 to make further provision about police collaboration; to make provision about the powers of the National Crime Agency; to make provision for requiring arrested persons to provide details of nationality; to make provision for requiring defendants in criminal proceedings to provide details of nationality and other information; to make provision to combat the sexual exploitation of children; and for connected purposes.

*Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 134) with explanatory notes (Bill 134-EN).*

## Wild Animals in Circuses (Prohibition)

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

12.48 pm

**Will Quince** (Colchester) (Con): I beg to move,

That leave be given to bring in a Bill to prohibit the use of wild animals in circuses.

We have heard mention of Andy Murray's new baby. In the last few days, we have had a new delivery ourselves, and it would be remiss of me not to apologise to my wife for taking a pause in our paternity arrangements to present the Bill.

**Mr Speaker:** Congratulations.

**Will Quince:** Thank you, Mr Speaker.

I am grateful for the opportunity to bring in the Bill, and I would like to pay tribute to those Members, particularly the hon. Member for Poplar and Limehouse (Jim Fitzpatrick) and my hon. Friend the Member for The Wrekin (Mark Pritchard), who worked hard on this matter in the last Parliament and pressed for a prohibition on the use of wild animals in circuses.

The Conservative manifesto, on which I was proud to stand at the 2015 general election, clearly stated:

"We will ban wild animals in circuses".

It is a commitment mirrored on all sides of the House. The Labour party manifesto committed to "ban wild animals in circuses".

The Democratic Unionist party's policy is now to support a ban on wild animals in circuses. The SNP's Westminster manifesto promised to consult on the issue of wild animals in travelling circuses, with many SNP MPs and MSPs now calling for a complete ban. This is one of those rare moments where there appears to be a degree of consensus among all parties.

In 2011, the House agreed a Backbench Business motion calling on the then Government to ban all wild animals in circuses. I believe that many Members consider this to be a piece of unfinished business from the last Parliament, and I appreciate the chance to promote this Bill to press for that vital reform.

Ahead of a ban being introduced, the coalition Government introduced, as an interim welfare measure, legislation to license those circuses that use wild animals. I believe it is time to introduce a ban to supersede those regulations.

According to the latest responses to written parliamentary questions, last year there were still 18 wild animals being used by travelling circuses in England. That is a small number of animals, but it is a practice that I, the majority of MPs and the vast majority of the public think should be brought to an end.

Why are wild animals in circuses no longer appropriate? First, there is the practical element. In the past two centuries, wild animals were an essential part of the circus experience. The definition of a wild animal is a member of a species that is not normally domesticated in Great Britain. For many people, particularly those who could not afford foreign holidays, circuses were the only opportunity they had to see wild and exotic animals. That is no longer the case. We are very fortunate in this country to have many world-class zoos, such as Colchester zoo, which has elephants, tigers, penguins, lions, bears and chimpanzees, among other animals. I should probably

[Will Quince]

declare an interest, because I am a gold card member of the zoo and go there with my daughter on many occasions throughout the year. The zoo does fantastic work caring for the animals and providing them with different types of enrichment in order to occupy their time and promote natural behaviours. Crucially, it aims to ensure that the conditions in which wild animals are kept are as close as possible to their natural habitats, thus educating people about a species' natural environment as well as better enabling them to promote important issues such as conservation.

Moreover, thanks to the huge growth in the opportunity for foreign travel, many more people can travel across the world to see these animals in their natural habitats. The extraordinary wildlife documentaries on television now mean that we can see these wild animals in high definition from the comfort of our homes, should we so wish.

The second objection is to do with our basic respect for wild animals. Wild animals that have been used and kept in travelling circuses have the same genetic make-up as their counterparts in zoos or in the wild. Their instinctive behaviours remain. Using such animals to perform tricks and stunts hardly encourages people to respect the animals' innate wild nature and value. Neither is there any educational, conservational nor research benefit from using the animals solely or primarily for such entertainment and spectacle.

I understand that, in many cases, circus keepers do the best they can to care for the wild animals in question, and those circuses licensed under the interim licensing scheme of the Department for Environment, Food and Rural Affairs must adhere to welfare standards. However, the very nature of the circus business model means that attempting to recreate the natural habitat of a wild species or to aid in its conservation can never be achieved.

Respected animal health and welfare groups, such as the Royal Society for the Prevention of Cruelty to Animals and the British Veterinary Association, have long supported and campaigned for a complete ban on the use of wild animals in circuses. Their views are based on the strongly held belief that travelling circuses cannot meet the welfare needs of wild animals. I have some sympathy with those views.

The 2007 Radford report concluded that there appeared to be

“little evidence to demonstrate that the welfare of animals kept in travelling circuses is any better or worse than that of animals kept in other captive environments”.

It is, therefore, clear that there are very strong views on both sides, but when seeking to introduce a ban it is vital to take an evidence-based approach and to recognise the grounds on which it would be sensible to introduce that prohibition.

First and foremost, I want to get this ban through and carry the support of Members on both sides of the House. I am aware that there are some, including in this House, who argue that these animals were born and bred in circuses and that it would be cruel to drag them away from the keepers and environments they know well. I understand that argument, but I am afraid that I respectfully disagree with it. We cannot make the perfect the enemy of the good. Opposing a ban on the basis that wild animals already in circuses might be disrupted

from their regular patterns of life would prevent a ban from being implemented in perpetuity, which is not acceptable.

Of course, it is vital that there is provision to ensure that those wild animals in circuses in England are well cared for in retirement. DEFRA's circus licensing scheme already requires that all licensed animals must have retirement plans in place. It is also important that we give those circuses affected appropriate time to prepare and adapt to any ban. However, like so many throughout the House, I really believe that this is a reform whose time has come and that we should follow countries such as Austria, Belgium and the Netherlands in prohibiting the use of wild animals in circuses.

Wild animals were once an integral part of the circus experience. That is no longer the case. The use of wild animals in travelling circuses can no longer be justified. The majority of MPs want a ban. The public supports a ban. I urge colleagues to support the Bill.

12.56 pm

**Mr Christopher Chope** (Christchurch) (Con): I had not intended to speak, but, having heard what my hon. Friend the Member for Colchester (Will Quince) has said, I think it is important to put on the record that, if his proposal is indeed supported by the Government, it is they, rather than a private Member through a Bill, who should legislate on it. The reason I say that is that this is a controversial issue—[*Interruption.*] My hon. Friend conceded that it is a controversial issue. It is not surprising that, as a Conservative, I should regard it as controversial that this House should be considering a total prohibition on what is currently a perfectly lawful activity. If we are going to legislate, let the Government introduce a Bill of their own and let us have a proper debate about the detail.

**Dr Tania Mathias** (Twickenham) (Con) *rose*—

**Mr Chope:** I hope my hon. Friend the Member for Colchester will listen to this response. He spoke of tricks being done by wild animals in circuses. If we look at a similar Bill promoted in the previous Parliament, we will see that it sought to impose a ban even on displaying wild animals.

The definition of a wild animal is also an issue. For example, does my hon. Friend think that a camel, which in most countries of the world is regarded as a domestic animal, should be banned from being able to participate in a circus?

**John Nicolson** (East Dunbartonshire) (SNP) *rose*—

**Mr Speaker:** Order. May I just explain that in these circumstances we do not take interventions? That does not happen. Mr Chope's remarks must be heard.

**Mr Chope:** Thank you, Mr Speaker. My hon. Friend the Member for Colchester did not refer to the outcome of the licensing regime, which has, perfectly rightly, been brought into effect. The regime requires up to seven inspections a year of animals in travelling circuses. My hon. Friend will correct me if I am wrong, but I think that zoos, including Colchester zoo, are inspected only once a year. We are now about to embark on the fourth year of that licensing regime and nobody has criticised the welfare of the animals subject



to it. On the basis that good Conservatives should argue for as little regulation and prohibition as is possible and reasonable, I think we have reached a compromise whereby we have a proper and tight welfare licensing regime without the need for a total ban or prohibition. That is why I say to my hon. Friend that it would be wrong of him to raise people's expectations—I accept that many support the views he has expressed today—by suggesting that this legislation could be passed under the Private Member's Bill procedure. I hope that his response will be that the Government should bring forward legislation, if indeed the Government have the will to implement this particular aspect of our manifesto.

It would be out of order, Mr Speaker, for me to talk about other aspects of the Conservative manifesto that have not yet been implemented and might not even be implemented at all. The onus for putting this matter right, if it needs to be put right, must be on the Government. This will be controversial and technical legislation, which is why I do not think it appropriate to be dealt with under the Private Member's Bill procedure.

*Question put (Standing Order No. 23) and agreed to.*

*Ordered,*

That Will Quince, Jim Dowd, Sir Roger Gale, Bob Blackman, Mark Pritchard, Mr Philip Hollobone, Nusrat Ghani, Mr Virendra Sharma, Simon Hoare and Louise Haigh present the Bill.

Will Quince accordingly presented the Bill.

*Bill read the First time; to be read a Second time on Friday 4 March, and to be printed (Bill 135).*

## Police Grant Report (England and Wales)

**Mr Speaker:** I remind the House that this motion is subject to double majority voting. If a Division is called on this motion, all Members of the House are able to vote. Under Standing Order No. 83R, the motion will be agreed only if, of those voting, both a majority of all Members and a majority of Members representing constituencies in England and Wales vote in support of the motion. At the end, the Tellers will report the results—first for all Members and secondly for those representing constituencies in England and Wales.

1.2 pm

**The Minister for Policing, Crime and Criminal Justice (Mike Penning):** I beg to move,

That the Police Grant Report (England and Wales) for 2016–17 (HC 753), which was laid before this House on 4 February, be approved.

I crave your indulgence, Mr Speaker, because I noticed that the new Serjeant at Arms was in his place earlier and I was hoping that he would still be there now, although I mean no disrespect to his deputy. I know the new Serjeant at Arms well. He comes from a great regiment, and we will miss him at the Ministry of Justice where he looked after our security. I am sure he will do a fantastic job here.

I was enormously proud when I was appointed the Minister for Policing, Crime and Criminal Justice. Early on, I encountered a great deal of lobbying about the grant from colleagues here, as well from police constables and police and crime commissioners around the country. The lobbying was about whether the grant was fair, whether it should be changed and whether police forces would be able to survive further cuts. We inherited a really difficult economic situation and the Treasury quite rightly asked the Home Office to investigate whether further cuts could be made. A very good job was done in the last Parliament of taking really difficult financial decisions to address the funding issues we inherited. What was really good was that in most cases—I say in most cases—discussions were sensible and pragmatic, and we can see from the fact that crime has fallen since 2010 and has continued to fall under this Government, that it is possible to do more with less.

**Mr Gareth Thomas (Harrow West) (Lab/Co-op):** If the Minister and his ministerial colleagues decide to extend the term of the Metropolitan Police Chief Constable, Sir Bernard Hogan-Howe, will they make it a condition that Sir Bernard is not allowed to merge Harrow police with any other borough command? If that were to happen, Harrow police would inevitably be diverted to police other parts of London.

**Mike Penning:** Unlike the previous Labour Administration, we believe in police officers making the decisions they need to make for their communities, and we do not believe in a top-down approach. We have devolved operational policing to make sure that chief constables and the Metropolitan Police Commissioner can make operational decisions and other decisions such as how local community funding is run, whether that is through the Mayor's office or through PCCs. I know that the Labour party opposed PCCs extensively, but it has sensibly changed its mind, not least on account of much lobbying from Labour PCCs. I shall

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not in any way instruct the Metropolitan Police Commissioner on how he should police in London and the Mayor will not instruct him on operational issues; those are matters for him.

What I will say is that there will be more money for policing in London than there would have been if a Labour Minister were standing at this Dispatch Box. Labour wanted to cut 10% of its funding budget—and perhaps I will come back to that later.

**Philip Davies (Shipley) (Con):** As the Minister knows, I have opposed cuts to the policing budget every year but he has always had a good argument to put back to me by saying that crime is going down, thereby justifying the Government's position. My local paper, the *Bradford Telegraph and Argus* pointed out last week that crime had gone up by 15% across the Bradford district over the course of the last year. If falling crime was a justification for a falling police grant, now that we face significant rising crime in the Bradford district, including in my constituency, does that mean by the same logic that we will get a substantial increase in the police grant?

**Mike Penning:** My hon. Friend is nothing less than determined to press his case every time, but crime has fallen, although some types of crime have increased. Reported crime, particularly sexual assaults and domestic violence, can be seen to have gone up. I am very pleased that people have the confidence to come forward now when they might not have done so in the past.

We need to look carefully at where certain types of crime are increasing. Only the other day, I met car manufacturers and asked them why we have seen such an increase in car thefts, particularly of high-value vehicles, when we had previously seen a decrease for some considerable time. We are seeing some increases in crime that were not previously included in the statistics—on fraud, for example. Under the previous Labour Administration, fraud was not reported, but it is now part of the statistics we use because it is, sadly, a crime that we face today.

It is interesting to reflect on what happened after the Chancellor announced from this Dispatch Box that we would not cut the police budget by 25%, or by 10% as the shadow Home Secretary suggested, or even in a way that some forces had said could be managed. We said that we would not cut it at all between now and 2020 in order to give the police the confidence they needed about the funding that would be available. What is particularly interesting is that the Metropolitan Police Commissioner and other chief constables did not suddenly say, “Okay then, we are not going to carry out any more reforms; we are not going ahead with them now that we have the money we need”. Rather, they said that very night that they needed to go ahead with many of the reforms that were designed to make our police forces better at detecting and convicting criminals.

**Mr David Hanson (Delyn) (Lab):** The Minister must accept that there are 18,000 fewer police officers than when I stood at that Dispatch Box on the last day of the Labour Government six years ago. He must accept that there have been cuts in real-terms grants and he should explain honestly to us why local authorities and police

and crime commissioners such as mine in north Wales are raising the precept to compensate for the cut in the central Government grant.

**Mike Penning:** Let me make a couple of points about that. The right hon. Gentleman, with his experience in the Home Office, was absolutely right when he said that there used to be more warranted police officers than there are today. However, actually in percentage terms there are more warranted police officers on the streets of this country today doing the work we need them to do than when he was the Minister.

It worries me that more than 10% of some forces' warranted officers are still not out on the streets doing the job that we would expect them to do. That is one of the reforms with which we must persevere. We must ensure that officers with the skills and the equipment that they need are out on the streets.

**Andy Burnham (Leigh) (Lab):** Will the hon. Gentleman give way?

**Mike Penning:** Not for the moment. I will give way to the shadow Home Secretary when I have given way to colleagues who have already tried to intervene.

As for the point raised by the right hon. Member for Delyn (Mr Hanson), he should have asked those on his own Front Bench why they had said publicly, “Let us cut the police grant by another 10%”—something that we have not done.

**Jake Berry (Rossendale and Darwen) (Con):** I thank my right hon. Friend for giving way. I feel almost as though I have been promoted, given that he has allowed me to intervene ahead of the shadow Home Secretary.

My right hon. Friend has referred to the response of police and crime commissioners to increases in police budgets. In Lancashire, our directly funded police grant is going up. The police and crime commissioner and chief constable had previously presented doomsday scenarios, saying that the Lancashire constabulary was no longer fit for purpose. Given that the Government have listened to not only Members of Parliament but to the police and crime commissioner and the chief constable, is my right hon. Friend as surprised as I am that they have not come out and welcomed the increased budget?

**Mike Penning:** I met a delegation of Lancashire Members from all parts of the House, and indeed I met everyone who had asked to see me, including the police and crime commissioners and the chief constables. What really shocks me now is that not only has the Lancashire police and crime commissioner failed to welcome the budget, but he has been out there whingeing that he will be short of money again. What I would say to him is that he needs to take a very close look at his reserves. He has been moaning about a sum of £1 million, but if he looks at his reserves, he will find that it is minuscule compared with them.

**Andy Burnham:** Will the Minister give way?

**Mike Penning:** Before I give way to the shadow Home Secretary, let me make a point about precepts. All Governments look at precepts. Some PCCs have said that they will not increase theirs, some are increasing theirs by the 2% limit, and others will take the £5 option. That is the arrangement to which we agreed. However, I was lobbied extensively by PCCs throughout the country

who wanted the precept to go up by much, much more than 2%. Now I will give way to the shadow Home Secretary.

**Andy Burnham:** I am grateful to the Minister, but let us get something straight. When I became shadow Home Secretary, he and his Government colleagues were proposing to cut police funding by between 25% and 40%. It was pressure from Labour Members, led by my hon. Friend the Member for Birmingham, Erdington (Jack Dromey) in a full Opposition day debate, that forced them into a humiliating U-turn. Let us just get our facts right.

Anyway, is this promise what it seems to be? The Minister seems to be suggesting that there will be no cuts, but can he guarantee that there will be no real-terms cut for any police force in the next few years?

**Mike Penning:** I am so pleased that I gave way to the right hon. Gentleman. I should have given way earlier—I apologise to my hon. Friend the Member for Rossendale and Darwen (Jake Berry).

I find this absolutely fascinating. Any other Opposition would have considered modelling to establish what a force could or could not do, which is exactly what the Government did. We asked the forces whether or not they could absorb—in modelling terms—cuts of 25% or 40%. What we did not do, after that modelling process, was say, completely arbitrarily, “Well, we will make it 10%, then. You will be able to swallow 10% between now and 2020.” Some forces would have really struggled to do that under the present funding formula.

**Andy Burnham:** Answer the question.

**Mike Penning:** I am always straight. The right hon. Gentleman can sit there and waffle away from a sedentary position, but actually the 10% was waffle as well. There was no fact behind it, and most of the forces came out against it. Given the precept limits, none of the 43 forces was subjected to a real-terms cash cut.

**Keith Vaz (Leicester East) (Lab):** The Minister should be commended for being the first Policing Minister in a generation to tackle the issue of police funding by initiating a review of the funding formula, but, as the House knows, that review ended with a long pause. On 1 February, I wrote to the Minister asking when the consultation would begin. The Home Affairs Committee is keen for it to begin as soon as possible. Is he now in a position to answer my question?

**Mike Penning:** I thank the Chairman of the Committee for his letter, and also for the kind comments that he often makes about me when I am at the Dispatch Box and when I appear before his Committee. I wrote to him yesterday; I am sorry if he has not received my letter. I have not given a definitive date, and I do not think that he would expect me to do so at this stage, given that we are still considering how the settlement should be laid out. We need to ensure that I do not have to stand at the Dispatch Box and eat as much humble pie as I did last time, when we got it wrong. I admitted that we had got it wrong, and we will not make the same mistake again.

**Huw Irranca-Davies (Ogmore) (Lab):** May I question the Minister on a point of fact? I know that he will have the facts in front of him. My police force, South Wales police, has had about 240 fewer officers on the beat

since 2010. We can talk about whether that is a good or a bad thing, but it is a fact. According to my rough calculations, based on the data release, South Wales police will be subject to a real-terms cut of nearly £3.5 million in the next two years. Am I wrong?

**Mike Penning:** I think that the hon. Gentleman is wrong. Not only have I met South Wales MPs in the last couple of days, but the very vocal PCC—whom I know very well, as, I am sure the hon. Gentleman does—has not raised those figures with me. I suggest that, before South Wales police asks for any more money—which I do not think that it will need to do—they should look very closely at the size of its reserves, which are astronomical.

We need to take account of what the police have already been able to achieve, and the collaboration that has taken place with the help of extra funding from the Department, in order to find ways of providing better day-to-day policing out there. We should not sit in our silos, as we have for many years, allowing money to be spent in a building that is being only half used while another building up the road is just sitting there and could be put to full use.

Hampshire MPs are rightly proud of their emergency services. I am sure that we are all proud of ours as well, but the innovation that has taken place in Hampshire is quite astounding. Money has been saved that can be used in other front-line work, and that has been absolutely brilliant. Winchester has a brand-new fire station. On the first floor are the fire officers and on the next floor are the police, because it is a police station as well as a fire station. More than half the fire stations in England and Wales are within 1 kilometre of an ambulance station or a police station. We are starting to see the same sort of innovation elsewhere in the country, and we should ensure that it continues.

**Andrew Gwynne (Denton and Reddish) (Lab):** The Minister is right to commend the hard work of the police in very difficult circumstances, but he has asked for comparisons. In Greater Manchester, violent crime is up by 36%, sexual offences are up by 46%, and overall crime is up by 14%. We have had 20% fewer police officers and 4% fewer police community support officers, and we are looking at an £8.5 million cut in real-terms funding in the next financial year. Those figures do not add up, do they?

**Mike Penning:** I can tell the hon. Gentleman that crime has fallen in Manchester since 2010, as it has in the rest of the country. There is real concern about certain elements of crime, which the hon. Gentleman's chief constable and PCC will be addressing, as we are at the Home Office. However, I ask him to look closely at the figures that he has given. We must be careful not to scare people away. We want people to report sexual assaults, but historically they have not done so. We want them to report domestic violence, but historically they have not done so.

**Andrew Gwynne** *rose—*

**Neil Coyle (Bermondsey and Old Southwark) (Lab)** *rose—*

**Mike Penning:** I will give way to the hon. Member for Bermondsey and Old Southwark (Neil Coyle), but I will give way to the hon. Member for Denton and Reddish (Andrew Gwynne) again later, if he still wants to intervene.

**Neil Coyle:** The Minister says that it is important for people to have the confidence to report crime. In London we have seen a 21% increase in sexual offences and a 22% increase in violent crime, including knife crime, but in Southwark last year, worryingly, only 16% of reported crimes resulted in convictions. When will the Minister stop insulting the hard-working officers and constituents in Southwark, and ensure that we have the resources to tackle crime properly, keep people safe, and secure prosecutions?

**Mike Penning:** I have never insulted an officer, or anyone's constituent, in my entire life, and I never will. I am proud to be Policing Minister, and glad to be in the House representing my constituents and the country as a whole, so I resent the comments that the hon. Gentleman has just made. What would have happened in London if there had been a 10% cut? *[Interruption.]* The hon. Gentleman says, from a sedentary position, that that would not have happened, but it is exactly what was proposed by Labour Front Benchers.

**Andrew Stephenson (Pendle) (Con):** I agree with the point that the Minister was trying to make about the emergency services working together more closely. In the town of Barnoldswick, we have seen the removal of an ambulance station but now our paramedics work out of the local police station. Such collaboration between the emergency services could deliver real savings across the country and ensure that this very generous financial settlement delivers even greater reductions in crime and even more police officers on the frontline.

**Mike Penning:** We are seeing that sort of collaborative work across the country and some of it is being paid for by the innovation fund, for which the different forces, emergency services and local authorities are putting in bids. But this goes much further than just working in the same station; it is also about training together. As you might know, Mr Speaker, I used to be a fireman years ago. I may have mentioned that before and I may have to mention it a few more times. There are only two of us in the House, but we are very proud of what we did.

In those days, it was very rare to train or work with the other emergency services unless you were physically on the same job. If hon. Members go round their constituencies and ask people in the emergency services when they last did a forward exercise with the fire service, the ambulance service or, in some parts of the country, the coastguard service, they will find that it happens very rarely. That is often due to logistical pressures, but those pressures do not exist if two or more services are in the same building and can share the same yard and do the same training.

Going back to Winchester, not only is the fire station in the same building as the police station but the yard is jointly used and at the back of the yard is the armed response unit, along with the armoury and the ranges. All this has been built on what was going to be just a fire station. When we talk to those brilliant professionals

who look after us every day and ask them about the training they are doing, we find that firefighters are being trained as paramedics, as is the case in Hampshire. Sadly, in the case of a road traffic collision, the ambulances might not always get their first, even though the incident has been reported and people are trapped. I know how difficult it was when we were at incidents such as those. It is not just a question of how many ambulances there are. When you have a really bad smash on the motorway, it is really difficult to get the emergency services through. You would think that everybody would get out of the way, but I can tell you, Mr Speaker, they do not.

What is happening now is that fire personnel are being trained to keep people alive. I am not just talking about first aid certificates or the use of defibrillators, although that is a really good innovation. By the way, the cashiers at my local Tesco's know how to use defibrillators, and that is a great asset, which also saves people's lives. However, when dealing with a major trauma, it is vital to have the skills that I saw the firemen and women in Hampshire using. I was crying out for those skills when I was in the fire service.

**Andrew Gwynne:** I want to take the Minister back to the answer he gave me some moments ago. Of course it is not my intention to scare people, but the statistics show that crime numbers are going up in Greater Manchester. Of course this might be due in part to people now reporting crimes that they would previously not have reported, but does the Minister accept that people also need to have confidence that there are adequate numbers of police officers to investigate those crimes? Surely the 20% reduction in the number of police officers in Greater Manchester will not help to create public confidence.

**Mike Penning:** That really depends on where those officers were in the first place. Were they working in the communities and on the beat, or were they doing desk jobs? The truth of the matter is that, while we have had a decrease in the number of officers around the country, there are more in front-line duties now than there were in 2010. The other thing the hon. Gentleman might want to ask his local police and crime commissioner, if he is really worried about the funding—even though there would have been a 10% cut under a Labour Government—is why his police force is holding £71 million in reserves.

**Mr Khalid Mahmood (Birmingham, Perry Barr) (Lab):** May I plead with the Minister to look urgently at the rise in gun crime in the west midlands? Will he consider providing resources to try to fill the gap? We have had more than 20 shootings over the past six months, including six over the bank holiday period. There have been 41 arrests and 24 recoveries of weapons and ammunition. Great work has been done by the West Midlands police force, but this work can be continued only if we have additional resources, on a project-by-project basis if need be. This has become a really serious issue over the past 12 years and we have worked hard to bring the crime figures down, but please could the Minister look into the possibility of providing additional support?

**Mike Penning:** I saw reports of those shootings on the news and I got reports across my desk as well. Our thoughts must be with the families of those affected. We

must praise the fantastic work of the local police in making those arrests, and let us hope that they get prosecutions as well. That is crucial, because public confidence is created when the police get prosecutions and the criminal justice system becomes involved.

**Catherine West** (Hornsey and Wood Green) (Lab): My hon. Friend the Member for Birmingham, Perry Barr (Mr Mahmood) mentioned the shootings in his constituency. There was a terrible drive-by shooting in Wood Green last summer, involving mistaken identity. A baker who was coming out of his bakery to take a break was shot, and the perpetrator drove off. The case is still unsolved. Can the Minister rule out the possibility of that being connected to the cut in police numbers?

**Mike Penning:** Why anybody would get in a car, drive off, open the window and shoot someone is beyond me, and probably beyond the comprehension of anybody in this House. What we do know, however, is that the police forces around the country are doing a fantastic job. We have just heard of the arrests that have taken place. So, simply to say, "That is happening just because you cut the money" is a really, frankly, silly, silly comment.

**Debbie Abrahams** (Oldham East and Saddleworth) (Lab) *rose*—

**Catherine West:** There are orphans who are suffering as a result of that—

**Mr Speaker:** Order. I think we need to be clear whose intervention is being taken. The hon. Member for Hornsey and Wood Green (Catherine West) will have to express herself on another occasion or elsewhere in the debate. I think the hon. Member for Oldham East and Saddleworth (Debbie Abrahams) is intervening.

**Debbie Abrahams:** Thank you, Mr Speaker, and I am grateful to the Minister for giving way. I have another tale of woe. There have been approximately 12 burglaries in the past 10 days in the Saddleworth villages of Greenfield and Uppermill, and I have some very worried constituents. I totally agree with my hon. Friends: we cannot possibly say that there is no link between such events and the front-line cuts to staff in the Greater Manchester police, which were also mentioned by my hon. Friend the Member for Denton and Reddish (Andrew Gwynne). What can the Minister say to my many constituents who have contacted me to say that they are very concerned about their safety? Surely this must be a priority for him.

**Mike Penning:** The fact that it is a priority is exactly why the Chancellor stood at this Dispatch Box and said that he would make a very generous settlement. No one dreamed we would get that settlement, but that money will come through. There are no cuts going forward, even though that is exactly what you would have had if a Labour Minister had been standing here.

**Mr Stewart Jackson** (Peterborough) (Con): The Minister is making a strong case. Is it not important to trust the professionals in the police service? We do not rely on the Labour party's mooted 10% cut; we trust the professionals. He will know that the terrible Joanna Dennehy murders around Peterborough could not have been solved by the Cambridgeshire constabulary alone, and that it had to work with other constabularies such as Norfolk in

order to attain the critical mass in forensics and other back-up services necessary to solve the crimes. We trust our local professional police officers.

**Mike Penning:** My hon. Friend has just touched on a point that I was going to make about collaboration. None of the 43 police forces around the country—not even London's, with all its size and capabilities—can police alone. They need help across the board. The East Midlands regional organised crime unit is doing fantastic work, for example. And in my own region—the Eastern region—capabilities that were always exercised, with difficulty, in separate local forces are now being spread across the region. [*Interruption.*]

**Andy Burnham** *rose*—

**Mike Penning:** I have been called many things since I have been in this House, and before I came here, but "frit" is not one of them. I give way to the shadow Home Secretary.

**Andy Burnham:** I am glad to hear it, because I never did think that the Minister was in that category. He is saying a few things that are worrying me. He stood there a few moments ago and said that there were to be no real-terms cuts to the police. That is simply untrue and I hope that he will correct the record before this debate ends. The other thing he just said was that there were more officers in front-line positions. A workforce survey that came out last week showed that his Government cut police officers by 18,000 in the last Parliament. Is he seriously standing there today and saying that, despite that cut of 18,000, there are more police officers on our streets?

**Mike Penning:** I know the Labour party are desperately trying to find a reason to vote against our very generous funding settlement, even though they would have liked to make it a really difficult settlement by cutting it by 10%. What I actually said was that there are more operational police officers on duty now on the frontline than there were in the past. That is what I have said at this Dispatch Box time and time again. Perhaps, when we hear the shadow Minister's arguments as to why there should have been greater cuts—I should say cuts, because we are not going to cut at all—he will tell us what front-line services we would have lost. We need to ask that, because the money would have had to come from somewhere.

**Rehman Chishti** (Gillingham and Rainham) (Con): There has been a lot of talk about cuts, and indeed about the horrific issue of gun crime, but the issue of counter-terrorism and national security is also linked here. Will the Minister clarify that this Government, in 2015-16, will be increasing spending on counter-terrorism by more than £650 million, which shows our commitment on national security?

**Mike Penning:** My hon. Friend is absolutely right about that. We fund counter-terrorism from a separate budget, and that is enormously important. We have a Minister of State who specifically deals with that task. It is really interesting that even though I have heard Opposition Members say today, "This is terrible! This is going to happen; this has happened," actually the 43 authorities welcomed the Chancellor's Budget, and I have had really interesting discussions with them, in

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some of the areas represented by Members who have complained today about the settlement. That is what this debate is supposed to be about: it is about a very generous settlement, which we would not have had if we had not won the arguments with the Chancellor.

**Catherine McKinnell** (Newcastle upon Tyne North) (Lab): I am slightly baffled by the Minister's comments. Northumbria police force expects to have lost about £150 million between 2010 and 2020, and its workforce has already been cut by a quarter, split equally between police officers and police staff. Will he clarify in what way that is a generous settlement?

**Mike Penning:** Let me go over the arguments. We inherited a fiscal mess left by the previous Administration. We had to make really difficult financial decisions, including on policing. The police forces did brilliantly well. They were genuinely very worried that we would extend that approach into 2015-16, but we did not do that, which is why they are saying thank you to us for not making 10% cuts to policing, which is what Labour's Front-Bench team would have done.

**Stephen Hammond** (Wimbledon) (Con): I have been listening carefully to the Minister. I met my local borough commander last Friday, and although there are of course challenges, he told me that some of the reforms will actually make policing more effective. More importantly, he stressed to me that there are now as many police on the frontline in the Met as there have ever been.

**Mike Penning:** My hon. Friend has brought me on to an interesting point. The Friday before last, I was at Hendon with the commissioner, taking the salute—he took the salute and I nodded my head, because I was not in uniform—of the 135 new recruits coming through. These are brand-new police officers wanting to join the Met, coming through their training and passing out on parade, and 60% of them live in London. That is because of the reforms that the commissioner has introduced, whereby he has said, “You need to live in London for five years unless you have served in the armed forces.” That figure will be boosted again; I was speaking to the officer in charge of the training there and I was told that in excess of 2,000 officers are expected to be training at Hendon in the new buildings at the Peel centre, which the investment is being put into. We should be really proud of the numbers in London.

**Christopher Pincher** (Tamworth) (Con): We all know that one perennial problem of policing has been the amount of time that police officers have not been able to spend on the beat. Does the Minister agree that when good police and crime commissioners use innovative technology to help those police officers spend more time on the beat in places such as Staffordshire, it can mean as many as 100 extra police officers on the beat, at a tenth of the cost?

**Mike Penning:** There are a myriad different ways we can give the required confidence to our constituents, with our uniformed officers out there and others from the community who are doing this as well. I pay tribute to our specials, who do not get mentioned as much as

they should. They do a fantastic job. We have to look carefully at the situation in certain parts of the country where their numbers have rocketed into their thousands, whereas in other parts of the country we do not have as many as we would like.

**Several hon. Members** *rose*—

**Mike Penning:** I will give way once more and then I will come to my closing remarks.

**Victoria Atkins** (Louth and Horncastle) (Con): Will the Minister join me in congratulating the Conservative candidate in the Lincolnshire PCC elections on introducing special constables—parish constables—who will look after the very remote rural areas of Lincolnshire, giving those communities a policing figure they know they can go to for help and advice?

**Mike Penning:** I have spent quite a bit of time in Lincolnshire over the years, and was lobbied extensively by the chief constable and the commissioner for a change to the funding formula. The sort of innovation we have seen in places such as Lincolnshire, with the parish specials, rural mounted specials and so on, is exactly the sort of thing we would like to see replicated.

**Sir Edward Leigh** (Gainsborough) (Con): In Lincolnshire, we are very grateful to this Minister, because he has done more than any other Minister to come up and spend days with the police force. We very much appreciate what he has done with this grant and so on. We have, however, had a letter from the chief constable saying that because of historical problems, increases in police salaries and increases in national insurance contributions, he still has a significant funding deficit. Will this wonderful Minister, with all his knowledge of Lincolnshire, just say a word about what more he can do to help us, please?

**Mike Penning:** I know exactly what my hon. Friend is saying and I know exactly what is in the letter, because I have received a very similar one. Lincolnshire's force was asking me to change the funding formula to make it fairer for Lincolnshire; a lot of constabularies and a lot of people in this House have asked for similar over the years. We are continuing to look at that and I will make sure I get it right, but this settlement is a lot better than Lincolnshire thought it was going to get and a lot better than it would have been, had there been a Labour Minister at this Dispatch Box.

**Rehman Chishti:** On collaboration, will the Minister pay tribute to the work being done by Essex and Kent police on their joint serious crime directorate, which looks at using intelligence sharing to ensure that serious and organised crime in the port county is dealt with swiftly and effectively?

**Mike Penning:** That type of collaboration is so important. For too many years forces have sat in silos, as have individual emergency services. They are coming together and one reason for that is that the austerity measures we had to bring in have made them think outside the box.

**Mr Jackson** *rose*—

**Mike Penning:** I will give way one last time and then I will sum up.

**Mr Jackson:** I am anxious to ensure that the Minister does not peak too soon. First, I pay tribute to Cambridgeshire constabulary for the excellent work it has done on issues relating to domestic violence and sexual offences. Does he agree that one reason for the slight spike in the reporting of those crimes is that many more victims feel comfortable about approaching the police now and feel that they will be treated fairly in the pursuit of their complaints?

**Mike Penning:** My hon. Friend has touched on a really important point. I had the honour the other week of continuing the funding for the victims' groups around the country for the next three years. One really important thing is that our constituents, no matter what has happened to them, have the confidence to come forward, and that they will be listened to with compassion. For too many years that was not the case.

I know that a lot of colleagues want to get in and I have been generous in taking interventions, but may I say that we need to make sure that our constituents are made aware of how generous this settlement is for the next four years to 2020? We are still in very difficult financial times, when we are continuing to pay for the maladministration of this country's finances by the previous Labour Administration and previous Ministers who are now sitting on the Labour Front Bench. I am looking forward to listening to positive comments about our police force. I am enormously proud to be the Minister for Policing, Fire and Criminal Justice and Victims. It is a long title, it is a big job and I am very proud to have it.

1.39 pm

**Jack Dromey** (Birmingham, Erdington) (Lab): I bow to no one in my admiration for our police service. Robert Peel uttered these immortal words:

"The police are the people and the people are the police."

There has been a constant in our country for two centuries: the British model of policing by consent, which we built on when we were in government. When Labour left office, there were record numbers of police on the streets—16,500 more than in 1997 and, in addition, nearly 17,000 police community support officers. Neighbourhood policing, which we built, was popular with the public. It worked, and we saw a generation of progress on crime. We had local policing, local roots, local say and local partnership working. We built up neighbourhood policing and the public valued it. It was one of Labour's greatest achievements.

**Jake Berry:** On the issue of bowing to no one, will the hon. Gentleman support this settlement today, or will he bow to the shadow Home Secretary's suggestion of a 10% cut?

**Jack Dromey:** We will oppose this settlement today. The Chancellor of the Exchequer and the Minister for Policing, Crime and Criminal Justice said from the Dispatch Box that police funding is being protected. That is simply not true, and I will lay out my case in due course.

We are still learning some painful lessons from the past. There are still wrongs to be righted; the police are not perfect. We need to raise standards, and we should always hold the police to the highest standards in the public interest. The first thing I wish to say to the

Policing Minister and the Home Secretary is that the British model of neighbourhood policing is celebrated across the world. The model was responsible for a generation of progress on crime, but the Home Secretary's remorselessly negative tone about the police, taken with ever fewer police officers doing ever more work, has demoralised the service, and we are now seeing soaring levels of sickness and stress.

**Andrew Gwynne:** I am grateful to my hon. Friend for giving way. He is absolutely right to go back to the Labour success of neighbourhood policing. Is he as dismayed as I am about what is happening now? In my own constituency, neighbourhood policing is withering away, and officers are now being put on response duties. I accept that such duties are necessary, but so too is neighbourhood policing. This is undermining public confidence in the ability of the police to listen to the needs of communities.

**Jack Dromey:** My hon. Friend is absolutely right. Typically, what we see all over the country is a neighbourhood sergeant responsible for perhaps one or two teams and a number of PCSOs. Those who were previously part of the neighbourhood teams are now being put on response duties. Following a Home Office decision in 2012 there was a reclassification whereby some people on response were given local neighbourhood policing duties, even if they spent all their time on response, so the earlier assertions about our having more officers on the frontline are simply not right.

**Diana Johnson** (Kingston upon Hull North) (Lab): Will my hon. Friend comment on the fact that Humberside police—I do not think it is the only police force in this position—has been judged inadequate by Her Majesty's Inspectorate of Constabulary? We have the lowest level of police officers since the 1970s. Will the shadow Minister reflect on what that means for neighbourhood policing?

**Jack Dromey:** My hon. Friend is absolutely right. Surveys show that, increasingly, the public complain about a lack of visibility of local police officers. Neighbourhood policing is absolutely essential. It is not just about detecting criminals, but about preventing crime, diverting people from crime, building good community relationships, and bringing in people to co-operate in identifying criminals. Losing the benefits of neighbourhood policing will have an effect. At the most serious end of terrorist crime, the former head of counter-terrorism, Peter Clarke, said that neighbourhood policing is "the golden thread" that runs from the local to the global. He said that the patient building of good relationships with communities means that communities co-operate in identifying wrongdoing—in this case, it is wrongdoing of the worst possible kind.

**Mr Hanson:** Will my hon. Friend confirm that we are not just talking about crime? When we have floods in our communities, public order parades, and football matches, the police are the first port of call. Policing is not just about crime.

**Jack Dromey:** My right hon. Friend, who served with such distinction as a police Minister, is absolutely right. This is about the wider duties of the police service. The

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College of Policing has done some very interesting work. By the way, the National Audit Office has called on the Home Secretary to have a better understanding of what the police actually do. It is not just about that element that is focused on crime, but about the wider responsibilities.

The police, together with the fire service, the ambulance service, the Environment Agency and others, guarded premises to prevent looting during the floods. That is just one example of what they do. I have another example from last Saturday. I was deeply impressed to see West Midlands police, with other police services from West Mercia and Warwickshire, policing the pernicious Pegida attempt to march through Birmingham, keeping apart counter-demonstrators and those who were there in support of the march. They worked with the community and did a tremendous job. My right hon. Friend was absolutely right in what he said.

**Debbie Abrahams:** My hon. Friend might have heard me ask the Minister to comment on burglaries in Saddleworth, in which there has been almost a 50% increase. Does he wish to comment on what the Minister said? Greater Manchester police have just confirmed that there has been a reduction of 2,000 front-line posts.

**Jack Dromey:** My hon. Friend makes a powerful point. If we look at the statistics overall, we see that areas of volume crime have gone down—I will come on to explain in more detail why Government claims about crime falling are simply not true. Car crime has gone down, and houses by and large are now more difficult to break into. Having said that, there are spates of burglaries all around the country. What is essential is good neighbourhood policing. Let me give an example from my own constituency. The admirable Sergeant Simon Hensley set up a canoe club on Brookvale lake. I literally launched it in a canoe—[*Interruption.*] It was one of my most terrifying moments as a Member of Parliament. Hundreds of young people joined the club, and very good relationships were formed. One benefit was that when there was an outbreak of burglary in Stockland Green, they came forward and said they knew who the bad lads were. Again, it is that neighbourhood policing that is so important. There is no substitute for it. It is the bedrock of policing in our country.

**Mr Jackson:** The hon. Gentleman is making a fair point. It would be churlish not to accept that there was progress around community policing, but that is not the whole story. Does he agree that one legacy of the previous Labour Government was an inordinate amount of bureaucracy and paperwork, which kept many front-line police officers in the station, processing data, rather than out catching criminals? This Government have tackled that, which is why we have seen a reduction in numbers and a significant reduction in recorded crime.

**Jack Dromey:** Let me give a straight answer. I think that we did prescribe too much and too often. It was right therefore that, by consensus across political parties, the previous Government became less prescriptive. Certain things will always need to be prescribed, but I do not disagree with the hon. Gentleman's point.

**Catherine West:** Does my hon. Friend agree that, in relation to the very serious act of gun crime, neighbourhood policing is crucial in piecing together all the small bits of information that might secure a conviction? Will he assist me in highlighting the tragic shooting in Wood Green that I mentioned earlier? There are orphans who wish to know what happened to their father, who, in a case of mistaken identity, was shot in a drive-by shooting as he stepped out of his workplace. They would like to have that crime solved.

**Jack Dromey:** It is difficult to comment on the detailed circumstances of that crime other than to say that, of course, what we need is capacity to catch those people who are guilty of murder, which is one of the most heinous crimes. I ask my hon. Friend to forgive me if I repeat what I said in a previous answer, but key to that is good neighbourhood policing, as it is vital for intelligence gathering. If we run down neighbourhood policing, the inevitable consequence is that it is more difficult to detect criminals of that kind.

**Stephen Hammond:** I agree with the shadow Minister that neighbourhood policing is key. Does he agree with the borough commander whom I met again last Friday, who made the point that although the numbers in some of the neighbourhood units are down, they are now dedicated to that unit and that neighbourhood, so although numbers are lower, they are more effective?

**Jack Dromey:** That depends on what we are talking about. For example, the West Midlands police service has sought to maintain dedicated numbers in high risk, high demand areas, but taken as a whole the numbers have been going down. There will be variations at any one point in time, but the evidence is clear: there has been a remorseless reduction in the number of police officers and a hollowing-out of neighbourhood policing.

**Several hon. Members** *rose*—

**Jack Dromey:** I have given way about nine times. Let me make a little more progress, then I will gladly give way.

I celebrate the fact that, as the police bravery awards show, we are policed by ordinary men and women doing extraordinary things, often in the most difficult circumstances. They deserve better than what happened in the run-up to the comprehensive spending review. Yesterday I was privileged to speak, together with Conservative Ministers, at the 20th anniversary of the docklands bomb. Afterwards I talked to police officers, brave men and women, with an outstanding sense of duty and a powerful sense of obligation to their community. They talked to me about the mounting pressures they face—the challenges of counter-terrorism and the impact of the past five years—and they were dismayed that their Government had contemplated cutting the police service in half. As I will come on to say, that is precisely what had been contemplated.

In my constituency, Erdington, I saw one PCSO in tears—loyal, long-serving, much loved—describing how awful the uncertainty had been in the build-up to the comprehensive spending review. It should never have happened. After cutting 25% in the last Parliament, right up until the night before the comprehensive spending review the Government were contemplating a further 22% cut in this Parliament. The Home Secretary failed



to stand up for the police service. We were on the brink of catastrophe, as a police officer said to me but yesterday, which would have had very serious consequences, demonstrating a disregard for the first duty of any Government, maintaining the safety and security of its citizens.

Under pressure from the public, the police and the Labour party, the Chancellor U-turned and a promise was made. I shall read it out, as the Policing Minister has clearly forgotten it. The Chancellor said:

“I am today announcing that there will be no cuts in the police budget at all. There will be real-terms protection for police funding. The police protect us, and we are going to protect the police.”—[*Official Report*, 25 November 2015; Vol. 602, c. 1373.] In parallel, there were big cuts elsewhere—for example, to Border Force—but let us examine that statement to the House. That promise to the public, to the police and to Parliament has been broken. The Chancellor said he would protect the police, but now we know that police budgets are still being cut.

The force covering my constituency, West Midlands police, is excellent. In the next financial year it will suffer a £10.2 million cut in real terms, contrary to what the Policing Minister said earlier. Yes, the £5 mechanism is being used, but it will raise only £3.3 million, so there will be a £7 million overall cut in real terms.

**Mary Glendon** (North Tyneside) (Lab): On the precept, is my hon. Friend aware that a force such as Northumbria, which, under our excellent police and crime commissioner, Vera Baird, has made every saving possible, has cut into its reserves and has had the lowest precept hitherto, has had to accept that £5 maximum with great regret, just to try to maintain services?

**Jack Dromey:** Indeed. I pay tribute to somebody who was a great parliamentarian and who has been a great police and crime commissioner. The work that Vera Baird has done on domestic violence and, more generally, on violence against women and girls is admirable and first class. My hon. Friend is right. As I shall say later, Northumbria, like the West Midlands force, has been hit twice as hard as leafy Tory shire police forces down south.

**Barbara Keeley** (Worsley and Eccles South) (Lab): Does my hon. Friend agree that some of our police forces are stretched just by the crime that they are currently dealing with? In Salford we have had 19 shootings in a period of 19 or 20 months. On some weekends there have been four shootings on the same day. Protection of the public is important, but should our police force be so stretched in Greater Manchester when they have that to deal with?

**Jack Dromey:** There has been an £8.5 million cut in real terms, contrary to what was said at the Dispatch Box. After a generation of progress, and despite the heroic efforts of the police and crime commissioner, Tony Lloyd, and the Greater Manchester police service, we are seeing profoundly worrying signs of crime starting to rise once again.

**Andrew Gwynne:** My hon. Friend is right to point out the sleight of hand by the Government. The real unfairness to areas such as the west midlands and Greater Manchester is this: we have a relatively low council tax base, so the precept brings in relatively small amounts of funding—nothing like the amounts of funding that are being cut

by the central Government grant. Added to that, those are the areas that tend to have higher crime rates, so need is not matched by resources. It is a double whammy for the urban areas and it penalises places such as Greater Manchester.

**Jack Dromey:** My hon. Friend sets out the case powerfully. There is no question but that need does not determine the way this Government allocate funds, whether to the police service or to local government. I will return to that point.

There was another broken promise. The Prime Minister said in 2010 that he would protect the frontline. Not true—12,000 front-line officers have since been lost. It was a broken promise and, to add insult to injury, not only are the Tories continuing to slash police funding, but they are expecting the public to pay more for it. The Tory sums rely upon local people being charged an extra £369 million in council tax. Our citizens and the communities we serve are being asked to pay more for less.

**Sir Oliver Heald** (North East Hertfordshire) (Con): In a forward-looking county such as Hertfordshire, which has the pressures of supporting London and Luton and policing major roads, it has been possible to use more police on the frontline and more modern methods. In Hertfordshire the police precept is being cut as the funding settlement is perfectly adequate.

**Jack Dromey:** Every week I see innovation in the police service; of that there is no doubt. In relation to road policing, to which the hon. and learned Gentleman refers, there are profoundly worrying signs that the progress made over many years, particularly under the Labour Government, in reducing road deaths, for example, is starting to reverse as a consequence of the cuts in road policing and other aspects, such as CCTV cameras. I am totally in favour of innovation and greater collaboration—for example, between the police and fire service—but ultimately there is a simple, grim reality: the remorseless downward pressure on our police service. The people who are paying the price are not just our police officers, but the public we serve.

**Sir Oliver Heald** *rose*—

**Jack Dromey:** I shall refer later to old Macmillanites. On the basis that I believe the hon. and learned Gentleman to be one, I give way.

**Sir Oliver Heald:** The hon. Gentleman is very generous, though I shall not comment on that. Does he agree that police force reserves around the country are substantial—Hertfordshire has £48 million, but in one case the figure is as high as £71 million.

**Jack Dromey:** If I can put it this way, that is a canard, as we used to say in the T and G. Of course it is right that reserves should be used. Looking at the pattern across the country, however, why are they typically built up? The reasons range from investment in bringing three or four buildings into one, as the West Midlands police service has done in Birmingham, through better technological equipping of our police service—we need a technological revolution in policing—to planning ahead to recruit more police officers so that, even if the overall numbers are falling, the service is at least bringing in

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some fresh blood. If we look at the various studies that have been done of police reserves, including by the National Audit Office, we see that the line of argument has never stood up that all will be well if only the police use the hundreds of millions of pounds that are somehow there.

Opposition Members are with the police when they say efficiency savings can be made. Crucially, in the run-up to the last general election, we identified £172 million that could be saved through mandated procurement alone. Other measures included full cost recovery on gun licences, ending the bizarre arrangement whereby the police have to subsidise the granting of gun licences. If the Government had embraced that plan, we would have saved 10,000 police officers in the first three years of this Parliament.

Efficiency savings are one thing, but, ultimately, decisions have to be made. We listened to the police, and in the light of the tragic attacks in Paris, they said, “We think we can make up to 5% efficiency savings”—I stress again that we ourselves identified how one could do that. However, it was clear beyond any doubt that the chilling message from the police, who are so vital in maintaining our security, was that going beyond that would compromise public safety. I will never forget the powerful letter from Mark Rowley, Scotland Yard’s head of counter-terrorism, who said that, post-Paris, we have to look at things afresh. Ultimately, numbers matter.

**Rehman Chishti:** Will the hon. Gentleman give way?

**Jack Dromey:** No, forgive me if I finish this important point.

Numbers matter. In the light of attacks such as Paris, we need surge capacity on the one hand, and neighbourhood policing for intelligence gathering on the other hand. We also need more firearms officers; we have 6,000, which is 1,000 down from 2008. We listened to the police.

**Several hon. Members rose—**

**Jack Dromey:** I will give way to somebody who has not already spoken.

**Simon Hoare (North Dorset) (Con):** It is all well and good bandying numbers around and saying we must have the capability to make a surge in the number of armed officers. However, if the leader of the Labour party is to be believed, what are those officers going to do? Just wave their guns at these people and say, “Oh, please stop what you’re doing.” Will the hon. Gentleman take this opportunity to dissociate himself from his leader’s remarks about what armed policemen can and cannot do?

**Jack Dromey:** The Opposition—all of us—have a very simple view. Perhaps I can draw a parallel with the deeply moving statement I heard one of the Parisian officers make about when he and his colleagues went into the Bataclan club. Innocent men and women, including British citizens, were being terrified by jihadis practising the most appalling form of terrorism. That officer said, “I had to make a split-second judgment. I made it, and as a consequence I saved lives.” That is our very, very clear position.

**Andrew Stephenson:** I am slightly confused, and I wonder whether the hon. Gentleman can help me. He says that savings can be made. Today’s report includes a real-terms increase in anti-terror funding. Why, therefore, is the Labour party opposing this very generous settlement?

**Jack Dromey:** After Paris, the Government made a series of announcements—there was also one that predated Paris, but that was about the Investigatory Powers Bill. We have to get the balance right, but we said, “Yes, we support the Government’s broad approach”—that we need enhanced means, for example, to combat those who use the dark net. We supported the Government in making £1.9 billion more available for MI5, MI6 and GCHQ. We supported them when they said that additional resources would be made available for the British Army for counter-terrorism. Ultimately, however, it came down to this: Chris Sims, the former chief constable in the west midlands, and Bernard Hogan-Howe here in London say that the majority of the leads that result in the detection of terrorists come through good neighbourhood policing. If we have continuing downward pressure on neighbourhood policing and the hollowing out of neighbourhood policing, that will impact, in Mark Rowley’s words, on the eyes and ears of the counter-terrorism effort. It is not enough, therefore, simply to equip the special services and the special forces with additional powers; neighbourhood policing is key on every front, particularly counter-terrorism.

The simple reality is that neighbourhood policing will continue to be hollowed out. Some 18,000 officers have been lost since the current Prime Minister took office in 2010. Some 1,300 have gone in the last six months alone. Today confirms that the Tories’ back-door cuts to police forces will inevitably lead to further police officer losses. It appears that the Government are oblivious to the consequences of their actions. Hugh Orde, the former head of the Association of Chief Police Officers, as it was called, is right when he says that a generation of progress is being reversed.

Police in the 21st century face the new challenges of terrorism, cybercrime and child sexual exploitation and abuse. Undoubtedly, the threats to British security in the 21st century demand a modernised, more responsive and better equipped police service, not a smaller one. In defence of the Government’s position, the Police Minister said crime is falling, but that is not true: it is changing. In July, when an estimated 6 million cyber and online crimes are included in the official statistics, crime will nigh on double.

Resources are diminishing, just when demand is soaring. We face not just the three challenges that I mentioned; police recorded crime is rising, and some of the most serious crimes have soared to the highest levels in years. There has been a major increase in knife crime, which is up 9%. There has been a 27% rise in violent crime, including a 14% increase in the murder rate, while sexual offences have gone up 36%. Reported rape figures are the highest since 2003. Victims are also being let down, with half of cases closed without a suspect being identified.

Increasingly, the police are left to pick up the pieces, as other public agencies are slashed. Who, for example, goes after looked-after children if council social services departments are badly depleted?

**Barbara Keeley:** Will my hon. Friend give way?

**Jack Dromey:** I am going to conclude my remarks, because I have been—forgive me if I say so—generous with interventions, and I want hon. Members to have the maximum time to make contributions to this important debate.

The Home Secretary does not seem to understand the challenges to the modern police service or its complexity. Despite massive and growing challenges, not only are police budgets being cut, but the funding formula fiasco in which the Home Office misallocated hundreds of millions of pounds of police funding means that the doomed review of the unfair funding formula has been delayed for another year. We have a stop-gap settlement of only a year, with more uncertainty and more unfairness. My force—West Midlands—and Northumbria face cuts that are double those that Surrey will receive.

As I was saying earlier when the hon. Member for Rossendale and Darwen (Jake Berry) intervened, we have had the tradition of Robert Peel, but there has also been the tradition of Harold Macmillan: a tradition of noblesse oblige, of meeting need, and of serving the national interest in one nation. Macmillanites are increasingly an endangered species in the Conservative party, because both in this settlement and in the local government settlement that will be debated later, there has been a grotesque unfairness of approach where need has been ignored in favour of political heartlands being looked after.

I want to ask the Minister three questions. First, on an important detail, where exactly is the funding for the international capital city grant coming from? Why, in the published information, is it not included in the core police settlement figures? Secondly, when will he finally replace the broken funding formula and give forces the long-term certainty they need to modernise and address the challenges of the 21st century? He expects to implement the new formula in the 2017-18 financial year, but we will need a new formula by the end of this year, at the very latest. Will he even begin to make progress on that in the near future? Thirdly, when will he stop this financial rollercoaster and finally be frank with the public and police about the cuts that he and the Home Secretary intend to impose?

Yes, we will vote against this police grant settlement, because for Labour Members the first duty of any Government and of any Parliament is the safety and security of their citizens. Yes, we will vote against it, because that is what is at risk if we continue down this path of remorseless reduction in the numbers of police officers. Quite simply, the time has come to put public safety first and to cut crime, not cut cops.

2.11 pm

**John Stevenson (Carlisle) (Con):** I would like to say a few words about police funding and, in particular, its significance for policing in Cumbria. There are two key issues: first, the police budget itself, which we are discussing; and secondly, the police funding formula, which is for the future but of equal importance. Before doing so, I would like to make one or two general observations.

It is well documented that Carlisle and Cumbria experienced serious flooding before Christmas. This was a very large local emergency. The Cumbrian

constabulary rose to that challenge brilliantly. Its officers showed leadership, offered practical support and co-ordinated the emergency services. They also showed a lot of empathy. I remember meeting one PC who had himself been flooded, and instead of being at home, he was out there on duty helping everybody else. That demonstrated to me the importance that the police have over and above their normal duties. I pay tribute to the Cumbrian police and crime commissioner, Richard Rhodes. He has led Cumbria extremely well in a mature and professional way, and he has cross-party and widespread support throughout the county. This again demonstrates to me that it was right to create the PCCs. They should continue, and I will certainly support their continuation.

Of the two issues I mentioned, I first turn to police funding in general. The House will recall the debate initiated by the Opposition—it has already been mentioned—calling for a 10% cut in police funding. I welcome the Government's decision not to follow the Opposition's lead but to maintain and, indeed, increase funding for the police, in what we all recognise are still very difficult financial circumstances. This will be welcomed in Cumbria and has certainly been welcomed by the Cumbrian constabulary. It will also be welcomed across the country, in recognition of the fact that the police are an important part of our society. They are the lead emergency service. Given concerns about security and safety, this funding will give confidence to our communities.

On the important issue of the police funding formula, I refer back to my earlier comments. The floods brought home to me how important it is that we have a Cumbrian police force, because it offered leadership, local knowledge and an ability to respond that I am not convinced would have been there had it been part of a larger, more remote force with headquarters elsewhere. The funding formula as consulted on would have had a dramatic and negative impact on Cumbria. Indeed, my local newspaper recognised this and ran a campaign that attracted a huge amount of support. That again demonstrated to me that support for the police and for a Cumbrian police force was deep-rooted.

I was therefore delighted that the Minister was in listening mode when he took on board the potential problems and issues for places such as Cumbria and agreed to postpone, or pull back from, going ahead with his consultation on introducing a new formula. I now wait for the new consultation to come out. I take this opportunity to emphasise the key issues for my county—primarily, rurality and sparsity. There are half a million people in Cumbria, but if one took a map of Cumbria and superimposed it over London and part of the south-east, there would be 20 million. It is a huge area. We have poor infrastructure, with a large mountain range right across the middle of the county, and we are a long way from any urban centre. Manchester is two hours away; Glasgow is an hour and a half away; and even Newcastle is over an hour away. I therefore look forward to the consultation, and I will certainly participate in it.

I give full support to the Government's financing of our police as set out in the current settlement. I am glad to see that we are still the party of the police and the party of law and order.

2.16 pm

**Keith Vaz** (Leicester East) (Lab): It is a pleasure to follow the hon. Member for Carlisle (John Stevenson), who has put forward some important points for discussion. He may claim that his party is the party of the police and law and order, but let us make this an all-party issue, so that we can all praise the work of local police forces and all support the principles of the rule of law, and of law and order. I think that is something that will go across the whole House.

The Minister began by paying tribute to the appointment of the new Serjeant at Arms, who was formerly at the Ministry of Justice but has now taken his place in the House. I join the Minister in welcoming his appointment, not just because of his huge qualities, but because he is the first ethnic minority Serjeant at Arms in the history of Parliament—though of course he was appointed absolutely on merit.

**Mike Penning:** As the Serjeant at Arms was not in his place when I paid tribute to him earlier, Mr Deputy Speaker, may I repeat my tribute to him? Not only did I have the honour of giving him a reference for this job, but he comes from one of the great regiments of the British Army.

**Keith Vaz:** Those are two wonderful recommendations.

**Jack Dromey** *rose*—

**Keith Vaz:** I see that we will now have another tribute to the Serjeant at Arms from the shadow Policing Minister.

**Jack Dromey:** I am grateful to my right hon. Friend. Now that the Serjeant at Arms is in his place, I would like to say that I was privileged to shake his hand the other day. He is deeply welcome to this House; it is great for us to have him here. It is a long and honourable role within this House. Like my right hon. Friend, I celebrate the fact that we have the first BME Serjeant at Arms—

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Order. Mr Dromey, can I just help out? The Front Benchers took well over an hour and there has been plenty of time. Everybody has welcomed the Serjeant at Arms, and so it should be. This is a debate on policing, and I know that the Chair of the Select Committee will not want to wander too far away again, because we do want to get through it, and we only have until three minutes past 4.

**Keith Vaz:** Absolutely, Mr Deputy Speaker. We now move on, your having encouraged everyone to do so, to the debate on the police grant.

I am very pleased to see my right hon. Friend the Member for Delyn (Mr Hanson) in his place, because when he was Policing Minister, additional funding was provided, and the House therefore voted in support of every one of the motions that he put before it.

May I, like others, pay tribute to my local police force? Tomorrow, the Leicestershire police force will celebrate its 180th anniversary at a ceremony in Leicester cathedral and then at the Guildhall. I pay tribute to my chief constable, Simon Cole, for the excellent work that he does, and to Sir Clive Loader, the police and crime commissioner. I want to say how sorry I am that Sir Clive will be standing down at the next election, because

he has made a great contribution, on an all-party basis, to tackling crime in the local area. They have made a great team.

We need to acknowledge, as others have done, what happens at a local level. Here we are in Parliament talking about global figures, but policing is about what happens to local people and what happens on the front line. We in the Home Affairs Committee are conscious of that fact when we discuss some of the big issues. As I have said to the Minister, the police funding formula means that my area is £5.6 million a year less well off than equivalent authorities, such as Derbyshire. The police and crime commissioner has recommended an uplift of 1.99%, which is the maximum amount permissible without a local referendum. On behalf of my local area, I welcome the fact that we see no further cuts in the figures that have been provided. However, as has been said, there are 17,000 fewer police officers than there were when the Government took office, and that is a matter of concern.

As I have said to the Minister, I welcome the fact that he has decided to tackle police funding and to look at the problems with the formula. He came before the House and, in his own words—he was modest, as always—ate “humble pie”. He recognised that the whole funding formula procedure was a bit of a “shambles”, as the Select Committee stated in its report. I know that the shadow Minister would like to claim credit, on behalf of the Labour party, for stopping the Government in their tracks, but he should remember that the Home Affairs Committee conducted a thorough inquiry into the matter. One of our members, the hon. Member for Louth and Horncastle (Victoria Atkins), is here following her astonishing assault on Assange during Prime Minister’s questions. I am not saying that the shadow Minister should not take a little bit of the credit, but he is not a Liberal Democrat; he does not have to take all the credit. The Select Committee had hearings, we considered evidence and we concluded that the process was, in the words of the report, a “shambles,” that needed to be looked at again. The Minister came before the House and agreed. It took Andrew White, the chief executive to the office of the Devon and Cornwall police and crime commissioner, to tell the country that the formula was wrong; senior, learned and intelligent people in the Minister’s Department were unable to do so.

I wrote to the Minister on 1 February to ask him for an update on the consultation on the police funding formula. He began an important process by agreeing to consult, and the Committee set out in our report the procedure that we thought he should follow. In our 10th recommendation, we even suggested a number of organisations that could be part of the process. I know that he respects the work of the Committee, because he has said so on a number of occasions.

The Minister has told me that he wrote to me yesterday, but that letter has not arrived. When we discuss changes in policing, we talk about investment in IT, and I wonder whether the Minister’s private office might invest in email, because emailing me the letter would have been a quick way to ensure that I received it before the debate. We are all watching our emails and waiting for this letter, which was supposed to have been sent yesterday. I know that several of the Minister’s officials are here today, and perhaps nobody is in the office sending out emails. I would like to receive that letter, so that I can

share it with other members of the Committee. I do not know what it will tell us, but I hope that it will say that the consultation process is about to begin. We do not want to run out of time.

I believe the Minister when he says that he wants the widest possible consultation. He is right to say that he met me and every other Member who came to see him, and that is the right thing to do. However, unless we start the process and consult the chiefs, the police and crime commissioners, the National Police Chiefs Council and other interested parties, including Members of the House, we will not reach a final conclusion. Perhaps the letter will arrive before I finish speaking. We do not know, but we would like it to come as soon as possible.

**Barbara Keeley:** My right hon. Friend is making a thoughtful and effective speech. As part of the consultation, will he and the Home Affairs Committee take on board the fact, which I raised earlier with my hon. Friend the Member for Birmingham, Erdington (Jack Dromey), that some police forces are peculiarly stretched by a local crime surge? In Salford, we have suffered from 21 shootings over 18 months. The hollowing out of neighbourhood policing, which we have talked about in the debate, is serious when the police have so much more to do because of crime surges such as the one we have seen in Salford. That really ought to be addressed.

**Keith Vaz:** My hon. Friend is absolutely right. I have visited her constituency, and I know that the issues she talks about are important. At the end of the day, we need to give the police the resources that they need, but decisions about such things have to be handled locally. She is right to say that the problem needs to be addressed and monitored.

I hope that the Minister might cover, in his closing remarks, the extension of the contract of the Metropolitan Police Commissioner. It is important that we do not get into a position similar to that with water cannon, where the Mayor of London waited a whole year for a decision to be made on whether they should be used. The commissioner is due to appear before the Select Committee on 23 February to discuss that and other matters, and I hope that, by the time he appears, the Home Secretary will have written back to the Mayor to give some indication on the subject. Such stability and security at the top of the Met, which represents a fifth of our country's policing budget and numbers, is extremely important. I remind the Minister that such decisions need to be made, in the interests of the policing service, the commissioner and Parliament.

I want to raise some final points. The first is the wider issue of what exactly we want the police to do. One of the recommendations in our report was that the Government consider the question: what are the drivers of crime and police demand? Of course, we live in tough times, and the Government will blame the Opposition for what they did in government, but the issue remains that Parliament and the Government will always look carefully at resources. The police service needs to know exactly what the Government are prepared to fund. Are they prepared to fund more work on immigration? Police officers nowadays act as though they are immigration officers, because they have to deal with many issues that

they did not deal with previously. The Minister and the House know how many cases that reach the custody suite involve people who are suffering from mental illness and should not be there in the first place, which means that police officers are being used as social workers. We know that meetings with local authorities and others, and big inquiries, take up a huge amount of time.

When we begin the consultation on police funding and the new formula, the Minister needs to tell police forces exactly what the Government are prepared to fund. I know that the Government have turned their face against the idea of a royal commission, which the Committee favoured in the last Parliament. We need to look at what we want our police officers to do. They cannot do everything, but that is what they are being asked to do at the moment.

**Rebecca Harris (Castle Point) (Con):** Does the right hon. Gentleman agree that we have come to over-rely on our police for a lot of things? For example, there was some controversy in my constituency this year because the police were not able to police the Armistice Day march. When it came to it, however, plenty of local councillors and other volunteers were more than able to do that without using police time and resources, and it was a great success.

**Keith Vaz:** The hon. Lady is absolutely right. There are other people who can step in. As those of us who support football clubs—including Leicester City, who are currently leading the premier league—know, there are a lot of police officers on duty at football matches, but it is possible that part of their work could be done by stewards who are not warranted officers. The hon. Lady is absolutely right that we do not need warranted officers to do everything.

The Minister has a real opportunity this year to set his mark on the history of policing. He was prepared to tackle the issue of the police funding formula, and received the brickbats that people get, because there are winners and losers, when they try to deal with vested interests. This is a big opportunity: let us decide on a set of principles as a model that can be used for a generation. To do that, he must consult and he must begin such a consultation immediately.

2.29 pm

**Rebecca Harris (Castle Point) (Con):** I am very grateful for the opportunity to add my comments to this important debate. Policing and local policing is a subject about which I feel very strongly and in which I take a great interest.

Policing and crime rates are a huge concern to my constituents, as they are to all our constituents. My postbag, as regularly, I am sure, as those of other hon. Members, contains letters from constituents asking what the Government are doing to bring down crime rates. I welcome the reduction in crime during recent years, but I recognise the need to make savings. I commend the Home Office on the very tough decisions it took during the last Parliament. I express huge welcome for the announcement in the autumn statement that we will certainly keep police funding on a stable basis. I particularly welcome the flexibility over the precept, especially for forces with the lowest precepts in the country, such as Essex.

[Rebecca Harris]

Given my constituents' natural concerns about current crime rates, I took it upon myself to enrol in the police service parliamentary scheme. I strongly recommend it to all hon. Members. It is quite a time commitment—at least 20 days are spent in different parts of the police force—but it has given me a very strong and valuable insight into the true pressures on our police, the challenges for modern policing, and the changes and innovations that the police need to bring in and are bringing in. I want to put on the record my enormous gratitude to Chief Constable Stephen Kavanagh of Essex police and all those I have been out with. They have made me feel extremely welcome and have been very supportive.

I have had some extraordinary opportunities on the scheme. I have been out with the Juno teams, which are tackling domestic violence, and seen for myself the enormous efforts made by the police in their approach to domestic violence. For example, I have seen how quickly they have adopted our new stalking legislation and how closely focused they are on it. That is part of their approach to hidden harms.

**Victoria Atkins:** Is my hon. Friend aware of the welcome police officers have given to the introduction of on-body cameras? One of the great hopes for the cameras is that they will greatly assist in prosecuting domestic violence cases.

**Rebecca Harris:** Absolutely. I have seen officers in action with their cameras, which they can use, for example, when entering the scene of a domestic dispute to which they have been called. As they arrive, they can record evidence of their own that they can use in court. When the victim of domestic violence is, for whatever reason, nervous, reluctant or intimidated about coming forward, they can prosecute on her behalf. That is an enormous innovation. It relies on the police remembering to turn the cameras on, however, so they are doing good training on that. It is a great innovation, and the police are very pleased to have it.

I have visited a custody suite. Hon. Members will understand my reluctance to be photographed anywhere near the cells. I can well imagine the comments on webpages about the picture of any Member of Parliament in the cells. I have seen the pressures that the police face there, and the teething processes involved in trying, not without difficulty, to modernise and to move to new technology. I have been out with CID, and I have seen the forensic labs. I also went to a drugs factory, which was very interesting. A Member of Parliament does not often get the opportunity to go into a cannabis factory. I have also seen how the police are dealing with the problem of modern-day slavery, which they were not geared up to deal with in previous decades. I have seen the sensitivity with which they approach finding out about what they call the “gardener”, who is sometimes left in such factories without any real means of escape.

There are big changes in the way that our police are policing and big differences in the kind of crimes they have to police. They are spectacular in standing up to the challenge of doing all that in difficult funding circumstances. I must say that I have been overwhelmed struck by the sheer commitment and dedication of our police officers. I definitely expected to find professionalism, but I must admit that I did not anticipate just how

passionate they are about their work and the extent to which they really care about the communities they serve. Again, I put on the record my thanks to them and to Chief Constable Stephen Kavanagh for helping with the scheme, and I say to hon. Members, “Do it.” All hon. Members should take that opportunity, because it makes a huge difference.

Essex police, whose motto is “Sworn to Serve”, has long been an efficient force. I could wax lyrical about Essex police for a long time, because when I was in publishing, we produced a book about the history of the constabulary. It is a very long, honourable and proud constabulary. Her Majesty's inspectorate of constabulary has repeatedly found that Essex police force provides better value for money than other police forces. It already has a very close programme of collaboration with Kent police, as was mentioned earlier, including significant sharing of back-office functions, and it is collaborating increasingly closely with other forces in the east of England. It also has one of the lowest reserves in the country, so it has not had the option of absorbing extra costs and pressures by reducing its reserves. That makes the fact that it has managed to be so successful in what it does all the more remarkable. It is right, however, that it should continually look for efficiencies to ensure that public money is spent on keeping the public safe.

**Andrew Stephenson:** My hon. Friend is making a very effective point about her local force. If I am called to speak, I intend to say very similar things about efficiencies in Lancashire police. Will she join me in welcoming the £55 million from the police innovation fund, which will help forces to continue to modernise and to create efficiencies in the way they operate?

**Rebecca Harris:** I absolutely welcome the announcement of those funds. A lot of things are already going on in the police, but it does cost money just to modernise and make improvements. I wish we did not have such an enormous debt in this country, but ultimately, in a strange way, the drive to create efficiencies means that, when our economy is back on an even keel and the money is again flowing in, our police service will be enormously efficient. Old practices, which have been stuck in place for many years, will have been ironed out.

**John Stevenson:** On that point, does my hon. Friend agree that such innovations and making our police forces far more efficient have been due to the introduction of police and crime commissioners?

**Rebecca Harris:** Absolutely. I will come on to that point later, but the innovation of police and crime commissioners was an enormous achievement of the last Parliament. My police and crime commissioner has been highly visible, and much more so than the old police board that he replaced. To this day, people do not realise that such police boards even existed, but they know the name of their police and crime commissioner and are able to approach him.

Essex police force remains very keen to see a review of the funding formula that determines individual police force allocations across the country. The changes to the formula proposed by the Home Office last year would have meant an increase of more than £10 million in the funding for Essex police. We hope that a review later this year will increase the amount of central funding for Essex.

As I have said, Essex is an area with an historically low policing precept. I believe it is about £140 on average, compared with a national average of more than £180 for a band D householder. Essex police force is very proud to say that it has been a lean and efficient force for a long time. I recently surveyed my residents to ask whether they would be prepared to pay extra if that meant additional officers and greater police visibility. Unsurprisingly, the response was of course overwhelmingly positive.

Because of the difficulties of the existing rules about how PCCs can put across their case in a referendum and about how such a referendum is triggered by a rise of 2% or higher, there has been real concern in Essex, with such a low precept, that we would only ever be able to have an increase of 1.99%. That would embed, in perpetuity, a disadvantage for such a lower-cost force compared with more expensive ones. I am very grateful to the Chancellor and Home Office Ministers for listening to that point. The Government are now allowing police and crime commissioners in areas with the lowest precepts to have flexibility in raising their precept. In Essex, that has made it possible to raise the base budget for Essex police by £3.8 million to £266.3 million this year. Frankly, it is right for forces with the lowest precepts to raise their precepts on local council tax payers, rather than call on central Government and national resources to get other members of the public, who may already be paying a higher price for the police in their local area, to provide funding through a higher grant allocation. This is the right and fair way forward, and it is understood by local residents.

The current budget includes increased investment in specialist police officers and police staff to tackle child sexual exploitation, child abuse, serious sexual offences and domestic abuse. There will also be an increased investigative capacity to tackle those horrible crimes and greater support and safeguarding for victims. We now hear so much more about those hidden harms, which we did not used to talk about and recognise in the same way. As we have heard in this debate, the figures for domestic abuse, child abuse and other hidden harms have been rising, which has contributed to the appearance that violent crime is rising. I would contend, as I am sure would most police officers in my area, that these crimes are not rising. What is rising is the confidence of people to come forward and report them, knowing that they will be dealt with sympathetically. The police are taking a very different approach to such crimes and have had training in how to deal with them. They also wear cameras now, as my hon. Friend the Member for Louth and Horncastle (Victoria Atkins) said, and other changes in legislation have been made.

Within the budget, there will be greater investment in the training that is needed to equip officers to investigate internet-enabled crime and cybercrime, which are affecting individuals and businesses across the country. That subject is very topical this week.

I welcome the autumn statement and the funding review, which will enable Essex police to keep many more PCSOs than it had planned and to make many positive innovations. Essex is lucky to have been served by such a fantastic police and crime commissioner in Nick Alston. I say unashamedly that he is the best police and crime commissioner in the country. He was recognised by his peers in an election on that basis. He

has served as the inaugural police and crime commissioner at a time of real change and financial difficulty. We would not be in such good shape in Essex were it not for his sterling support for, and challenge to, the police. Far from being a faceless police board of the great and the good that no one knows about, his name is incredibly well known. I have only been able to accept his resignation because the highly able Roger Hirst is standing as the Conservative candidate in the police and crime commissioner elections.

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Order. I have allowed the hon. Lady to cover a broad scope, but I do not want to get into campaigning and electioneering. This must not become an election campaign, rather than a debate on the police funding grant.

**Rebecca Harris:** I apologise, Mr Deputy Speaker. Thank you for your indulgence.

Despite the huge debt burden this country faces, I am proud that the Conservative Government have managed to protect police spending as much as they have. I very much welcome today's motion.

2.42 pm

**Mr David Hanson (Delyn) (Lab):** I am grateful for the opportunity to contribute to this debate. May I join in the welcome to the Serjeant at Arms? We served at the Ministry of Justice together many years ago. I very much welcome his presence today.

This debate is about the police grant—an issue that the Policing Minister skirted around. He talked about a range of issues, including rationalisation and making the police service more efficient, but he avoided the central question of the level of police funding that the Government are committed to for the next few years.

However, I do not want to start on a negative note. On a positive note, I share with the Minister and the hon. Member for Castle Point (Rebecca Harris) an admiration for the work of the police and the professionalism of the police service. They do a marvellous job. We must never forget that the police put their lives on the line every day. I know that my hon. Friend the Member for Wirral West (Margaret Greenwood), as a Merseyside MP, will note that, because we recently lost an officer in Merseyside. Anyone who has been to the National Police Memorial Day, as the Minister, my hon. Friend the Member for Birmingham, Erdington (Jack Dromey) and I have, will know that the police do a great job and put their lives on the line every day.

This debate is about the level of financial support for the police service across England and Wales. It is clear from what my hon. Friend the Member for Birmingham, Erdington said that the level of support is not sufficient to meet the needs of the police service over the next few years. Nobody will deny that crime has fallen in certain key areas, and that the police are trying their best to reduce crime in key areas. However, a key point has been missed in this debate: policing is not just about crime and whether crime is falling or otherwise.

The hon. Member for Carlisle (John Stevenson) put his finger on it when he spoke about the difficult circumstances that Cumbria has faced with the recent flooding. In such circumstances, the police are the first port of call. When there are public order events, such as

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football matches and parades—my hon. Friend the Member for Birmingham, Erdington spoke about the recent events in Birmingham—the police are the first port of call. When there are road accidents or deaths in our communities, whether in houses or on the streets, the police are the first port of call. Because social services and health services are not always operational at weekends, on mental health issues the police are the first port of call 24 hours a day.

My hon. Friend the Member for Birmingham, Erdington spoke about the golden thread of neighbourhood policing that runs through the service. The police are about reassurance, visibility and evidence collecting, not just about solving crime. My worry is that today's settlement will put the level of service at risk. No one can deny that the service is under pressure.

I happen to live in a relatively low-crime area in north Wales. The police force there does a great job under Mark Polin. I met Inspector Dave Jolley in my local area last week. The police are doing a great job and the level of crime is relatively low. However, the budget is putting great pressure on the level of service. It is important to examine that, rather than to duck around the issues, as the Minister did today.

**Mr Kevan Jones** (North Durham) (Lab): This Government clearly have a small-state Conservative view of the world, as we have seen in local government, which will be changed radically by this week's settlement. Does my right hon. Friend agree that what the average member of the public wants is the reassurance of having police in their communities, and that what is being proposed in the small-state Conservative world that is being put forward is not what our voters want?

**Mr Hanson:** The constituents of north Wales and, I am sure, of Durham want a visible police force that engages with them locally, works with them locally and provides reassurance, as well as solving and preventing crime. The Minister has missed something extremely important. He has focused on crime falling in certain areas, which I accept it has—I will come on to the areas where crime has not fallen—but policing is about much more than solving crime.

**Barbara Keeley:** My right hon. Friend is making some very effective points. I have already raised the issue of gun crime, particularly in Greater Manchester. That will not be solved in any way other than through neighbourhood policing and working with the community. Our outgoing chief constable, Sir Peter Fahy, said before leaving his post that relationship building was needed with the community, so that people were confident to come forward and give the police information, without which the police cannot solve the gun crime that we have. In Moss Side, it took a long period of building such relationships to get that information out. That is the key point.

**Mr Hanson:** My hon. Friend makes her point very well. As she says, we need not just high-level policing but community intelligence and reassurance, and people who know their communities and who work at a local level.

The Minister made great play of efficiency. Nobody will deny that we can make the service more efficient. He is absolutely right about the sharing of buildings and about procurement. He knows about the air contract and the vehicle contract. Those are reforms that we should be making to save money. However, the bottom line is that those efficiencies are not compensating local police forces for the long-term reduction in central Government grant. My police force in north Wales has made efficiency savings of £19.65 million over the past four years, but that has not compensated it for the loss of grant.

The central point I want to put to the Minister, as I said in an intervention on him, is that the reductions in central Government grant are being compensated for by rises in the local precept. My local force area in north Wales has had a grant reduction of 18% over the four years. At the same time, there has been a 14.5% rise in the precept. My constituents are paying more in local taxes at a time when they are losing money in central Government grant.

The point, which my hon. Friend the Member for Denton and Reddish (Andrew Gwynne) understands, is that the poorest areas do not have the council tax base that richer areas have to raise that amount of resource. A 1% or 2% rise in—dare I say it?—the constituency or council area where we are now, Westminster, will raise a hell of a lot more than a 1% or 2% rise in a community such as mine in north-east Wales. When the grant is cut to forces such as North Wales police, and we are expected to raise the local precept, it means that my constituents pay more locally for something that should be provided as part of a national service, whereby richer areas contribute to crime reduction in poorer areas or, indeed, in higher-crime areas. It is important that the Minister recognises that it is not simply a case of reducing the grant and hoping that we can raise that local precept, which he did not mention in any detail today, but of having a fair settlement that meets the needs of poorer communities or areas where crime is higher.

It is important to place it on the record that, under the previous Labour Government, there were 18,000 more police officers than we have now. Crime consistently fell under that Labour Government. If we could look again, in the next three to four years while the Minister holds office, at how we respond to not only the efficiency agenda but the central Government grant agenda, he could do a great deal to help reduce crime and build reassurance.

The Minister mentioned crime falling but, as my hon. Friend the Member for Birmingham, Erdington said, violent crime has increased by 27% in the past year. On victim outcomes, for half the offences recorded in 2014-15, the case was closed without a single suspect being identified. Hate crime, disability crime, sexual offences and violence against women are starting to increase. There has been a 36% increase in sexual offences. For historical reasons, the reporting of sexual offences is also rising. I accept that car crime, shoplifting and other forms of crime are falling. Good—I am pleased about that, and we want crime to continue to be driven down. However, the Minister cannot avoid the fact that the funding settlement will mean at least a standstill for some authorities, and at worst, as my hon. Friend the Member for Birmingham, Erdington mentioned, a massive cut, particularly for



those authorities that have the highest crime, the greatest challenge and the lowest council tax base from which to draw the resources.

It is a little complacent of the Minister to say that all will be well because crime has fallen and forces are managing. My plea to him is to drive efficiency forward still further and perhaps even consider mergers, looking at some of the voluntary mergers that we have encouraged in the past, but not to pass on central Government grant cuts to areas that cannot meet the need, and need to raise money locally. The police service demands more. It is trying to do its best in a professional manner, but the settlement, given the new problems of increased terrorism, cybercrime, fraud and a range of other crimes, will not meet the challenge in the next four to five years. It will certainly not do so in the next year and I therefore support my hon. Friend the Member for Birmingham, Erdington in asking the Minister to review it. I will cast my vote this afternoon to try to make him review it and I hope that others will join me at one minute past four.

**Mr Speaker:** I will now announce the result of the ballot held today for the election of a new Chair of the Environmental Audit Committee. Four hundred and sixty votes were cast, with one spoilt ballot paper. The counting went to three stages, and 417 active votes were cast in that round, excluding those ballot papers whose preferences had been exhausted. The quota to be reached was therefore 209 votes. Mary Creagh was elected Chair with 258 votes. The other candidate in that round was Geraint Davies, who received 159 votes. Mary Creagh will take up her post immediately. I congratulate the hon. Lady on her election. The results of the count under the alternative vote system will be made available as soon as possible in the Vote Office and published on the internet for public viewing.

Notwithstanding some of the courtesies that have developed around these matters in recent times, given that we are in the middle of a debate and people are waiting to speak, I should be most grateful if hon. Members expressed their congratulations and commiserations outside the Chamber.

Again, I warmly congratulate the hon. Lady and I thank the other candidates for taking part in that important election.

2.55 pm

**Christopher Pincher (Tamworth) (Con):** May I briefly congratulate the hon. Member for Wakefield (Mary Creagh) on her election as Chair of the Environmental Audit Committee? None of us will miss the tsunami of paper to which we have all been subjected over the past few days, but I am sure we will all miss the poetry of the hon. Member for Brent North (Barry Gardiner). It may not have been from Palgrave's "Golden Treasury", but it was certainly entertaining.

I am grateful to be called to speak in this important debate on the police grant and pleased to follow the right hon. Member for Delyn (Mr Hanson), a former Policing Minister, who is very experienced in these matters, although I do not agree with everything that he says. I am certainly not always right.

**Simon Hoare:** No!

**Christopher Pincher:** You may be surprised to learn that, Mr Deputy Speaker. However, when police and crime commissioners were first mooted, I have to admit that I was sceptical. I am a Conservative and, like all Conservatives, wary of change, so I was not sure whether we should employ this radical procedure of appointing police and crime commissioners. I always remind myself of the words of the former Prime Minister, the great Marquess of Salisbury, who, when officials and Ministers visited him at Hatfield House to encourage him to do this, say that or think about the other, would press his fingers to his chin and say after a moment's thought, "Twere better not." Governments of all stripes would do well when considering officials' ideas to say, "Twere better not." We might all be better off.

However, the Home Secretary was right, on police and crime commissioners, to say "Twere better to do this" because they have transformed our police forces around the country and the way in which they spend their money, not least in my county of Staffordshire, where Matthew Ellis has done a tremendous job in introducing new technology. Hand-held tablets have reduced the amount of time that police officers have to work in their stations and has put them out on the beat. At a fraction of the cost, that has effectively created 100 new police officers in Staffordshire. As a result of Matthew Ellis's reforms, there has not been an increase in the precept in the past four years, and he can balance the budget for the next four years without an increase in the precept.

Other hon. Members, including my hon. Friend the Member for Castle Point (Rebecca Harris), have mentioned body cameras. We call them "bobby cameras" in Staffordshire, which led the way with that innovation. They not only make it easier for the police to prosecute crime, but make it far more challenging for people to bring malicious and false accusations against the police. If the police are wearing cameras and can film their own behaviour, angry, often young people are far less likely to make untrue claims about the police.

In Staffordshire, we have also led the way in introducing a cadet force. There are now 240 cadet officers between the ages of 14 and 17 working in and with the police to build their skills and work out whether they want a career in the police service. If money is spent effectively and considerately, we can have better policing, a community that feels safer, and a police force that has the tools it needs to do the job.

**Mr Kevan Jones:** I am interested in what the hon. Gentleman is saying, but will he address the point raised by my right hon. Friend the Member for Delyn (Mr Hanson)? The central grant to counties such as Durham is far more important than the precept, given that even a large increase in our precept will not generate much cash because of the number of band A properties in County Durham. Does that not mean that there is no level playing field across the UK, given that the precept is not a way of generating any extra cash in places that contain large numbers of band A properties?

**Christopher Pincher:** I hear the hon. Gentleman's point, but I feel that he may be thinking that Staffordshire is some sort of green and leafy county. Staffordshire has Stoke in it, and areas of deprivation in Tamworth, Stafford and Burton. That county, which is led by Matthew Ellis, has managed to make a saving of

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£126 million, which is invested in technology and makes policing better in Staffordshire and—dare I say this?—better than in County Durham?

**Mr Jones:** Will the hon. Gentleman give way on that point?

**Christopher Pincher:** I will not give way because the House does not have much longer to debate this matter.

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Order. The House has lots of time. If you wish to give way, Mr Pincher, you must do so, but do not use the Chair as a debating point to say that we have cut the time down. That is not the case, no matter what the Whips might tell you.

**Christopher Pincher:** I am grateful, as ever, for your guidance Mr Deputy Speaker, but I would not wish to impose on the time of my colleagues on both sides of the House, and I am sure that the hon. Member for North Durham (Mr Jones) can make his own speech in his own good time. If he cannot, I am sure he will tweet about it later on.

In conclusion, Staffordshire has an innovative police force that works collaboratively with the community and its police and crime commissioner. We have cut costs and put more police on the streets, we have introduced innovation, and our public are happy. I commend our police force and police and crime commissioner to other police forces around the country. I was wrong to say no to police and crime commissioners, and the Labour party is wrong to pour cold water on this grant settlement, which will deliver more money to the police. When it does, Staffordshire will lead the way.

3.2 pm

**Margaret Greenwood (Wirral West) (Lab):** I thank my right hon. Friend the Member for Delyn (Mr Hanson) for his remarks about PC David Phillips whom we lost on Wirral last year. He died in the line of duty, doing the job that he did so well to protect the people of Wirral. He was a highly valued and dedicated officer, and I know that his loss is keenly felt.

The Chancellor's eleventh hour U-turn on police funding in November's comprehensive spending review was welcome. The police and crime commissioner on Merseyside had been anticipating cuts of between £62 million to £100 million by 2019-20, which would have stretched to near breaking point the capacity of the Merseyside police force to do its job of keeping us safe. Cuts on that scale would have meant the loss of all police and community support officers and the mounted police section, as well as reduced resources for tackling serious and organised crime, sexual offences and hate crime. People on Merseyside were extremely concerned about the impact that that would have had on the safety of our communities.

The relief with which the Chancellor's announcement was greeted on Merseyside was qualified by the knowledge of the spending reductions that our police force was already being forced to make. Between 2010-11 and 2015-16, the force made savings of £77 million, resulting in an overall budget reduction of 20%. Over that period, the number of police officers fell by 20%, police staff by 24%, and PCSOs by 25%. PCSOs are the eyes and ears

of community policing on whom we rely. On Merseyside, and particularly the Wirral, PCSOs now end their shifts at 10 pm, which is before the pubs have closed, as a result of the reduction in shift allowance in May 2013. There simply is not enough money to pay them to be on duty at one of the times when they are most needed.

The relief felt on Merseyside at the news of the Chancellor's U-turn was therefore tempered by what followed. Since November, it has become clear that the Chancellor's pledge to safeguard police funding was not the full 180° U-turn that we hoped for, but only partial, and the devil is very much in the detail. The Chancellor's pledge to protect the police depends on an increase in the precept to compensate for a reduction in Government grants. Merseyside's general grant was reduced by £1.3 million.

The Home Secretary has made it clear that she expects the grant reduction to be offset by increasing the precept to the maximum available, and the police and crime commissioner has consulted the general public and the police and crime panel on increasing the precept by 1.95%. That proposal has won strong support in both cases. However, for 2016-17, Merseyside police faces a budget deficit of £5.4 million. To address that deficit and balance the budget, the PCC is proposing to utilise £2.1 million of reserves, and request the force to make further savings of £3.3 million in 2016-17. Assuming that the PCC's overall level of funding remains broadly at the 2016-17 level, it is anticipated that further savings of £22 million will be required by 2017-18 and 2020-21.

Although the final settlement announced in the spending review will mean that the force will have to make smaller savings than expected, it still represents a challenge. Those savings will have to be made against a background of increasing demands on the Merseyside police. The increase in some kinds of crime—including serious offences—on Merseyside has been significantly higher than the national average, and I urge the Minister to look at the detail.

The overall increase in crime on Merseyside between September 2014 and September 2015 was 6.4%—that is just in one year—which was in line with the national averages for England and Wales. However, when we look at other offences, we find that the picture is not so favourable. Vehicle theft offences on Merseyside increased by 8.9%, compared with 0.1% in England and Wales. Domestic burglary increased by 1.2% on Merseyside, but decreased by 5.1% in England and Wales. There was a 48.7% increase in offences involving violence against the person in Merseyside, compared with nearly half that—26.8%—in England and Wales. Those are worrying figures. Violent offences involving injury increased by 38.6% on Merseyside, compared with 16% in England and Wales, and the number of violent offences without injury leapt by 60.7%, compared with 37.5% for England and Wales.

Those figures for Merseyside are a matter of concern and reflect the serious need for properly funded policing. The number of sexual offences increased by 34.5% in Merseyside. It is thought that that increase may reflect a greater willingness of victims to come forward, as well as improvements in recording crime. While that willingness must be welcomed, the resources must be available to pursue cases and deal with victims in a sensitive way. If that does not happen, victims will not continue to come forward in greater numbers. People on Merseyside must

have redress in law when they are subjected to violence, and the state must act as their protector and defender. The first duty of the state is to protect the public, and the Chancellor must ensure that the police have the resources to do so.

Wirral West is a lovely part of the world with some areas of real prosperity, but it also has areas of deprivation. In some areas of my constituency people are frightened to go to the shops in the middle of the day because of antisocial behaviour. That is wholly unacceptable.

**Conor McGinn** (St Helens North) (Lab): My hon. Friend is making a strong case by articulating the impact that these cuts are having on communities. Despite being at opposite ends of the region, she and I are both covered by the Merseyside police force, and every day we see the impact of the cuts on the people she has spoken about. Does she agree that the people we ask to do this difficult job are the men and women who are police officers on Merseyside, and that they are also suffering as a result of these cuts? A Police Federation survey towards the end of last year showed that more than three-quarters of police officers did not feel valued in the service and were suffering from low morale, and that is a real cause for concern.

**Margaret Greenwood:** My hon. Friend is absolutely right, and it is important that we value police officers and all police staff who do such a difficult job.

All my constituents deserve to be able to go about their daily lives without fear or anxiety. All of them deserve a police service that is funded at a level that enables it to do its job safely and efficiently. I pay tribute to the work done by all Merseyside police staff, including PCSOs, police officers and so-called back-office staff. They have been rather maligned, I feel, by certain Government Members. Front-line personnel, often in perilous situations, rely on them. Without them, the force could not operate. I also pay tribute to the police and crime commissioner, who does such a good job.

The Chancellor made his U-turn on extreme cuts the night before the spending review. That suggests an extraordinary lack of planning and calls into question the quality of decision making in the Treasury. The police force on Merseyside must be funded at a level that enables it to prevent crime wherever possible and pursue effectively those who commit it. The force has to be able to meet the rising demands on it from increased levels of crime and the expectations we have of it. That is fundamental if we are to live in a civilised, stable and safe society. I urge the Minister to look carefully at policing need on Merseyside and to fight for a fair police funding settlement.

3.10 pm

**Stephen Hammond** (Wimbledon) (Con): It is a great pleasure to speak in this debate and a pleasure to follow the hon. Member for Wirral West (Margaret Greenwood). I will use the short time available to address some of the issues that affect London in particular, but let me start by making it very clear that I have not heard any Government Member maligning anybody in the police force—far from it. I put on record my tribute to the Metropolitan police, particularly in my borough where they have had to deal with some interesting issues over the past month. I will refer to those later on.

Last September, a number of London Members had dinner with the Metropolitan Police Commissioner, who went through the modelling to which my right hon. Friend the Police Minister referred earlier. So that we understood the potential of the modelling, I think that it was dinner without wine, but it was dinner none the less. After that, my hon. Friends the Members for Uxbridge and South Ruislip (Boris Johnson) and for Richmond Park (Zac Goldsmith) led delegations to meet the Home Secretary. From a London point of view, I am delighted that the Minister, the Chancellor and the Home Secretary listened. It will make a huge difference. The £900 million in cash terms over the next four years, with the reforms the Minister talked about, will allow for the policing of our national city, including our local constituencies.

The key point is that there have been reforms, a number of which have rendered the police force more effective. I made an intervention on the shadow Minister, the hon. Member for Birmingham, Erdington (Jack Dromey), who was rightly talking about the effectiveness of neighbourhood policing. One problem with the previous model, however, was that people got taken off neighbourhood policing, particularly in London. There have been some real issues with that at various times. I have no doubt that it was a great innovation and he was right to say it. It works and it has worked. Even though there is a reduced number, having dedicated people there the whole time has a similar effect. We saw that recently in my constituency, with the help the police received in relation to information brought forward to solve a very unfortunate murder.

The money for London, of course, is not just there for the local; it has to be there for the national. I thank the Home Secretary and the Chancellor for listening to the issues relating to the National Crime Agency. The investment has the potential to transform it into a world-leading law enforcement agency. If we look at any number of the debates we have had in the Chamber in the past two years about cybercrime and the impact it has on our national city, we see that on one level it affects us all. The risk that criminals will be able to break into the internet of things and create problems for people on a personal level is high. London is the financial centre of Europe; nay, it is the global financial centre of the world. Alertness to cybercrime, and giving the police the resources to be able to fight cybercrime, is therefore absolutely key. Investment in the NCA will have a big impact not only in London, and on the reputation of London, but nationally.

The same applies to counter-terrorism. The money that has been invested will have a huge impact both locally and nationally. The Police Minister will be aware that there were a number of incredibly callous bomb hoaxes at four of my local schools two weeks ago. The money secured for the NCA and counter-terrorism can not only be invested in the capability to ensure there are extra police on the streets but to deal with and to build up the intelligence on callous bomb hoaxers and defeat them. The local commander kindly shared with me a lot of information that I would not want to bring out today on the work it has done, but that work can happen only if we put the money into some of those agencies as well. The police grant will protect those agencies and protect people on the streets day after day, minute after minute. All that is absolutely crucial in the great city of London.

[Stephen Hammond]

Many cities in this country and around the world face the threat of terrorism. London, however, faces a unique and very severe threat from terrorism, so there are additional pressures on London police. It is therefore particularly welcome that the Met and the City of London police will, through the Greater London Authority, receive national and international city funding worth £174 million.

We in London are pleased that the Minister has listened. The money was necessary and it was right that the adjustment was made. It is right that we are protecting the police. What we do in London has an impact not only across London constituencies, but nationally and internationally. Like the former shadow Police Minister, the right hon. Member for Delyn (Mr Hanson), I will be casting my vote on the basis of what I think the police need. I recognise and pay tribute to what the Government have done. I hope my colleagues and others will join us in realising what a good settlement this is for the police and will support the Government in the Lobby tonight.

3.16 pm

**Kelvin Hopkins** (Luton North) (Lab): I would like to speak briefly about Bedfordshire, which has been very seriously underfunded for a prolonged period. It still has serious problems. I was very pleased to visit the Policing Minister with the other five Members of Parliament for Bedfordshire—Conservative and Labour—a little time ago. He will have seen the paper prepared by the police and crime commissioner and the chief constable illustrating the desperate state of funding for policing in Bedfordshire. I made the point, in Business questions last week, suggesting that the funding formula was fundamentally flawed—broken was the term I used. I hope the funding formula will be amended rapidly, so that it can provide fair funding for Bedfordshire and other authorities across the country.

We have a particular problem with knife crime that is comparable with that in Merseyside, Greater Manchester and other areas, yet we are substantially less well funded. We also have a problem with gun crime that is comparable with that in large urban areas. Again, we cannot cope because we have serious underfunding. Our police force does a wonderful job with the resources it has, but those resources are simply not good enough. Rural Wales has, per head of population, resources and police numbers that are a multiple of those available in Bedfordshire, yet it has very little crime. There is something fundamentally wrong with a formula that can give such relatively generous police funding to rural areas with very little crime, when Bedfordshire has some fairly serious problems with crime, which we do our best to deal with but really are struggling with.

We have an excellent chief constable and an excellent police and crime commissioner in Jon Boutcher and Olly Martins. They are doing their best and have provided me with detailed arguments and statistics, which the Policing Minister will have. They make the point over and over again that we need a fairer funding formula to bring Bedfordshire into line with other areas.

Our area needs extra resources for policing. As I mentioned, we have crime, but we also have political extremism on both sides of the divide, and that requires extra policing too. The police do the best job they can,

with the resources available, but we do not have enough resource to do the necessary job. I urge the Policing Minister to look seriously at the funding formula. It should not just be an extra bit of cash to help out in the short term. We need to consider fundamentally how it can be revised, so that it treats Bedfordshire and every other area more equitably. Overall, we still need more funding for the police in general, but the lower funding we have across the country ought to be allocated fairly, and Bedfordshire should get its fair amount.

I will leave it there. I apologise to hon. Members and to you, Mr Deputy Speaker, because I have to go to the European Scrutiny Committee, where we are interviewing the Foreign Secretary. It is pressing business, so I hope that hon. Members will forgive me if I leave fairly quickly after my speech.

3.20 pm

**Andrew Stephenson** (Pendle) (Con): Despite some of the scaremongering in the press, the police grant report is good news for police forces across the country and for the force that covers my constituency. I strongly welcome the significant increase in financial resources available across England and Wales and the fact that no police and crime commissioner will face a reduction in cash funding in the next financial year. Credit for that must go to the Home Secretary and the Policing Minister, whom I thank for investing in protecting my constituents from crime and disorder.

The police have had to bear a heavy burden, as the country has had to deal with the mess left behind by the Labour party. The report confirms that we are through the worst and that under a responsible Government we can once again afford to offer our police the support they need and deserve. The fact is that crime has fallen by more than a quarter under this Government. Crime has fallen across Lancashire, including in Pendle.

**Barbara Keeley**: I counsel the hon. Gentleman against talking about crime falling across the country. He is saying things that are not true for Greater Manchester, which has seen a 14% increase in recorded crime and a 36% increase in violent crime, but which is facing an £8.5 million cut. Will he please not talk about crime falling across the country, as he is not referring to Greater Manchester?

**Andrew Stephenson**: The hon. Lady is talking about reported crime. According to the British crime survey, crime has fallen across the country, and that survey has always been accepted on a cross-party basis as a more accurate reflection of crime rates across the country.

**Barbara Keeley** *rose*—

**Andrew Stephenson**: I want to talk about rates of crime that have increased, so if the hon. Lady will allow me, I will make some progress.

**Jack Dromey**: My intervention will be quick, because I am keen that everyone has the chance to speak, but it is important to put the record right. In July, cybercrime and online fraud will be included in the crime survey of England and Wales. The early estimate is that it will add 6 million crimes and result in crime possibly doubling. Will the hon. Gentleman reflect on what he has just said and recognise that at last the truth will be told on crime? It is not falling; it is changing.

**Andrew Stephenson:** If the shadow Minister will hold his horses, I will talk about cybercrime and other types of crime not currently reflected in the crime figures and why the police grant is a sensible investment in our ability to deal with new forms of crime.

Drug gangs are a real problem in Pendle, but Operation Regenerate has seen significant resources and a significant number of officers dedicated to tackling organised crime there. The Psychoactive Substances Act 2016 will help further by stopping people profiting from selling dangerous drugs to our young people. So-called legal highs have caused serious harm to young people across my area, and I am proud to have served on the Bill Committee, alongside other right. hon. and hon. Members in the Chamber today.

Although most types of crime recorded in the statistics have fallen, we have seen upwards trends in certain types of crime. Rates of violence and sexual offences have increased in recent years. Some of that is down to historical under-reporting, but there are other factors. As a country, we still face an epidemic of domestic violence—it is mostly against women, but men are affected too. Just last week, a woman was the victim of a very serious sexual assault on the streets of Colne, the town in which I live. This is a rare thing to happen in the town, and I am sure the whole House will join me in hoping for the swift arrest of those guilty of this appalling attack and in expressing our every sympathy for the victim. I hope the Minister will set out how the Home Office will support police forces such as Lancashire to work with other agencies to ensure that domestic violence and sexual offences are reported and victims protected.

Lancashire police are at the forefront of fighting the rise of modern slavery. One of the first—if not the first ever—modern slavery orders was given to a man in my constituency, using new powers given to the police by the coalition Government's Modern Slavery Act 2015. This shows that we face new types of crime. The Government must continue to help the police to reform so that they can tackle new forms of crime and protect vulnerable people at risk of exploitation.

The commitment to transforming funding towards developing specialist capabilities to tackle cybercrime will be hugely important, if we are to protect individuals and businesses from the growing threat of online fraud, which all the statistics indicate is of real concern. A new cyber-skills institute will soon open in Nelson, in my constituency, which I hope Ministers will help to support so that we can train the next generation of cyber experts that our police forces desperately need.

There is also the challenge of identifying how the police can best help to integrate communities in east Lancashire and across the country, as we join together to fight extremism and discrimination against certain groups based on their ethnicity or religion. I recently met Andy Pratt, who served Lancashire for 28 years as a police officer. During his career, he set up the first ever community cohesion team in the county, and since his retirement, he has worked tirelessly on interfaith work, trying to build bridges, particularly between our Muslim and Christian communities. I am delighted that he has been selected as the Conservative party's candidate—

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Order. I said I did not want us campaigning for people standing

for election. The debate is about police funding, not candidates, no matter how good or bad they are; that is not the idea of the debate.

**Andrew Stephenson:** I thank you for that guidance, Mr Deputy Speaker.

**Mr Deputy Speaker:** It was not guidance.

**Andrew Stephenson:** In conclusion, I thank my right hon. Friend the Minister for how he has worked with me and other Lancashire MPs on a cross-party basis, particularly over the proposed changes to the police funding formula, which would have disadvantaged Lancashire police. I welcome the generous settlement before the House. We now have to work with our local police forces to continue to reform policing across the UK and to drive down all types of crime.

3.28 pm

**James Berry (Kingston and Surbiton) (Con):** I rise to make four brief points. First, on the level of funding, before the autumn statement, the Home Office, like many other Departments, was asked to model reductions in spending, and the police were preparing for cuts of 20% to 25%. Labour said that the police could withstand cuts of 10%, but the Chancellor protected police funding, and I welcome that protection, as do many police leaders. The most impressive responses from the policing community came from people such as Chief Constable Sara Thornton, who recognised the need not only for sufficient funding, but for the police to reform and to adapt to the changing demands on their services.

My second point is about flexibility. It is important that the police are flexible to meet the demands on their services. A National Audit Office study reveals that the police do not have a sufficient understanding of those demands, so it is important that they both understand and adapt to meet them.

**Mr Kevan Jones** *rose*—

**James Berry:** I will give way to the hon. Gentleman, who was wronged earlier, because Durham is, in fact, the most efficient police force in the country. I think he wanted to make that point earlier.

**Mr Jones:** I wanted to put the record straight for the hon. Member for Tamworth (Christopher Pincher). As the hon. Member for Kingston and Surbiton (James Berry) rightly says, Durham is the only constabulary in the country that has received an “outstanding” rating for efficiency five times from Her Majesty's Revenue and Customs inspectors. In spite of that, however, it is going to have to save about £3 million over the next year. The hon. Member for Pendle (Andrew Stephenson) has said that the cash settlement has not been reduced, but other demands mean that the number of officers in County Durham will have to be reduced, even though it has already been cut by some 400 over the past 10 years.

**James Berry:** I am sure the Minister will deal with that in his response. I do not recognise those statistics, but I pay tribute to the hon. Gentleman's chief constable for running such a fantastically efficient force.

**Jack Dromey:** Will the hon. Gentleman give way?

**James Berry:** No.

[James Berry]

The point about flexibility is clearly lost on the Labour party. I recently attended a Westminster Hall debate in which a London Labour MP insisted on a top-down, inflexible model of ward policing in London, without recognising the fact that some wards needed more policing than others, as is the case in Kingston. That is why I endorse the decision taken by the Home Secretary and the Chancellor to be flexible themselves, including increasing funding both for counter-terrorism policing and firearms officers, which is what the police asked for, at a time when we face an unprecedented terrorism threat, and for a new drive to co-ordinate the fight against fraud, which, as the hon. Gentleman has said, has increased, particularly on the internet.

Thirdly, police funding has to go hand in hand with reform. Thanks to the coalition Government—particularly their Conservative policies—there has been an increase in the democratic control of policing through police and crime commissioners. Important reforms have also been made to the police misconduct regime, including, most recently, opening up misconduct hearings to the public, to increase transparency and public confidence. The College of Policing has been created to set standards and guidance for police. I declare that I am an associate of that college and occasionally give lectures there.

The Home Secretary's police reform agenda continues, including funding to encourage collaboration between forces, which is not a top-down model like that pursued under the last Government, but a bottom-up model. There are excellent examples of collaboration, such as that between West Mercia and Warwickshire police. There is also funding to encourage blue light collaboration, which not only saves money, but increases the efficiency and effectiveness of our blue light services.

My fourth and final point is about policing in London and in Kingston, which has the second lowest crime rate in London. We have an excellent borough commander in Glenn Tunstall, who leads a fantastic local police force, which is part of the fabric of the local community and does us in Kingston proud. Tomorrow I will host a public meeting with officers in Surbiton, to talk about the excellent work that they, led by Sergeant Trudy Hutchinson, do to tackle crime and antisocial behaviour. I pay tribute to them.

In Kingston town centre, the Conservative council has made good on our campaign to increase the number of police officers by using the Police Act 1996 to buy extra police officers and making use of the Mayor of London's "buy one, get one free" offer. That has had a fantastic impact on the rate of arrests and on safety in the town centre.

My constituents do not spend all their time in Kingston with its low crime rate; many of them also come into central London, where, of course, crime rates are higher, as is the threat of terrorism. That is why I got together with other London MPs, including my constituency neighbour—my hon. Friend the Member for Richmond Park (Zac Goldsmith)—and my hon. Friend the Member for Uxbridge and South Ruislip (Boris Johnson) to talk to the Policing Minister, the Home Secretary and the Chancellor, in order to ensure that police funding in London was protected. The right hon. Member for Leigh (Andy Burnham) has claimed that it was Labour that forced a change in

police funding, but I am afraid that that is simply not correct. Clear calls were made by Conservative Members, and the Chancellor, the Home Secretary and the Policing Minister listened to them and protected our budget. As a result, the number of police community support officers in London is not going to be cut, and the number of authorised firearms officers will be increased considerably. There will also be increased funding for counter-terrorism, and our capital city grant has been protected.

To return to the issue of flexibility, certain areas of crime have increased, despite the overall downward trend in the UK and in London, but I am sure that the Metropolitan police and the police in Kingston and the rest of the country will be flexible to meet the increased demand on their services and that they will meet those challenges.

I welcome the report. I am delighted that funding has been protected in London and that the Government are putting the protection of people at home and abroad first. I thank the Minister for what he has done for policing in London.

3.34 pm

**Victoria Atkins** (Louth and Horncastle) (Con): It is fitting that we are having this debate in the same week that the Prime Minister made a speech on his groundbreaking reforms in our prison system. One startling fact in his speech was that 70% of prisoners have at least seven previous convictions. If we can improve recidivism rates, it will inevitably have an impact on the resources available to police officers. These reforms to the prison system and to the police funding formula are compassionate and they are to be welcomed because they will also help to prevent crime.

My right hon. Friend the Policing Minister is to be congratulated on acting on the promise to review the police funding formula—something promised by others over the years but never actually done; it has now been done by the Minister and the Home Secretary. He is also to be congratulated on protecting the policing budget in the autumn statement and on making real blue light reform possible, enabling the police, the ambulance and the fire services to work together. I shall deal quickly with each in turn.

On the police funding formula, Lincolnshire is the police constabulary in my constituency, which is a very rural part of the world that has been particularly badly affected by the old police funding formula, as mentioned by my hon. Friend the Member for Gainsborough (Sir Edward Leigh). The Lincolnshire chief constable—and, indeed, some of his colleagues and other chief constables—has been very brave in challenging the funding formula. Not every chief constable has made the same progress as him on efficiency savings. He has written an excellent book, "The Structure of Police Finance—Informing the Debate", which helped me when I needed to put various questions to chief constables in my work on the Home Affairs Select Committee. The Select Committee has found that some forces have extraordinarily generous reserves of savings. The right hon. Member for Leicester East (Keith Vaz), the Committee Chairman, invited chief constables and police and crime commissioners to give evidence and we heard from some that they had reserves of up to £60 million. Since then, I have learned that the West Midlands force has a

reserve of £153 million. Rather than have that money sitting in a bank account, we should surely spend it wisely to protect the public.

**Jack Dromey:** The hon. Lady mentions the money of the West Midlands police service, but it is overwhelmingly earmarked for the rationalisation of buildings in order to save money in the medium and longer term and for the recruitment of new police officers. I know Neil Rhodes well, and he is a fine chief constable. He was right to call for a review of the police funding formula, so does the hon. Lady share his dismay and my dismay that, as a consequence of the omnishambles within the Home Office before Christmas, we are stuck with the existing arrangements?

**Victoria Atkins:** It is certainly true that the chief constable was excited at the prospect of the new funding formula and how it might help his constabulary. It is as it is, but I received a letter from the chief constable last month saying that the constabulary has made further bold bids for transformational funding, which it is excited about in connection with blue light funding. I shall come on to that later.

As we have heard, the overall police budget is going to be protected—up to £900 million by 2019-20—and there is going to be a real-terms increase to £670 million for policing and counter-terrorism next year. There is also to be an increase in transformation funding to help with issues such as cybercrime.

I see in their places three members of the Joint Committee that has scrutinised the draft Investigatory Powers Bill, which is going to report tomorrow. During our work on that Committee we have heard about the changing nature of the threats facing our country and local policing, whether it be in respect of counter-terrorism or the challenges faced by police officers investigating missing persons. That, however, is for another debate and another time.

My final point is about making blue light collaboration possible. In a village in my constituency, Woodhall Spa, fire officers are trained to step in as ambulance workers, because they will be on the scene before the ambulances arrive. That is a great improvement, and the more we see of it the better. When I had the pleasure of visiting police stations in both Louth and Horncastle before Christmas to thank the officers for their work, I was interested to see that Louth police station was next door to the fire station. There must be room for the services to work together in helping to protect the public.

There have been suggestions from the Opposition that Members do not appreciate the work of police officers. That is simply wrong. I had the pleasure and privilege of working with excellent police and law enforcement officers in my previous career, and I am delighted that Lincolnshire constabulary will be hosting its annual awards in March to celebrate the bravery and commitment of officers in our county. I have been invited to the ceremony. Sadly, I shall probably not be able to go because I shall be here, but I wish them well. I am sure that the whole House wishes each and every police officer in our country well for the future, and is grateful for the work that they have done already.

**Madam Deputy Speaker (Mrs Eleanor Laing):** If the hon. Member for Cheltenham (Alex Chalk) stands up, he will be called.

3.41 pm

**Alex Chalk (Cheltenham) (Con):** Thank you, Madam Deputy Speaker. That is very kind.

As the Chancellor of the Exchequer said, the police protect us, and the Government have indeed protected the police. I believe that the settlement strikes the right balance between ensuring that police forces are properly funded and can plan for the future, and maintaining the impetus and the tempo of reforms.

When I was listening to the speech of the hon. Member for Birmingham, Erdington (Jack Dromey), it struck me that it would be helpful to put the settlement in context. Back in 2010, this country was truly staring into the abyss. Youth unemployment had doubled, and Britain was the basket case of Europe. *[Interruption.]* I hear the scoffing of Opposition Members, but the important point is this: the impact on public services would have been felt if the Government had not introduced some degree of order. Let us remember what the position was like back then. People were talking not just about trimming the police force, but about the wholesale meltdown of some of our key public services, and that is precisely what has not happened.

On 25 November the Chancellor announced that police spending would be protected in real terms over the spending review period, when the precept was taken into account. No police and crime commissioner will face a reduction in cash funding next year, and funding will have increased by up to £900 million in cash terms by 2019-20. As has already been pointed out, counter-terrorism funding will increase in real terms to £670 million in 2016-17. We have moved from a time when the country and policing faced disaster to a time when we have a strong funding settlement that will give proper funding to our most important services.

**Mr Kevan Jones:** Will the hon. Gentleman give way?

**Alex Chalk:** Very briefly.

**Mr Jones:** I think that the hon. Gentleman has to sit down when I stand up.

**Alex Chalk:** Sorry.

**Mr Jones:** I know that the present Government find it difficult to distinguish between revenue and capital, among other concepts, but the hon. Gentleman has said that no one will lose cash. Durham, for instance, has an “outstanding” force—the only one in the country—but that force must take £3 million out of its budget this year because of wage increases and other pressures. “Flat cash” does not constitute an increase.

**Alex Chalk:** As I have said, it is important to put the settlement in context. Back in 2010—*[Interruption.]* May I deal with the point? In 2010, the country was bringing in about £600 million in tax revenue and spending £750 million. If that had not been addressed, the country and policing would be facing meltdown, but policing is now on a sound footing to protect the people of our country.

Speeches are sometimes as interesting for what is not said as for what is said. The hon. Member for Birmingham, Erdington did not mention, even as one of his own apocalyptic scenarios, the kind of cut that he would himself have countenanced. At the Labour party conference

[Alex Chalk]

in Brighton, the right hon. Member for Leigh (Andy Burnham) declared that savings of up to 10% could be found. He said that that would be doable. That is not what is happening under this Government. Funding is now on a sustainable footing and capability is being enhanced.

**Jack Dromey:** Will the hon. Gentleman give way?

**Alex Chalk:** I will not take any more interventions.

Let us look at how that capability is being enhanced. Specialist capabilities in cybercrime are being improved, as is firearms capability. Modernisation and reform are also taking place because, as Her Majesty's inspectorate of constabulary has set out, there are further efficiencies to be made. Whether in respect of decent funding or improving our capability, this settlement will enable us, even in difficult times, to protect our police, build capacity, drive reform and deliver for the people of this country.

*Question put.*

*The House divided: Ayes 310, Noes 212.*

*Votes cast by Members for constituencies in England and Wales: Ayes 305, Noes 208.*

**Division No. 191]**

**[3.45 pm**

**AYES**

Adams, Nigel  
Afriyie, Adam  
Aldous, Peter  
Allan, Lucy  
Allen, Heidi  
Amess, Sir David  
Andrew, Stuart  
Ansell, Caroline  
Argar, Edward  
Atkins, Victoria  
Bacon, Mr Richard  
Baker, Mr Steve  
Baldwin, Harriett  
Barclay, Stephen  
Baron, Mr John  
Barwell, Gavin  
Bebb, Guto  
Bellingham, Sir Henry  
Benyon, Richard  
Beresford, Sir Paul  
Berry, Jake  
Berry, James  
Bingham, Andrew  
Blackman, Bob  
Blackwood, Nicola  
Boles, Nick  
Bone, Mr Peter  
Borwick, Victoria  
Bradley, Karen  
Brady, Mr Graham  
Brazier, Mr Julian  
Bridgen, Andrew  
Brine, Steve  
Brokenshire, rh James  
Bruce, Fiona  
Buckland, Robert  
Burns, Conor  
Burns, rh Sir Simon  
Burrowes, Mr David  
Burt, rh Alistair  
Cairns, Alun

Carmichael, Neil  
Cartlidge, James  
Cash, Sir William  
Caulfield, Maria  
Chalk, Alex  
Chishti, Rehman  
Chope, Mr Christopher  
Churchill, Jo  
Clark, rh Greg  
Clarke, rh Mr Kenneth  
Clifton-Brown, Geoffrey  
Coffey, Dr Thérèse  
Collins, Damian  
Colville, Oliver  
Costa, Alberto  
Cox, Mr Geoffrey  
Crabb, rh Stephen  
Davies, Byron  
Davies, Chris  
Davies, David T. C.  
Davies, Glyn  
Davies, Dr James  
Davies, Mims  
Davis, rh Mr David  
Dinenage, Caroline  
Djanogly, Mr Jonathan  
Dodds, rh Mr Nigel  
Donelan, Michelle  
Dorries, Nadine  
Double, Steve  
Dowden, Oliver  
Drax, Richard  
Drummond, Mrs Flick  
Duddridge, James  
Duncan Smith, rh Mr Iain  
Dunne, Mr Philip  
Ellis, Michael  
Ellison, Jane  
Ellwood, Mr Tobias  
Elphicke, Charlie  
Eustice, George

Evans, Graham  
Evans, Mr Nigel  
Evennett, rh Mr David  
Fabricant, Michael  
Fernandes, Suella  
Field, rh Mark  
Foster, Kevin  
Fox, rh Dr Liam  
Francois, rh Mr Mark  
Frazer, Lucy  
Freeman, George  
Freer, Mike  
Fuller, Richard  
Fysh, Marcus  
Gale, Sir Roger  
Garnier, rh Sir Edward  
Garnier, Mark  
Gauke, Mr David  
Ghani, Nusrat  
Gibb, Mr Nick  
Glen, John  
Goodwill, Mr Robert  
Gove, rh Michael  
Graham, Richard  
Grant, Mrs Helen  
Gray, Mr James  
Grayling, rh Chris  
Green, Chris  
Green, rh Damian  
Greening, rh Justine  
Grieve, rh Mr Dominic  
Griffiths, Andrew  
Gummer, Ben  
Gyimah, Mr Sam  
Halfon, rh Robert  
Hall, Luke  
Hammond, rh Mr Philip  
Hammond, Stephen  
Hancock, rh Matthew  
Hands, rh Greg  
Harper, rh Mr Mark  
Harrington, Richard  
Harris, Rebecca  
Hart, Simon  
Haselhurst, rh Sir Alan  
Hayes, rh Mr John  
Heald, Sir Oliver  
Heapey, James  
Heaton-Harris, Chris  
Heaton-Jones, Peter  
Henderson, Gordon  
Herbert, rh Nick  
Hinds, Damian  
Hoare, Simon  
Hollingbery, George  
Hollinrake, Kevin  
Hollobone, Mr Philip  
Holloway, Mr Adam  
Hopkins, Kris  
Howell, John  
Howlett, Ben  
Huddleston, Nigel  
Hurd, Mr Nick  
Jackson, Mr Stewart  
James, Margot  
Javid, rh Sajid  
Jayawardena, Mr Ranil  
Jenkin, Mr Bernard  
Jenkyns, Andrea  
Jenrick, Robert  
Johnson, Boris  
Johnson, Gareth

Johnson, Joseph  
Jones, Andrew  
Jones, rh Mr David  
Jones, Mr Marcus  
Kawczynski, Daniel  
Kennedy, Seema  
Kirby, Simon  
Knight, rh Sir Greg  
Knight, Julian  
Kwarteng, Kwasi  
Lancaster, Mark  
Latham, Pauline  
Leadsom, Andrea  
Lee, Dr Phillip  
Lefroy, Jeremy  
Leigh, Sir Edward  
Leslie, Charlotte  
Letwin, rh Mr Oliver  
Lewis, Brandon  
Lewis, rh Dr Julian  
Liddell-Grainger, Mr Ian  
Lidington, rh Mr David  
Lilley, rh Mr Peter  
Lopresti, Jack  
Lord, Jonathan  
Loughton, Tim  
Lumley, Karen  
Mackinlay, Craig  
Mackintosh, David  
Main, Mrs Anne  
Mak, Mr Alan  
Mann, Scott  
Mathias, Dr Tania  
Maynard, Paul  
McCartney, Jason  
McCartney, Karl  
McPartland, Stephen  
Menzies, Mark  
Mercer, Johnny  
Merriman, Huw  
Metcalfe, Stephen  
Miller, rh Mrs Maria  
Milling, Amanda  
Milton, rh Anne  
Mitchell, rh Mr Andrew  
Mordaunt, Penny  
Morris, Anne Marie  
Morris, David  
Morris, James  
Morton, Wendy  
Mowat, David  
Mundell, rh David  
Murray, Mrs Sheryll  
Murrison, Dr Andrew  
Neill, Robert  
Newton, Sarah  
Nokes, Caroline  
Norman, Jesse  
Nuttall, Mr David  
Offord, Dr Matthew  
Parish, Neil  
Patel, rh Priti  
Pawsey, Mark  
Penning, rh Mike  
Penrose, John  
Percy, Andrew  
Perry, Claire  
Phillips, Stephen  
Philp, Chris  
Pickles, rh Sir Eric  
Pincher, Christopher  
Poulter, Dr Daniel



Prentis, Victoria  
 Prisk, Mr Mark  
 Pritchard, Mark  
 Pursglove, Tom  
 Quin, Jeremy  
 Quince, Will  
 Raab, Mr Dominic  
 Redwood, rh John  
 Rees-Mogg, Mr Jacob  
 Robertson, Mr Laurence  
 Robinson, Gavin  
 Robinson, Mary  
 Rosindell, Andrew  
 Rudd, rh Amber  
 Rutley, David  
 Sandbach, Antoinette  
 Scully, Paul  
 Selous, Andrew  
 Shannon, Jim  
 Shapps, rh Grant  
 Sharma, Alok  
 Shelbrooke, Alec  
 Simpson, David  
 Simpson, rh Mr Keith  
 Skidmore, Chris  
 Smith, Chloe  
 Smith, Julian  
 Smith, Royston  
 Soames, rh Sir Nicholas  
 Solloway, Amanda  
 Soubry, rh Anna  
 Spelman, rh Mrs Caroline  
 Spencer, Mark  
 Stephenson, Andrew  
 Stevenson, John  
 Stewart, Bob  
 Stewart, Iain  
 Stewart, Rory  
 Streeter, Mr Gary  
 Stride, Mel  
 Stuart, Graham  
 Sturdy, Julian  
 Sunak, Rishi  
 Swayne, rh Mr Desmond

Swire, rh Mr Hugo  
 Syms, Mr Robert  
 Thomas, Derek  
 Throup, Maggie  
 Timpson, Edward  
 Tolhurst, Kelly  
 Tomlinson, Justin  
 Tomlinson, Michael  
 Tracey, Craig  
 Tredinnick, David  
 Trevelyan, Mrs Anne-Marie  
 Truss, rh Elizabeth  
 Tugendhat, Tom  
 Turner, Mr Andrew  
 Tyrie, rh Mr Andrew  
 Vaizey, Mr Edward  
 Vara, Mr Shailesh  
 Vickers, Martin  
 Villiers, rh Mrs Theresa  
 Walker, Mr Charles  
 Walker, Mr Robin  
 Wallace, Mr Ben  
 Warburton, David  
 Warman, Matt  
 Watkinson, Dame Angela  
 Wharton, James  
 Whately, Helen  
 Wheeler, Heather  
 White, Chris  
 Whittaker, Craig  
 Whittingdale, rh Mr John  
 Wiggin, Bill  
 Williams, Craig  
 Williamson, rh Gavin  
 Wilson, Mr Rob  
 Wollaston, Dr Sarah  
 Wood, Mike  
 Wragg, William  
 Wright, rh Jeremy  
 Zahawi, Nadhim

**Tellers for the Ayes:**  
**Guy Opperman and**  
**Jackie Doyle-Price**

#### NOES

Abrahams, Debbie  
 Alexander, Heidi  
 Ali, Rushanara  
 Allen, Mr Graham  
 Anderson, Mr David  
 Ashworth, Jonathan  
 Bailey, Mr Adrian  
 Barron, rh Kevin  
 Beckett, rh Margaret  
 Benn, rh Hilary  
 Berger, Luciana  
 Betts, Mr Clive  
 Blackman-Woods, Dr Roberta  
 Blenkinsop, Tom  
 Blomfield, Paul  
 Bradshaw, rh Mr Ben  
 Brennan, Kevin  
 Brown, Lyn  
 Brown, rh Mr Nicholas  
 Bryant, Chris  
 Buck, Ms Karen  
 Burden, Richard  
 Burgon, Richard  
 Burnham, rh Andy  
 Butler, Dawn

Byrne, rh Liam  
 Cadbury, Ruth  
 Campbell, rh Mr Alan  
 Campbell, Mr Ronnie  
 Champion, Sarah  
 Chapman, Jenny  
 Coker, Vernon  
 Coffey, Ann  
 Cooper, Julie  
 Cooper, Rosie  
 Cooper, rh Yvette  
 Corbyn, rh Jeremy  
 Cox, Jo  
 Coyle, Neil  
 Crausby, Mr David  
 Creagh, Mary  
 Creasy, Stella  
 Cruddas, Jon  
 Cryer, John  
 Cunningham, Alex  
 Cunningham, Mr Jim  
 Dakin, Nic  
 David, Wayne  
 Davies, Geraint  
 De Piero, Gloria

Doughty, Stephen  
 Dowd, Jim  
 Dowd, Peter  
 Dromey, Jack  
 Dugher, Michael  
 Eagle, Ms Angela  
 Eagle, Maria  
 Edwards, Jonathan  
 Efford, Clive  
 Elliott, Julie  
 Elliott, Tom  
 Ellman, Mrs Louise  
 Esterson, Bill  
 Evans, Chris  
 Farrelly, Paul  
 Field, rh Frank  
 Fitzpatrick, Jim  
 Fletcher, Colleen  
 Flint, rh Caroline  
 Flynn, Paul  
 Gardiner, Barry  
 Glass, Pat  
 Glendon, Mary  
 Green, Kate  
 Greenwood, Lilian  
 Greenwood, Margaret  
 Griffith, Nia  
 Gwynne, Andrew  
 Haigh, Louise  
 Hamilton, Fabian  
 Hanson, rh Mr David  
 Harman, rh Ms Harriet  
 Harris, Carolyn  
 Hayes, Helen  
 Healey, rh John  
 Hendrick, Mr Mark  
 Hepburn, Mr Stephen  
 Hermon, Lady  
 Hillier, Meg  
 Hodge, rh Dame Margaret  
 Hodgson, Mrs Sharon  
 Hoey, Kate  
 Hollern, Kate  
 Hopkins, Kelvin  
 Hunt, Tristram  
 Hussain, Imran  
 Iranca-Davies, Huw  
 Jarvis, Dan  
 Johnson, Diana  
 Jones, Gerald  
 Jones, Graham  
 Jones, Helen  
 Jones, Mr Kevan  
 Jones, Susan Elan  
 Kane, Mike  
 Kaufman, rh Sir Gerald  
 Keeley, Barbara  
 Kendall, Liz  
 Khan, rh Sadiq  
 Kinahan, Danny  
 Kinnock, Stephen  
 Kyle, Peter  
 Lammy, rh Mr David  
 Lavery, Ian  
 Leslie, Chris  
 Lewell-Buck, Mrs Emma  
 Lewis, Clive  
 Lewis, Mr Ivan  
 Long Bailey, Rebecca  
 Lucas, Caroline  
 Lynch, Holly  
 Mactaggart, rh Fiona

Madders, Justin  
 Mahmood, Mr Khalid  
 Mahmood, Shabana  
 Malhotra, Seema  
 Mann, John  
 Marris, Rob  
 Marsden, Mr Gordon  
 Maskell, Rachael  
 Matheson, Christian  
 McCabe, Steve  
 McCarthy, Kerry  
 McDonagh, Siobhain  
 McDonald, Andy  
 McDonnell, John  
 McFadden, rh Mr Pat  
 McGinn, Conor  
 McGovern, Alison  
 McInnes, Liz  
 McKinnell, Catherine  
 McMahan, Jim  
 Meale, Sir Alan  
 Mearns, Ian  
 Miliband, rh Edward  
 Moon, Mrs Madeleine  
 Morden, Jessica  
 Morris, Grahame M.  
 Murray, Ian  
 Nandy, Lisa  
 Onn, Melanie  
 Onwurah, Chi  
 Osamor, Kate  
 Owen, Albert  
 Pearce, Teresa  
 Pennycook, Matthew  
 Phillips, Jess  
 Pound, Stephen  
 Powell, Lucy  
 Pugh, John  
 Qureshi, Yasmin  
 Rayner, Angela  
 Reed, Mr Jamie  
 Reed, Mr Steve  
 Rees, Christina  
 Reeves, Rachel  
 Reynolds, Emma  
 Reynolds, Jonathan  
 Rimmer, Marie  
 Robinson, Mr Geoffrey  
 Rotheram, Steve  
 Ryan, rh Joan  
 Saville Roberts, Liz  
 Shah, Naz  
 Sheerman, Mr Barry  
 Sherriff, Paula  
 Shuker, Mr Gavin  
 Siddiq, Tulip  
 Skinner, Mr Dennis  
 Slaughter, Andy  
 Smeeth, Ruth  
 Smith, rh Mr Andrew  
 Smith, Angela  
 Smith, Cat  
 Smith, Jeff  
 Smith, Nick  
 Smith, Owen  
 Smyth, Karin  
 Spellar, rh Mr John  
 Starmer, Keir  
 Stevens, Jo  
 Streeting, Wes  
 Stuart, rh Ms Gisela  
 Tami, Mark

Thomas, Mr Gareth	Whitehead, Dr Alan
Thomas-Symonds, Nick	Williams, Mr Mark
Thornberry, Emily	Wilson, Phil
Timms, Mr Stephen	Winnick, Mr David
Trickett, Jon	Winterton, Mrs Dame Rosie
Turley, Anna	Woodcock, John
Twigg, Derek	Wright, Mr Iain
Twigg, Stephen	
Umunna, Mr Chuka	<b>Tellers for the Noes:</b>
Vaz, Valerie	<b>Vicky Foxcroft and</b>
Watson, Mr Tom	<b>Sue Hayman</b>

*Question accordingly agreed to.*

*Resolved,*

That the Police Grant Report (England and Wales) for 2016–17 (HC 753), which was laid before this House on 4 February, be approved.

**Madam Deputy Speaker (Mrs Eleanor Laing):** I have now to announce the result of the deferred Division on the Question relating to the draft Immigration and Nationality (Fees) Order 2016. The Ayes were 313 and the Noes were 67, so the Question was agreed to.

*[The Division list is published at the end of today's debates.]*

## Local Government Finance (England)

*[Relevant Documents: Oral evidence taken before the Communities and Local Government Committee on 13 January 2016, on the Financial Settlement 2015, HC 530, and written evidence to the Committee on Adult social care, reported to the House on 8 February 2016.]*

**Madam Deputy Speaker (Mrs Eleanor Laing):** We come now to the three motions on local government finance in England, which will be debated together. I remind the House that these motions will be subject to double majority voting. If Divisions are called on these motions, all Members of the House are able to vote in the Divisions. The motions will be agreed only if, of those voting, a majority of all Members and a majority of Members representing constituencies in England vote in support of the motions. At the end, the Tellers will report the results, first, for all Members and, secondly, for those representing constituencies in England.

4.5 pm

**The Secretary of State for Communities and Local Government (Greg Clark):** I beg to move,

That the Report on Local Government Finance (England) 2016–17 (HC 789), which was laid before this House on 8 February, be approved.

**Madam Deputy Speaker:** With this we shall discuss the following motions:

That the Report on the Referendums Relating to Council Tax Increases (Principles) (England) 2016–17 (HC 790), which was laid before this House on 8 February, be approved.

That the Report on Referendums Relating to Council Tax Increases (Alternative Notional Amounts) (England) 2016–17 (HC 791), which was laid before this House on 8 February, be approved.

**Greg Clark:** I am pleased to open the debate on this year's report on local government finance in England. I would like to start by thanking all colleagues in the House, and council leaders and officials, who contributed to the consultation after I made a provisional statement shortly before Christmas. Nearly 280 groups or individuals contributed to the consultation. All responses have been carefully considered, and sensible suggestions have been incorporated into the final settlement that is before the House today.

I have always been frank with local councils that they will need to continue to make savings. Local government accounts for nearly one quarter of public spending, so it is inevitable and appropriate that councils should play their part in helping to reduce the national deficit. Council tax payers are also national tax payers; they are the same people—our constituents—and everyone suffers if we run a permanent, untamed deficit.

Councils have accepted their part in this responsibility. During the last Parliament, all parts of local government delivered the savings that have helped to reduce the deficit by half. At the same time, satisfaction with the services provided by local councils has been maintained—a remarkable reflection on the professionalism and the resourcefulness of local government.

**Mr Gareth Thomas (Harrow West) (Lab/Co-op):** Does the Secretary of State understand the frustration of my constituents at the settlement for Harrow Council? We

have one of the lowest per capita settlements in London. The council is having to make £80 million of cuts over four years, leading among other things to the closure of the popular Bridge mental health day centre.

**Greg Clark:** What I would say to the hon. Gentleman is that London Councils welcomed many of the changes we have made in this settlement, including the provision of a four-year settlement. One of the concerns councils have had for many years is that, with annual funding, they were not able to plan ahead and reap some of the economies.

**Paul Maynard** (Blackpool North and Cleveleys) (Con): Will the Secretary of State give way?

**Greg Clark:** The hon. Member for Harrow West (Mr Thomas) will also know that, in terms of the response to the provisional settlement, I have made extra resources available to Harrow, which I think has gone down well in his borough.

**Paul Maynard:** Will the Secretary of State give way?

**Greg Clark:** I will give way to my vigorous hon. Friend.

**Paul Maynard:** I thank my right hon. Friend not only for finding extra money for Lancashire, but for listening to me and not taking that money out of Blackpool's budget. Blackpool is another urban area facing high levels of need. He has performed a balancing trick very adroitly.

**Greg Clark:** I am grateful for what my hon. Friend has said. Blackpool has important pressures that need to be met, and he has made representations, as indeed have his local authorities. It is true that some advised that some transitional relief should come at the expense of places such as Blackpool. However, I have been able to find a way for us to provide some relief for the years in which the reductions in grant are sharpest, without making the situation worse for places such as Blackpool, which have benefited from the settlement.

**Robert Neill** (Bromley and Chislehurst) (Con): This is actually a very progressive and good settlement for the long-term future of local government, because it is genuinely devolutionist. In that context, does my right hon. Friend recognise and accept that it is important not only that he has given transitional relief, which helps outer London boroughs such as Bromley, but that London boroughs and other authorities help themselves by reducing their unit costs in the same way as, for example, Bromley, which has the lowest unit costs in outer London?

**Greg Clark:** My hon. Friend is absolutely right. I had the pleasure of spending some time with the cabinet of Bromley Council, which is one of the most efficient in London and shows the way for all London boroughs to deliver services that are very much valued by their residents, very cost-effectively.

**Mr Gordon Marsden** (Blackpool South) (Lab): On 26 January, the leader of Blackpool Council wrote to the Secretary of State to remind him that we face cuts

for 2016-17 of 4.9% compared with an England average of 2.8%. Despite that—and despite the Secretary of State's welcome comments yesterday about looking at the way in which demographics in certain areas, particularly those with large numbers of older people, might be dealt with—under this formula Blackpool gets absolutely no transitional relief at all. Is there any logic or justice in that?

**Greg Clark:** Of course there is, because the transitional relief is for the authorities that had a sharper reduction in the grant than others. Blackpool benefited to the tune of £3 million from the improvement of the grant. My hon. Friend the Member for Blackpool North and Cleveleys (Paul Maynard) was wise enough to recognise that, and to recognise the difference it will make to the people of Blackpool, and the hon. Gentleman should do likewise.

**Mark Spencer** (Sherwood) (Con): One of the most progressive things that the Secretary of State has done is to give local councils a four-year settlement, so that they can now view what their settlements will be into the future and not live from day to day not knowing what their budget settlement would be in the next year.

**Greg Clark:** My hon. Friend is right. This is one of the key requests that local government has made of central Government for many years, and it has constantly fallen on deaf ears. Councils right across the country, with all different kinds of party political control, have welcomed the fact that they will have the chance to look ahead and plan for the future.

**Several hon. Members** *rose*—

**Greg Clark:** Let me make a bit of progress, and then I will of course give way to more colleagues.

As the Institute for Fiscal Studies pointed out, over the course of this Parliament the required savings that, as I made clear, councils will need to continue to make will be less than those required in the previous Parliament. The Institute for Fiscal Studies reports that the required savings of

“around 7% in real terms over the next four years...is a substantially slower pace of cuts than councils had to deliver between 2009-10 and 2015-16, when councils' spending power was cut on average by 25% in real terms.”

**John Howell** (Henley) (Con): Will my right hon. Friend confirm that within this process councils are still required to do things in a fundamentally different way, such as setting up trading joint ventures, as one county council told me it had done on Monday, or looking at Uber-type services for buses?

**Greg Clark:** Yes, councils should take the opportunities to be innovative. My hon. Friend and I served on the Committee on the Bill that became the Localism Act 2011, which introduced a general power of competence for local councils precisely so that they could take decisions in the interests of their residents and contribute effectively.

**Several hon. Members** *rose*—

**Greg Clark:** I will give way to the hon. Member for Liverpool, Riverside (Mrs Ellman), and then to—

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. Before the Secretary of State gives way—he has been perfectly polite and courteous in giving way a great many times—let me point out that this is a short debate. Twenty-four people have indicated to me that they would like to make speeches, and they intend to sit here all afternoon awaiting their turn to do so. Many people are making interventions, which the Secretary of State is dealing with most courteously. They are taking part in the debate, and they must be aware that they are taking up the time of other people who will be waiting to speak later on. If you make an intervention in this debate, you must remain for most of the debate and certainly be here for the wind-ups.

**Greg Clark:** Thank you very much, Madam Deputy Speaker. Given those numbers, I will be brief in taking interventions, but I will take the point from the hon. Member for Liverpool, Riverside.

**Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op):** I thank the Secretary of State. Does he recognise the problems of Liverpool, which faces a 9% cut in funding next year, coming on top of a 58% cut since 2010?

**Greg Clark:** I have been very clear that all councils need to continue to make savings. As I think the hon. Lady will know, the way in which we have conducted the settlements has been fair across the country, as the Institute for Fiscal Studies pointed out. In fact, a council that she knows very well that is close to her area, Sefton Council, said in its response to the consultation:

“The announcement that core spending power will be reduced by only 0.5% between 2015/16 and 2019/20 in cash terms and 6.7% in real terms, is better than we had expected last summer.”

That is from her neighbouring council.

**Neil Parish (Tiverton and Honiton) (Con) *rose*—**

**Greg Clark:** I will give way to my hon. Friend and then make some progress.

**Neil Parish:** I welcome a review of the fair share for rural areas. The rural fair share campaign, which has been running for many years, is about making sure that funds keep coming across to help us deal with not only our elderly populations, but the things such as small schools and rubbish collections that cost so much more to provide in rural areas. We need a fair deal. I look forward to the Secretary of State's keeping up his good work, but we want to see delivery.

**Greg Clark:** My hon. Friend is absolutely right, and we could add to those services school transport, which is particularly costly in rural areas. That is why the underlying formula should catch up with what has happened in many communities. That is overdue.

I will highlight four features of this year's settlement. First, for decades councils have had to set annual budgets without knowing what resources they can expect 12 months hence. That prevents them from planning long term, and it promotes inefficiency. Because plans and contracts have to be short term, councils miss out on the economies that would be possible if they could take a longer view. For the first time in the history of local government, the settlement gives

indicative figures for the next four years to any council that shows that it can translate such certainty into efficiency savings.

**Mr Andrew Turner (Isle of Wight) (Con):** There is a deep hole in the arrangements for the island. Can the Secretary of State work with locals, of all parties and of none, to find solutions to the problems that we face?

**Greg Clark:** Indeed, and I pay tribute to my hon. Friend for the work that he does as MP for the Isle of Wight in bringing together all its leaders and councillors, regardless of party political affiliation, to promote its best interests. I look forward to visiting the island in his company to meet the councillors and officers.

**Paul Farrelly (Newcastle-under-Lyme) (Lab):** My county of Staffordshire makes the transitional grant list at No. 18, with just £5.6 million. Next door to me, deprived Stoke-on-Trent gets nothing, against £24.1 million for Surrey. Why, in this battle of the S's, does the south, as ever, win out?

**Greg Clark:** It is very straightforward. The amount of transitional relief is in proportion to the reduction in revenue support grant, and so Staffordshire had less than Surrey. That is purely mathematical. I should have thought that the addition of nearly £3 million to the council's budget would have been welcomed by council tax payers. In fact, I know that it has been.

**Simon Hoare (North Dorset) (Con):** As my right hon. Friend knows, I welcome the statement wholeheartedly. May I take him back to what he has said about certainty? That is welcome, from a district and county council perspective. Will he give further consideration over the coming weeks to providing certainty to town councils that they will be exempt from having their precept capped? They are trying to work in greater concert with district councils, and that parallel certainty will help them to forge such deals.

**Greg Clark:** There is a lively debate as to whether the bigger town and parish councils should be part of the capping regime. I have resisted drawing them into that, but I look to parish and town councils to exercise economy, recognising that the services that they provide are much valued but that they are paid for by council tax payers. If those councils continue to operate in an economical way, they may not give rise to the question on which my hon. Friend seeks certainty.

**Liam Byrne (Birmingham, Hodge Hill) (Lab):** Will the Secretary of State give way?

**Greg Clark:** I am going to make some progress, as you have urged me to do, Madam Deputy Speaker. If I have time towards the end, I will take an intervention from the right hon. Gentleman.

The second feature of the settlement is that we have prioritised spending on adult social care—the care that we provide to our elderly and vulnerable citizens. *[Interruption.]* Labour Members groan and complain, but they should recognise that in response to the requests of local government, the Government have done something that the previous Government did not and established funding arrangements to ensure that we can protect our elderly and vulnerable citizens.

In September, the Association of Directors of Adult Social Services and the Local Government Association made a submission to the spending review—“Adult social care, health and wellbeing: A Shared Commitment. 2015 Spending Review Submission”—in which the two organisations jointly requested that an extra £2.9 billion be made available by 2020. With the introduction of the 2% social care precept and £1.5 billion made available to councils through an improved better care fund, up to £3.5 billion of extra funding will be available for adult social care by 2019-20.

**Helen Jones** (Warrington North) (Lab): Will the Secretary of State give way?

**Andrew Gwynne** (Denton and Reddish) (Lab): Will the Secretary of State give way?

**Barbara Keeley** (Worsley and Eccles South) (Lab): Will the Secretary of State give way?

**Greg Clark:** I will not give way.

More elderly people living in our communities is a good thing—they are our parents and grandparents, and it is an advance that they are living longer than anyone thought possible—but we need to pay for their care needs. It is no reflection on the efficiency of a council if care costs increase because the number of older people is increasing in their communities.

**Helen Jones:** Will the Secretary of State give way?

**Andrew Gwynne:** Will the Secretary of State give way?

**Barbara Keeley:** Will the Secretary of State give way?

**Greg Clark:** I will not give way.

A 2% precept is the equivalent of an annual £23 increase in the average bill for a band D property. That money can be used only for social care, and council tax bills are required to be transparent about the purpose for which the money is raised.

By the end of this Parliament, local government will retain all the business rates it raises. It is a huge transformation from a world in which, just three years ago, every penny that councils collected from local businesses had to be handed over straight to the Treasury. That meant that councils were dependent on the central Government grant. At the start of the last Parliament, nearly 80% of council expenditure was in the form of a grant from central Government. By 2020, all local government spending will be raised by local government. Councils and local people will reap the benefits of reviving economic growth, just as central Government and the country will benefit from the rising prosperity that the Government's policies are fostering. With services financed locally, councils are even more accountable to their electorates, rather than to Ministers in Whitehall. Even as a Minister in Whitehall, I say that this is how it should be.

**Helen Jones:** I am sorry, but the Secretary of State is being disingenuous. He knows that the whole local government finance system, set up under the previous Government's Local Finance Act 2012, takes no account of need. His social care precept will raise the most

money in areas that have the highest council tax base, not in areas where there is greatest need, which tend to have the lowest council tax base.

**Greg Clark:** The hon. Lady makes two interesting points. On the first point, about the formula, I agree with her. It is too long since the underlying assessment of needs was updated—it is more than 10 years—and that is why I have proposed to go back to the drawing board and look at the needs and the resources available to each county. She is quite right on that point. On the second point, of course she is right: I recognise that the effect of a 2% precept is different in different parts of the country. The better care fund has been allocated differently precisely to take account of that. I would therefore have thought she welcomed that.

**Mark Spencer:** Does the Secretary of State recognise that councils that are progressive in supporting business and providing housing for their constituents will actually get a more generous income in future than those that do not support businesses coming into their area?

**Greg Clark:** My hon. Friend is absolutely right. It is of course better for councils to face in the direction of bringing successful businesses into their area and benefiting from that, rather than passing all such benefits up to the Exchequer.

A few moments ago, I mentioned the increasing elderly population, but, as I said to the hon. Member for Warrington North (Helen Jones), we have had a decade of significant demographic change without the needs-based formula—it determines how much a well-run council requires to deliver its services efficiently—being revised to reflect that change.

**Andrew Gwynne:** Will the Secretary of State give way?

**Barbara Keeley:** Will the Secretary of State give way?

**Greg Clark:** The hon. Gentleman and the hon. Lady should be patient. I have given way to their hon. Friend, and I am going to make some progress.

That point was made repeatedly during the consultation by councils from all across the country and under the leadership of all political parties. That is why I will conduct a fundamental review of the needs-based formula to govern the change to 100% business rates retention, which I have described. It is not only the changing needs of different areas that need to be recognised, but the differing costs of providing services to residents depending on the area a council serves. As my hon. Friend the Member for Tiverton and Honiton (Neil Parish) was saying, the rural services delivery grant, which recognises the extra costs encountered by rural authorities in delivering services, is bringing £15.5 million into such councils this year. This settlement increases the grant more than fivefold to £80.5 million, which will ensure that there is no deterioration in Government funding for rural areas, when compared with urban areas, for the year of this statutory settlement.

**Liam Byrne:** The Secretary of State is being characteristically generous. However elegant the strategy, he must surely take a moment to look at the results. What Buckinghamshire gets from the Government will

[*Liam Byrne*]

have been boosted by 11.4% by 2016-17, while Birmingham has been battered and is losing 10%. I welcome the shift to a needs-based formula, but surely he must see that massive discrepancies are emerging, when great cities such as Birmingham are being battered to bits.

**Greg Clark:** The right hon. Gentleman is an intelligent man, so he should go away and study the changes in the formula. When I met the former leader of his city, Sir Albert Bore, he recognised, as has the Institute for Fiscal Studies, that it is fair to proceed with an approach that looks at all the resources that are available to local councils. On that basis, his city of Birmingham, for which I have enormous ambition and regard, has benefited significantly. Of course, the transitional grant is for places that did not benefit from the changes in the formula.

**Graham Stuart** (Beverley and Holderness) (Con): My right hon. Friend maintains a soft and genuine manner, which I admire, but I am made furious by the interventions by Labour Members, because when in power they skewed the whole system. They could not find a way to put the money into Labour areas without coming up with a falsehood. They put density into the formula at four times the weighting of sparsity, when there was no evidence whatsoever of any link between density and need. It was they who skewed the system, and it needs to be put right.

**Greg Clark:** My hon. Friend is a passionate advocate and he makes his case very well. I think that all Members across the House would recognise that after 10 years it is appropriate to look again at the cost of providing services in different areas—rural as well as urban—and at the changes in demographic pressures in that time. That sensible approach has been welcomed widely.

**Dr Sarah Wollaston** (Totnes) (Con): Is it not true that the long-standing unfairness has been the penalty against rural areas? Areas such as Devon have a low-wage economy, but the highest council taxes. This settlement addresses that imbalance without penalising areas such as Torbay. I therefore congratulate my right hon. Friend on a very sensible settlement.

**Greg Clark:** I am very grateful to my hon. Friend. Every local government finance settlement has to strike a balance between the very different needs of different areas of the country. Most people who have reflected on the settlement that I have proposed, including the Local Government Association and the Institute for Fiscal Studies, have recognised that I have been fair to places, such as those she mentions, that have higher costs—Torbay has benefited from the change in the formula—and that I have committed to making sure that the new system for 100% business rate retention is founded on an accepted analysis of the costs and pressures that different authorities face.

**Several hon. Members** *rose*—

**Greg Clark:** I am going to make some progress, but I will give way to the Chairman of the Communities and Local Government Committee in a few moments.

Another important provision of the settlement is the continuation of the new homes bonus. It had not been guaranteed that the existing scheme would continue through the spending review period. I believe that the bonus has been a valuable source of funding for councils and a spur to much-needed house building, so I am very happy that the scheme will continue, subject to the changes on which I am consulting.

The settlement provides flexibility for councils with a record of keeping costs low by permitting a de minimis £5 a year council tax increase without requiring the cost of a referendum. We will consult on plans to permit well-run planning departments to increase their fees by, at most, the rate of inflation, as long as such income is used to decrease the existing cross-subsidy of the planning function by other council tax payers. Importantly, the settlement makes it clear that as revenue support grant declines, no council will have to make a contribution to other councils in either 2017-18 or 2018-19—something that was considered to be unfair in the provisional settlement by certain respondents.

Let me say a few words about the reductions in revenue support grant over the spending review period. As I have said, we are moving from one world to another; from a world in which the Government grant accounted for nearly 80% of local government expenditure in 2010 to one in which, by 2020, only 5% of local government spending power will come from the revenue support grant. In the same period, with the implementation of 100% business rates retention, the proportion of council spending power from local sources—council tax and business rates—will grow.

The reason for the change is not just financial. A council that is almost entirely dependent on central Government will, consciously or unconsciously, end up looking to central Government to be told what to do. Of course, since time immemorial, Governments have attached strings to the money they give out. My excellent predecessor, my right hon. Friend the Member for Brentwood and Ongar (Sir Eric Pickles), abolished 4,700 targets, measures and indicators to which every council in the country had to subjugate itself to obtain revenue to provide services for its residents.

That is no way for the proud towns, cities, counties and districts of this country to be governed. Places, many with a history as long and distinctive as our country itself, should not be reduced to complying meekly with Whitehall's presumptuous demands. That is why a shift to funding from the people and businesses that councils exist to represent and serve, rather than all eyes being fixed on London, is so vital.

Our councils have been the strongest campaigners for this long overdue change, but in the consultation period that followed the statement on the provisional settlement, councils and colleagues made the compelling case that the transition to this new world needs to be sensibly managed and that the first two years of the settlement would pose particular challenges.

**Barbara Keeley** *rose*—

**Mr Clive Betts** (Sheffield South East) (Lab) *rose*—

**Rebecca Harris** (Castle Point) (Con) *rose*—

**Greg Clark:** I will give way in a second.

I agreed with those views, which is why I have ensured that the final settlement will include a transition fund worth £150 million a year to cover 2016-17 and 2017-18.

**Rebecca Harris:** My right hon. Friend spoke about Government attaching strings to their funding. It was a version of he who pays the piper calls the tune. Does he believe that we might be moving to a world that is much more democratically responsive not only to the local electorate, but to businesses? They have often felt neglected by their local council areas and they will now feel that they are rather more important and have a starring role.

**Greg Clark:** My hon. Friend is right. It was a ludicrous situation, whereby local councils levied business rates, collected them and sent them to the Treasury. Local businesses felt that they did not have the same direct connection as council tax payers with their local councils. The best run councils have always had a high regard for promoting business in their areas, and it is high time that they were rewarded and backed for that. The reforms do that.

**Mr Betts:** As the Secretary of State knows, I agree with the proposition that it is important that councils can raise more of their finance locally. It is not a question of whether, but how it should be done. A crucial element is the needs assessment review, which will set the basis for the new system of 100% business rates retention for the future. How does the Secretary of State intend to go about that? Will he fully involve the Local Government Association? Will he consider any independent element to the review to ensure that it is not seen as some sort of stitch-up by Government Members to look after their areas and ignore areas represented by Opposition Members?

**Greg Clark:** The hon. Gentleman has known me long enough to realise that, when I approach something, I do it seriously and rigorously. I take representations from everyone who has a sensible view to contribute, and I will certainly do that from local governments of all types. I hope that the hon. Gentleman and members of his Select Committee will contribute, as well as hon. Members of all parties who have a great deal of experience and knowledge of their constituents' needs.

Under the proposed settlement, no council will receive less than was stated in the provisional settlement figures. However, the transition fund will ease the change from a system based on central Government grant to one in which local sources determine a council's revenue. The fund will be applied in direct proportion to the difference in the revenue support grant that would have been experienced. It is as straightforward as that, whatever the Labour party's conspiracy theories suggest. Indeed, some Labour-led authorities, including Lancashire, made the proposal. The transition fund will ease the pace of reductions in the first two years of the spending review period, after which income from other sources will grow.

The local government financial settlement is always important. It is the statutory act that allows councils to set their legal budget for the year ahead—the budget to deliver the services that we and our constituents rely on. This year the settlement contains some particularly important changes: indicative budgets for the entire spending review period to make longer-term planning a reality; a big increase in funding for adult social care,

which is one of our councils' most important responsibilities; action to help rural areas and a commitment to all councils that the move to 100% business rate retention will be accompanied by a fundamental review of the needs-based formula; and transition funding to smooth the long-overdue journey from our over-centralised state to a future where all money that is spent locally is generated locally.

Multi-year budgets have been delivered, social care prioritised, rural needs acknowledged, a fair funding review launched, and the devolution of funding advanced, and I commend the motion to the House.

**Several hon. Members** *rose*—

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. Before I call the Opposition Front-Bench speaker, it will be obvious to the House that a great many people wish to speak and we have a limited amount of time. I therefore impose a five-minute time limit on Back-Bench speeches, although not for Mr Steve Reed.

4.35 pm

**Mr Steve Reed** (Croydon North) (Lab): I will do my best to keep my remarks brief.

It is always a pleasure to listen to the Secretary of State's engaging manner, but it is not so pleasant listening to what he has to say. He repeated his claims to have protected funding for councils over the next four years, but there can be no one left who believes that anymore—judging from what we have heard over recent weeks, not even his own MPs believe it. That is no wonder, because the settlement funding assessment takes away £1 in every £3 given to councils for funding core services, and that is on top of cuts in excess of 40%—indeed, in many councils, in excess of 50%—that have already been imposed.

**Barbara Keeley:** I tried to intervene on the Secretary of State and he would not take my intervention, but I cannot leave what he said about social care because it is just wrong. There is no injection of cash into social care; there is only a maximum of £400 million this year. That funding is uncertain, risky and back-loaded, and the LGA has asked him if he will inject £700 million over the next two years because it is so concerned. There was not even funding for its own policy of national living wage increases, so let us not hear such things about social care.

**Mr Reed:** My hon. Friend is absolutely right, and I will pick up on those points later in my contribution. Returning to the settlement funding assessment, because increases elsewhere do not plug the gap that those cuts create, it will result in cuts to front-line services, including cuts to youth services, fixing potholes, cleaning the streets, emptying the bins, looking after parks, keeping the street lights on at night, Sure Start centres, libraries, museums and rural bus services. The Secretary of State has not protected any of those; he has sharpened the knife.

**Mr Jim Cunningham** (Coventry South) (Lab): Councils such as Coventry will lose 60% of their income from grants over a 10-year period—that is £80 million—which will inflict unnecessary hardship. The Secretary of State

[*Mr Jim Cunningham*]

talks about business rates, but it was a previous Conservative Government who changed those in the first place. He is now passing the buck of paying for the police and social care on to local authorities, and three or four years down the line, he will do what Ministers always do and come in and cap it.

**Mr Reed:** My hon. Friend is right, and devolving the blame for their cuts is part of what the Government are up to with this settlement.

Some funding for social care has been handed over to councils, which certainly sounds welcome. According to the Tory-led Local Government Association, however, the Government have handed over a £1 billion funding black hole. They have told councils to impose a 2% council tax rise every year for four years to plug that gap, but even that does not raise anywhere near enough to pay for the care that older people need. That increase raises the least money in the poorest areas that most need the funding. The Government have cut the funding then handed it over to councils to take the blame.

**Andrew Gwynne:** That is exactly the problem Tameside Metropolitan Borough Council finds itself with. This year, it has a £16 million social care deficit. Raising 2% on council tax—based on 100% collection, which is not going to happen—will bring in £1.4 million. The sums do not add up.

**Mr Reed:** I am grateful to my hon. Friend for making a very graphic illustration of the point I was making.

What this all means is denying vulnerable older and disabled people the home care they need. It means turning away frail, older people who cannot clean their own homes or cook their own food. It means closing down day care centres. It means cutting back on home care visits. It means leaving people stuck in hospital beds because they have no support to go to at home, with the knock-on effect of lengthening hospital waiting times for other patients.

**Mr Marsden:** Does my hon. Friend not think it bizarre that the Secretary of State should be trumpeting his reviews for the future for elderly people in places such as Blackpool, where we have a larger than average number of elderly and disabled people, but he is not prepared to identify the really savage cuts to adult social care in Blackpool, which is leading exactly to the sort of situation my hon. Friend describes?

**Mr Reed:** What is really worrying is that the Secretary of State does not seem to understand what is really going on in councils and in public services across the country.

Even Tory MPs were terrified of what voters would make of all this, and they threatened to vote it down. On Monday this week, the Secretary of State came to the Chamber with a fix to head off the rebellion. He announced he had found £300 million down the back of a sofa—he would not tell us where it had come from—and then handed nearly all of it to the wealthiest Tory councils as a sweetener just weeks before the council elections. Some 85% of the money will go to Tory-run areas and barely 5% to Labour-run areas, despite the fact that those Labour areas have suffered far bigger

cuts since 2010. Whatever happened to the one nation Tories? What about the northern powerhouse? If the word gerrymander did not already exist, we would have to invent it to describe a fix like this.

**Graham Stuart:** The hon. Gentleman is making a powerful speech, but I think that it is factually incorrect. As he will know, rural areas tend to have the oldest populations, yet when this Prime Minister came to power, there was a 50% premium going to urban councils with much younger populations. Whatever the future might have held for them, they were not old then and they did not have the need. Rural areas did and his party did absolutely nothing.

**Mr Reed:** We need a funding formula that is based on need. The Tories have had six years to give us that and they clearly have not done it.

**Jack Dromey** (Birmingham, Erdington) (Lab): Birmingham has been hit by the biggest cuts in local government history, with cuts of £90 million next year. The city put a powerful case for a fair deal and transitional funding. How can it be right that Birmingham got not one penny in transitional funding, but Surrey got £12 million and Cheshire East, in the Chancellor of the Exchequer's constituency, got £3 million? It is simply not fair.

**Mr Reed:** My hon. Friend makes an important point. Actually, Surrey got more than £12 million. Surrey, which of course is where the Secretary of State just happens to be an MP, gets the most of any council. [*Interruption.*] The council next door to where the right hon. Gentleman happens to be an MP gets the most, with £24 million. Hampshire gets £19 million, Hertfordshire gets £14 million and the Prime Minister's campaigning mum—admirable woman that she is—will be very pleased to see that Oxfordshire gets £9 million.

I am not criticising what those councils are getting. They did not deserve the scale of the cuts the Government had lined up for them, but then neither do Middlesbrough, Knowsley, Hull, Liverpool, Manchester, Birmingham, Darlington and all the other more deprived areas that have suffered far deeper cuts in the past six years but have been offered absolutely no help whatever.

**Greg Clark:** I suggest gently to the hon. Gentleman that if he aspires to be a Local Government Minister, a little geography might help. He is welcome to come to Tunbridge Wells. I would be happy to show him that delightful place. Since we are talking about geography, I am sure he is familiar with Durham County Council. In its submission to the consultation, it said:

“In our view, no authority can now claim that this approach is ‘unfair’”.

Does the hon. Gentleman agree?

**Mr Reed:** I spoke to at least 20 or 30 council leaders over the weekend, at the Labour party's local government conference, and not a single one thought the right hon. Gentleman's approach was fair, and I am afraid that leaders of Tory councils agree with me, not him.

**Dr Roberta Blackman-Woods** (City of Durham) (Lab): I have absolutely no idea what the Secretary of State was saying or where he got it from. According to



headlines in our local paper, the funding settlement for Durham has been slammed as unfair by the leader of the council.

**Greg Clark** *rose*—

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. The hon. Member for Croydon North (Mr Reed) has to answer, and then he can give way to the Secretary of State.

**Mr Reed:** My hon. Friend makes my point for me. The distribution of the money is desperately unfair.

**Greg Clark:** The hon. Member for City of Durham (Dr Blackman-Woods) asked a very reasonable question. The quote came from a document headed: “Durham County Council response to the 2016/17 Local Government Finance Settlement Consultation.” It states:

“The new approach is fairer and should never be reversed.”

**Mr Reed:** That is a misinterpretation of what Labour council leaders are saying. However much the Conservatives think this pre-council elections sweetener will work, the Rural Services Network is clear that this political bung will not change the dire financial crisis facing even rural councils over the next four years.

**Mr Betts:** Has my hon. Friend had any indication from the leaders of metropolitan councils whether they think the new arrangements are fair? As I understand it, only three metropolitan councils will get any of the transitional funding, and two of them happen to be Trafford and Solihull—the only two Conservative metropolitan districts.

**Mr Reed:** Over the weekend, I spoke to the leaders of Manchester and Newcastle upon Tyne, the deputy mayor of Liverpool and the leader of Leeds City Council. All of them believe that the Government’s actions are devastating local services.

**Several hon. Members** *rose*—

**Mr Reed:** I want to make some progress, because we are short of time.

**Greg Clark** *rose*—

**Mr Reed:** No, I will not give way again. I will continue.

Some areas represented by Tory MPs, such as Stockton on Tees and Nuneaton, get nothing from the additional money. Those MPs need to ask themselves what their voters will think of MPs who vote for deep cuts and council tax rises for their own areas but throw millions at wealthier areas such as Tunbridge Wells.

**Greg Clark** *rose*—

**Mr Reed:** I will make some progress.

**Greg Clark** *rose*—

**Mr Reed:** I have given way to the Secretary of State twice, and now I am going to continue.

I turn now to council tax. On Monday, the Secretary of State denied he had written to councils, telling them to put up council tax. Indeed, it was not the Secretary of

State who wrote that; it was the Under-Secretary of State for Communities and Local Government, the hon. Member for Nuneaton (Mr Jones). [*Interruption.*]

**Madam Deputy Speaker:** Order. The House is making far too much noise. Both the hon. Gentleman and the Secretary of State have important things to say. Let them fight it out. Do not make so much noise.

**Mr Reed:** Barracking will not stop me saying what needs to be said.

I have a copy of the letter the Minister sent to councils with the provisional settlement. The spreadsheets it links to, which were sent to every town hall, include figures setting out the Government’s expectation that councils will put up council tax by 1.75% every year for four years and, on top of that, impose a further 2% rise to help plug the gap arising from the Government’s failure to fund social care properly. That is 3.75% a year more every year for four years. By 2020, it adds up to a council tax hike of well over 20%. That will cost the average band E council tax payer about £300 more a year. It is very hard indeed to square that massive Tory tax hike with the Tory manifesto pledge to keep council tax as low as possible. The Tories are breaking their promises—they are hiking council tax up.

**Andrew Gwynne:** My hon. Friend is making a very important point about council tax. During his statement earlier this week, the Secretary of State failed to understand that different councils have different council tax bases, and he told me to go away and speak to Trafford Council about how it is managing its affairs. There is a 27.4% difference between the council tax bases of Tameside and Trafford. Does my hon. Friend agree that such a difference is inherent in the unfairness under discussion?

**Mr Reed:** That is one of the many ways in which this settlement is deeply unfair to communities up and down the country.

**Paul Farrelly:** The situation regarding transitional help is even worse than my hon. Friend has described. The west midlands, Newcastle-under-Lyme, Stoke-on-Trent and Birmingham will all get nothing, but already well-rewarded Conservative counties and districts in the south, including St Albans, Sevenoaks and Surrey Heath—those are names to conjure with—are going to benefit. Does my hon. Friend think that that is right or fair?

**Mr Reed:** The figures speak for themselves: 85% to Tory councils and 5% to Labour councils. Everyone listening to this debate knows precisely what the Government are up to.

Turning back to the council tax rises that will be imposed over the next five years, what will people get for all the extra money the Tories will take off them? Will their streets will be swept more often? Will their bins be emptied more regularly? Will their library be saved, or will older people be looked after properly? No, because the Government have cut council funding so hard that the extra money they will take off people will not make up for what the Chancellor has cut.

Taxpayers will pay more, but they will get less in return. That is Tory value for money—tax hikes and service cuts, picking people’s pockets, while damaging

[Mr Steve Reed]

the quality of life of every community up and down this country. That is the story of this funding settlement, which is why every Member should vote against it this evening: a 20% council tax hike designed in Downing Street; services cut to the bone; and £300 million hurled at a handful of wealthier areas in a desperate bid to buy off a Tory Back-Bench rebellion. People pay more but get less from these tax-hiking, pledge-breaking, self-serving Tories.

4.52 pm

**Mr Andrew Turner** (Isle of Wight) (Con): It costs more to deliver public services on an island with no link to the mainland. For instance, in the event of a major emergency, we cannot get help from the mainland fire services in less than an hour, so capability must be maintained to a higher level, to secure the safety of islanders and their visitors. That is just one example of the extra costs. There are many others, which have never been properly recognised in successive local government funding formulae.

Back in 2002, the Isle of Wight was set to lose the additional costs allowance. The island was counted in with much more affluent Hampshire. The then Labour Government decided to change the rules, resulting in the island being too small to qualify for the ACA on its own. The former leader of the Liberal council, Shirley Smart, and I had to explain why the council could not manage without it.

The Elliott review—a major study of local government finance—was published in 1996. Professor Elliott recommended that further research was needed on disparities in non-labour costs for only two councils, namely those of the Isle of Wight and the Isles of Scilly. That research has not been carried out. Nick Raynsford, the then Minister for Local and Regional Government, eventually agreed that we would continue to receive the ACA. The extra cost of delivering services on an island was not specifically recognised, but we none the less continued to receive the £3 million or so a year.

Over the years, the method of funding local government has changed, but the benefits of the island getting the ACA remained somewhat buried in the unfathomable formulae that made up the annual settlements, although I am told that the value decreases over the years. When the move away from the Government grant to local funding was announced, it became clear that this would make the difficulties of the Isle of Wight Council even more difficult and even more severe. Indeed, the council could not find a way to carry on beyond this year. For the first time in many years, the Isle of Wight Council asked me to assist it to achieve a number of specific sensible proposals that would help it to change.

The announcements made on Monday did not help the island quite simply because our issues are unique—something that the Secretary of State and even the Prime Minister have recognised. We do not qualify for transitional help because the settlement based on the existing formulae did not disadvantage us. It was the formula itself that disadvantaged us. We do not qualify for the rural sparsity grant because people cannot live very far from a town on an island only 23 miles by 13 miles.

With the announcement that there was to be a fair funding review, I realised that my Front-Bench team recognised that some problems were unresolved even by the revised settlement. If we can get the real costs of delivering services on an island recognised, we will find a long-term solution to a very long-term problem—but we still have the problem of getting to the review. The future of the Isle of Wight Council beyond this year was not secure. Money is in short supply, but when there is not so much of it to go around, resources must be shared most fully.

I am grateful for the discussions with my right hon. Friend the Secretary of State about this problem, and I thank him for his offer to visit the island to find the necessary flexibilities for the council to find a way through the challenges until a fair funding settlement can be put in place.

I will be honest: I had initially decided to vote against the settlement this afternoon. Based on our discussions, however, I will support the Government this year—I say again, this year. I trust my right hon. Friends to deliver on these proposals over the coming months. I am very proud that this Conservative Government are doing what was not done over the past 10 years. I look forward to working with the Government, and on a cross-party basis on the island, for the benefit of the Isle of Wight and all its islanders.

4.58 pm

**Mr Clive Betts** (Sheffield South East) (Lab): I want to try to be fair and even-handed in these matters, and I shall focus on the positive elements first. We ought to welcome the four-year settlement on offer, as it is something that local government has for some time been asking for. It is a helpful step forward, providing greater certainty for the future. We are not quite sure yet what efficiency plans local councils will need to draw up to achieve it, but it seems a good starting point.

I welcome the money for social care, too. It is reasonable, but I have some questions about how it is going to work. I have had an exchange of correspondence with the Secretary of State and with the Local Government Association. The LGA clearly says that it asked for more money than it has got on transformational spending and it states that this was not recognised.

I do not object to the fact—indeed, I welcome it—that local councils will be able to raise more money through council tax. It is right in principle for more local services to be paid for by local taxes. As a localist, I firmly believe in that.

Let me clarify the questions that still need addressing. First, the better care fund that is part of the package is very much back-end loaded in the spending settlement, but there are pressures at the front end, too. The Secretary of State claimed in his statement that the issue of the 2% council tax increase raising more money in richer areas would be addressed through the distribution of the better care fund. Will he put some clear information in the Library to explain how that is going to be done?

**Barbara Keeley:** My hon. Friend has raised a key issue. For two years, there will be hardly anything from the better care fund. There will be a maximum of only £400 million this year from the 2% precept, nothing from the better care fund, and only £105 million from the fund next year. The funding gap is increasing by

£700 million, and the Local Government Association's Councillor Izzi Seccombe has asked for that sum to be released.

**Mr Betts:** That was the next point that I was going to make. The Government should consider how the better care fund money could be distributed in a way that would help more poor authorities, but it would also be helpful—I know that the LGA has mentioned this—if more of that money could be provided until at least 2017-18, if not into the next financial year. I hope that the Secretary of State will consider that, because current back-end loading is a real problem.

The LGA has drawn my attention to the fact that the council tax base—which relates to the number of properties from which council tax will be raised—is assumed to rise by 7.8%. Will the Government explain precisely how they have made that calculation? It seems a very big increase indeed.

What account have the Government taken of the ability of clinical commissioning groups to help local authorities with their social care spending? In my own authority of Sheffield, the CCG has said that it faces a substantial reduction in its funding against the anticipated level for next year, but this year it is providing the council with £9 million of transfer funding to help it with its added social care provision. If that money is removed, any element from the better care fund or increased council tax will not be a substitute. I think that that is an issue for cross-departmental work.

The settlement will clearly result in cuts. The Secretary of State will argue that they will be less severe than those made in the last Parliament, but, of course, they are in addition to those that have already been made. In the last Parliament, when most of the larger percentage cuts were made in the metropolitan areas, which had the greatest needs and the greatest problems, we never once heard mention of a transitional arrangement to provide extra help for those councils. It has only come about now because the Government have developed a core spending power which includes council tax, and the richer councils happen to be more able to raise council tax. As they have suffered a bigger reduction in revenue support grant as a result of the initial spending announcement, a transitional funding arrangement has suddenly and magically been put in place for them.

**Greg Clark:** I think that, uncharacteristically, the hon. Gentleman's memory is letting him down. He should recall that, in the last Parliament, there was a series of tariffs and top-ups to stop the bigger cuts being made. That money was top-sliced from the settlement. What I have now been able to do—and this was recommended by many authorities, including Labour authorities—is bring in new money from outside the settlement, and the hon. Gentleman should welcome that.

**Mr Betts:** I think that in the last Parliament there was a series of ceilings and safety nets, which is traditional in the operation of local government finance. I do not remember any occasion on which it was reported to the House, after the initial settlement, that extra money had been found to help metropolitan Labour councils that were suffering major cuts.

What will happen when the transitional funding comes to an end after the first two years of the settlement? Will

the money be found from somewhere else, or will it be absorbed into the new review of needs? The Secretary of State announced that towards the end of the settlement he would effectively end the arrangement for negative revenue support grant, which affected some authorities. Which councils will pay for that, or will the money be found, again, from outside?

The way in which the needs assessment review is carried out is absolutely crucial. The Secretary of State has promised to involve the Select Committee and the LGA. Will he consider introducing an independent element at the outset? Perhaps initial assessments could be carried out by a body such as the Office for Budget Responsibility or the Institute for Fiscal Studies, on a politically neutral basis.

How can we begin to assess this process when we do not know the details of many of the other grants? When, for example, will the public health grant be announced, so that authorities know what they have to spend in that regard?

Let me return to the subject of my own authority in Sheffield. Its spending power is to be cut by 4.3%, which is more than the national average of 2.8%. There is also to be a £25 million cut in its revenue support grant. The reality for Sheffield is another £50 million of cuts in services: cuts in rate support grant plus extra spending needs coming on stream will mean a £50 million cut in services.

This is a very challenging settlement, even for an efficient council such as Sheffield, of which we can be proud. Indeed, we can be proud of the whole of local government for the way in which it has dealt with very challenging spending settlements over a number of years. It has dealt with them in a very efficient way—better than central Government, by and large. However, the cuts that local government is now facing are on top of the cuts it has already had, and they are eventually going to mean more library closures, more run-down parks and a whole number of worsening services.

As Chair of the Select Committee, I want to end on a positive note. The Committee as a whole has said that we want to work closely with the Secretary of State when the new funding arrangements for the 100% retention of business rates are implemented at the end of this Parliament, to ensure that those arrangements are put in place in the best possible way.

5.5 pm

**Steve Double** (St Austell and Newquay) (Con): Like many other hon. Members, I cut my teeth in politics in local government: I was elected to Cornwall Council in 2009. It is partly because of that that I simply do not recognise the rhetoric that we continually hear from Labour Members that this Government are somehow seeking to undermine, dismantle or even destroy local government. That rhetoric just does not stand up to scrutiny, because this Government are delivering the changes that local government has been asking for over many years.

At the heart of this matter is devolution. We are devolving real powers to cities and regions up and down the country. We are seeing this in Cornwall, where we are delivering an historic devolution deal. Cornwall is the first rural area to get a devolution deal. The people of Cornwall have been asking for such a deal for many

[*Steve Double*]

years, and it is this Government who are delivering it. So Labour's suggestion that we do not believe in local government just does not stand up to scrutiny. Why would we give more powers to local government if we did not believe in it and trust it to deliver its services?

**Barbara Keeley:** I do not think that anybody on the Opposition Benches is saying that. It is surprising, however, to find that in devolved Greater Manchester, only one council, Trafford, is benefiting from the transitional funds—

**Andrew Gwynne:** Tory Trafford.

**Barbara Keeley:** Indeed; Tory Trafford. I was a councillor in Trafford, by the way, and I have to tell the Secretary of State that the council leader is not called Stephen Anstee; he is called Sean Anstee. The right hon. Gentleman has referred to him twice this week as Stephen—

**Greg Clark** *rose*—

**Andrew Gwynne:** You can't intervene on an intervention.

**Barbara Keeley:** My point is that picking out one local authority among the 10 and giving it such largesse hardly helps the devolution plans.

**Steve Double** *rose*—

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. Before the hon. Gentleman responds to that intervention, I have to tell the hon. Member for Worsley and Eccles South (Barbara Keeley) that it was far too long. We have hardly any time, and if hon. Members make long interventions they are preventing their colleagues from speaking.

**Steve Double:** I thank the hon. Lady for that intervention.

**Greg Clark:** I thank my hon. Friend for giving way. I do not know why the hon. Member for Worsley and Eccles South (Barbara Keeley) is confused. I know Sean Anstee very well, and I have never been in any doubt as to his name.

**Steve Double:** I want to address the point about the transitional grant. I am happy to place on record that, as of Monday morning, I was one of the Conservative Members who would have been prepared to walk through the No Lobby this evening and vote against the Government. That was because the proposed settlement was unfair to rural areas. It would have widened the gap in Government funding between rural and urban areas. I campaigned passionately during the election to stand up for Cornwall as a rural area and to seek a fairer funding deal for it, and I was not prepared to support the proposed settlement.

It is a well-established fact that rural areas have had the raw end of the deal from central Government for decades, despite having some of the highest levels of deprivation in the country and a growing ageing population, with all the increased pressure that that places on the delivery of services and the increased demand that it creates, not to mention the additional challenges and costs of delivering those services in a rural setting. Yet places such as Cornwall have had to accept lower levels

of funding for many years, not just for our local government, but for things such as our schools and police. I am proud that this Government, under the leadership of my right hon. Friend the Prime Minister, have started to address that issue—it has been going on too long. We have started to see extra money put into our schools and, through the rural services delivery grant, we have begun to close the gap in local authority funding.

When I looked at what was being proposed in the settlement, I was therefore disappointed to find that it would have widened that gap and started to undo much of the good work the Government have already begun. I could not have supported a financial settlement that was going to make an unfair system even more unfair to rural areas. If I had gone through the No Lobby tonight, it would have been my first rebellion against the Government. As someone who has a slightly inherent rebellious streak in their nature, I am slightly disappointed that my rebellion will have to wait for another occasion.

I am delighted to say that the Secretary of State has listened to the many voices from across the House from rural areas who highlighted that what was being proposed was simply unacceptable to rural areas. I want to place on the record my thanks to him for the way he has conducted this consultation. He met me, as well as my Cornish colleagues and MPs from many areas, and he listened to our concerns. I am not sure I am going to go as far as my hon. Friend the Member for North Dorset (Simon Hoare), who is no longer in his place, and offer a wet kiss, but I want to place on the record my great gratitude for the way in which the Secretary of State has listened to our concerns and come forward with proposals that address them.

**Catherine McKinnell** (Newcastle upon Tyne North) (Lab): I am sure the hon. Gentleman will have detected that the vast majority of north-east councils, save for Northumberland, will get nothing from the transitional fund. The argument he appears to be confirming in his speech is that the decisions taken by the Secretary of State to grant transitional funding are based on staving off a Conservative rebellion, rather than on actually giving the funding to local authorities that need it the most.

**Steve Double:** I thank the hon. Lady for her intervention, but this is simply about the case that was made about rural constituencies, where the funding was going to widen the gap we had begun to close. That was the issue at stake. I am delighted that not only have funds been made available through this transitional grant to make sure that that gap does not get any wider, but, probably more importantly, we have the promise of a comprehensive review of the cost of delivering services. That gives us the opportunity to establish that it costs more to deliver services in rural areas than in urban areas.

**Graham Stuart:** My hon. Friend is right about the fundamental needs reassessment and he is right to congratulate the Secretary of State, but does he share my disappointment that, repeatedly in January, the Opposition spokesman refused to sign up to closing the gap?

**Steve Double:** I could not agree more with my hon. Friend. We need to address this issue, and this review gives us the opportunity we have asked for, time and again, to establish the true cost. Tonight, I will therefore be happy to support the Government on this motion.

5.13 pm

**Mrs Louise Ellman** (Liverpool, Riverside) (Lab/Co-op): Liverpool is one of the most deprived local authority areas. It is also entrepreneurial and outward-looking, always ready to adapt to new circumstances and welcoming innovation. Despite the valiant efforts of Mayor Joe Anderson and his hard-working councillors, it is not possible to protect the people of Liverpool against the cuts from this Government—cuts of 58% up to now, with an additional 9% cut in funding for next year. Indeed, that cut might be even bigger, because the council still does not know how much money will be available for two crucial services—I am referring to the public health grant and the independent living fund. Both those vital funds are important for the wellbeing of the people of Liverpool, and we still have no final figure on how much money will be available there.

In my short contribution tonight, I want to focus on the growing crisis in adult social care. Adult social care in Liverpool has already suffered a £90 million cut as a result of Government actions. We have been told that the new precept, the new tax to be levied on the people of Liverpool, and the Better Care Fund will resolve that situation. When we look at the facts, we can see that those two measures together will deliver £2.9 million next year, but there is already a need for an additional £15.2 million to cover the implementation of the national living wage and the demographic changes resulting from the rise in the number of elderly people in Liverpool. That means that the measures that we have been told will solve the problem will do very little indeed next year.

The council is not standing still and simply wringing its hands. It has been trying to develop innovative ways of working. It is talking to the local health authority—the clinical commissioning group—to see how it can work better with them to produce support services, but there is no way that the funding gap can be plugged next year. There will be more disastrous cuts for very vulnerable people in Liverpool. I am already hearing, day after day, from individuals—they are often people suffering severe disabilities who are trying very hard to live a normal life—who have been told that their care packages will be cut because, despite the council's best efforts, the funding for those packages is being significantly reduced.

**Liz Kendall** (Leicester West) (Lab): Does my hon. Friend agree that the Government must look at bringing forward to this year the additional funding that they promised from the better care fund, so that there is not a gap, and so that the council at least gets some extra money to support vulnerable, elderly and disabled people?

**Mrs Ellman**: I certainly agree with my hon. Friend. In the case of Liverpool, it is possible that there could be some help in future years, but the figure that has been put forward at the moment is purely an indicative one. The council does not know what will be available in the future.

It is also important to recognise the very low tax base of a place such as Liverpool. Some 78% of its properties are in bands A and B, making the potential of the council to raise funds locally very difficult indeed.

I am acutely aware that there have been problems across all public services in Liverpool, because of consecutive years of Government cuts, including what is to come next year. I know that the council has done its best to protect people from those cuts. I have focused on adult social care, because that affects the people who are most in need. I go back to the comments that I made earlier about the council not knowing how much money will be available in the independent living fund. That is also about supporting people who need help the most.

My concern is that, unless the Government act now, more and more people will face crises and more and more people will suffer great hardships. Those people who are striving hard to live a normal life will find that the rug is cut away from underneath their feet. That is intolerable, and I ask the Government and the Secretary of State to revisit this area now, to look again at the provision of adult social care in Liverpool and in other areas of need and to take action so that more and more people do not suffer in this unacceptable way.

5.18 pm

**Robert Neill** (Bromley and Chislehurst) (Con): This is a particularly important local government finance settlement debate. In the past, we have tended to have debates where we are essentially rolling forward, year on year, much of the same. The difference this year—and it is very much to the credit of the Secretary of State—is that the settlement is genuinely transformational, as it moves away from what was essentially a flawed system. That is why this is so important.

There were two flaws in the system. First, it did nothing to take account of efficiency. The efficient authority gained nothing; everything was predicated on demonstrating—in certain parameters in the formula—need. It almost entrenched dependency, which drove out innovation and initiative. Now the Government have put in place a raft of measures that enable local authorities to say not “How much do we need?”, but “How do we change our own circumstances? How do we grow our rate base?”

The work that has been done through the Localism Act 2011, the power of general competence and the ability of local authorities such as Bromley to enter into commercial partnerships as landowners and investors with their business community has all changed the landscape. The ability to go for genuine growth, but in sensible terms, changes things. It is sad that we have seen such an old-fashioned and almost demeaning approach to local government from Labour. That is the first and most important point I wish to make.

The second important point is that the new approach moves away from an idea that central Government must sort out local government's problems all the time. We are putting powers back into the hands of local authorities and doing so with a measure of fairness. The important thing is that there has been a transition. Because it was transformational, it was necessary to ease that move from a dependency culture to a self-sufficiency culture. That is utterly to the good. Now we need to make sure that as we go forward, we get the proper baselines right.

**Anna Turley** (Redcar) (Lab/Co-op): Will the hon. Gentleman give way?

**Robert Neill**: I will give way once.

**Anna Turley:** In Redcar and Cleveland we have lost 3,000 jobs at the steelworks, which is the equivalent of £10 million per year in business rates. In London that would be the equivalent of 176,000 jobs going overnight. Does the hon. Gentleman not recognise that there are differences that mean that councils have to respond in different ways to their economic circumstances?

**Robert Neill:** Yes, of course. That is precisely why the Government set up the local enterprise partnerships, and why under the previous regime we set up the arrangements for top-ups and tariffs, which I hope we can simplify in future.

The simplistic idea that we cannot be, to some degree, masters of our own destiny is wrong. In particular, what seems to me utterly wrong is that a local authority such as Bromley, which has historically had the lowest unit costs per head in London, was treated on a formulaic basis in exactly the same way as local authorities that had never bothered to keep their unit costs down and which were never, therefore, driven by efficiency in the same way as we were. Once, when I commented that there was no reward for efficiency in the formula, I was told by a civil servant, “Well, Minister, surely efficiency is its own reward.” He did not grasp the concept. I am glad to say now that Ministers and officials in the Department for Communities and Local Government do grasp the concept, which should be fundamental to the way we go forward.

I welcome what has been done for Bromley, but more importantly, I ask the Secretary of State to ensure that we take forward those basic principles to the next degree so that when we get to the calculation of the needs element, I hope we will remember that there are more than simply the old-fashioned demographic trends in what constitutes needs. As has been observed, the way that needs were calculated in the past, for example, took a simplistic weighting of density as equating with deprivation. That was not the case at all. The way that both inner London and outer London have changed demonstrates that clearly.

**Graham Stuart:** Will my hon. Friend give way?

**Robert Neill:** I had better not because I need to save time.

Very often, the greatest driver of adult social care is not purely deprivation; it is age profile, as much as anything else. We need to build that sort of thing into the equation. We also need to make sure that where local authorities—

**Liz Kendall:** Will the hon. Gentleman give way?

**Robert Neill:** I am sorry. I have been generous and time is short.

We need to make sure, going forward, that where local authorities can demonstrate long-term efficiency and a record of reinvesting in improved services, that is given as much weighting in the calculation of a formula as a purely formulaic needs ratio matrix that has been established in the past. That will drive behavioural change. Those of us who call ourselves localists want to give local authorities the tools, the means and the incentive to change behaviour and to be more efficient and more self-reliant. We are part-way down the track on that.

The return of business rates to the localities is a huge step forward. It was an error that my party made in government, but we have rectified it and that is a good thing. The next step that I hope the Secretary of State will take in the succeeding years of this settlement is to entrench efficiency as something that should be rewarded, just as much as ticking boxes on the needs indices are. Then we will get genuine fairness in local government, something that is genuinely responsive to local needs, and gives local representatives the ability to shape their policies and financing to the needs, concerns and aspirations of their communities. If we achieve that, this settlement will be worth a very great deal indeed. I commend it to the House.

5.25 pm

**Jim McMahon** (Oldham West and Royton) (Lab): I refer Members to my entry in the Register of Members’ Financial Interests. I am a serving councillor on Oldham Metropolitan Borough Council.

I pay tribute to councillors up and down the land for the fantastic work they do in delivering excellent public services right across the communities we are here to serve. Time after time, residents say that they trust local government far more than central Government. Review after review has concluded that local government is the most efficient arm of government—far more efficient than any central Government Department.

However, the term “lions led by donkeys” could not be more apt than when we look at the relationship between central Government and local councillors, who are the frontline in delivering services and often the last line of defence for the communities they are there to serve. For far too long, local government has been subjected to the whims and follies of Ministers who use critical public services as a plaything—as a toy.

In central Government’s armoury, cash is the weapon of choice. As a councillor for 12 years, and as a former council leader representing a community of 250,000 people, I have witnessed and, indeed, implemented settlements passed down by this Government. As demand for support increased, money was taken away, as the link between need and the available cash was being broken.

The Government were warned time and time again that removing money from prevention would only shunt costs on to other parts of government. That is why, for almost every pound taken from local councils in Greater Manchester, the same amount has been shunted across to welfare and health, because the pressures just get moved around the system. That makes things worse for the people we represent, and it saves the Government no money whatever.

**Liz Kendall:** Is my hon. Friend aware that the cost of delayed discharges from hospital is almost £1 billion a year? That could buy more than 40,000 elderly people a full year of home care. How does that make moral or economic sense?

**Jim McMahon:** I absolutely agree. The better care fund had a mechanism for putting money at the frontline to make savings further down the line, but it was completely inadequate for the needs that were there.

The Chartered Institute of Public Finance and Accountancy has placed on record its view that some councils could well fall over. The challenge, of course, will not come from one lone council failing to set a budget; it will come in the courts. As entitlement to basic services such as children's services, education and social care are taken away, somebody will test that entitlement in court. When the judgment is that their entitlement has unlawfully been taken away, that will send a shockwave through the system that central Government are not fully ready for. At that point, the system may well fall over.

The truth is that the Government do not want to be honest about the true cost of cuts. Most people will accept that adult social care is one of the biggest challenges facing local government and society more generally. Our older population grew by 11.4% between 2010 and 2014, while core funding was being taken away. Age UK estimates that more than 1 million people have unmet care demands. What is the Government's response? It is lacklustre, weak and pathetic; it simply does not address the social care crisis in this country today.

**Barbara Keeley:** My hon. Friend is perfectly right to quote those figures from Age UK for unmet care demands, but the need to meet those demands falls on unpaid family carers. The Government passed the Health and Social Care Act 2012, which gave carers rights, but there is no funding for that. That is what legislation will have to address.

**Jim McMahon:** I thank my hon. Friend. We can talk about figures, and this is a debate about the settlement, so we are likely to do that, but we need to think about the human cost too. Down the line, what will these things mean for individuals, families and our communities? Oldham's £200 million of cuts leaves a gross budget of £188 million. More than half the town's money has been taken away by the Government.

If the answer to providing adult social care is a 2% levy on council tax, let us follow that through to see what it means. For Oldham Council, a 2% increase in council tax, as directed by Government, would generate £1.5 million, because of course the town has a low council tax base to begin with. However, the increase—just—in the living wage impacts on social care contracts, and so, not even taking into account an older population or increased demand, there is a £2.7 million increase in wage bills. With £1.5 million generated in council tax and £2.7 million in increased wage bills through the Government's living wage, the numbers do not add up. This does not even allow us to stand still; we are going backwards.

I am sure that the hon. Member for St Austell and Newquay (Steve Double) is very pleased with a cash bonanza to buy his vote today, but some of us were not so fortunate. We had a raw settlement and a raw deal from this Government, because on top of the £200 million in cuts, we cannot ignore the rural relief grant. So it is cash after cash after cash for rural areas, not taking into account a single bit of need. It has already been pointed out that 85% of this funding is being given to Tory shires, but let me go closer to home and look at Greater Manchester.

Trafford has some rural areas, but let us look at them: Bowdon, Alderley Edge and Hale—"Footballers' Wives" territory. This is the most affluent borough in Greater Manchester. It has the highest council tax, the highest business rate base, and the healthiest budget as a result of this Government's policies—but that is not all. Because of the way that you have protected your side, you have something in common with Trafford—Baroness Williams of Trafford, the Local Government Minister and former Trafford Council leader, who lives in Trafford. Is a "friends and family" discount being offered? What do we need to do, Greg? Do you want to come and live in Oldham? If that helps our financial situation, then we will—

**Madam Deputy Speaker (Natascha Engel):** Order. I know that the hon. Gentleman is new, but he speaks through the Chair, so when he is saying "you" he is addressing me. Members are referred to as hon. Members or named by their constituency.

**Jim McMahon:** I am very sorry for that slip, Madam Deputy Speaker.

The truth is that the five most deprived areas get absolutely zero—nothing—from this Government. At the same time, the five least deprived areas, together, share £5.3 million between them.

**Greg Clark:** I appreciate that the hon. Gentleman is new to this House, but first he should know that of course Trafford does not get any rural grant because it is not a rural authority. Secondly, he might want to reflect on the remarks that he made about my noble Friend Baroness Williams of Trafford, who is, and has been throughout her career, an excellent public servant. She has done great work, not only in Trafford, for Greater Manchester, and is a woman of the utmost integrity. I think he will want to reflect on that.

**Jim McMahon:** I am quite happy with my comment. There is a direct link between Government Members who had to be bought for their vote today and the fact that the only council in Greater Manchester to receive the transitional grant happens to be the place where the Local Government Minister lives. I am sorry about that, but I did not choose where the Baroness chose to be a council leader and chooses to live.

The crux of the issue is that the Government steered through the cuts in a very politically tactical way but have not at all understood their true impact, which has been found in review after review, and by the Public Accounts Committee in this House. If the responsibility of Government is to look after the welfare of their citizens, then on that test I am afraid they have failed.

5.33 pm

**Graham Stuart (Beverley and Holderness) (Con):** It is a pleasure to take part in this debate. I stood here a month ago and said that now was the time for the rural voice to be heard. A month on, I am pleased to say that the rural voice has spoken and has been heeded, at least to some extent. I pay tribute to the way in which my right hon. Friend the Secretary of State has conducted the consultation, making time for colleagues in all parts of the House and councils from all parts of the country. He has turned a consultation

[*Graham Stuart*]

exercise, which can sometimes seem like a rubber-stamping exercise, into a genuine engagement with people across the country.

**Sir Greg Knight** (East Yorkshire) (Con): I believe that my hon. Friend and I are on the same side on this matter. Does he agree that the test of a good Minister is that they are prepared to change when they are faced with a valid argument for doing so? That is what the Secretary of State has done following the representations that my hon. Friend, I and others have made. The deal may not be perfect, but does my hon. Friend agree that it is better than it was?

**Graham Stuart**: I expect that my right hon. Friend and I will always be on the same side on such matters. He is right in what he says.

One of the most important aspects of the settlement—the promise to look again fully at the needs of local government—is not actually in the settlement, and it is long overdue. As my right hon. Friend has just said, when the facts change, sometimes my opinions do, too. The fact is that this country has a fast-ageing population, as Labour Members have said, and the distribution figures show that older people are disproportionately to be found in rural, rather than urban, areas—[*Interruption.*] Some people are saying “Nonsense!” and “Rubbish!” I do not know what dataset they have, but just as there is a massive discrepancy between the amounts per head for rural and urban areas—it was 50% when Labour left power, and it is 45% now—

**Liz Kendall**: Nobody from the Opposition is denying that elderly people live in rural areas, but does the hon. Gentleman agree that we have to consider those people’s ability to pay? The most deprived areas have the greatest need for publicly funded care. Does he not agree that that must be part of the equation?

**Graham Stuart**: Some of the hon. Lady’s colleagues deny that the people in rural areas are older, on average, than those in urban areas. They shouted “Rubbish!” just moments ago when I asserted that, even though the shadow Minister acknowledged it in his speech in January. People are, on average, older in rural areas, and the hon. Lady is clearly unaware of—or, like too many of her colleagues, closes her ears to—the fact that people in rural areas are, on average, poorer than those in urban areas. Average earnings based on residence are lower in rural areas than in urban areas. Average earnings based on place of employment are lower in rural areas than in urban areas. That is not to say that centres of real deprivation do not need special and specific support, but to generalise that the poor burghers of Sheffield are all on the breadline, whereas everyone in Withernsea in my constituency is living it up in some rich, prosperous rural idyll, is nonsense. I know that the hon. Member for Leicester West (Liz Kendall) would not do that, but too much of the Labour party’s argument has suggested otherwise, as has much of today’s debate.

If we are to move to a fair system, we must recognise how iniquitous it was of the Labour Government to use density to drive funding to wealthier, younger, less needy urban areas. The Labour party is now screaming

about an adjustment that recognises an ageing population, predominantly based in rural areas, who are also poorer. Those are the facts; if they are not, I will happily take another intervention from the hon. Ladies who shouted “Rubbish!” at me. The Labour party was shameful in skewing the funding formulae. It is equally shameless now in pretending that my right hon. Friend the Secretary of State is being unfair in dealing with the mess that the previous Labour Government left behind and making the tough decisions that he has to make.

In a less partisan spirit, I say to Members from all parts of the House that we must work together on the needs assessment to embed efficiency, not dependency and incompetence, and to recognise hard need such as an ageing population. Someone who is relatively healthy but old has—guess what?—higher health needs and higher social care needs. They are entwined, as colleagues from all parts of the House have said. They are predominantly less well funded in rural areas than in urban areas, so there is greater need. The Labour party should hang its head in shame at the fact that it turned its face utterly against that clear and present need. If the party apologised, as it should, for doing so, it would have much more traction in the debate to appeal for a fair and proper settlement.

**Mrs Helen Grant** (Maidstone and The Weald) (Con): My hon. Friend is making a very good point. Does he agree that the review needs to take place sooner rather than later—there must not be any delay—and that it must cover all needs, including the demographics, which is very important in rural areas?

**Graham Stuart**: I pay tribute to my hon. Friend, who has been a champion of the rural interest, along with so many other colleagues, in arguing for a fair settlement. In the rural fair share campaign, which has always been a cross-party campaign, we have been clear that we want something that is fair to all.

The reason I have been so confrontational with Labour colleagues is that I am starting to hear the old untruths coming out, such as the suggestion that there is a difference, as the hon. Member for Oldham West and Royton (Jim McMahon) described it, between some phenomenally wealthy Trafford and some downtrodden Oldham, and that the allocation of money is utterly unfair. Of course the people taking the biggest percentage reductions in the Government grant were predominantly, in the original settlement, rural areas. Mets were getting an average reduction of 19% and rural areas were seeing cuts of 30%-plus in their Government-supported spending. That is the truth: those are the facts in the data table. Yet, to listen to the hon. Gentleman, one would think the opposite was true. He puts forward the entirely false argument that the cuts are somehow unfair. Transitional arrangements are put in place to soften the blow.

We now have the opportunity—I must say that I congratulate my right hon. Friend the Secretary of State—for all of us, on both sides of the House, to move to a settlement that is fair to rural and urban areas alike and to Labour and Conservative areas alike. Never ever again must we have a Government who, for partisan purposes, put in place a skewed and unfair formula in the outrageous, shameless and shameful way that the Labour Government did during their 13 years.



**Several hon. Members** *rose*—

**Madam Deputy Speaker (Natascha Engel):** Order. I must lower the speech limit to four minutes.

5.41 pm

**Jenny Chapman** (Darlington) (Lab): I was hoping I was not going to be the next speaker because I am speechless after that peroration by the hon. Member for Beverley and Holderness (Graham Stuart). It is extraordinary what this Government have managed to do in pitting town against village, the north against the south, and the metropolitan areas against the shires. It is disgraceful. They have created division by the decision they made on the original settlements and then by finding this magic, back-of-sofa money. I have never known anything so deliberately partisan. I did not believe I would ever see anything like it.

I admire the hon. Member for St Austell and Newquay (Steve Double), who is no longer in his place, for at least having the honesty to come to the Chamber and tell colleagues he was thinking of voting against the Government today, but that he had changed his mind. He changed his mind—he was very open about why—because his council will get some extra money. He therefore felt that he could vote with the Government. Well, give me some extra money and I might think about doing so!

I do not resent Conservative Members for being good champions of their areas and winning some extra funding for their councils—that is one of the things we are in Parliament to do—but I hope that they enjoy the extra money they get and that they win the shire council seats for which it was clearly designed to ensure victory. I hope that they enjoy that, but that they realise it will happen on the back of services in my area and those of my hon. Friends the Members for Oldham West and Royton (Jim McMahon) and for City of Durham (Dr Blackman-Woods). These are the services for deprived children, the children centres that are closing in my constituency, and the libraries that are closing—

**Greg Clark** *rose*—

**Jenny Chapman:** My constituency has two libraries, both of which are to close. The market at the heart of my town is set to close. I hope Conservative Members enjoy the extra funding that they will receive, because my town and the people in my town are angry. I have never seen them this angry before. They are angry about what is going to happen, but also about the unfairness.

**Greg Clark** *rose*—

**Jenny Chapman:** I will not give way. Why should I give way? Why should I give way to the Secretary of State who is ripping the heart out of my constituency? Why should I give way to him? He had half an hour at the Dispatch Box; he made a statement on Monday; he had Communities and Local Government questions on Monday. He has dismissed all attempts by Labour Members to lobby him. He has provided nothing for my constituency. My constituency is a town the same size as Wokingham. My constituency gets nothing from transitional funding—not a penny. In fact, we will lose £2,000 a year. Wokingham is getting £2.1 million of

additional funding. The two towns are the same size and have completely different needs. My town is losing out.

**Greg Clark** *rose*—

**Jenny Chapman:** I am not going to give way. I am going to allow other Members to make the case for their constituencies. I hope the Secretary of State listens to what we are saying and takes it on board. I know that he is familiar with my part of the country. He needs to think about the needs up there, because the people of the north-east will never, ever forgive this Government for what they are doing to our region.

5.45 pm

**Rebecca Harris** (Castle Point) (Con): The need to reduce the deficit has inevitably put pressure on councils right across the country. Even those that have made substantial and successful savings are understandably concerned about the transitional period during the move from centralised funding to an accountable system of self-funding.

At the start of this year, the leader of Essex County Council wrote to me and my fellow Essex MPs, setting out his concerns regarding the provisional local government finance settlement, which he thought would see the council lose over £50 million a year more than it was anticipating, despite having budgeted carefully. We took our case to the Secretary of State and I welcome the fact that he listened. As we know, he has made available up to £3.5 billion for social care.

Essex, like many council areas, has a serious and pressing challenge in its ageing population. It has the longest coastline in Britain and attractive coastal towns, so it is an attractive place to retire to. Over the next decade, our older population is expected to grow by 9%. As has been said, it should not be assumed that just because someone lives in beautiful rural Essex, they are not stretched for cash. People who live on a park homes site on a fixed income may not be the richest members of society. The demographic pressures are huge and we welcome enormously the fact that the Government have listened to our case.

Essex County Council is very much looking forward to the challenge of being more go-getting when it is dependent on the retention of business rates. We recently hired a new chief executive who is an ex-businessman, and he is taking an incredibly positive approach. We believe that the devolution agenda will transform local government from being about service delivery and dealing with needs to being organisations that set out to change their areas, encourage business development, and create jobs and growth. It is businesses that create jobs, wealth and growth, not politicians like us and local councillors.

Councils such as Essex County Council, which have shown that they can make efficiency savings, will benefit from the security of this four-year settlement. During this difficult time for all public finances, councils need to be able to plan for the medium term. Owing to the foresight of this four-year settlement, they can do so. This settlement brings greater transparency and parity in local government finances than we have ever had before.

[*Rebecca Harris*]

The retention of the new homes bonus, which the Secretary of State mentioned, is incredibly valuable. Councils will have to be active in bringing forward new development and new houses, rather than sitting back passively, as they used to in the days of top-down national targets, when large green-belt sites were allocated to big unit developers, which may or may not have built on them because it was not in their business model to get on and build houses and so reduce house prices. Councils know that they can now invest officer resources not just in bringing forward new businesses and making life easier for businesses in their area, but in bringing through new developments, perhaps on smaller sites with local businesses, that will be sold to local people through local estate agents.

The entire package is an enormous step forward in local government finance. It will be very healthy for democracy and business creation around the country.

5.48 pm

**Liam Byrne** (Birmingham, Hodge Hill) (Lab): I want to make just three points to the Secretary of State. Let me start by saying that, as he knows, he has enjoyed a good reputation among many Labour Members. I am afraid that that reputation has taken a bit of a battering from the settlement he presented this afternoon. It is with some sorrow that I say that.

I simply cannot square with any sense of fairness an outcome that means that budgets in Buckinghamshire will rise by 11.5% by 2016-17, while budgets in Birmingham will fall by 10% over the same period. Quite frankly, the battering of Birmingham has gone on for far too long. We had looked to this settlement for some sense of salvation.

I will be grateful for small mercies, and I am grateful that the Secretary of State recognises Birmingham's case that there is a fairer funding formula to be had. The challenge is that the Secretary of State does not plan to introduce that new settlement until 2016-17. There is nothing to accommodate the shortfalls in 2014-15 or 2015-16. Yet if we were on the funding formula that the Secretary of State acknowledges would be good, an extra £98 million would be flowing into our city right now.

The Secretary of State has said that that is not realistic because there is a fixed budget: what comes from one authority is what goes to another. We listened to those arguments, yet in the past couple of days, lo and behold, from down the back of the sofa in the Secretary of State's office comes £150 million of transitional funding, plus £90 million in rural delivery grant, none of which is available for the city of Birmingham. There is no attempt to address the unfairness of past settlements or to tackle our weaker ability to raise a social care precept, no confirmation of flexibility about capital receipts, no clarity on our four-year settlement, and no way of bringing forward any funding in the better care programme for social care. The reduction in our spending power is twice the national average, despite the extra needs in our city.

In the weeks to come, I hope that the Secretary of State will reflect on not only the knock-on effects on local government, but the danger of knocking over the

health service in east Birmingham. As he knows, my constituency is home to Heartlands hospital, which has been put into special measures, has a £54 million deficit and has now been taken over by Queen Elizabeth hospital. There is unprecedented pressure at the front door and A&E, which is exacerbated because the crisis in the social care system means that it is so much harder to get older residents out and into their homes. The delayed discharge rate at Heartlands hospital has increased over the past year by four times the national average. According to the House of Commons Library, public funding shortages are driving that whopping increase. Delays due to public funding shortages have increased by 1,000% in the past year.

I put it as gently as I can to the Secretary of State: we have a funding crisis in social care that threatens to knock over our national health service. I know that he will say that funding solutions for social care are coming down the track, but the crisis in our health and social care services is not in the years to come, but now. On top of that, Birmingham City Council anticipates that it will have to take another £92 million from social care in the next couple of years. That is not credible or realistic, but intensely dangerous. Birmingham demands new solutions from the Secretary of State, and not for the years to come. Birmingham needs them now.

5.52 pm

**Mark Spencer** (Sherwood) (Con): It is a pleasure to follow the right hon. Member for Birmingham, Hodge Hill (Liam Byrne), who has great experience of working in the Treasury. I gently say to him that I would be more than happy to offer him a deal—not that I have the power to do so at the moment—of swapping per capita funding for his constituents in Birmingham with that for constituents in Nottinghamshire, East Yorkshire, Cornwall, or any such rural area. Today, per capita funding—[*Interruption.*] If the right hon. Gentleman wants to intervene, he can do so, but shouting from a sedentary position is not the thing to do.

**Liam Byrne:** Let me offer the hon. Gentleman a deal: will he join me in arguing for a special and strong weighting for poverty in the needs-based formula that the Secretary of State plans to review?

**Mark Spencer:** I am more than happy to argue with the right hon. Gentleman, and stand side by side with him if we are talking about older people and those who are less wealthy, who tend to be found in rural areas. That is the challenge that we face today. In those rural areas, the population is not only older, but less wealthy and people have further to travel to the resources and services that they desperately need. For someone who lives in a rural area, needs a hospital appointment and has to use public transport, the public transport links are not as good as they are in urban areas. The doctor is further away than a doctor in an urban area. There are much greater challenges for those who live in rural areas.

**Andrew Bridgen** (North West Leicestershire) (Con): My hon. Friend should also remember that pupils in Birmingham get funded £1,000 a year more than my pupils in Leicestershire, yet one of the most deprived towns in the county is in my constituency.

**Mark Spencer:** I thank my hon. Friend for that intervention. Thank goodness that at last the Government are starting to address the challenges faced by rural areas. The Secretary of State has given us a four-year settlement, which means that local authorities will not be living hand to mouth but can plan for the next four years. They know what they have got coming, which means that they can plan to use some of the resources and reserves that some of them are sitting on, to ensure that they protect our constituents and look after their needs. They will not have to sit on those reserves thinking that they may need them within the next 12 months.

That builds in a buffer so that authorities that are keen to promote business and housing developments, and to ensure that the local economy expands, have time to increase the amount of revenue that they generate. That is a positive step forward, and I am working alongside Nottinghamshire County Council and the local enterprise partnership to try to create jobs in my part of Nottinghamshire, so that in future we can live by our own means, and generate and boost the local economy. Authorities that give a boost to their high streets and protect local shops will reap the benefits of that when those successful businesses are able to pay rates back to the authority and contribute to the local economy by creating jobs.

It is sometimes enormously frustrating in Nottinghamshire when I hear councils complain that they are short of cash and will have to shut services, when at the same time one of my district councils is working with the county council to spend £1.4 million on swapping people's dustbins. My constituents do not understand why we need to spend £1.4 million on that, at a time when the council says it is short of cash to deliver the services my constituents desperately want. Hopefully, with the help of the Secretary of State we can get to a more balanced settlement, have a vision for the future, and mitigate that change with the support that he is providing.

5.57 pm

**Dr Roberta Blackman-Woods** (City of Durham) (Lab): Let me begin by providing clarification to the Secretary of State about comments on fairness from Durham County Council—this is via the wonders of modern technology—that related to certain aspects of the provisional settlement and not to the total or final settlement. The council said that the settlement would put the county at a huge disadvantage, and that none of the extra cash has been targeted at areas with the greatest need. It added that the settlement was “unfair” and “far too late”, and I hope that the Secretary of State will accept that clarification.

**Greg Clark:** It is clear that that is a response to the statutory consultation, and to reassure the hon. Lady that I am not taking anything out of context, the section that I quoted from is entitled, in bold, “Fairness of Settlement” and states:

“In our view, no authority can now claim that this approach is ‘unfair’.”

It is as clear as day.

**Dr Blackman-Woods:** I think that is the fourth time we have heard that from the Secretary of State this

afternoon, but that does not make it right. Durham County Council has clarified that, and it thinks that the settlement is totally unfair.

**Jim McMahon:** Simon Henig, the leader of Durham County Council, has just sent me a message to say that that aspect was part of the original consultation, and that it does not consider the latest round, which includes the transition fund, to be fair.

**Dr Blackman-Woods:** I am grateful to my hon. Friend for confirming what I have just said. Those of us in Durham think that the settlement is absolutely shocking because, once again, it hits hardest those councils with the greatest problems and highest levels of disadvantage, such as Durham. I had hoped that the Secretary of State's comments on Monday would go some way to addressing the balance in favour of areas with the highest need, but I am afraid there was not a glimmer of that. Given the Government's record of unfairness and widening inequalities, it is perhaps not surprising that the settlement massively favours Conservative councils. In fact, 87% of the funding announced on Monday is going to Tory councils.

**Graham Stuart:** Will the hon. Lady give way?

**Dr Blackman-Woods:** I am not going to give way to the hon. Gentleman, because he would not take an intervention from me.

The only north-east council to benefit from the £150 million additional funding announced on Monday is Northumberland. That is staggering, especially as Durham is also a substantially rural area. It is odd, then, that Northumberland is the only council to benefit from the rural fund. Indeed, if we look across the country, the areas to benefit most are Surrey, with £11.9 million; Hampshire, with £9.4 million; North Yorkshire, with £9.2 million; and Devon, with £8.3 million. Examples of the reduction in core spending tell a similar story: Durham had a reduction of minus 4.1%; Newcastle minus 4.4%; and Sunderland minus 4.3%. Compare that with Surrey, which has a decrease of only minus 1.1% and North Yorkshire minus 0.3%.

**Kevin Hollinrake** (Thirsk and Malton) (Con): Will the hon. Lady give way?

**Dr Blackman-Woods:** I will not give way to the hon. Gentleman, just because we are very short of time.

It is very clear from those figures that shire county areas and southern authorities have received below-average reductions in core spending power, while deprived areas have received above-average decreases, continuing the unfair trend set by the coalition Government. As we have heard from other Labour Members, the very councils suffering the highest cuts have a higher demand for children's services, evidenced by severe cuts to our children's centres, with most closed under this Government, and greater demand for adult social care and higher levels of need for good public health. That is not, however, reflected in core spending power per dwelling. The average across the country is £1,838, but for Durham, an area of high disadvantage, it is only £1,608. By comparison, the whole of Surrey gets more than £2,000 per dwelling, while Richmond upon Thames receives £1,866.

[*Dr Blackman-Woods*]

Based on current forecasts, Durham's total savings target for the next four years is £105 million, so there will have been £260 million of cuts since austerity began—figures so large that they are difficult to comprehend.

Figures are important to understanding the gross unfairness in Government funding, but we need to take a moment to consider what this means for people who need council services. Even by dipping into council reserves, Durham faces severe challenges with regard to social care charges, the provision of essential youth services and support for vital bus services. I say to the hon. Member for Beverley and Holderness (Graham Stuart) that Durham is a rural area, too. It needs to support its bus services, but the Government are not allowing for that in the current formula, not to mention any access to leisure facilities.

The council will do its best to ensure that the most vulnerable people are protected and that, where it can, capital will be used to promote economic growth and tourism, but the Government should take no comfort from that. The statement on Monday was a disgrace in that it failed to address the needs of some of the most disadvantaged people in the country. The settlement leads to the extraordinary position whereby residents in more affluent areas are receiving services of higher standards and greater volume than in areas where a lot of the people are low waged or where historically they have high levels of poor health. That cannot be fair and no amount of loquaciousness and tongue twisting from Government Members will make it so. It is time for a fair local government finance settlement based on need, not the political colour of the local authority.

6.3 pm

**Peter Heaton-Jones** (North Devon) (Con): I will start in the way I concluded the debate on this issue in the House on Monday, by saying, "Thank you" to my right hon. Friend the Secretary of State for listening carefully to the representations made to him and for making significant improvements from the draft settlement. As there has been quite a bit of to-ing and fro-ing here about what local authorities might think, let me add to that list. I have in my hand a piece of paper.

North Devon District Council was dissatisfied with the draft settlement, as I made clear in the House after its introduction. I spoke to the council at great length. It was not happy about being unfairly treated. It believed, as did many, that the settlement did not tackle the unfairness between rural and urban authorities, and it asked me to do something about it.

After much intense lobbying, the Secretary of State has come forward with a new and improved final settlement, and this afternoon, at about half-past 2, the council issued a media release—not from the Conservative group, but from the neutral officers of the council. The headline reads, "Council welcomes Rural Services Delivery Grant increase", and it continues:

"North Devon Council has welcomed news that a government grant is to be increased, which will help benefit rural areas like North Devon... It means, instead of £77,000 identified in the draft settlement for North Devon...the district is now likely to receive £308,000. Meanwhile, for 2017/18, the council is now likely to see its Rural Services Delivery Grant come in at £249,000,

instead of the previously predicted £134,000... Executive Member responsible...says: 'This is really good news for North Devon and other rural districts.'

That goes to the heart of the problem that I and many other Members had with the draft settlement: it was unfair. There followed, however, a great deal of lobbying from us and a great deal of listening from my right hon. Friend the Secretary of State. It is disappointing, therefore, to hear the Opposition describe this as a fix to head off a rebellion—talk about glass half empty. My right hon. Friend listened to colleagues, responded positively and significantly improved the final settlement. We should all welcome that.

The funding of adult social care is a serious issue. In north Devon, and Devon as a whole, with its older demographic, of course it presents a challenge, but, again, the Government and the Secretary of State have sought, in the final settlement, to do something positive. During Labour's 13 years in government, when it could clearly see this challenge looming—the demographics were there for all to see—it did absolutely nothing to address the problem. It left it to this Government to do something about it, and as always happens, the electorate recognised that only a Conservative Government would do that.

**Kevin Foster** (Torbay) (Con): We have heard a lot about party politics. Given that the extra money for Devon covers Exeter, has Labour objected to additional money for social care in Exeter?

**Peter Heaton-Jones**: My hon. Friend makes a good point. The right hon. Member for Exeter (Mr Bradshaw) does not seem to be in his place. Neither are any Liberal Democrats here for this important debate, despite their trying to sell themselves as the party of local government that wants to build from the ground up. There are not many of them, but not one of them has come to speak in this important debate.

I thank my right hon. Friend again for listening and making this significant improvement, but we need to go further to address the long-term unfairness between rural and urban settlement grants. My hon. Friend the Member for Beverley and Holderness (Graham Stuart) said that £130 million was needed for the rural grant. I hope the Government can look at that aspiration, but in the short term, I welcome the settlement, as do Devon County Council and North Devon District Council. It shows what can be achieved when Conservative MPs and local authorities and a Conservative Government work together, listen and get a settlement that I hope we can all support in the Lobbies this evening.

6.9 pm

**Julie Cooper** (Burnley) (Lab): I well remember the Prime Minister in 2010 speaking to the country and declaring that we were all in this together. That had a ring of fairness that resonated with the British people. He went on to say that those with the broadest shoulders would bear the greatest burden. Sadly, those were just words and were never backed up with action. My constituency is one of the least affluent areas of the country, and despite that, since 2010, Burnley Council has seen its funding cut by a staggering 54%. Cuts of that magnitude have also been the order of the day at Lancashire County Council. As if all that is not bad enough, during the same period other, more prosperous

authorities have had their funding increased, which demonstrates an outrageous absence of fairness. The people of Burnley have known since 2010 that we are certainly not all in this together.

As the former leader of Burnley Borough Council, I am no stranger to belt-tightening exercises, and I can tell the House that it was exceptionally difficult at times. The Minister for Housing and Planning may well remember meeting me on more than one occasion when I pleaded with him to grant transition funding for Burnley. He will, no doubt, also remember the long and tedious process involved for Burnley and other authorities to secure that most essential funding. Having negotiated numerous hurdles, Burnley Borough Council demonstrated efficient transitional activity. It was, and is, an efficient council.

When this year's provisional settlements were announced, councils across the country were, unsurprisingly, angry about the cuts to their budget, but it seemed like the Secretary of State was listening when he announced an additional £300 million over the next two years. We welcomed that, until we saw where the funding is going to go. Will it be distributed to those areas most in need? Of course not. Given this Government's record, we ought not to be surprised that more than 80% of that additional funding will go to the most prosperous authorities.

Since 2010, the five least deprived authorities have, overall, had their budget cut by £7 per person, while, shockingly, the five most deprived authorities have had their budgets cut by more than £336 per head. Will the Minister explain what funding formula he has used to arrive at this latest settlement? I note that Burnley is to endure a further budget spending cut of 4.8%, while the more affluent areas of South Ribble and Uttlesford are to enjoy budget increases. So, while Burnley will have its budget cut by 4.8%, Uttlesford will have its budget increased by 6.4%. I have no problem with the people of Uttlesford, but I do with the lack of fairness.

Did those councils have to go through a lengthy process of targets and assessments to access that increase? Of course not. A word in the Prime Minister's ear, it seems, and the budgets are increased. What message does that send to the people in Burnley? Has the Minister stopped for one minute to think what the impact of the cuts will be in Burnley? Does he even care?

The cuts will result in reduced social care services for the elderly and disabled; the closure of community centres and libraries; the loss of bus services; the loss of support for those fleeing domestic violence; and the withdrawal of services for those struggling to cope with autism. I could go on, but it is clear that the most vulnerable will carry the heaviest burden, while those with the broadest shoulders are given a bonus.

Burnley has been cheated, and I believe that these further unfair cuts will confirm to the people of Burnley and Padiham that this Conservative Government will always prioritise the needs of the richest at the expense of the poorest and most vulnerable. If the Minister were to change his mind and reconsider—

**Madam Deputy Speaker (Natascha Engel):** Order.

6.13 pm

**Kevin Foster** (Torbay) (Con): It is interesting to follow the hon. Member for Burnley (Julie Cooper). Perhaps this debate has given us a chance to look forward to the

future, given that the Lib Dems have left the building, but it has also given us an opportunity to look back to the past. Just over a year ago, Labour had been complaining for nearly five years about various local government settlements. An election was coming and Labour Members were challenged: "What extra would you do?" Their answer was, "Nothing." It is interesting to compare their rhetoric today with the reality.

A four-year local government funding settlement is welcome. I used to work in local government and it made no sense to find out in December what we would have to spend from April and to then base it on a budget that was set at the back end of February. Whatever anyone's view of the overall settlement, it makes eminent sense for councils to be able to plan in a similar way to Governments.

I represent one of the few totally urban constituencies to the west of Bristol, but do I object to the recognition given to the challenges that our neighbouring county faces in delivering services? For all the fury and rhetoric we have heard about Conservative areas being favoured, it is worth noting that Exeter, the one Labour constituency west of Bristol, falls under Devon County Council, which is going to benefit. [*Interruption.*] Judging from what we have just heard, it seems as if Labour is working to ensure that it has no MPs west of Bristol after the next general election.

Issues affecting coastal communities are well worth looking at. In my area, we are a mixture—in some ways urban and in some ways rural—but we certainly have big social challenges and problems surrounding an ageing population. In one ward in my constituency, 9% of the population is aged over 85, and it will soon be 10%. Whatever anyone says, that makes for a real challenge.

When it comes specifically to Torbay, some lessons can be learned by other councils from its approach to the challenges presented by asking the LGA to come and work on a peer review. This confirmed the council's viability and suggested that it needed to develop its own vision for the future. I could suggest some areas on which it might want to review its spending—subsidising the local conference centre, for example—but at the end of the day, a positive picture has been presented of how a council that wants to grapple with the issues and wants to put forward a vision can build towards the future, while facing some of the biggest demographic challenges with childcare at one end and elderly social care at the other.

I welcome aspects of the settlement. I think it is fair settlement overall—one that does not denude my area when it comes to assisting other areas. With greater devolution and more areas working together—and particularly with Devon, Somerset, Plymouth and Torbay looking to work together—it is wrong to present this false idea of little islands all working on their own that we have heard from Labour Members. That is absolute nonsense.

There are positive aspects, but yes, there are still challenges. We have heard some false anger from Opposition Members, when Labour did not pledge any extra funding in this area and argued during the election campaign that it did not even want to match our pledges on the NHS.

**Dr Blackman-Woods** *rose*—

**Kevin Foster:** I happily give way, as I would like to have another minute.

**Dr Blackman-Woods:** There is nothing false about the issues we are raising this afternoon. We are simply asking for a fairer settlement for local government that takes account of levels of disadvantage and levels of need, and for the needs of rural areas such as Durham, as well as rural areas elsewhere, to be acknowledged.

**Kevin Foster:** There may be nothing false about the issues, but it is somewhat false to come into this Chamber and complain about reductions in local government funding, when Labour Members had an opportunity to change the situation in their manifesto but failed to do so.

**Graham Stuart:** My hon. Friend may want to reflect on the fact that the reductions in Government grant and Government spending power over this Parliament to the original settlement in Durham amounted to 19.6%, yet rural areas were seeing reductions of 30%-plus. That is why Durham did not receive transitional relief—because it was not among the councils that were suffering the most. It is a simple concept, but Labour Members have misrepresented it—and yet again they should be ashamed of themselves.

**Kevin Foster:** I thank my hon. Friend for bringing his usual laser-like precision to the debate. It is interesting to reflect on some things, and I expect some council leaders will be reflecting on the old floors and ceilings that used to exist in local government funding as a means of altering the assessments.

I therefore find some of the fury we have heard this afternoon to be somewhat unconvincing and fairly fake, given the absence of proposals for any extra funding. When the Government are being attacked and the Secretary of State offers to intervene, the refusal to accept it just about says it all.

I am pleased about aspects such as the coastal community fund and some of the other funding and support that is coming in. I am most pleased to see a Government who are prepared to let councils get on with their work and reward those that deliver economic regeneration, as well as a Government who are delivering an economy that will provide benefits to local people. Ultimately, this is a Government with the vision to take the country forward rather than a vision for attacks and a lot of hot air. When it comes down to it, the Chancellor put up a manifesto, put up a commitment and said where it was going to be paid from—yet nothing came forward from Labour.

6.19 pm

**Stephen Twigg** (Liverpool, West Derby) (Lab/Co-op): Let me tell the hon. Member for Torbay (Kevin Foster) that this is an issue about distribution and the unfairness of the distribution of these cuts. Some parts of the country that have the greatest social and economic need, such as Liverpool, are facing the biggest cuts yet again. That is what Labour Members are genuinely very angry about, reflecting the anger in the communities we represent.

My hon. Friend the Member for Liverpool, Riverside (Mrs Ellman) has already spoken about the challenges

that we face in Liverpool. I join her in paying tribute to the mayor of Liverpool, Joe Anderson, who has done a fantastic job in leading Liverpool over the last six years. Where did he start? He started with efficiencies. Efficiencies could be made, and he made them. Then he turned to innovation. He made a city deal with the Government that enabled him to rebuild or refurbish 12 schools that had lost out when the Government cancelled Building Schools for the Future. He took the lead, working with other council leaders in Merseyside, in securing city region devolution.

It is not a question of a choice between efficiency and innovation on the one hand and cuts on the other. Liverpool is facing up to the challenges, but even with efficiencies and innovation, its funding from central Government has been cut by 58%. That is simply not tenable. It is simply not possible to balance the books without harming front-line services.

That brings me to the £300 million of Government transitional support. Conservative Members have made legitimate points about rural payments. Rural poverty is undoubtedly a real issue, as is an ageing population, but if that is what the transitional money is about, why on earth is Surrey the biggest beneficiary of the additional money? It is not going to the poorest rural areas. Despite that 58% cut in central Government funding, Liverpool will not receive a penny, while Surrey will receive a substantial amount.

Let us have a fair system of funding. I do not want to talk about “urban versus rural”, because this should be about need and deprivation. Yes, there is deprivation in rural areas, but there is also considerable deprivation in constituencies like mine. I want to ensure that there is fairness and justice in the treatment of different types of authority, but hitting a council like Liverpool with a 58% cut and then providing no transitional support does not strike me as reasonable.

**Graham Stuart:** According to the figures that I have seen, the average cuts in Government-funded spending power in this Parliament will be 19% in metropolitan areas and 30% in rural areas, and the figure for Liverpool is just over 15%. Where did the hon. Gentleman find his figure of 58%?

**Stephen Twigg:** I am talking about the actual reductions in Liverpool’s actual funding from central Government. However, the hon. Gentleman has helped me by bringing me to my next point, which other Members have already made today.

In areas with greater social and economic needs and higher levels of poverty, such as my constituency, the council tax base is such that allowing local authorities to increase council tax simply does not have the impact that it has in Surrey and some of the wealthier London boroughs. My hon. Friend the Member for Liverpool, Riverside spoke about social care. The increase in council tax that Liverpool has been allowed will enable us to raise £2.7 million. That is better than nothing, but the city’s social care budget has been reduced by £90 million since 2010. We can raise £2.7 million, but the gap is still £90 million.

My hon. Friend the Member for Leicester West (Liz Kendall) made the important point that, while we must take account of demographics and the number of older people in each area, we must also take account of

ability to pay. One Member mentioned the number of people aged over 85 in one of his constituency wards. Clearly that brings pressures, but life expectancy in poorer parts of the country is such that not many people live until they are 85. Those are the kind of pressures caused by an ageing population that are faced in areas of high poverty, and they are different from those that are faced in other parts of the country.

I urge the Minister and the Secretary of State to think again, and, in particular, to take up the excellent suggestion made by my hon. Friend the Member for Leicester West and make the better care fund money available immediately. That could at least help us with what is an emerging social care crisis. As a number of my hon. Friends have said, it is a human crisis not just in terms of the provision of social care, but in terms of the additional pressure that is placed on our health service.

I am hopeful that devolution for the Liverpool city region will bring many benefits, but those benefits are more than cancelled out by the scale of the cuts, which are simply unfair because they hit the poorest parts of the country—constituencies like mine—much harder than the rest.

6.24 pm

**Kevin Hollinrake** (Thirsk and Malton) (Con): I warmly welcome this statement today from the Secretary of State. My local authority, North Yorkshire County Council, will receive £15 million in transitional funding over the next two years, and my district authorities will receive £1.4 million. We hear cries of “Tory plot” from the Opposition, but my local authority was facing a 37% reduction in its funding, compared with an average of 20% for metropolitan authorities. What kind of Tory plot is that? This is about fairness.

**John Stevenson** (Carlisle) (Con): Does my hon. Friend also welcome the news that Labour-run Carlisle and Labour-run Cumbria are also receiving some transitional relief?

**Kevin Hollinrake**: I do welcome that news.

This funding is targeted at the locations with the biggest falls. Opposition Members need to understand the profound feeling of unfairness that exists in my community, not just about funding for rural services but about the way in which our schools and healthcare are funded. How would they explain to an elderly constituent of mine in need of adult social care why she should get less funding than somebody in an urban area when she pays more in council tax? Why is that right? The right hon. Member for Birmingham, Hodge Hill (Liam Byrne) mentioned disadvantage, but a band D council taxpayer in my area pays £1,472 a year, which is £200 more than someone in his constituency.

These are deep cuts for the people we need to protect in our communities, whether they affect our libraries, our bus services, our post offices or those in our voluntary sector who do such fine work but who rely on central moneys to pay for the car schemes, the home visits, the day care and the relief care. I therefore welcome the fair funding review that the Secretary of State has announced. We just want fairness. We do not want a better deal than urban areas; we just want a fair deal, and whatever deal is arrived at needs to be baked into the system.

Historically, underfunding by successive Governments has led to our paying more in council tax and to our homes being more expensive to buy or to rent and more expensive to heat. Among the elderly population in my constituency, the numbers are rising three times faster than those in metropolitan areas, and the cost of providing services to those people is much more expensive. The Government recognised that in 2013-14, but we only got 25% of the funding that we were due, owing to damping.

What we need is a simple, transparent system that recognises need. Whatever that system might be, if it is fair Conservative Members will sign up to it without question. None of us is complaining about the size of the cake; we just want a fair distribution. We realise that we need to make cuts. Every time we have one of these debates, Opposition Members refuse to say where they would make such cuts. They are deficit deniers. We need to make cuts in our area. Our local authorities need to become more efficient.

In my area, we have eight separate local authorities. That cannot be right at a time when we are having to make deep cuts, and we need to look for efficiencies. That cannot be an efficient way to run local government. Local authorities have a part to play in this, and we have a chance to reorganise as part of the devolution revolution. We have a complex system with five clinical commissioning groups, five health trusts, eight local authorities and a huge number of voluntary organisations. If we are to make the best of the money available and balance the books, local government will of course have to play its part if we are to become more efficient. We need to bring together all our services, such as health, social care, housing and education, to ensure that they are interconnected and that they work more effectively without duplication, complexity or bureaucracy. This settlement gives us the breathing space to develop a new fairer funding formula—a simple, fair, future-proof and rural-proof formula—and I am very happy to support the motion.

6.29 pm

**Andrew Gwynne** (Denton and Reddish) (Lab): It is pleasure to contribute to this debate. First, I wish to pay tribute to all local councillors, of all political parties and none, for the work that they do in the world of local government, making sure that local services are provided to the people we represent in Parliament. They do an incredible job in difficult circumstances. I say that having been a councillor on Tameside Metropolitan Borough Council for 12 years. My wife has been a Tameside councillor for 16 years, and I know the very difficult decisions she and her colleagues are having to make at the moment.

My constituency is served by two borough councils. They are very different in their socioeconomic and demographic, and political make-ups, but both are having to deal with tough—although different—spending decisions. Stockport contains the two Reddish wards in my constituency. Tameside would love to have Stockport's settlement and its council tax base. Nevertheless, the cuts are biting hard in Stockport and I wish to make a few comments on behalf of the borough council. It says it is:

“Surprised at extent to which council tax growth is assumed in the government's figures which...fail to acknowledge the spending pressures arising from government induced changes (e.g national living wage, NI increases and apprenticeship levy).”

[*Andrew Gwynne*]

It would be good if the Minister could respond to some of those points. Although Stockport Council welcomes

“certain aspects of the settlement, insofar as it is not as bad as it might have been”

it is

“under no illusions as to the scale of the financial challenges that face the Council”.

It says that it will have to

“take full advantage of the newly granted flexibility to increase council tax.”

I wish to make the point again that Tameside’s council has a £16 million social care deficit this year. It is now restricted to providing just critical and substantial care, which is statutory. That means the council still has to find the money to close that £16 million gap. Given that social care amounts to 60% of the council’s overall budget yet it serves only 4% of the residents of the borough, that money has to be found from the services everybody else takes for granted. I do not wish to repeat many of the points made by my hon. Friend the Member for Darlington (Jenny Chapman), but Tameside’s council is in a pretty similar position, in that its grounds maintenance, parks, road repairs and street cleaning are what is being literally—

**Barbara Keeley:** Today, I have been downstairs to meet people from the Malnutrition Task Force, which is doing some brilliant work in Salford. We have more than 2,000 cases of malnutrition—we are talking about people over 65 here. This sort of thing is developing now. Cynical comments are made by Conservative Members about the real concern Labour Members have. We used not to need a malnutrition taskforce, and 193 out of 2,000 cases of malnourished older people were found in Salford. I know that Tameside has now launched a food bank to deal with this issue.

**Andrew Gwynne:** My hon. Friend is absolutely right about that. Of course these cuts to local government budgets must also be set alongside the £200 million in-year reduction to the public health budget, which of course local government controls—it is a point she makes very well.

In areas such as Darlington and Tameside, local residents are not going to receive the basic services they expect to receive because the social care gap has to be filled by the general fund. I am glad the Secretary of State is back in his place, because he keeps telling Tameside Members to speak to the leader of Trafford Council. I tell him that Tameside would love to have Trafford Council’s council tax base. Band D properties in Trafford bring in £84.9 million of income to Trafford, whereas the same band in Tameside brings in £74.3 million. That is because Trafford has many more band D properties, and it also has many more in bands E, F and G. That is the real unfairness.

In my closing few seconds, I will touch briefly on the better care fund, which is of course backloaded. We need that money today, because the crisis in social care is here, it is now and it is literally killing the council financially. I say to the Secretary of State that it is all very well giving money through the better care fund, but the council is losing a similar amount from the new homes bonus. We need a fairer

settlement for the metropolitan areas, and a needs-based assessment, because Tameside and Stockport are being clobbered.

6.35 pm

**Simon Hoare** (North Dorset) (Con): It is a pleasure to follow the hon. Member for Denton and Reddish (Andrew Gwynne). I concur with him and share his thanks to councillors and council officers, of all politics and none, for the work that they do, day in, day out, on behalf of their communities across the country.

To listen to Opposition Members, one would have thought that the settlements for their areas had been stripped away in order to adjust ours. Had that been the case, I would have shared their anger, but it is not the case. No draft settlement that was announced in December has been driven downwards. The Department and the Treasury, to whom thanks must be due, have found additional money. I find myself asking this question, because I am not convinced by the synthetic froth of anger that we are hearing from Opposition Members. Where were they—with the honourable exception of the shadow Minister and the hon. Member for Workington (Sue Hayman)—for the debate on the local government settlement just a few weeks ago? They were not here. They thought that they had got away scot-free, and that our areas were getting the clobbering. They have suddenly woken up and taken an interest in this situation.

**Graham Stuart:** My hon. Friend is right that it is a synthetic froth. Let us take Tameside and Trafford. In the original settlement, Trafford was facing a 28% reduction in Government-funded spending power, against 19% in Tameside. Surrey was facing a 54% cut—I would never normally speak up for Surrey—so it is no wonder that it got some transitional relief.

**Simon Hoare:** My hon. Friend is right. Frankly, the Opposition party has been rumbled on this. Let us not kid ourselves, this remains, even after the welcome announcement made by the Minister on Monday, a tough settlement. It leaves an unfair and unsustainable gap between funding for rural and urban areas. That continues. It has just been made a little less tough. There is no golden goose being given to Tory local government.

**Liam Byrne:** I hope that the hon. Gentleman will take back the point about synthetic rage. If other hon. Members had a hospital such as the one in my constituency, which is £54 million in deficit, and where delayed discharges are up 1,000% in a year because of public funding cuts, they would have a responsibility to stand up and say, “Think carefully about how you distribute money.” If they are representing a city such as Birmingham where there is another £92 million to come out of social care on top of the crisis that is already there, then, collectively as a country, we have a problem. I hope that the hon. Gentleman will take back his comment and recognise that there are genuine questions about the distribution mechanisms being put forward by the Secretary of State.

**Simon Hoare:** If Birmingham City Council is funding its local hospital, it might explain some of its problems. That is not a responsibility of the city council. I do not know how the right hon. Gentleman has the brass neck to stand and ask Government Members to retract



comments when the note he left in the Treasury continues to hang like an albatross around his and his party's neck.

**Liam Byrne** On that point—

**Simon Hoare:** I will not give way to him.

**Liam Byrne:** It is because he is frit.

**Simon Hoare:** No. Of the right hon. Gentleman, I am never frit. Of course I will give way.

**Liam Byrne:** I am grateful to the hon. Gentleman, who is being courteous and collegiate in giving way. He will also remember that I left a Budget that was going to halve the deficit over the course of the Parliament, which his Chancellor has still failed to achieve.

**Simon Hoare:** The right hon. Gentleman has obviously been to Specsavers—he has the rose-tinted glasses and he is looking through a completely different Labour history.

**Mr Speaker:** Order. There is an unseemly tenor now to the debate. I urge the hon. Member for North Dorset (Simon Hoare) to return to the path of virtue, which he ordinarily occupies, in terms of the conduct of debate. I remind the House that we are discussing not budgets, but Local Government Finance (England).

**Simon Hoare:** Thank you, Mr Speaker. I take that Lenten reprimand in the way that it was intended.

The Labour Opposition are judging this Government by their standards. The formula that they put in place when they were in government was patently skewed. It was gerrymandering on a massive scale. That is why, in my closing remarks, I turn to the future. The announcement that my right hon. Friend the Secretary of State made on Monday makes a tough settlement for local government across the piece just a little less tough. It provides an opportunity and a breathing space, particularly for counties such as Dorset, which was going to have revenue support grant for only two years—Dorset County Council, that is—rather than for four. That is where the transitional relief has had to kick in, and the rural services delivery grant has also come in to help. But that help is temporary, so I will be pressing, as I am sure will some of my hon. Friends—no doubt Opposition Members will do so too—for an efficient and speedy review and formulation of the new methodologies to be deployed in calculating what our local authorities need. I think the Ministers get that point.

In broad terms, the motions that we are debating are to be supported. There is additional help for my rural areas, which I welcome. The Secretary of State listened to my call for the £5 de minimis and has put that in. Something similar applies to the localisation of planning fees. In closing, I repeat my call in an earlier intervention for town councils to work fully in concert with district councils. They should be exempt from having their precepts capped. That will allow them to forge a deeper relationship with senior tiers of local government, instead of the year-on-year question of whether they would be capped or not. I welcome the settlement and I will join the Government in the Lobby tonight to support it. Rural communities throughout the country, which have suffered for too long under a faulty Labour manifesto, are now getting—

**Mr Speaker:** Order.

**Several hon. Members** rose—

**Mr Speaker:** There are three Labour Members still seeking to catch my eye, but realistically we ought to begin the winding-up speeches no later than 6.50. Whether Members wish to share, I leave to them. There is a time limit of four minutes, but it is up to them to cope with it.

6.43 pm

**Jack Dromey** (Birmingham, Erdington) (Lab): Respecting that discipline, I shall be brief. Birmingham is a great city—the city of Chamberlain, the birthplace of municipal governance, the birthplace of municipal enterprise, a city with great potential, and a dynamic city—but it is a city of high need. My constituency may be rich in talent, but it is one of the poorest in the country. If someone gets on the train at the new Grand Central station and gets off at Erdington or Gravelly Hill, they are likely to live seven years less than if they continue on the train to Sutton Coldfield.

The city is now suffering the biggest cuts in local government history—£500 million already, another £250 million at the next stages, £90 million this year—and the city is the victim of grotesque unfairness. MPs of all political parties met the Secretary of State and we put a powerful case for fair funding and for transitional funding. We welcomed the fact that ultimately the Government want to move to a new fair funding formula, but what happens in the next three to four years is crucial.

We put a strong case, the Government listened, the Government moved, then they gave Birmingham not one penny, yet they were able to shell out for Wokingham, Surrey, Cheshire East, Oxfordshire, Buckinghamshire, Kent and Worcestershire. It is fundamentally wrong. It cannot be right that areas of high need are treated in that way at a time when the Government say they want to move to a new needs-based formula. It cannot be right.

Let me conclude, so that my hon. Friends the Members for Redcar (Anna Turley) and for St Helens South and Whiston (Marie Rimmer) may speak. The Government should recognise the consequences of their actions. School crossing patrols, which are vital to the safety of kids going to and from school, are at risk. Home-Start in my constituency, which has given outstanding support to parents who are struggling in their lives and struggling to bring up their kids, is at risk. In a city where 100,000 people are in need of social care, many of those people—the elderly, the disabled and the vulnerable—will not now get the care they should be entitled to in a civilised society. What the Government have done is fundamentally wrong: they have ignored need and looked after their own, and that is something that no Government should ever do.

**Mr Speaker:** The hon. Gentleman's middle name is clearly Share.

6.45 pm

**Anna Turley** (Redcar) (Lab/Co-op): As everyone in the House will be aware, the liquidation of Sahaviriya Steel Industries and the closure of Redcar steelworks last September led to more than 3,000 immediate job losses. The local authority, Redcar and Cleveland Borough Council, serves a population of 135,000 people. Those

[Anna Turley]

job losses would be the equivalent in Greater London of the overnight loss of 176,000 jobs—imagine the headline on the front of the *Evening Standard*. That is what my local area is dealing with.

Imagine now, on top of that, the loss to the council of £10 million in business rates from SSI, plus the loss to council tax income as a result of people being out of work, as well as the knock-on demand for services from those out of work and the money lost more broadly to the local economy.

Add to that the fact that less than £5 per head is spent on transport in our region, compared with £2,600 per head in London. Add to that the fact that unemployment was already more than double the national average, and that was before the steelworks closed. Add to that the fact that our demographics show we have a higher than average proportion of elderly people and we have desperately deprived rural areas in Cleveland, which many Government Members have not taken into account in the debate. Add to that the fact that a third of men and half of women are on less than a living wage. Add to that the fact that the Tees valley has the second highest number of wards anywhere in the country in the index of multiple deprivation. That is what we are dealing with.

Our local authority of Redcar and Cleveland has lost £56.4 million in funding since the Prime Minister came to office—more than the funding package we got to retrain SSI workers. That is what we have lost, and now the Government intend to take a further £7.5 million from us—a total loss of £89 million over 10 years. That is not sustainable.

We are trying to get back on our feet. We are trying to recover. Why are the Government holding us back? This is a heinous settlement from a shameless, arrogant and downright cruel Government, and I urge them to think again.

6.47 pm

**Marie Rimmer** (St Helens South and Whiston) (Lab): I speak on behalf of the residents of St Helens South and Whiston. My constituency extends over two small metropolitan boroughs—Knowsley and St Helens. I have three wards in Knowsley, which is one of the top three most deprived boroughs in the country, and the seventh-highest in terms of income deprivation. Knowsley has already suffered £98 million of cuts. Last year, it put £7 million into the social care budget for elderly people—£7 million in reserves that is not there this year, so Knowsley will have to find the funds to fill the gap or cut those services.

I declare an interest: I am still a St Helens councillor. St Helens suffered £68 million of cuts. I can say more on that, because I know more of the detail. A 2% precept on council tax will raise £1.2 million, but there is £1.8 million in demand for care services, with £1 million in demand for older people's services and £800,000 in demand from other people receiving social care. The living wage will increase the spend by £1.8 million. With only £1.2 million being raised, we already have a gap of £2.4 million, and that is without the cut coming in this year's budget. We have received nothing for the transition.

I was amazed at the lack of understanding of how health and social care work together. I am proud that public health, primary care, secondary care, the clinical commissioning group and the hospitals all work together in St Helens. This weekend, I spent time in the hospital with some friends. A lady's partner was going to have to leave the hospital, but sadly could not go home, so people were trying to persuade her that her partner would need to go into a home, and I took her to a home. The hospital serves five or six boroughs, all of which are suffering from cuts in social care. That means that people are unable to get the care that they need and would have had previously. They are wondering who is going to look after them, particularly those living alone. Who will go in to help them in between the social care? Looking at children's services, we are putting children out for adoption much more quickly than we were, but the cost of providing foster care is enormous.

I urge the Minister at least to look to bringing forward the better care fund. I ask him to look at the ability to raise funds, how little council tax raises, and needs and deprivation. The elderly population—65-year-olds, over-75s and over-85s—is growing by 14% each year. I ask him please to take everything into account.

6.50 pm

**Liz McInnes** (Heywood and Middleton) (Lab): I will be very brief because I want to hear from the Minister, as we do need answers to the questions that have been asked in this extremely lively and robust debate. The House is clearly extremely split over this settlement, with discontent, concern and dissatisfaction among Labour Members that needs to be listened to. That does not need, and does not deserve, to be met with denial, derision and dismissal, as in the case of so many Conservative Members, I am afraid.

The Secretary of State says that he will conduct a needs-based formula review, and that cannot come soon enough. I welcome the comments of my hon. Friend the Member for Warrington North (Helen Jones) about the inequality created by the 2% precept, which raises money for those areas with the highest council tax base. That inequality has to be addressed. My hon. Friend the Member for Blackpool South (Mr Marsden) said that his area is suffering from 4.9% cuts as against the England average of 2.8%. Blackpool, an area of extreme deprivation, gets no transitional relief at all. He highlighted the failure of the 2% council tax precept to adequately fund adult social care—a theme that has run through the debate. The shadow Minister, my hon. Friend the Member for Croydon North (Mr Reed), pointed to the predicted council tax hike of 20% by 2020. This Government have broken their promise to the people of England to reduce council tax over the course of the Parliament.

My hon. Friend the Member for Sheffield South East (Mr Betts) welcomed the four-year settlement to enable our councils to plan. Indeed, I think all Labour Members welcome that. [Interruption.] As my hon. Friend the shadow Minister reminds me, Conservative Members actually voted against it. My hon. Friends also welcome the money for social care, but have pointed out that it does not meet the vast discrepancy in the funding that is needed to provide social care for our elderly and vulnerable, given the paltry amount that the 2% precept will raise. It is disappointing that Conservative Members

do not understand the link between delayed discharges from hospitals and the inadequacy of social care. This is a huge social problem, and the Government need to face up to it. They need to come out of denial and do something about the funding of social care.

Too many of my hon. Friends spoke for me to be able to credit them all, but I want to thank my hon. Friends the Members for Denton and Reddish (Andrew Gwynne) and for Worsley and Eccles South (Barbara Keeley) for their eloquent explanations of the chronic underfunding of adult social care and the distress that it is already causing to the disabled, the elderly and the vulnerable.

I will close with the words of my hon. Friend the Member for Birmingham, Erdington (Jack Dromey), who pointed out that Birmingham gets “not one penny” in transitional funding, yet Surrey—not an area of high deprivation—gets £24 million. Areas of high need cannot be treated in this way. The Government need to recognise the consequences of their actions.

6.54 pm

**The Parliamentary Under-Secretary of State for Communities and Local Government (Mr Marcus Jones):** I thank hon. Members for this passionate debate, which it is my pleasure to close. These are important times for local government. The devolution of power and resources from Whitehall is gathering momentum. Public services need to find innovative ways to save money and support services for local people.

I take the opportunity to thank local government for its hard work and dedication across the country over the past five years. More savings need to be made as we finish the job of eliminating the largest deficit in our post-war history. The finance settlement that we have discussed today will help councils to continue their excellent work. We have consulted carefully, and I am grateful to hon. Members—particularly Government Members—for bringing their constituents’ views to us during the consultation.

I want to cover some of the points that hon. Members have raised. The opening salvo from the hon. Member for Croydon North (Mr Reed) was nothing more than scaremongering and the politics of fear. There was certainly a lot of heat, but there was not much light. He showed no contrition whatsoever for the deficit that the previous Labour Government left behind, which we have had to deal with. He made no mention of the fact that, only months ago, the Labour party went into a general election saying that it would cut funding to local government. He might not know his Kent from his Surrey, but he is the former leader of Lambeth Council, so I think we should give him some credit for his knowledge of local government. I am sure he will be keen to know that Lambeth Council has supported the idea of transitional measures:

“Transitional measures are usually employed where a new distribution methodology is introduced to ensure significant shifts are not experienced one way or the other. The Council believes this is sensible on the basis that the control totals are adjusted such that those benefitting are not adversely affected.”

No council has been adversely affected as a consequence of our response to the provisional settlement, but the hon. Gentleman seemed to deny that. He gave Government Members a considerable lecture about council tax, which I found absolutely astounding. During the last five

years, council tax has been reduced by 11%, on average. He did not mention the fact that while the Labour party was in government, council tax doubled.

My hon. Friend the Member for Isle of Wight (Mr Turner) made strong representations during the process on behalf of his constituents. I hope that he was reassured by the comments of my right hon. Friend the Secretary of State, who is certainly listening to the challenges faced by the island that my hon. Friend represents.

The Chair of the Communities and Local Government Committee, the hon. Member for Sheffield South East (Mr Betts), made a sensible contribution. He welcomed the move to localism and local funding for local services. He asked when details of the distribution of the better care fund would be made available. I reassure him that there will be a response to the consultation on the better care fund very soon, and we will be able to give further details.

My hon. Friend the Member for St Austell and Newquay (Steve Double) welcomed devolution, the transitional arrangements and the increase in the rural services delivery grant. My hon. Friend the Member for Bromley and Chislehurst (Robert Neill) used his considerable experience of local government and as a Minister to support the proposal. He made a sensible and excellent point about entrenching efficiency. That is absolutely achievable now that we are offering councils the ability to take a four-year budget if they so wish.

I want to mention the speech by the hon. Member for Oldham West and Royton (Jim McMahan), who is no longer in his place. He made some appalling comments about my noble Friend Baroness Williams. I can assure hon. Members that the transitional grant is based purely on supporting areas that have encountered the largest reduction in the revenue support grant. The approach he took towards my noble Friend Baroness Williams was very sad and not becoming of him.

**Barbara Keeley:** Will the Minister give way?

**Mr Jones:** I will not give way, because I do not have the time.

My hon. Friend the Member for Beverley and Holderness (Graham Stuart) has been an effective advocate for rural areas, as he was again today. I am glad that he has welcomed the Government’s response to the consultation.

The hon. Member for Darlington (Jenny Chapman) made a very strong speech, but I was surprised because if she feels so strongly why did she not respond to the consultation? If she had done so or if she had looked at the figures closely, she would have seen that Darlington has actually benefited from the way in which the settlement has been prepared.

**Jenny Chapman:** Will the Minister give way?

**Mr Jones:** No, I will not give way. The hon. Lady will see that that is the case if she looks properly at the figures.

The right hon. Member for Birmingham, Hodge Hill (Liam Byrne) absolutely knocked the nail on the head in 2010, when he said, “There is no money.” From his speech today, he seems to have absolutely forgotten that.

My hon. Friend the Member for Sherwood (Mark Spencer) made another sensible contribution to this debate. He talked about the opportunity for councils to

[*Mr Marcus Jones*]

raise new council tax and business rates for their local community. Such councils are sensible and are doing the right thing on behalf of their local residents.

It was good to hear from my hon. Friend the Member for North Devon (Peter Heaton-Jones), who talked about his council officers welcoming the improved rural services delivery grant. I agree with him that it is a shame no Liberal Democrats were in the Chamber for this debate.

My hon. Friend the Member for Torbay (Kevin Foster) reminded me of Elvis when he said that the Lib Dems had left the building. It does not seem that the handful of them now left are representing their constituents very well.

Lancashire is a great county. It is a shame that the hon. Member for Burnley (Julie Cooper) talked at length about the negatives but did not mention that Lancashire is actually benefiting from the transitional arrangements that this Government have put in place. It will be very interesting to see whether she votes down a proposal to give more money to her county and to the services provided to her constituents.

My hon. Friend the Member for Torbay made an excellent contribution. He was an excellent deputy council leader in Coventry. He knows his onions and he knows what he is talking about. He explained the importance, particularly in his area, of councils working together to continue to deliver high-quality services for his constituents.

My hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) made a strong contribution. He pointed out the challenges of providing services in rural areas and the importance of the rural services delivery grant in his area.

My hon. Friend the Member for North Dorset (Simon Hoare) made his usual colourful contribution. I am glad that he did not follow up on the offer he made to the Secretary of State on Monday, but it was much appreciated. His comments were noted. He is a doughty campaigner for his constituents, and it was good that he welcomed the council tax flexibility of £5 for district councils.

This settlement meets the needs of the users of council services. It charts the path to the future accountability of local government. This is a time of big opportunity and expectation for reform in local government. The settlement delivers transition funding to smooth the path from central control to fully localised income: a fivefold increase in support for rural communities next year; a fundamental review of the needs-based formula to chart the path to full business rates retention; and support for social care amounting to £3.5 billion by 2020. I commend it to the House.

*Question put.*

*The House divided: Ayes 315, Noes 209.*

**Division No. 192]**

**[7.4 pm**

**AYES**

Adams, Nigel	Amess, Sir David
Afriyie, Adam	Andrew, Stuart
Aldous, Peter	Ansell, Caroline
Allan, Lucy	Argar, Edward
Allen, Heidi	Atkins, Victoria

Bacon, Mr Richard	Evans, Graham
Baker, Mr Steve	Evans, Mr Nigel
Baldwin, Harriett	Evennett, rh Mr David
Barclay, Stephen	Fabricant, Michael
Baron, Mr John	Fernandes, Suella
Barwell, Gavin	Field, rh Mark
Bebb, Guto	Foster, Kevin
Bellingham, Sir Henry	Fox, rh Dr Liam
Beresford, Sir Paul	Francois, rh Mr Mark
Berry, Jake	Frazer, Lucy
Berry, James	Freeman, George
Bingham, Andrew	Freer, Mike
Blackman, Bob	Fuller, Richard
Blunt, Crispin	Fysh, Marcus
Boles, Nick	Gale, Sir Roger
Bone, Mr Peter	Garnier, rh Sir Edward
Borwick, Victoria	Garnier, Mark
Bradley, Karen	Gauke, Mr David
Brady, Mr Graham	Ghani, Nusrat
Brazier, Mr Julian	Gibb, Mr Nick
Bridgen, Andrew	Gillan, rh Mrs Cheryl
Brine, Steve	Glen, John
Brokenshire, rh James	Goldsmith, Zac
Bruce, Fiona	Goodwill, Mr Robert
Buckland, Robert	Gove, rh Michael
Burns, Conor	Graham, Richard
Burns, rh Sir Simon	Grant, Mrs Helen
Burrowes, Mr David	Gray, Mr James
Burt, rh Alistair	Grayling, rh Chris
Cairns, Alun	Green, Chris
Cameron, rh Mr David	Green, rh Damian
Carmichael, Neil	Greening, rh Justine
Cartlidge, James	Grieve, rh Mr Dominic
Caulfield, Maria	Griffiths, Andrew
Chalk, Alex	Gummer, Ben
Chishti, Rehman	Gyimah, Mr Sam
Chope, Mr Christopher	Halfon, rh Robert
Churchill, Jo	Hall, Luke
Clark, rh Greg	Hammond, rh Mr Philip
Clarke, rh Mr Kenneth	Hammond, Stephen
Cleverly, James	Hancock, rh Matthew
Clifton-Brown, Geoffrey	Hands, rh Greg
Coffey, Dr Thérèse	Harper, rh Mr Mark
Collins, Damian	Harrington, Richard
Colville, Oliver	Harris, Rebecca
Costa, Alberto	Hart, Simon
Cox, Mr Geoffrey	Haselhurst, rh Sir Alan
Crabb, rh Stephen	Hayes, rh Mr John
Davies, Byron	Heald, Sir Oliver
Davies, Chris	Heapey, James
Davies, David T. C.	Heaton-Harris, Chris
Davies, Glyn	Heaton-Jones, Peter
Davies, Dr James	Henderson, Gordon
Davies, Mims	Herbert, rh Nick
Davis, rh Mr David	Hinds, Damian
Dinenage, Caroline	Hoare, Simon
Djanogly, Mr Jonathan	Hollingbery, George
Donelan, Michelle	Hollinrake, Kevin
Dorries, Nadine	Hollobone, Mr Philip
Double, Steve	Holloway, Mr Adam
Dowden, Oliver	Hopkins, Kris
Drax, Richard	Howarth, Sir Gerald
Drummond, Mrs Flick	Howell, John
Duddridge, James	Howlett, Ben
Duncan, rh Sir Alan	Huddleston, Nigel
Duncan Smith, rh Mr Iain	Hunt, rh Mr Jeremy
Dunne, Mr Philip	Hurd, Mr Nick
Ellis, Michael	Jackson, Mr Stewart
Ellison, Jane	James, Margot
Ellwood, Mr Tobias	Javid, rh Sajid
Elphicke, Charlie	Jayawardena, Mr Ranil
Eustice, George	Jenkin, Mr Bernard

Jenkyns, Andrea  
 Jenrick, Robert  
 Johnson, Boris  
 Johnson, Gareth  
 Johnson, Joseph  
 Jones, Andrew  
 Jones, rh Mr David  
 Jones, Mr Marcus  
 Kawczynski, Daniel  
 Kennedy, Seema  
 Kinahan, Danny  
 Knight, rh Sir Greg  
 Knight, Julian  
 Kwarteng, Kwasi  
 Lancaster, Mark  
 Latham, Pauline  
 Leadson, Andrea  
 Lee, Dr Phillip  
 Lefroy, Jeremy  
 Leigh, Sir Edward  
 Leslie, Charlotte  
 Lewis, Brandon  
 Lewis, rh Dr Julian  
 Liddell-Grainger, Mr Ian  
 Lidington, rh Mr David  
 Lilley, rh Mr Peter  
 Lopresti, Jack  
 Lord, Jonathan  
 Loughton, Tim  
 Lumley, Karen  
 Mackinlay, Craig  
 Mackintosh, David  
 Main, Mrs Anne  
 Mak, Mr Alan  
 Malthouse, Kit  
 Mann, Scott  
 Mathias, Dr Tania  
 May, rh Mrs Theresa  
 Maynard, Paul  
 McCartney, Karl  
 McLoughlin, rh Mr Patrick  
 McPartland, Stephen  
 Menzies, Mark  
 Mercer, Johnny  
 Merriman, Huw  
 Metcalfe, Stephen  
 Miller, rh Mrs Maria  
 Milling, Amanda  
 Milton, rh Anne  
 Mitchell, rh Mr Andrew  
 Mordaunt, Penny  
 Morgan, rh Nicky  
 Morris, Anne Marie  
 Morris, James  
 Morton, Wendy  
 Mowat, David  
 Mundell, rh David  
 Murray, Mrs Sheryll  
 Murrison, Dr Andrew  
 Neill, Robert  
 Newton, Sarah  
 Nokes, Caroline  
 Norman, Jesse  
 Nuttall, Mr David  
 Offord, Dr Matthew  
 Osborne, rh Mr George  
 Parish, Neil  
 Patel, rh Priti  
 Pawsey, Mark  
 Penning, rh Mike  
 Penrose, John  
 Percy, Andrew

Perry, Claire  
 Phillips, Stephen  
 Philp, Chris  
 Pickles, rh Sir Eric  
 Pincher, Christopher  
 Poulter, Dr Daniel  
 Prentis, Victoria  
 Prisk, Mr Mark  
 Pritchard, Mark  
 Pursglove, Tom  
 Quin, Jeremy  
 Quince, Will  
 Raab, Mr Dominic  
 Redwood, rh John  
 Rees-Mogg, Mr Jacob  
 Robertson, Mr Laurence  
 Robinson, Gavin  
 Robinson, Mary  
 Rosindell, Andrew  
 Rudd, rh Amber  
 Rutley, David  
 Sandbach, Antoinette  
 Scully, Paul  
 Selous, Andrew  
 Shapps, rh Grant  
 Sharma, Alok  
 Shelbrooke, Alec  
 Simpson, rh Mr Keith  
 Skidmore, Chris  
 Smith, Chloe  
 Smith, Henry  
 Smith, Julian  
 Smith, Royston  
 Soames, rh Sir Nicholas  
 Solloway, Amanda  
 Soubry, rh Anna  
 Spelman, rh Mrs Caroline  
 Spencer, Mark  
 Stephenson, Andrew  
 Stevenson, John  
 Stewart, Bob  
 Stewart, Iain  
 Stewart, Rory  
 Streeter, Mr Gary  
 Stride, Mel  
 Stuart, Graham  
 Sturdy, Julian  
 Sunak, Rishi  
 Swayne, rh Mr Desmond  
 Swire, rh Mr Hugo  
 Syms, Mr Robert  
 Thomas, Derek  
 Throup, Maggie  
 Timpson, Edward  
 Tolhurst, Kelly  
 Tomlinson, Justin  
 Tomlinson, Michael  
 Tracey, Craig  
 Tredinnick, David  
 Trevelyan, Mrs Anne-Marie  
 Truss, rh Elizabeth  
 Tugendhat, Tom  
 Turner, Mr Andrew  
 Tyrie, rh Mr Andrew  
 Vaizey, Mr Edward  
 Vara, Mr Shailesh  
 Vickers, Martin  
 Villiers, rh Mrs Theresa  
 Walker, Mr Charles  
 Walker, Mr Robin  
 Wallace, Mr Ben  
 Warburton, David

Warman, Matt  
 Watkinson, Dame Angela  
 Wharton, James  
 Whately, Helen  
 Wheeler, Heather  
 White, Chris  
 Whittaker, Craig  
 Whittingdale, rh Mr John  
 Wiggin, Bill  
 Williams, Craig

Williamson, rh Gavin  
 Wilson, Mr Rob  
 Wollaston, Dr Sarah  
 Wood, Mike  
 Wragg, William  
 Wright, rh Jeremy  
 Zahawi, Nadhim

**Tellers for the Ayes:**  
**Jackie Doyle-Price and**  
**Simon Kirby**

#### NOES

Abrahams, Debbie  
 Alexander, Heidi  
 Ali, Rushanara  
 Allen, Mr Graham  
 Anderson, Mr David  
 Ashworth, Jonathan  
 Bailey, Mr Adrian  
 Barron, rh Kevin  
 Beckett, rh Margaret  
 Benn, rh Hilary  
 Berger, Luciana  
 Betts, Mr Clive  
 Blackman-Woods, Dr Roberta  
 Blenkinsop, Tom  
 Blomfield, Paul  
 Bradshaw, rh Mr Ben  
 Brennan, Kevin  
 Brown, Lyn  
 Brown, rh Mr Nicholas  
 Bryant, Chris  
 Buck, Ms Karen  
 Burden, Richard  
 Burgon, Richard  
 Burnham, rh Andy  
 Butler, Dawn  
 Byrne, rh Liam  
 Cadbury, Ruth  
 Campbell, rh Mr Alan  
 Campbell, Mr Ronnie  
 Champion, Sarah  
 Chapman, Jenny  
 Coaker, Vernon  
 Coffey, Ann  
 Cooper, Julie  
 Cooper, Rosie  
 Corbyn, rh Jeremy  
 Cox, Jo  
 Coyle, Neil  
 Crausby, Mr David  
 Creagh, Mary  
 Creasy, Stella  
 Cruddas, Jon  
 Cryer, John  
 Cunningham, Alex  
 Cunningham, Mr Jim  
 Dakin, Nic  
 David, Wayne  
 Davies, Geraint  
 De Piero, Gloria  
 Doughty, Stephen  
 Dowd, Jim  
 Dromey, Jack  
 Dugher, Michael  
 Edwards, Jonathan  
 Efford, Clive  
 Elliott, Julie  
 Ellman, Mrs Louise  
 Esterson, Bill  
 Evans, Chris  
 Farrelly, Paul  
 Farron, Tim  
 Field, rh Frank  
 Fitzpatrick, Jim  
 Fletcher, Colleen  
 Flint, rh Caroline  
 Flynn, Paul  
 Gardiner, Barry  
 Glass, Pat  
 Glindon, Mary  
 Green, Kate  
 Greenwood, Lilian  
 Greenwood, Margaret  
 Griffith, Nia  
 Gwynne, Andrew  
 Haigh, Louise  
 Hamilton, Fabian  
 Hanson, rh Mr David  
 Harman, rh Ms Harriet  
 Harris, Carolyn  
 Hayes, Helen  
 Healey, rh John  
 Hendrick, Mr Mark  
 Hepburn, Mr Stephen  
 Hillier, Meg  
 Hodgson, Mrs Sharon  
 Hollern, Kate  
 Hopkins, Kelvin  
 Hunt, Tristram  
 Huq, Dr Rupa  
 Hussain, Imran  
 Irranca-Davies, Huw  
 Jarvis, Dan  
 Johnson, rh Alan  
 Johnson, Diana  
 Jones, Gerald  
 Jones, Graham  
 Jones, Mr Kevan  
 Jones, Susan Elan  
 Kane, Mike  
 Kaufman, rh Sir Gerald  
 Keeley, Barbara  
 Kendall, Liz  
 Kinahan, Danny  
 Kinnock, Stephen  
 Kyle, Peter  
 Lamb, rh Norman  
 Lammy, rh Mr David  
 Lavery, Ian  
 Leslie, Chris  
 Lewell-Buck, Mrs Emma  
 Lewis, Clive  
 Lewis, Mr Ivan  
 Long Bailey, Rebecca  
 Lucas, Caroline  
 Lynch, Holly  
 Mactaggart, rh Fiona  
 Madders, Justin  
 Mahmood, Mr Khalid

Mahmood, Shabana  
 Malhotra, Seema  
 Mann, John  
 Marris, Rob  
 Marsden, Mr Gordon  
 Maskell, Rachael  
 McCabe, Steve  
 McCarthy, Kerry  
 McCartney, Jason  
 McDonagh, Siobhain  
 McDonald, Andy  
 McDonnell, John  
 McFadden, rh Mr Pat  
 McGinn, Conor  
 McGovern, Alison  
 McInnes, Liz  
 McKinnell, Catherine  
 McMahan, Jim  
 Meale, Sir Alan  
 Mearns, Ian  
 Miliband, rh Edward  
 Moon, Mrs Madeleine  
 Morden, Jessica  
 Morris, Grahame M.  
 Murray, Ian  
 Nandy, Lisa  
 Onn, Melanie  
 Onwurah, Chi  
 Osamor, Kate  
 Owen, Albert  
 Pearce, Teresa  
 Pennycook, Matthew  
 Phillips, Jess  
 Pound, Stephen  
 Powell, Lucy  
 Pugh, John  
 Qureshi, Yasmin  
 Rayner, Angela  
 Reed, Mr Jamie  
 Reed, Mr Steve  
 Rees, Christina  
 Reeves, Rachel  
 Reynolds, Emma  
 Reynolds, Jonathan  
 Rimmer, Marie  
 Robinson, Mr Geoffrey  
 Rotheram, Steve  
 Ryan, rh Joan

Saville Roberts, Liz  
 Shah, Naz  
 Shannon, Jim  
 Sheerman, Mr Barry  
 Sherriff, Paula  
 Shuker, Mr Gavin  
 Siddiq, Tulip  
 Skinner, Mr Dennis  
 Slaughter, Andy  
 Smeeth, Ruth  
 Smith, rh Mr Andrew  
 Smith, Angela  
 Smith, Cat  
 Smith, Jeff  
 Smith, Nick  
 Smith, Owen  
 Smyth, Karin  
 Spellar, rh Mr John  
 Starmer, Keir  
 Stevens, Jo  
 Streeting, Wes  
 Stringer, Graham  
 Stuart, rh Ms Gisela  
 Tami, Mark  
 Thomas, Mr Gareth  
 Thomas-Symonds, Nick  
 Thornberry, Emily  
 Timms, rh Stephen  
 Trickett, Jon  
 Turley, Anna  
 Twigg, Derek  
 Twigg, Stephen  
 Umunna, Mr Chuka  
 Vaz, Valerie  
 Watson, Mr Tom  
 West, Catherine  
 Whitehead, Dr Alan  
 Wilson, Phil  
 Winnick, Mr David  
 Winterton, rh Dame Rosie  
 Woodcock, John  
 Wright, Mr Iain  
 Zeichner, Daniel

**Tellers for the Noes:**  
**Sue Hayman and**  
**Vicky Foxcroft**

**Mr Speaker:** The Ayes have it in respect of the UK-wide Division. On account of a technical hitch that has just been reported to the Chair, I shall cause the

result of the Division among English constituency Members to be disclosed to the House when those facts are relayed to me. On the assumption that there is no contradiction between the results, the Ayes have it. Members will be kept informed.

7.22 pm

**Mr Speaker:** I can now announce the results of the Division among English Members in respect of the matter of which we have just treated. The Ayes to the right were 301; the Noes to the left were 181, so the Ayes have it. I have now confirmed what I suggested to the House a few moments ago.

*Resolved,*

That the Report on Local Government Finance (England) 2016-17 (HC 789), which was laid before this House on 8 February, be approved.

*More than three hours having elapsed since the commencement of proceedings, the proceedings were interrupted (Order, 8 February).*

*The Speaker put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Order, 8 February).*

#### **LOCAL GOVERNMENT FINANCE (ENGLAND)**

*Resolved,*

That the Report on the Referendums Relating to Council Tax Increases (Principles) (England) 2016-17 (HC 790), which was laid before this House on 8 February, be approved.

That the Report on Referendums Relating to Council Tax Increases (Alternative Notional Amounts) (England) 2016-17 (HC 791), which was laid before this House on 8 February, be approved.—(*Mr Marcus Jones.*)

#### **BUSINESS OF THE HOUSE**

*Motion made, and Question put forthwith (Standing Order No. 15),*

That, at this day's sitting, the motion in the name of Chris Grayling relating to the notification of arrest of members, may be proceeded with, though opposed, until any hour and Standing Order No 41A (Deferred divisions) shall not apply.—(*Julian Smith.*)

*Question agreed to.*

## Notification of Arrest of Members

7.25 pm

**The Deputy Leader of the House of Commons (Dr Thérèse Coffey):** I beg to move,

That Members of the House shall be under no undue restraint from being able to attend the House, and that this principle has been, and continues to be, encompassed in the privileges of the House claimed at the beginning of each Parliament;

That this House accordingly:

(1) endorses the Second Report of the Procedure Committee, Session 2015-16, Notification of the arrest of Members, HC 649;

(2) directs the Clerk of the House and the Speaker to follow the protocol on notification of arrest of Members set out in Annex 2 to that Report; and

(3) directs each chief officer of police in the United Kingdom, immediately upon the arrest of any Member by the police force under that officer's command, to notify the Clerk of the House in accordance with the provisions of that protocol.

The motion stands in my name and that of my right hon. Friend the Leader of the House and the Chairman of the Procedure Committee, my hon. Friend the Member for Broxbourne (Mr Walker). I do not intend to detain the House for long. Although I would describe myself and my hon. Friend the Member for Finchley and Golders Green (Mike Freer) as conviction politicians, I want the record to show that the motion before the House results from the publication of the report from the Procedure Committee on 15 December on the notification of arrest of hon. Members.

The report followed detailed consideration by the Procedure Committee, at the request of Mr Speaker, and the House is being asked to endorse that report and the protocol contained in it. A word of caution to hon. Members: the Government are facilitating the discussion and the decision of the House on this matter, but it is for the House to decide, and I will leave it to my hon. Friend the Chair of the Committee to set out the proposals in the report and to answer any queries and issues that have arisen since publication. I thank the members of the Committee for their diligent efforts, and I know that my hon. Friend the Chair is highly respected and will do his best to help hon. Members in this debate and beyond. As such, I present the motion to the House.

7.27 pm

**Mr Charles Walker (Broxbourne) (Con):** In the previous Parliament, the Procedure Committee was asked to look into the existing protocols around the arrest of Members of Parliament. We started preliminary inquiries in early 2015, and this work laid the foundation for the inquiry we launched shortly after the general election.

The findings of the inquiry were unanimously endorsed by the Committee, which reported to the House in December. I know that our moderate and proportionate recommendations relating to the arrest of Members have created a great deal of faux sound and fury in various quarters. On Monday morning, I had to smile at the assertion by Kevin O'Sullivan, a *Mirror* journalist, on Sky Television, that

"they should very much be named because everyone else is... that's always been the system. Once you are arrested, you can be named".

That was an enlightening observation for two reasons: first, because it was completely wrong, and secondly and more interestingly, because it gave a revealing insight into the conduct of too many national newsrooms and their own morality when it comes to obtaining information from public officials.

I accept that the media have a job to do, and that includes making our lives difficult, so my greatest disappointment in the reporting on the Committee's proposals is reserved for Sir Alistair Graham, the former chair of the Committee on Standards in Public Life. From his pejorative comments about our report, it is clear either that he has not read it or, if he has read it, that he has no appreciation of, or regard for, the law. I know that Sir Alistair's time in the chair from 2004 to 2007 was not a happy one. During his three years in office, he felt deeply aggrieved that at no stage did the then Prime Minister, Tony Blair, agree to his repeated requests for a meeting. I accept that the then PM was perhaps churlish in his refusal to meet him, but I gently ask Sir Alistair to pursue his grievance with the former Prime Minister, as opposed to taking his frustrations out on the House of Commons, which had no hand in his disappointment. On a personal note, it is sad to see a distinguished former public servant and knight of the realm allowing himself to be turned into little more than a misinformed talking head.

Let me be absolutely clear: the Procedure Committee is not asking for Members of Parliament to receive special treatment in the eyes of the law. Such a request, if made, would be alien to the values of our Committee and to the wishes of our constituents. All of us on the Committee believe that the law should be applied equally to all citizens of the United Kingdom, but currently that is not the case in this House, where, in matters of policing and public order, the point of public notification occurs not at the point of charge, as is the case with our constituents, but at the point of arrest.

That process of notification puts the police and the House at odds with the Data Protection Act and, potentially, article 8 of the European convention on human rights. Regardless of how people feel about the application of data protection and ECHR laws, that exposes both this House and the police to legal challenge by a named Member of Parliament.

**Mr Stewart Jackson (Peterborough) (Con):** Is it not the truth that this practice is an historical anachronism arising from the period of the titanic struggle between the monarchy and the legislature, when, at a time when the King would arbitrarily arrest Members of Parliament, it was quite proper for Parliament to be so advised of that happening? It has no place in a modern Parliament and a modern democracy.

**Mr Walker:** My hon. Friend makes a valid point, which I shall now go on to answer.

In brief, the House has five choices. Option 1, as set out in our report, is to ensure that the law of the land is applied equally to Members of Parliament as it is to our constituents. Option 2 is for the House to retain the status quo, thereby knowingly putting itself and the police on the wrong side of the law. Option 3 is for the Home Secretary to amend schedule 3 of the Data Protection Act 1998 to specifically exempt Members of Parliament from its universal protections,

[Mr Charles Walker]

which in itself would create a precedent for a two-tier system tier of justice—the very thing our constituents do not want.

Option 4 is to amend primary legislation, so that the names of all suspects are released by the police at the point of arrest, not at the point of charge. Of course, that would be welcomed by the press, as it would aid it in its pursuit of celebrities and other people of interest, but it would be devastating for those tens of thousands of people who are arrested but never charged with any crime.

Option 5 is for the House to abandon privilege in respect of our parliamentary duties in the hope that no future despot would want to detain us from them on trumped-up political charges. Of course, if we follow that route, tonight's entire debate would be a dead letter.

**Jim Shannon** (Strangford) (DUP): When the Anglo-Irish agreement was signed by Margaret Thatcher in 1985, Unionists were enraged because it totally ignored them. Unionists at all levels, including then Members of this House—this was before my time—were involved in a campaign of civil disobedience and a then MP was arrested in that campaign. Was any consideration given to those examples of civil disobedience?

**Mr Walker:** When people engage in civil disobedience, they tend to want to have it reported, so that would not be covered. They would be charged, and of course, at the point of charge, it becomes public information. Of the people who took part in those protests, I think that 10 individuals—on 13 separate occasions—were imprisoned.

Of the five options I have outlined, the Procedure Committee opted for option 1, as we generally think it is a good idea for the laws of the land to be obeyed by the Parliament that creates them. Indeed, that is the minimum expectation that our constituents have of us, so I am amazed that some colleagues are tying themselves up in knots about this modest proposal.

**Mr Jacob Rees-Mogg** (North East Somerset) (Con): In the unlikely circumstance that a Government less benign than the current one were to have a Member arrested on a trumped-up charge, would that Member have the right to insist that Mr Speaker brought it to the attention of the House?

**Mr Walker:** My hon. Friend makes a very good point. That Member would have the right, but if it were judged to be a matter of privilege, the Clerk would advise the Speaker and the arrest would be placed in the public domain. That is what would happen.

**Mr Rees-Mogg:** I am grateful for a second go. Is my hon. Friend saying that if the House has a chance to ascertain whether it is a breach of privilege, the Member concerned will also have the right to insist on it being made public by Mr Speaker?

**Mr Walker:** All Members, if arrested, will continue to have the right to have their names made public if that is

what they choose to do, but it will not be automatic. I hope that answers my hon. Friend's question.

If adopted, the proposed changes will mean that Members of Parliament subject to arrest will not automatically have details of that arrest published by the House. This change gives them only the same rights to privacy as are enjoyed by any other citizen—not enhanced rights, but equal rights. In accordance with standard police practice and privacy laws, the names of arrested Members will not be put into the public domain by the House unless the Member consents. The exception will be in cases where you, Mr Speaker, have been advised by the Clerk of the House that a Member has been detained for reasons connected to his or her role as a Member of Parliament. A recent example was the arrest of the right hon. Member for Ashford (Damian Green) when his parliamentary office and home office were raided by the police in 2008.

The Committee's report sets out the ambition that the arrest of a Member of Parliament still be notified to the Police Chief Superintendent of this House within 24 hours. However, we recognise that in circumstances where there is a live investigation, the police will not be in a position always to meet this ambition. In those circumstances, we hope that the details of an arrest will be provided as soon as operationally possible. For the avoidance of all doubt, should an arrested Member subsequently be charged with an offence, it is expected that in line with existing police practice, details of the name and charge would be published by the police force responsible at the time of charge.

In conclusion, the new arrangements detailed in the Committee's report and outlined here this evening do not, of course, affect the duties of police forces to notify relevant authorities of safeguarding risks under the common law police disclosure scheme, which was introduced in August 2015.

7.37 pm

**Melanie Onn** (Great Grimsby) (Lab): No Member of this House or the other place is above the law—nor should they ever consider themselves to be so. The reach of the law extends within the House, and Parliament would not seek to interfere with due process of a criminal investigation. Similarly, as the law applies to us all equally, so does the right to privacy.

Given that we are public servants, it is right that notification to the House would still take place in respect of matters such as imprisonment or remanding in custody; sentence of imprisonment; conviction of illegal or corrupt practice at a parliamentary election; and conviction of an offence relating to an MP's expenses.

I would, however, like to ask about the practicality of the proposed measures, and I shall direct my questions to the hon. Member for Broxbourne (Mr Walker) as Chairman of the Procedure Committee. I believe that to be the correct process. Does the Committee believe that the event of a Member of Parliament being arrested will be kept from the public domain as a direct result of these procedural changes? Does the hon. Gentleman agree that in the modern era of social media, it is increasingly likely that such information would quickly reach the public domain?

On the effect of social media, rumours very often take on a life of their own and become widely accepted truth before the interested party has a chance to respond.



Does the hon. Gentleman consider that, with the removal of the duty to notify of the arrest of Members to the House, that it could be more difficult for an individual to counter rumours of such an arrest?

I was interested to see that no notifications of arrest were made to the House for 30 years—from 1978 until 2008. Were no Members arrested during that time, or is there already a system available that allows the Speaker or Clerk to exercise discretion in these matters?

Under these proposals, it is specified that Members who are arrested are not to be prevented from notifying the House of their detention. Can the hon. Gentleman say how this can be ensured?

It is intended that police forces will be required to notify the Chief Superintendent at Parliament of the arrest of any Member within 24 hours. How will information about that new procedure be circulated to police forces, and how will it be enforceable?

Can the hon. Gentleman provide examples of what he considers would fall within parliamentary privilege, or would be of constitutional significance, that would require the House to be automatically notified of a Member's arrest, and can he explain how parliamentary privilege or constitutional significance would have affected the notification of arrests made in the past 10 years?

The recommendations in the Procedure Committee's report rely on protections enshrined in the Human Rights Act 1998, which I thought the Government wanted to repeal. Why are they more than happy to employ the Act to protect their own rights, while wishing to remove it from the British people?

**Several hon. Members** *rose*—

**Mr Speaker:** Order. In due course, with the leave with the House, the Chairman of the Procedure Committee may well have the chance—and, I rather anticipate, will have the chance—to speak again. Meanwhile, I call Mr Patrick Grady.

7.40 pm

**Patrick Grady** (Glasgow North) (SNP): I note that, according to the Order Paper, the debate can continue until any hour. I am surprised that my hon. Friends have decided to go to the Burns supper rather than taking this opportunity to explain their thinking on a range of matters. However, Mr Speaker, I thank you for calling me, and I congratulate the hon. Member for Broxbourne (Mr Walker) on his work in chairing the Procedure Committee, of which I am a member. I also acknowledge the work of the predecessor Committee, which did much of the heavy lifting. We inherited that hard work, and it has led to the report that we are discussing this evening.

The inquiry and the report—which proposes a small but fairly important modernisation of the House's proceedings—were instigated by you, Mr Speaker. This morning, there was a debate in Westminster Hall about other aspects of modernisation of our procedure, led by the hon. Member for Hackney South and Shoreditch (Meg Hillier). I hope that in due course the Committee will be able to consider some of the issues that were raised then, not least that of electronic voting.

It is clear from the report that this reform of our procedure is overdue. I agree with what the hon. Member for Broxbourne said about, in particular, the European

convention on human rights and his suggestion that Members should be given no special or differential treatment. The report seeks to strike a balance between the historic rights and privileges accorded to the House and the understood modern rights of individuals, especially the right to privacy. The procedure respects both by requiring the Clerk of the House to be notified, while requiring the details of an arrest not to be made public without good reason or without the consent of the Member involved. I note in particular provision 11, which states:

“There will be no notification under any of these provisions without previous contact with the Member concerned or his or her legal representative.”

The report elaborates on that thinking by giving a bit more detail, explaining, for instance, why the practice of notification should not be abandoned entirely. That is connected largely with the historic claim of the House on the attendance of Members, but the report notes that it has never been allowed to interfere with the administration of justice.

This is a comprehensive report, which has arrived at clear conclusions. It is the work of two generations of parliamentarians, and I pay tribute again to the predecessor Committee. This Committee has reached a clear and simple consensus, and I hope that, notwithstanding some of the questions that we have just heard, the House will be able to do so as well.

7.44 pm

**Mr Dennis Skinner** (Bolsover) (Lab): I have been listening to the debate on the telly, and I do not know what all the fuss is about. I suppose I have been on nearly every picket line that has ever existed. I have been on one today, with the hospital doctors, and there was a tremendous turnout. But I remember being on one when the second eleven of the gang of four took over TV-am. Well, it was like a gang of four. They were very big and important people. One was a Member of Parliament, who later ran into some trouble. I think he got arrested, but I am not sure.

Anyway, I was on that picket line, and I do not remember there being any fuss and bother about the fact that a policeman came up and decided that he was going to arrest me. He put me inside—I think it was somewhere near Islington, not far from the TV-am picket line. After three hours, just as I was thinking, “I’m going to miss Prime Minister’s Question Time”, a man with all these pips on his shoulder came in and said, “Is there anything I can do for you, sir?” I said, “Yes, I’m trying to get out so that I can get to Prime Minister’s Question Time. I’m also struggling with 13 across in *The Guardian* crossword, but as a reader of *The Sun*, you probably don’t understand what I’m talking about.” So he kept me in another two hours, and I did miss Prime Minister’s Question Time.

Fortunately, there had been a cameraman on the picket line who had his own camera and he managed to prove, in all the further and better particulars, that I had not done anything at all. I had not hit the policeman; I had not been anywhere near him. The net result was that, when they saw the film, the police had to withdraw the charge. I turned up at Islington court expecting to get a hefty fine, and God knows what else, on this trumped-up charge, and suddenly the press came rushing out and stuck all these mics in front of my nose

[Mr Dennis Skinner]

and said, “What have you got to say, Mr Skinner? The case has been dropped!” Now that is the story of an arrest.

I do not want anybody to get the daft impression that you cannot get arrested if you are an MP. A lot of my colleagues got arrested on picket lines in other strikes, and it is a load of nonsense when people assume that it is impossible to arrest Members of Parliament. The only charge I finished up with was a hefty bill for the barrister I had employed. He looked like one of those West Indian cricket fast bowlers, but he cost a lot of money. I was given the chance by the union concerned to have the money paid back, but as a matter of principle I said, “I’m okay, I’m a member of Parliament and I can foot the bill myself.” That is the story of an arrest.

I have been watching on telly as all this fuss and bother have emerged. Believe me, if some policeman had wanted to arrest me on the picket line with the hospital doctors this morning, he could have done it. But of course, we were doing “Singing in the Rain” and all the rest of it. It was a wonderful experience. The hospital doctors are in good spirits, and I will tell you this is a matter of importance. The Secretary of State for Health wants to be careful what he is doing. If he thinks he can impose a settlement on those hospital doctors—[HON. MEMBERS: “Out of order!”] Yes, but this is only one little errant move, so don’t get excited, Mr Speaker! I think I have a duty to report back. The hospital doctors are not in a mood to give in. They have a right to win this battle. That is my report from the trenches today. Thank you very much for listening.

7.48 pm

**John Mann** (Bassetlaw) (Lab): I hate to break the consensus, but we have been here before when it comes to House business. I recall moving a resolution—but not getting a seconder—to stop the flipping of homes, some 18 months before the expenses scandal. If I had been listened to then, some Members might not be here today because others might well have survived; I suppose that outcome was rather double-edged. The reputation of Parliament might also have been partly salvaged if that resolution had been listened to, but it was not.

On this motion, I listened to the non-answer given to the hon. Member for North East Somerset (Mr Rees-Mogg). I have a question about the impact on the British overseas territories if this goes through. Plenty of Parliaments across the world, not least those in the Commonwealth, listen to and watch what we do, and they copy and emulate it. We are not just talking about a possibility in some future stage of less democratic times under this Government. Plenty of Members of Parliament have been arrested and disappear, and it still happens to this day. They are taken by regimes citing the law, and therefore decisions we make have to be thought through for their consequences.

Ironically, the first name on the motion is that of the Leader of the House of Commons, the right hon. Member for Epsom and Ewell (Chris Grayling). He is citing the human rights law here, but he is the man in Cabinet demanding we get rid of the human rights law. It seems that the rest of the country, including my constituents, can have no human rights, but we will create some extra ones tonight for Members of

Parliament—exclusively. That is precisely what this proposal does. It says that MPs will give themselves some special rights in law that do not apply to everybody else, and that is wrong. That principle is wrong and that practice is wrong. Until the question, theoretical though it may be, is properly answered, which it has not been, this becomes a double-edged sword in law for us as well. If people wish to change the law in relation to what happens when people are arrested, they should change the law. There is plenty of time in the parliamentary agenda for people to change the law. There are plenty of opportunities for the Government to change the law. This is not the way to change it for Members of Parliament, and therefore we should oppose this proposal.

7.52 pm

**Mr Charles Walker:** With the leave of the House, Madam Deputy Speaker, I shall respond to the debate. I think the hon. Member for Bassetlaw (John Mann) missed my speech, because I think I did answer most of the questions he raised. I hope I answered the one put by my hon. Friend the Member for North East Somerset (Mr Rees-Mogg), as I tried to do so twice.

The hon. Gentleman talks about creating another law for Members of Parliament. No, what we are doing is bringing Members of Parliament in line with the law—the law that governs our constituents. I greatly enjoyed the speech made by the hon. Member for Bolsover (Mr Skinner). He is a fantastic orator, and whatever he has to say, I always enjoy listening to it, so I thank him for being here this evening.

Let me try to answer the shadow Deputy Leader of the House’s questions. There were quite a lot of them and I am not very good at writing very quickly. If I fail to answer any of them, she can come back in. First, I wish to draw the House’s attention to “Erskine May’s” first edition. It records the case in 1815 of a Member “convicted of a conspiracy”

and

“committed to the King’s Bench Prison.”

He escaped custody and took refuge in the Chamber of the old House of Commons, on the Government Front Bench, where the prison “marshal” found him and took him back into custody—rearrested him. Even though the marshal had come right into the House, albeit when it was not sitting, to take the Member into custody, the committee of privileges found that no breach of privilege had occurred. This measure is not to protect us; privilege has never protected us from being arrested for criminal activities, and it is a myth to suggest otherwise.

If a Member is arrested and chooses to tell the House of his or her arrest, or chooses to tell the media of it, they are perfectly entitled to do that. What we are suggesting—what this report suggests and puts to the House—is that there is no automatic notification of the arrest of a Member, in line with the rights that extend to all of our constituents.

Let me just say something about social media. We cannot govern social media, but a lot of what appears on social media is hearsay and gossip. Let us also not forget that the media in this country have been very good at extracting information illegally, through the payment of cash to public officials, and some of those public officials have gone to prison for that. Both the Metropolitan Police Commissioner and the Home Secretary

recently wrote to the College of Policing, reiterating the fact that police officers must not under any circumstances, unless it is to do with safeguarding, release the name of an individual on arrest. Details of their age can be given, but not their name.

Many people mistakenly believe that the point of arrest happens towards the end of an investigation. Actually, it does not. It happens very early on in an investigation. Indeed, someone could present themselves voluntarily to a police station to be arrested and then be released on bail. The Deputy Leader of the House asks where this would have made a difference in recent times. There were three arrests notified to the House between 2011 and 2014 where this would have made a difference. In reality, it probably would have made a difference in only two of the arrests, because one of the acts for which the individual was arrested was committed in public, in the precinct of this House, so it was seen and reported by many people.

There were two colleagues—one in 2011 and one in 2014—who were arrested. Their names appeared on the front of national newspapers and they suffered huge reputational damage. In both those cases no charges were brought. It would not make a huge difference to a lot of people, but it would certainly make a difference to some people in this House.

On circulating the procedures, there is a protocol attached to our report and that will be circulated by the Clerk of the House and those who work in his office to police constables across the country. That will happen only when—and if—this House approves the motion here this evening.

The hon. Lady asked when privilege would have applied, and I gave an example in my speech. There was clearly the case of my right hon. Friend the Member for Ashford (Damian Green) whose offices on the precinct of the House of Commons and at home were entered by the police. That would have been a matter of privilege, but it would not be for me to determine whether that encroached on privilege, but a matter for the Clerk, in discussion with the Speaker and the legal counsel. That is the best example.

The hon. Lady also asked why there were no reports for 30 years—between 1978 and 2008. It was probably because this process fell into disuse—it is nothing more sinister than that. The reason that more arrests were reported goes back to what happened in 2008 when the police entered the precinct of the House of Commons without any advance notification. The Serjeant at Arms at the time was rather taken by surprise. It was a bit of a procedural disaster. An edict then went from the Speaker's Chair, saying that we need to be notified of action. The police being diligent then started notifying the Chair of all arrests and actions, and that is where the difficulty arose.

I have some scribbled notes here. I hope that I have answered most of the hon. Lady's questions. There is still the ECHR question, and there has been some

gentle chiding of the Leader of the House. I did say in my speech that, regardless of what we think about the ECHR—whether we like it or love it—regardless of what we think about data protection—whether we like it, love it, or tolerate it—the truth of the matter is that, as of today, they are the law of the land. As I said in my speech, we have a duty in this place to obey the law of the land. I know that some people have a great conscience and sometimes take part in demonstrations and get arrested. When they do get arrested, they want that to be in the public eye because that is part of their action. The hon. Member for Brighton, Pavilion (Caroline Lucas), for example, was recently arrested, but that was very much in the public eye. I hope that I have answered most of the questions put to me by the shadow Deputy Leader of the House.

**Sir Edward Leigh** (Gainsborough) (Con): It is worth emphasising this point, because we had quite an incendiary speech from the hon. Member for Bassetlaw (John Mann), and we need to nail this argument on the head. As a member of the Procedure Committee, with its Chairman sitting next to me, I can say that no extra privilege of any sort is being given to any Member of Parliament. We are being put on exactly the same level as members of the public.

**Mr Walker:** I can assure my hon. Friend that that is the case. He is right—no Member of this House is above the law, but likewise no Member of this House is below the law. We have to be equal in the eyes of the law, and that is what this report tries to do.

*Question put and agreed to.*

## PETITION

### Proposed Sale of the Kneller Hall Site

8 pm

**Dr Tania Mathias** (Twickenham) (Con): I present a petition on behalf of the residents of my constituency who oppose plans by the Ministry of Defence to sell off the site of Kneller Hall, the home of the Royal Military School of Music. I am grateful to all the constituents who took the time to add their names.

The petition reads:

To the House of Commons,

The petition of residents of the Twickenham constituency,

Declares that the Ministry of Defence's proposed sale of the Kneller Hall site should not go ahead; further that the site has played an important role in the local community over many decades; and further that the Royal Military School of Music is historically important.

The petitioners therefore request that the House of Commons urges the Government to stop the sale of the Kneller Hall site.

And the petitioners remain, etc.

[P001672]

## Autism Sunday Campaign

*Motion made, and Question proposed,* That this House do now adjourn.—(*Jackie Doyle-Price.*)

8.2 pm

**Andrew Rosindell** (Romford) (Con): I would like to begin by asking you, Madam Deputy Speaker, to pass on my thanks to Mr. Speaker for selecting this debate this evening, and to express my gratitude at having been given the opportunity to inform the House about Autism Sunday, also known as the international day of prayer for autism and Asperger's syndrome.

I declare an interest. I am a patron of the Romakey International Education Services charity based in my constituency. That charity provides young people with learning disability and autism with the necessary support to move from school into independent adulthood.

Autism Sunday was established to highlight the need to understand autism, and was one of the first global events of its kind. It was launched in 2002 here in the United Kingdom, with an historic service at St. Paul's cathedral. The size of the issue cannot be underestimated. In my own borough, the London borough of Havering, it is estimated that there are over 1,412 adults on the autism spectrum. Nationally, there are over 750,000 people with autism, and it is estimated that there are up to 65 million people with autism around the world.

**Mrs Cheryl Gillan** (Chesham and Amersham) (Con): I congratulate my hon. Friend on obtaining a debate on this important subject. Does he agree that alongside Autism Sunday, initiatives such as the world Autism Awareness Week, which is from 2 to 8 April this year, are pretty important? Does he welcome what the National Autistic Society is doing in that week—launching a public awareness campaign, because it is important that we continue to increase awareness of autism, and understanding among the general public, particularly as the incidence seems to be on the increase?

**Andrew Rosindell:** I thank my right hon. Friend for her helpful intervention. Of course, we can work in our constituencies to make people aware of the effects of autism, but national organisations such as the National Autistic Society are doing a brilliant job of promoting more understanding of the issue across the United Kingdom.

**Jim Shannon** (Strangford) (DUP): May I also congratulate the hon. Gentleman on bringing this matter to the House for consideration? A large number of my constituents also have autism or autistic children. About 2,000 children in Northern Ireland have been waiting more than 20 months for a diagnosis. It is clear to me as an elected representative, and probably to the hon. Gentleman as well, that early diagnosis is critical if children are to get the correct treatment and the help they need. Does he agree that greater priority needs to be given to autism diagnosis, especially given the rising number of autistic children and adults across the United Kingdom of Great Britain and Northern Ireland?

**Andrew Rosindell:** The hon. Gentleman is absolutely right: more needs to be invested in diagnosis. I commend him on the work he is doing in Northern Ireland to ensure that there is more awareness of this condition.

Autism Sunday was founded by British autism campaigners and committed Christians, Ivan and Charika Corea, who live in Buckhurst Hill, in Essex. It began as a small acorn of an idea, hatched in their front room, but today it has grown into a major global event celebrated in many countries throughout the world. This year, it will take place this coming weekend, on Sunday 14 February.

Our own Prime Minister has personally supported Autism Sunday, stating:

“I would like to express my support for Autism Sunday. As many as one in a hundred people could be affected by some form of autism, and it is important that we recognise and raise awareness of the difficulties and challenges that they can face.”

Autism Sunday is now a permanent fixture in my constituency. Ivan Corea is a teacher at the Frances Bardsley Academy For Girls. When he joined the school in 2009, he set about creating awareness of autism, not only in the school, but across the whole of our local community in Havering.

In January this year, that culminated in a very special event in Havering town hall, when the mayor of Havering, Councillor Brian Eagling, and the leader of Havering Council, Councillor Roger Ramsey, presented a civic award to the Frances Bardsley Academy For Girls autism and disabilities club and to the school's autism ambassadors, many of whom are here today watching our proceedings, for reaching out to the most vulnerable sections of society in our local community.

The club has been working in partnership with local autism campaigners Ade and Ronke Ogunleye, who run the RIEES Autism Club based at the Romford Baptist church. That work has received praise from the leader of the council, Councillor Roger Ramsey, who stated:

“To my memory, there has never been such a successful relationship between a secondary school and a local charity regarding autism in this borough and the FBA”—

Frances Bardsley Academy—

“Ambassador Programme has been of supreme service to the community. Through volunteering in the community, members have helped support those with autism, as well as their parents and carers, who are often just as much in need of support.”

The Frances Bardsley autism and disabilities club has been working closely with the Step Up To Serve charity, whose patron is His Royal Highness Prince Charles, the Prince of Wales. Charlotte Hill, the chief executive officer of the charity, which is running the #iwill campaign, said:

“We are delighted that the Frances Bardsley Academy for Girls Autism & Disabilities Club has pledged to support our work, and shared their progress during #iwill week to inspire others to take part also. If we are to make involvement in social action the norm for 10-20 year-olds we need partners to commit to tangible actions just as they are doing. The involvement of the FBA Autism Ambassadors of the Autism & Disabilities Club will undoubtedly help us progress towards our goal.”

I must pay tribute to the school's headteacher, Julian Dutton, who was recently presented with a special award by RIEES for showing outstanding leadership in promoting charitable giving at the school. Frances Bardsley has a thriving charity committee raising funds for a number of local, national and international charities, and Julian Dutton has talked about the need for students to give back to the community and the need to show compassionate leadership to the most vulnerable sections of our society.

The chair of governors of Frances Bardsley Academy for Girls is the Rev. Father Roderick Hingley, who also serves as priest of the church of St. Alban Protomartyr in Romford. He has been hugely supportive of Autism Sunday. When Ivan Corea approached Father Hingley with regard to establishing the first ever Havering Autism Sunday service at St. Alban's church in 2010, he saw the need to reach out to parents, carers and the autism community, and agreed to host the annual service. I have witnessed at first hand the moving partnership between the Frances Bardsley autism ambassadors from the sixth form and young people with autism—surely a model of how a school can make an impact in this area.

All this work has certainly helped to act as a catalyst for change in the London borough of Havering. Frances Bardsley Academy for Girls is fully behind Autism Sunday 2016. Indeed, class 7E created school history by organising the first ever year 7 assembly on Autism Sunday, finishing with a flourish as they sang the Nimal Mendis song for autism, "Open Every Door". In so doing, they have raised much more awareness of the condition with their peers. I would also like to mention the assistant headteacher, Julie Payne, who has led school assemblies on the importance of Autism Sunday, and music teacher Amy Johnson and the Frances Bardsley chamber choir, who always perform on Autism Sunday and will do so this year.

As the MP for Romford, I am immensely proud of what has been achieved so far, but there is still a long way to go before all adults with autism start receiving the care and support they need. For example, in a recent National Autistic Society survey, 70% of adults with autism said that they are not receiving the help they need from social services. Furthermore, only 23% of those who did have contact with social workers felt that they had a good understanding of the condition and its effects. This must change. The Government's current review of the implementation of the strategy is a unique opportunity to urge local authorities and Ministers to ensure that they live up to their commitments.

Times are challenging, but that must not be used as an excuse for failing to meet obligations to adults with autism and their families. With the right support, many adults with autism can work for and participate in their communities. Difficulties in communication and social interaction might mean that someone with autism finds it hard to find and keep a steady job. They might find it challenging to prepare a CV, or find that they need support in preparing for an interview. Moreover, once they have a job, they might find it difficult to work with people who do not understand the complexities of their condition.

A number of barriers to successful implementation of the autism strategy have been identified. The good news is that there will be simple yet effective solutions to these challenges. For example, an innovation fund would support local authorities to improve the services currently available to adults with autism and help them to develop an understanding of the best way to deliver services and highlight areas of best practice. An autism awareness scheme would also allow volunteers and community groups to tap into resources that would help them to develop a programme of autism awareness and training in their local areas. That can be achieved in the simplest of ways, through things such as adaptations to public

buildings and local businesses, autism awareness training for front-line staff in public services and more autism-friendly activities.

I conclude by urging the Minister to consider my proposals. In so doing, I commend to the House the work of the Frances Bardsley Academy for Girls autism and disabilities club and the important concept of Autism Sunday, which is a beacon of light and compassionate leadership in action in my constituency, reaching out to those who need that support most of all.

8.15 pm

**Mrs Cheryl Gillan** (Chesham and Amersham) (Con): I congratulate my hon. Friend the Member for Romford (Andrew Rosindell) on obtaining the debate. As chair of the all-party group on autism, I am privileged to have an insight into this area. I am glad to see my predecessor as chair of the all-party group, my hon. and learned Friend the Member for South Swindon (Robert Buckland), who has done so much work on autism, on the Front Bench next to the Minister.

I congratulate Ivan Corea and the Frances Bardsley Academy for Girls, because initiatives such as theirs really help to demystify autism. It is important that we hear from the Minister how we can mark Autism Sunday and Autism Awareness Week in Parliament. I am proud of the fact that when we hold APPG events, we try to make admission to Parliament autism-friendly. We put aside a silent space where people can feel calm, and we have made the Serjeant at Arms and all who usher people into this place aware of the little things that can make life much more comfortable for people with autism.

Too many families and individuals still experience judgmental attitudes or face isolation or unemployment, because of the misunderstandings that surround autism. Although 99% of the public say that they are aware of autism, an astonishing 87% of people who are affected by autism do not think that the public have a good enough understanding of it, and more needs to be done to deepen that understanding. My hon. Friend the Member for Romford has done a great deal tonight, and so have his constituents, who may be listening to the debate. May they go from strength to strength, and may they bring about more awareness of autism with their wonderful work.

8.17 pm

**The Minister for Children and Families (Edward Timpson):** I congratulate my hon. Friend the Member for Romford (Andrew Rosindell) on securing this important debate. He has afforded the House the opportunity to raise awareness of autism and mark Autism Sunday in Parliament, albeit on a Wednesday. As my hon. Friend has mentioned, Autism Sunday is an event with worldwide recognition, as well as being a permanent fixture in his own constituency. That is a fantastic achievement, of which Ivan and Charika Corea, who have grown the event since 2002, should be proud.

I commend Ivan Corea for his promotion of autism awareness in Romford through his work at the Frances Bardsley Academy for Girls, his role in creating FBA autism ambassadors and the #Iwill campaign, which I know well. Such local partnership working is vital if we are to change the lives of people with autism, to ensure that they achieve and lead fulfilling, happy lives. It was uplifting to hear about the incredible impact that Corea's

[Edward Timpson]

vision has had in and around Romford, and I am sure that it reverberates much further.

As we have heard, autism is a lifelong condition that affects how a person communicates and relates to people around them. As a result, people right across society, from school teachers and bus drivers to general practitioners, need to be aware of autism and what it means for those who live with it.

I will start by outlining the framework that is in place to improve the lives of people with autism. Since the Autism Act 2009, which was spearheaded by my right hon. Friend the Member for Chesham and Amersham (Mrs Gillan)—I thank her for reminding us that world Autism Awareness Week is from 2 to 8 April—the 2010 cross-Government autism strategy was updated by the “Think Autism” strategy in 2014 and new statutory guidance in 2015. The aim of all of this work was further to improve the care and support that local authorities and NHS organisations provide for people with autism.

“Think Autism” placed greater emphasis on involvement and awareness within the local community and on ways of looking differently at support and engagement. That is very much what is happening in Romford, as we have heard. It moved the original vision of the strategy on, including to an increased focus on areas such as young people, criminal justice and employment.

The reason we have kept up the momentum is that there is more to do to ensure that all those with autism get the help and support that they need. Last month, we published a progress report, which is designed to challenge local partners delivering a wide range of services, such as health, education, children’s services, adult services and transport to “Think Autism”. With over 500,000 people in England estimated to have autism, this was done for a very good reason: because it matters.

These organisations and services come into contact with people on the autistic spectrum daily. By engaging with them effectively, we can ensure that such people do not miss out on accessing services and support. By doing so, we can bring about a positive influence on their mental and physical health. That is why it is so important that the Department of Health is continuing to make autism a top priority for the NHS. The NHS mandate sets the priorities for the NHS, and signals what the Department of Health will hold the NHS accountable for. Next year, it will include an important call on the NHS to reduce health inequality for autistic people.

In launching “Think Autism”, we wanted to promote innovation and awareness, and we made available over £4 million to do just that. My hon. Friend the Member for Romford rightly argued strongly for a further drive on innovation in how we deliver services for people with autism. Until last year, the Department of Health ran an innovation fund of £1 million to promote innovative local ideas, services or projects that could help people in their communities. Forty-two projects were chosen, with a focus on people with autism who do not qualify for social care support. The projects focused on four key areas: advice and mentoring, gaining and growing skills for independence, early intervention and crisis prevention, and support into employment.

Some £3 million has been given out in capital funding to councils, so that they can make public spaces, such as inquiry offices and libraries, more autism-friendly, and provide IT and technology to make life easier for people with autism. For example, in the London Borough of Havering in my hon. Friend’s constituency, funding was allocated to improve autism-friendly safe spaces, allowing people with autism greater access to Romford town centre. I know that that is an opportunity that he would not want anybody to miss.

As a Minister in the Department for Education, I have a particular focus on the education of children and young people with autism. A key part of that are our recent fundamental reforms to the new nought-to-25, family-centred, outcomes-focused special educational needs and disability system. We have made changes to the law to ensure we provide the support that children and young people with special educational needs and disabilities require. The work I have seen so far, which is putting families at the heart of the process, is in many ways inspiring, but we know that we still need to do more to engender the culture shift necessary to achieve that end. I am pleased that we were recently able to announce an additional £80 million to boost support for children with special educational needs and disabilities during the next financial year to help to ensure that our reforms have real impact on the ground, including for children and young people with autism.

We are doing specific work to help to support children and young people with autism. First, we want to ensure that all education staff are able to recognise and support children with autism in schools. We have therefore funded the Autism Education Trust from 2011 to 2016 to provide training for early years, school and further education staff. To date, the AET has provided training for about 87,000 education staff. I know that the trust is aiming to reach the milestone of 100,000 trained staff this summer. I hope that I will be able to celebrate that achievement with it.

Secondly, we know that young people with autism can find dealing with change particularly hard, so it is important that they make a successful transition from school to post-16 provision. We have therefore funded the Ambitious about Autism charity from 2013 to this year to develop an innovative, integrated model of transition support. That model enables more young people with complex autism and learning difficulties to access further education and training beyond school, helping them more successfully to move on to adult life and work.

We know that a disproportionate number of children with autism are excluded from school. As a result, we have funded the National Autistic Society to provide families with information and advice on exclusion and alternative provision, and to support education professionals with advice and guidance on early intervention to reduce the risk of exclusion.

Finally in relation to children and young people, the expansion of the Government’s free schools programme has benefited many children with special educational needs and, specifically, with autism. Several specialist autism free schools have opened, including Church Lawton School, which is near my constituency in Cheshire. There are 11 more free special schools in the pipeline, of which seven are specifically for children with autism. That demonstrates the demand and desire of parents

and charities that we meet that need and offer a truly outstanding education for autistic children.

**Jim Shannon:** I applaud the initiative that has been taken by Sunderland football club, although they are not my team, to provide a small room in the stadium where autistic children can go with their parents and enjoy the football match, without the noise that disaffects them. That initiative clearly helps autistic children. Would the Minister encourage other premier league football teams and, indeed, all football teams to do likewise?

**Edward Timpson:** I agree wholeheartedly with the hon. Gentleman. The Under-Secretary of State for Disabled People has worked hard with the premier league and football clubs to improve the facilities for and awareness of people with disabilities, whether they be physical, mental or otherwise, at football grounds. There is clearly more that can be done. Clubs such as Sunderland are taking the lead and showing what can be done. With a little bit of thought, as my right hon. Friend the Member for Chesham and Amersham said, we can go a long way. I encourage every club to look at what Sunderland are doing and to make such easy but important adjustments, so that they can fill the seats in their stadium, which Sunderland has struggled to do this season.

In addition to what we are doing at the Department for Education, my colleagues right across Government are thinking autism. They are doing more to raise awareness of autism and to provide support across a range of Government services. The National Autistic Society is doing excellent work in this area. We wish to support other charities in their endeavours through the strong partnerships that are needed.

The Department of Health has funded Autism Alliance UK to undertake an awareness campaign that seeks to dispel the myths around autism, which still exist all too readily, as well as to improve training, create employment and make reasonable adjustments in how everyday services are provided for people with autism. The alliance is working with local and national businesses, and with providers of services in the private, public and voluntary sectors. In my hon. Friend's county of Essex, the awareness work has involved another football club, Colchester United, who are having an indifferent season, the Essex County Council equality and diversity service, and councillors in Chelmsford, so it is really starting to reverberate around Essex.

Autism Alliance UK is also working to improve knowledge and awareness of autism in the Department for Work and Pensions by, for example, building an autism network across Jobcentre Plus by training nominated autism leads, including work coaches and dedicated employment advisers.

To build knowledge and expertise among health professionals, the Department of Health has provided financial support to the Royal College of General Practitioners' clinical priorities programme on autism, which is undertaking practical work on autism awareness and training for GPs. Health Education England has developed the online MindED portal, which contains learning resources for enhancing the effectiveness of working with children, young people and young adults who are on the autistic spectrum.

Last year, the Department of Health also provided funding to a number of organisations, including the British Psychological Society, the Royal College of General Practitioners, the Social Care Institute for Excellence and the National Autistic Society to upgrade their autism e-learning training tools and materials. Those tools will assist GPs, social workers, whom my hon. Friend the Member for Romford mentioned, clinicians and nurses. The intention is to enable the training to have a direct impact on the quality and effectiveness of the services they provide. As a result of building staff capabilities on autism awareness, there will be better outcomes for people with autism and their families.

The Ministry of Justice must play its part, too. It is working to achieve better awareness of autism in the criminal justice system, for victims, witnesses and perpetrators of crime. For example, my hon. Friend the Minister for Prisons, Probation, Rehabilitation and Sentencing wrote to prisons last year to encourage them to apply for the National Autistic Society's autism accreditation. Under the pilot, several prisons are currently in the process of working towards accreditation, and by October 2015 a further 20 prisons had expressed their interest.

Finally, Disability Matters is a Department of Health-funded e-learning tool to provide training in understanding and supporting the needs of people with a disability, and it will help those with autism, too.

As you can see, Madam Deputy Speaker, from this short summary, there is a raft of activity going on to ensure that, across Government, we are "thinking autism" and raising awareness, alongside other events such as Autism Sunday. Our mission is to help people with autism to fulfil their potential, to have full, happy lives and to live as independently as possible. I join my hon. Friend the Member for Romford in embracing Autism Sunday and the golden chance it gives us to raise these issues in Romford and beyond, and I look forward to working with him on this further as we continue to work to improve the lives of all those with autism in our society.

*Question put and agreed to.*

8.31 pm

*House adjourned.*

## Deferred Division

### IMMIGRATION

That the draft Immigration and Nationality (Fees) Order 2016, which was laid before this House on 11 January, be approved.

*The House divided: Ayes 313, Noes 67.*

### Division No. 190]

#### AYES

Adams, Nigel  
Aldous, Peter  
Allan, Lucy  
Allen, Heidi  
Andrew, Stuart  
Ansell, Caroline  
Argar, Edward  
Atkins, Victoria  
Bacon, Mr Richard  
Baker, Mr Steve  
Baldwin, Harriett  
Barclay, Stephen  
Baron, Mr John  
Barwell, Gavin  
Bebb, Guto  
Bellingham, Sir Henry  
Benyon, Richard  
Berry, Jake  
Berry, James  
Bingham, Andrew  
Blackman, Bob  
Blackwood, Nicola  
Blunt, Crispin  
Boles, Nick  
Bone, Mr Peter  
Borwick, Victoria  
Bradley, Karen  
Brady, Mr Graham  
Brazier, Mr Julian  
Bridgen, Andrew  
Brine, Steve  
Brokenshire, rh James  
Bruce, Fiona  
Burns, Conor  
Burns, rh Sir Simon  
Burrowes, Mr David  
Burt, rh Alistair  
Cairns, Alun  
Cameron, rh Mr David  
Carmichael, Neil  
Carswell, Mr Douglas  
Cartledge, James  
Cash, Sir William  
Caulfield, Maria  
Chalk, Alex  
Chishti, Rehman  
Chope, Mr Christopher  
Churchill, Jo  
Clark, rh Greg  
Clarke, rh Mr Kenneth  
Coffey, Dr Thérèse  
Collins, Damian  
Colville, Oliver  
Costa, Alberto  
Cox, Mr Geoffrey  
Crabb, rh Stephen  
Davies, Byron  
Davies, Chris  
Davies, David T. C.  
Davies, Glyn  
Davies, Dr James

Davies, Mims  
Davies, Philip  
Dinenage, Caroline  
Djanogly, Mr Jonathan  
Dodds, rh Mr Nigel  
Donelan, Michelle  
Dorries, Nadine  
Double, Steve  
Dowden, Oliver  
Doyle-Price, Jackie  
Drax, Richard  
Drummond, Mrs Flick  
Duddridge, James  
Duncan, rh Sir Alan  
Duncan Smith, rh Mr Iain  
Dunne, Mr Philip  
Elliott, Tom  
Ellis, Michael  
Ellison, Jane  
Ellwood, Mr Tobias  
Elphicke, Charlie  
Eustice, George  
Evans, Graham  
Evans, Mr Nigel  
Evennett, rh Mr David  
Fabricant, Michael  
Fernandes, Suella  
Field, rh Mark  
Foster, Kevin  
Fox, rh Dr Liam  
Francois, rh Mr Mark  
Frazer, Lucy  
Freeman, George  
Freer, Mike  
Fuller, Richard  
Fysh, Marcus  
Gale, Sir Roger  
Garnier, rh Sir Edward  
Garnier, Mark  
Gauke, Mr David  
Ghani, Nusrat  
Gibb, Mr Nick  
Glen, John  
Goodwill, Mr Robert  
Gove, rh Michael  
Graham, Richard  
Grant, Mrs Helen  
Gray, Mr James  
Grayling, rh Chris  
Green, Chris  
Green, rh Damian  
Greening, rh Justine  
Grieve, rh Mr Dominic  
Griffiths, Andrew  
Gummer, Ben  
Gyimah, Mr Sam  
Halfon, rh Robert  
Hammond, rh Mr Philip  
Hammond, Stephen  
Hancock, rh Matthew  
Hands, rh Greg

Harper, rh Mr Mark  
Harrington, Richard  
Harris, Rebecca  
Hart, Simon  
Haselhurst, rh Sir Alan  
Heald, Sir Oliver  
Heapey, James  
Heaton-Harris, Chris  
Heaton-Jones, Peter  
Henderson, Gordon  
Herbert, rh Nick  
Hinds, Damian  
Hoare, Simon  
Hollingbery, George  
Hollinrake, Kevin  
Hollobone, Mr Philip  
Holloway, Mr Adam  
Hopkins, Kris  
Howell, John  
Howlett, Ben  
Huddleston, Nigel  
Hunt, rh Mr Jeremy  
Jackson, Mr Stewart  
James, Margot  
Javid, rh Sajid  
Jayawardena, Mr Ranil  
Jenkin, Mr Bernard  
Jenkyns, Andrea  
Jenrick, Robert  
Johnson, Boris  
Johnson, Gareth  
Johnson, Joseph  
Jones, Andrew  
Jones, rh Mr David  
Jones, Mr Marcus  
Kawczynski, Daniel  
Kennedy, Seema  
Kinahan, Danny  
Kirby, Simon  
Knight, rh Sir Greg  
Knight, Julian  
Kwarteng, Kwasi  
Lancaster, Mark  
Latham, Pauline  
Leadsom, Andrea  
Lee, Dr Phillip  
Lefroy, Jeremy  
Leigh, Sir Edward  
Leslie, Charlotte  
Letwin, rh Mr Oliver  
Lewis, Brandon  
Lewis, rh Dr Julian  
Liddell-Grainger, Mr Ian  
Lidington, rh Mr David  
Lilley, rh Mr Peter  
Lopresti, Jack  
Loughton, Tim  
Lumley, Karen  
Mackinlay, Craig  
Mackintosh, David  
Main, Mrs Anne  
Mak, Mr Alan  
Mann, Scott  
Mathias, Dr Tania  
May, rh Mrs Theresa  
Maynard, Paul  
McCartney, Jason  
McCartney, Karl  
McLoughlin, rh Mr Patrick  
McPartland, Stephen  
Menzies, Mark  
Mercer, Johnny

Miller, rh Mrs Maria  
Milling, Amanda  
Milton, rh Anne  
Mitchell, rh Mr Andrew  
Mordaunt, Penny  
Morgan, rh Nicky  
Morris, Anne Marie  
Morris, David  
Morris, James  
Morton, Wendy  
Mowat, David  
Mundell, rh David  
Murray, Mrs Sheryll  
Murrison, Dr Andrew  
Neill, Robert  
Newton, Sarah  
Nokes, Caroline  
Norman, Jesse  
Nuttall, Mr David  
Offord, Dr Matthew  
Opperman, Guy  
Osborne, rh Mr George  
Paisley, Ian  
Parish, Neil  
Patel, rh Priti  
Pawsey, Mark  
Penning, rh Mike  
Penrose, John  
Percy, Andrew  
Perry, Claire  
Phillips, Stephen  
Philp, Chris  
Pickles, rh Sir Eric  
Pincher, Christopher  
Poulter, Dr Daniel  
Prentis, Victoria  
Pritchard, Mark  
Pursglove, Tom  
Quin, Jeremy  
Quince, Will  
Raab, Mr Dominic  
Redwood, rh John  
Rees-Mogg, Mr Jacob  
Robertson, Mr Laurence  
Robinson, Gavin  
Robinson, Mary  
Rosindell, Andrew  
Rudd, rh Amber  
Rutley, David  
Sandbach, Antoinette  
Scully, Paul  
Selous, Andrew  
Shannon, Jim  
Shapps, rh Grant  
Sharma, Alok  
Shelbrooke, Alec  
Simpson, David  
Simpson, rh Mr Keith  
Skidmore, Chris  
Smith, Chloe  
Smith, Julian  
Smith, Royston  
Soames, rh Sir Nicholas  
Solloway, Amanda  
Soubry, rh Anna  
Spelman, rh Mrs Caroline  
Spencer, Mark  
Stephenson, Andrew  
Stevenson, John  
Stewart, Bob  
Stewart, Iain  
Stewart, Rory



Streeter, Mr Gary  
 Stride, Mel  
 Stuart, Graham  
 Sturdy, Julian  
 Sunak, Rishi  
 Swayne, rh Mr Desmond  
 Swire, rh Mr Hugo  
 Syms, Mr Robert  
 Thomas, Derek  
 Throup, Maggie  
 Timpson, Edward  
 Tolhurst, Kelly  
 Tomlinson, Justin  
 Tomlinson, Michael  
 Tracey, Craig  
 Tredinnick, David  
 Trevelyan, Mrs Anne-Marie  
 Truss, rh Elizabeth  
 Tugendhat, Tom  
 Turner, Mr Andrew  
 Tyrrie, rh Mr Andrew  
 Vaizey, Mr Edward  
 Vara, Mr Shailesh  
 Vickers, Martin

Villiers, rh Mrs Theresa  
 Walker, Mr Charles  
 Walker, Mr Robin  
 Wallace, Mr Ben  
 Warburton, David  
 Warman, Matt  
 Watkinson, Dame Angela  
 Wharton, James  
 Whately, Helen  
 Wheeler, Heather  
 White, Chris  
 Whittaker, Craig  
 Whittingdale, rh Mr John  
 Wiggin, Bill  
 Williams, Craig  
 Williamson, rh Gavin  
 Wilson, Mr Rob  
 Wilson, Sammy  
 Wollaston, Dr Sarah  
 Wood, Mike  
 Wragg, William  
 Wright, rh Jeremy  
 Zahawi, Nadhim

Cameron, Dr Lisa  
 Chapman, Douglas  
 Cherry, Joanna  
 Crawley, Angela  
 Day, Martyn  
 Docherty, Martin John  
 Donaldson, Stuart Blair  
 Durkan, Mark  
 Edwards, Jonathan  
 Farron, Tim  
 Fellows, Marion  
 Ferrier, Margaret  
 Gethins, Stephen  
 Gibson, Patricia  
 Grady, Patrick  
 Grant, Peter  
 Gray, Neil  
 Hendry, Drew  
 Hermon, Lady  
 Kerevan, George  
 Kerr, Calum  
 Law, Chris  
 Lucas, Caroline  
 MacNeil, Mr Angus Brendan  
 Mc Nally, John  
 McCaig, Callum  
 McDonald, Stewart Malcolm  
 McDonald, Stuart C.  
 McDonnell, Dr Alasdair

McGarry, Natalie  
 McLaughlin, Anne  
 Monaghan, Carol  
 Monaghan, Dr Paul  
 Mullin, Roger  
 Newlands, Gavin  
 Nicolson, John  
 O'Hara, Brendan  
 Oswald, Kirsten  
 Paterson, Steven  
 Pugh, John  
 Ritchie, Ms Margaret  
 Robertson, rh Angus  
 Salmond, rh Alex  
 Saville Roberts, Liz  
 Sheerman, Mr Barry  
 Sheppard, Tommy  
 Skinner, Mr Dennis  
 Stephens, Chris  
 Thewliss, Alison  
 Thompson, Owen  
 Thomson, Michelle  
 Weir, Mike  
 Whiteford, Dr Eilidh  
 Williams, Hywel  
 Williams, Mr Mark  
 Wilson, Corri  
 Wishart, Pete

#### NOES

Ahmed-Sheikh, Ms Tasmina  
 Arkless, Richard  
 Bardell, Hannah  
 Black, Mhairi  
 Blackford, Ian

Blackman, Kirsty  
 Boswell, Philip  
 Brake, rh Tom  
 Brock, Deidre  
 Brown, Alan

*Question accordingly agreed to.*



# House of Commons

Thursday 11 February 2016

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

## PRAYERS

[MR SPEAKER *in the Chair*]

## Oral Answers to Questions

### ENERGY AND CLIMATE CHANGE

*The Secretary of State was asked—*

#### Energy-efficient Homes

1. **Dr Rupa Huq** (Ealing Central and Acton) (Lab): What estimate she has made of the number of homes that need to be brought up to the minimum band C energy efficiency standard by 2030. [903584]

**The Secretary of State for Energy and Climate Change (Amber Rudd):** According to my Department's latest fuel poverty statistics, less than 5% of fuel-poor households in England have a minimum energy efficiency standard of band C, leaving 2.2 million households below this standard. Bringing these households up to the minimum standard is a challenging ambition, but one we are determined to meet. That is why we have been clear that available support needs to be focused on those most in need. We will be reforming both the renewable heat incentive and the energy company obligation, to make sure that both schemes are sufficiently targeted towards the fuel poor and to tackle the root causes of fuel poverty.

**Dr Huq:** The Government recently spent £50 million of taxpayers' money assisting a bunch of big businesses such as Sainsbury's to change their lightbulbs. Meanwhile, they halved home insulation funding in the last Parliament, which was meant to help families out of fuel poverty. I will not ask how many Tories it takes to change a lightbulb, but does that not show whose side they are on?

**Amber Rudd:** The hon. Lady is in danger of misunderstanding demand-side reduction. Two pilots have been launched, and both have been effective in reducing the amount of energy used, which is one of our key targets in carbon emissions and energy security. That in no way interferes with our key objective of ensuring that we reduce fuel poverty at all levels.

**Mr Philip Hollobone** (Kettering) (Con): Would my right hon. Friend be good enough to publish the statistics for Northamptonshire for the number of homes that do not meet that standard? One of the big issues we have in Northamptonshire is the very large number of new houses being built. Can my right hon. Friend confirm that all those new houses are required to meet that minimum standard?

**Amber Rudd:** I would be delighted to publish those statistics and will write to my hon. Friend with them. New-build houses are always built to a far higher standard than the existing build. The challenge of fuel poverty is almost eradicated for new builds, so I hope his constituents will be able to welcome affordable, warmer winters in future.

**Huw Irranca-Davies** (Ogmore) (Lab): Has the Secretary of State managed to have any discussions with her Welsh Government counterparts about the wonderful Arbed scheme? Arbed in Welsh is to save. The scheme worked with 28 social landlords in its first phase, and worked with more than 5,000 homes on energy efficiency in its second phase. It is funded partly by European structural funds. It is a great example of energy efficiency and a great reason for Wales to stay within the European Union and the United Kingdom.

**Amber Rudd:** That is a very interesting proposal from the hon. Gentleman. I clearly should spend more time talking to my Welsh counterpart in order to learn from the good work that the Welsh Government are doing to address fuel poverty.

**Jim Shannon** (Strangford) (DUP): The Energy Saving Trust has a useful website that directs people to the boiler grant scheme that we operate in Northern Ireland—a package of energy efficiency and heating measures is tailored to each household. Will the Minister consider that Northern Ireland example and consider providing something similar on the mainland UK?

**Amber Rudd:** I am aware of the interesting boiler scheme that is being run in Northern Ireland. I welcome such initiatives to address the difficulty of fuel poverty and of reducing heat and carbon emissions. The Mayor of London has launched a similar scheme. We will look carefully at how that works to see whether we can adopt it in the United Kingdom.

#### Onshore Wind

2. **Chris Heaton-Harris** (Daventry) (Con): What progress she has made on ensuring that local authorities decide all onshore wind applications. [903585]

**The Minister of State, Department of Energy and Climate Change (Andrea Leadsom):** My hon. Friend has worked incredibly hard to support local communities in having their say on the siting of wind farms. The Department for Communities and Local Government updated planning guidance alongside its written ministerial statement on 18 June 2015, giving local authorities the final say. Now that the Energy Bill has completed its Committee stage, with my hon. Friend's support, I can tell him that we are making excellent progress on delivering the Government's manifesto commitment.

**Chris Heaton-Harris:** I thank the Minister for that answer. Like me, she will know that the Conservative manifesto contained two pledges on onshore wind: one to remove subsidies and the other to change planning guidance. Given the growing concern about amplitude modulation coming from onshore wind turbines, when will planning guidance on that be given to local authorities?

**Andrea Leadsom:** My hon. Friend has personally done some excellent work researching this serious issue, and my Department has commissioned an independent review that includes many of the issues he has raised. We expect to receive the final report of the review shortly, and the Government will then consider how to take forward their recommendations, including on whether a planning condition might be appropriate.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): The Minister must be aware that applications for onshore wind power should be based on merit. Given what has happened over the past five years, is there not a real danger that the barmy army of nimbys on the Benches behind her will ensure, working with their local councils, that no good proposal goes through?

**Andrea Leadsom:** I think the hon. Gentleman is referring to some of my excellent hon. Friends, who are superb constituency MPs. We will have to agree to disagree. I am sure he would agree, however, that the role of an MP is to represent the interests of their constituency as they see them. We have now struck the right balance between the country's need for superb renewables—it is now a very successful sector—and the need of local communities to have their wishes and their environment taken into account.

**Callum McCaig** (Aberdeen South) (SNP): Prior to the Energy Act 2013, Scottish Ministers had full control over the renewables obligation. That power was removed on the clear understanding and promise that there would be no policy implications. Why was that promise broken, and will the Minister commit to backing the Scottish National party's calls for that power to be returned to Holyrood as part of the Energy Bill?

**Andrea Leadsom:** The hon. Gentleman is aware that the reason we are closing the subsidy for onshore wind a year early is in great part to avoid the additional costs to the bill payer of extra deployment beyond our calculations of what could be expected. This is about trying to keep consumers' bills down. We have had a number of debates about fuel poverty, and striking that balance is absolutely vital. It is in the interests of the whole of UK that we do not keep burdening bill payers with more costs.

**Ms Margaret Ritchie** (South Down) (SDLP): What discussions has the Minister had with her colleagues in the devolved Administrations to ensure that wind applications made in those jurisdictions are able to be processed effectively?

**Andrea Leadsom:** As the hon. Lady will know, we have frequent conversations with Ministers in the devolved Parliaments and we try to ensure that they are included in all the discussions, as they certainly have been with those on onshore wind. As she will know, planning at all levels is being devolved to local planning authorities, and it will then be for the Scottish Parliament to decide exactly what the appropriate planning process should be for onshore wind in Scotland.

**Andrew Gwynne** (Denton and Reddish) (Lab): Can we have some consistency from the Minister? Why does she support the imposition of fracking on communities against their will? Why can she not extend the same courtesy to those communities that she has extended to those affected by wind farms?

**Andrea Leadsom:** As the hon. Gentleman will be aware, onshore wind has already been deployed to a great extent. As I have just said, it is already at the level of deployment we expected to see by 2020, so it is right that local communities' views should be taken into account. With hydraulic fracturing, however, absolutely no shale gas extraction is taking place anywhere in the UK at the moment. There are no wells, and there is not even any exploration, yet it is vital to the UK's energy interests that we explore this home-grown energy, which could be vital for jobs, growth and of course energy security.

### Capacity Market Auctions

3. **Kate Hollern** (Blackburn) (Lab): What changes she plans to make to the structure of capacity market auctions before the next auction round. [903586]

**The Secretary of State for Energy and Climate Change (Amber Rudd):** Security of supply is my No. 1 priority. The capacity market was put in place to ensure sufficient security of electricity supply. It supports existing technically reliable plants to remain in the market and, as coal and other ageing plants retire, it will enable new plants to be financed and built, securing our energy supplies for the future. Following the capacity market auction conducted at the end of last year, I have been considering whether any changes are needed, and I hope to be able to announce my conclusions shortly and to undertake any consultation quickly if we decide that any regulatory changes are needed.

**Kate Hollern:** Is the Secretary of State concerned that the latest capacity market option is having the unintended consequence of undermining capacity, as unfavoured power stations are mothballed or closed? Can the Government be certain that they can maintain security of electricity supply while reducing investment in the solar industry?

**Amber Rudd:** I do not share the hon. Lady's views. The whole purpose of the capacity market is to guarantee security three or four years out and that is exactly what we are delivering. As I said earlier, however, having had two capacity auctions so far, we will be reviewing how we can improve so that the third delivers even more certain security going forward.

**Andrew Stephenson** (Pendle) (Con): I am pleased to hear that the Secretary of State is willing to look again at the way the capacity market works to encourage cleaner forms of energy rather than a reliance on fuels such as diesel, which, sadly, was a large beneficiary of the latest round. Will she give us a timescale for when the new proposals will come forward?

**Amber Rudd:** I thank my hon. Friend for that question, which gives me the opportunity to point out that diesel was in fact 1.5% of the capacity market—a very small amount. However, it is absolutely essential to make sure that we have no risk at all to security, which is why diesel was included at that stage. I cannot give him an exact timeline, but I can say we are working on it intently at the moment and will be coming forward with proposals shortly.

**Mr Angus Brendan MacNeil** (Na h-Eileanan an Iar) (SNP): Will the right hon. Lady look to make changes to the capacity market, so that battery energy storage

can compete and provide an alternative to thermal generation? Will she also look at final consumption levies that are affecting battery storage, because battery storage is not, of course, final consumption? It is just storage.

**Amber Rudd:** I thank the hon. Gentleman for his question and share his enthusiasm for storage. We are at the moment working with Ofgem to address how we can best encourage it within a secure regulatory environment. I cannot at this point say whether it will be within the capacity market, but that is certainly one of the considerations we will be looking at.

**Lisa Nandy (Wigan) (Lab):** It is with sadness that I stand here without Harry Harpham in his familiar place. He was my Parliamentary Private Secretary and a much-loved and valued member of the shadow Energy team. Owing to his background, Harry never let us forget that energy is about people. Last month, he told the *Yorkshire Post* that he would be the last deep coalminer elected to this place. Our promise to Harry is to ensure that the voice of working people remains at the heart of the energy debate. I will miss him enormously. We will never, ever forget him.

The capacity market was supposed to bring forward new investment in gas power stations and ensure that we have enough back-up power stations in case of a power crunch. We know that it has failed on the first count. Now, one of the companies contracted to provide back-up capacity, SSE, has pulled the Fiddlers Ferry power station out of the scheme, throwing the Government's entire policy into doubt. Will the Secretary of State give the House a guarantee that no other power stations will pull out?

**Amber Rudd:** Before I answer that question, I join the hon. Lady in sharing our condolences from the Conservative Benches on the sad loss of Harry, her friend and able Labour Member of Parliament.

On the capacity market, I reassure the hon. Lady that we are looking at it again to ensure that it delivers the mix of sources. As far as losing old power stations is concerned, she is as aware as I am that these are very old power stations and that it is not surprising that some of them are closing. In our plans for capacity and in our discussions to ensure security, we always plan for a certain amount of closures. We do not feel it is a threat to security of supply, but we take nothing for granted and will never be complacent. We will always make sure we have a secure supply.

**Lisa Nandy:** I thank the Secretary of State for that answer. Unfortunately, it is not the answer to the question I asked her. No new gas stations have come on stream since the Prime Minister took office. The final investment decision on Hinkley has been delayed yet again. Analysts said recently that renewables investment is about to fall off a cliff. I ask the Secretary of State again: can she confirm that no other power stations will pull out of this scheme?

**Amber Rudd:** I simply do not recognise the picture the hon. Lady portrays. It is, of course, a bit rich for Labour to point that out when it has absolutely no record of planning for the future. We are the Government who are delivering the first nuclear power station. We are

the Government who are taking the difficult choices for the next 10 to 15 years. I remind the hon. Lady that the Carrington closed cycle is going to start this year.

**Dr Alan Whitehead (Southampton, Test) (Lab):** One!

**Amber Rudd:** The hon. Gentleman says one. That is, of course, more than the zero to which his hon. Friend referred. This is exactly why we will be looking at the capacity market again, to ensure it delivers new gas.

### Electricity Storage

4. **Kelvin Hopkins (Luton North) (Lab):** What plans she has to support the development of electricity storage. [903587]

**The Minister of State, Department of Energy and Climate Change (Andrea Leadsom):** Energy storage was identified in 2012 as one of the eight great technologies where the UK can lead the world, and I can tell the hon. Gentleman that I am a very keen supporter. More than £80 million of public sector support has been committed to UK energy storage research and development since 2012. We now are looking at what more we can do to improve the incentives for electricity storage in particular. We will be publishing a call for evidence soon. I do hope he will put his thoughts into that call for evidence.

**Kelvin Hopkins:** I thank the Minister for her answer, but may I be a bit more specific? As a spin-off from developing battery-driven cars, domestic battery storage is now becoming practicable and commercially viable, and indeed in America it is now taking off. What are the Government specifically doing to promote the adoption of domestic battery storage in homes?

**Andrea Leadsom:** As I say, we will shortly issue a call for evidence on energy storage at grid level—at battery generation level—to try to ensure that we give as much scope and capacity to energy storage in the system. At domestic level, people are starting to look at those systems and, as part of the improvement of house-building performance, builders are required to look at other opportunities such as battery storage, solar panels and the like. There will be more work on that, but, as the hon. Gentleman will appreciate, it is still at a fairly early stage as things stand.

**Margaret Ferrier (Rutherglen and Hamilton West) (SNP):** The energy storage industry sees 2016 as a breakthrough year, with many emerging technologies coming into the mainstream. Will the Minister concede that current subsidy cuts to renewables are lacking the foresight needed if we are to promote a genuinely green future in this truly innovative industry?

**Andrea Leadsom:** I certainly would not. Since 2010, £52 billion has been invested in renewables. The pipeline is still enormous. There are lots of new projects that will be coming to the fore over the next five to 10 years. It is simply not true to say that support for renewables is in any sense dropping off a cliff. The advantage of energy storage will be to deal with the intermittency of renewables, so it should be a win-win for the UK.

### Onshore Wind

5. **Brendan O'Hara** (Argyll and Bute) (SNP): When her Department plans to publish proposals on delivering a subsidy-free contract for difference mechanism for onshore wind. [903588]

**The Minister of State, Department of Energy and Climate Change (Andrea Leadsom):** Our priorities are to decarbonise at the lowest price while always ensuring our energy security. That is why we have taken steps to end new subsidies for onshore wind. It was interesting, after my right hon. Friend's announcement, to hear companies almost immediately seeking a subsidy-free contract for difference, which suggests that our analysis that this industry can stand on its own two feet was correct. We are calling it a market-stabilising CfD and we are listening carefully to industry on how it can be delivered.

**Brendan O'Hara:** The early closure of the renewables obligation has severely damaged investor confidence in onshore wind, which is a vital part of the fragile economy of my Argyll and Bute constituency. The Government desperately need to restore that confidence quickly. The Minister could make a start today by announcing a date for the introduction of subsidy-free CfD. Why will she not get on and do exactly that?

**Andrea Leadsom:** As I said to the hon. Gentleman, we are looking at it. It is not something that we would introduce just on the back of a fag packet; it requires careful consultation and consideration. He will appreciate, alongside all the other priorities, that a subsidy-free CfD is not cost-free or risk-free to the bill consumer, and we are absolutely determined to ensure that we keep the costs down for consumers in his constituency as well as right across the UK.

**Mr Peter Lilley** (Hitchin and Harpenden) (Con): Does my hon. Friend recognise, when she comes to introduce a subsidy-free contract for difference, that it will be subsidy free only if the price reflects the value of the electricity, and the value of the electricity depends on the time that it is produced, where it is produced and how reliably it is produced? Therefore, variable renewable electricity is worth much less than regular supplies from ordinary power stations.

**Andrea Leadsom:** My right hon. Friend points out exactly correctly that there are limitations to intermittent renewables technologies, and that there are costs associated with ensuring energy security when we become over-reliant on renewables. That is an absolute case in point. On the subsidy-free CfD, he is also right that we must take into account all the various costs. We are looking at the matter very closely. I am not making any promises here, but, alongside other subsidies and other CfDs, we are looking carefully at the proposition.

**Graham Stuart** (Beverley and Holderness) (Con): May I follow the previous comments by suggesting that we introduce subsidy-free CfDs as quickly as possible? The most important thing that was needed in relation to onshore wind was to make sure that local communities did not have it imposed on them. The Government have rightly done that. What can the Minister do to ensure that where communities do want it, we get as much onshore wind as we can at the lowest possible price?

**Andrea Leadsom:** I completely agree. The important thing was to give local communities the final say. I agree also that where local communities want more onshore wind, that should be supported. Nevertheless, as I said, even what we are calling a market-stabilising CfD would not be without risk or cost to the consumer, and our priority is to keep bills down for all energy consumers.

### Solar Energy

6. **Alex Chalk** (Cheltenham) (Con): What steps she is taking to support small-scale solar energy production. [903589]

**The Minister of State, Department of Energy and Climate Change (Andrea Leadsom):** The solar industry is an amazing UK success story, with 99% of all solar panel installations taking place since 2010. We are determined to keep supporting this great industry, but we are also mindful of the need to keep costs down for consumers, so with our feed-in tariff review we have tried to find the right balance between the needs of the bill payer and those of industry. We project that the revised FIT scheme could support up to 220,000 brand new solar installations between now and 2019.

**Alex Chalk:** A reduction in the solar feed-in tariff was probably inevitable given the falling commodity prices, but many of us want to see a thriving solar industry in the UK. Although it is early days, what assessment has been made of the impact of the 63.5% reduction on jobs and prosperity in the UK solar industry?

**Andrea Leadsom:** I know that my hon. Friend has big constituency interests in the success of this industry. I can reassure him that our tariff reset was built on a huge data set submitted by industry and, in terms of domestic rates of return, nearly 5% will still be offered for well-sited projects. After our announcement, the Solar Trade Association said:

"The new tariff levels are challenging, but solar power will still remain a great investment for forward-thinking home owners".

14. [903603] **Philip Boswell** (Coatbridge, Chryston and Bellshill) (SNP): The Scottish Government have led the way, setting ambitious building standards for every new build home, the Glasgow Commonwealth village being a prime example. Does the Minister agree that our goal should be for every suitable home to be equipped with solar PV?

**Andrea Leadsom:** I agree with the hon. Gentleman up to a point. What is essential for the UK right now is that new homes get built. That is our absolute priority; people are in desperate need of more homes being built. I can assure him that since April 2014 builders have had to consider the use of renewables in all their designs, and I am pleased that during the previous Parliament the energy standard for new buildings was improved by 30%.

### Coal-fired Power Stations

7. **David Mowat** (Warrington South) (Con): What representations she has received from her international counterparts on the proposed closure of the UK's coal-fired power stations by 2025. [903590]

**The Secretary of State for Energy and Climate Change (Amber Rudd):** As the Prime Minister made clear yesterday, the UK owes a great debt to the coal industry for all it has done to keep the lights on and keep our economy moving. Both I and officials in my Department regularly discuss a range of energy and climate change issues with our international counterparts, and it is clear from these conversations that the UK remains respected internationally for our ability to reduce emissions while at the same time growing our economy.

**David Mowat:** The Secretary of State will be aware that the day after the UK announced the closure programme, Germany commissioned a brand-new lignite building unabated coal power station as yet another addition to its coal fleet. In Belgium, Holland and Spain, coal use increased in 2014. Much of that electricity will be imported to this country through interconnectors, yet in my constituency the closure of Fiddlers Ferry was announced last week. Many of the workers there ask me how these various factors can be part of a coherent European energy policy. What should I tell them?

**Amber Rudd:** I start by expressing my sympathies for all those workers in my hon. Friend's constituency who have been impacted by the recent announcement of the closure of Fiddlers Ferry, as well as of Ferrybridge. On different countries in the EU making different choices about how to deliver their renewables targets, it is up to them to address how they reduce their emissions. Germany, for instance, is also having an enormous amount of solar. It has 52 GW of solar at an eye-watering cost of €10.5 billion.

**Jeff Smith (Manchester, Withington) (Lab):** The question is how we phase out coal use. Will the Secretary of State be taking new legislative measures to deliver on the Government's commitment?

**Amber Rudd:** On coal—I think that was the subject of the hon. Gentleman's question—we will be consulting and looking at the different methods we might or might not need. Those may be regulatory, or they may be legislative, but we have an open mind about how we achieve these things. That consultation will begin shortly.

12. [903600] **Michael Fabricant (Lichfield) (Con):** My right hon. Friend will know about the recent announcement of the closure of Rugeley power station, which is half in my constituency and half in that of my hon. Friend the Member for Cannock Chase (Amanda Milling). The station was sited there in the first place because of a coalmine, which, like many others throughout western Europe, is long gone. However, the closure may mean that up to 150 people are made redundant, although ENGIE says it will try to redeploy them elsewhere. Will my right hon. Friend commit to speak to the Secretary of State for Work and Pensions about actively playing a role in making sure that those people can be re-employed somewhere else?

**Amber Rudd:** I thank my hon. Friend for that question, and we have, of course, spoken already this week about this matter. I have also spoken to his neighbour, whose constituency covers half the Rugeley power plant area. I will, of course, actively engage with my hon. Friend and his colleague to make sure that we do what we can for the people who have lost their jobs.

**George Kerevan (East Lothian) (SNP):** Given that the timetable for the closure of coalmines is linked to the construction and bringing online of new nuclear power, and given that the board of EDF—a cash-strapped company that is dripping with debt—has this month yet again postponed giving a green light to the construction of Hinkley C, will the Minister commit to meeting EDF's board and reporting back urgently to the House as to what the project's status actually is?

**Amber Rudd:** I would dispute with the hon. Gentleman the direct connection he has made. The closure of coal will be part of a consultation, but it is influenced by many different things, including the age of the fleet, the wholesale price that is being delivered and other matters. On his question about EDF, may I reassure him that I have regular conversations with the board and the chief executive? I am confident that we will have good news soon.

**Dr Alan Whitehead (Southampton, Test) (Lab):** The Secretary of State, in her energy reset speech, said that taking "coal off the system" by 2025 will

"only proceed if we're confident that the shift to new gas can be achieved within these timescales."

Bearing in mind that no new large gas-fired power station has commenced building in the past six years, and that the last two capacity auctions have underwritten the building of only one power station, which will probably not be built, what plans does she have to procure the building of new gas-fired power stations to ensure that her pledge is actually met?

**Amber Rudd:** The hon. Gentleman is absolutely right: the plan is to move from coal to gas so that we can reduce our emissions and have secure investment going forward. I am delighted to say that the Carrington closed cycle gas turbine will commission next year, and we have 12 additional CCGTs commissioned. I have also stated that we will have the capacity market adapted to make sure that we can deliver gas. It is going to be an essential part of the low-carbon mix, and it is this Government who are making the plans and securing energy sources for the future.

### Electricity Distribution

8. **Ian Blackford (Ross, Skye and Lochaber) (SNP):** If she will create one national electricity distribution market. [903591]

**The Minister of State, Department of Energy and Climate Change (Andrea Leadsom):** The Government do not intend to introduce national electricity distribution pricing as this would weaken each network company's local accountability to its customers and risk an overall increase in network costs across Great Britain. We are currently consulting, however, on the level of protection provided to consumers in the north of Scotland, which amounts to an average of £41 per household this year.

**Ian Blackford:** I thank the Minister for that answer, but may I point out what she said just before Christmas:

"It is not right that people face higher electricity costs just because of where they live?"

I agree with her. Why does she not now take action to introduce fairness into the electricity market? Why are people in the highlands and islands paying 2p per kWh more than people elsewhere? Why are people in my constituency being discriminated against? Do the right thing and create a national market.

**Andrea Leadsom:** As I have said to the hon. Gentleman—we have had this discussion a number of times—I sympathise with his point, but he needs to appreciate that a national charge would mean lower charges in some areas and increases in others. Specifically in Scotland, 1.8 million households would face higher bills while 700,000 would see reductions. This is a very serious problem; he cannot just wave a magic wand and have us change it.

### Energy-efficient Homes

9. **Mike Wood** (Dudley South) (Con): What steps the Government are taking to increase the contribution made to meeting targets on energy efficiency and on the use of low-carbon energy by residential buildings; and if she will make a statement. [903592]

**The Secretary of State for Energy and Climate Change (Amber Rudd):** Our new domestic supplier obligation will provide support to over 200,000 homes per year from 2017 for a period of five years by improving energy efficiency, tackling fuel poverty, and continuing to deliver on our commitment to insulate 1 million more homes during this Parliament.

**Mike Wood:** Will my right hon. Friend work with industry bodies such as the Sustainable Energy Association to bring forward ideas for a comprehensive strategy to increase uptake of energy efficiency measures?

**Amber Rudd:** My hon. Friend is absolutely right to raise this. We will engage with the industry in order to reform these grants—the renewable heat incentive and ECO, the energy company obligation. The Sustainable Energy Association is one of the stakeholders we will work with to make sure that our reformed system delivers even better value for the people who are really in need.

**Dan Jarvis** (Barnsley Central) (Lab): We know there is a link between cold homes and excess winter deaths. Last winter, 43,000 people died completely unnecessarily as a result of the cold. What work is the Secretary of State doing with colleagues at the Department of Health to reduce excess winter deaths, specifically by ensuring that households meet minimum energy efficiency standards?

**Amber Rudd:** The hon. Gentleman is absolutely right to point this out. Any excess winter deaths are too many, and we work very hard across Departments to make sure that we do what we can to help people who are in the poorest homes. We do work with the Department of Health, but also with the Department for Communities and Local Government. There is more we can do through regulation to address cold homes and some of the energy efficiency measures that I would like to put in place in existing homes.

**Steve Brine** (Winchester) (Con): Yesterday the Park Homes Owners Justice Campaign was here launching its new PARK-LINE helpline and talking to Age Concern about its warm homes campaign. It then delivered a petition to the Secretary of State. Can she confirm that she has it and will give it active and proper consideration?

**Amber Rudd:** I did receive the petition yesterday. We have already taken steps to help people in park homes by ensuring that they are eligible for the warm home discount of £140 and can apply for ECO where appropriate. However, I am always looking for opportunities to be more helpful and to give more support for people in need, so I will look carefully at the petition.

**Matthew Pennycook** (Greenwich and Woolwich) (Lab): The Data Communications Company is an integral part of the roll-out of the Government's smart meter programme, but it is now nine months behind schedule, and the delay is narrowing the window for the installation of SMETS 2 meters, with the risk that any additional cost might be borne by consumers. At the very minimum, can we have an updated impact assessment to reflect these delays and ensure that we are getting value for money for customers?

**Amber Rudd:** I can assure the hon. Gentleman that we are making good progress on smart meters. My colleagues and I have regular meetings with the energy companies about progress, and some of them are even ahead of schedule. However, we will continue to monitor the situation and continue to ensure that customers get the best value from smart meters, because this is an incredibly important infrastructure project that will help to reduce bills.

### Shale Gas

10. **Graham Evans** (Weaver Vale) (Con): What steps she is taking to safeguard protected areas from shale gas development. [903594]

**The Minister of State, Department of Energy and Climate Change (Andrea Leadsom):** Shale gas could become a very valuable new industry, and it is in the strong interests of the UK to explore its potential. However, we are determined to protect our most valuable spaces and have consulted on banning surface-level drilling in the most precious areas. We have also regulated to set the minimum depth of hydraulic fracturing under sensitive areas.

**Graham Evans:** Last month, I held a second successful fact-finding fracking meeting at Helsby high school, ably assisted by the Environment Agency, Public Health England, and the Health and Safety Executive. Over 400 constituents from Frodsham and Helsby left better informed. What steps is the Minister taking to encourage regulatory bodies to engage further in such public meetings?

**Andrea Leadsom:** I am impressed by my hon. Friend's managing three F-words in one parliamentary question. It is vital for local communities to have access to the facts about fracking and our stringent regulations, and I congratulate him on organising those important events. We are working with the regulators to make sure that they have every opportunity and encouragement from the Department to engage with the public. The Environment Agency, the Health and Safety Executive, the Oil and Gas Authority and Public Health England regularly attend public meetings such as the one he mentioned, and they will continue to do so.



**Mr Dennis Skinner** (Bolsover) (Lab): An application was made to start drilling at a little place called Calow in the Bolsover area. Most of the villagers were against the application, and it was turned down by the local planning committee. It then went to the Government inspector, because Cuadrilla wanted to appeal, and the Government inspector turned it down. Now I am told that it is possible that the Government are quite capable of overruling the decision of their own inspector and allowing fracking. Is that correct?

**Andrea Leadsom:** First, may I wish the hon. Gentleman a very happy birthday? I am sure that all Members would want me to do so.

**Mr Skinner:** I spent it on the picket line yesterday with the doctors.

**Andrea Leadsom:** The hon. Gentleman is a real challenge to, but a role model for, the House in the work that he does. I genuinely congratulate him and wish him a very happy birthday. In terms of the appeal, he has set out exactly what is supposed to happen. Local communities have their say and feed into the process. Developers can appeal, of course—it is right that they should be able to—and the inspector can turn it down. There is an appeal process. I am not sure about the specifics of the case he mentions, but the point is that democracy is done, and is seen to be done. That is very important.

**Mr Skinner:** Whatever happened to localism?

**Andrea Leadsom:** That is localism in action.

#### Climate Change: Adaptation Costs

11. **Cat Smith** (Lancaster and Fleetwood) (Lab): What discussions she has had with her Cabinet colleagues on limiting climate change to prevent greater future expenditure on adaptation. [903595]

**The Secretary of State for Energy and Climate Change (Amber Rudd):** I am clear that the only way to address climate change effectively is through global action, building on the global agreement that the UK was instrumental in achieving in Paris in December. All countries need to act if we are to bring down emissions and minimise adaptation costs in the future. I want the UK to continue to set an example by addressing the 1.2% of global emissions that we are responsible for, while at the same time continuing to grow our economy.

**Cat Smith:** The Government's advisers have warned them that if global temperature rises are not limited, there will be a big increase in flooding in the UK. The effects of flooding were felt acutely in the Lancaster district during Storm Desmond, when our substation was flooded and we lost the electricity supply for three days, affecting tens of thousands of homes and businesses. Will the Secretary of State commit to upgrading our adaptation plans, including our flood defence budgets, especially those for defending our electricity supplies?

**Amber Rudd:** I am aware of the impact of flooding in the hon. Lady's constituency, and I remember her speaking during the debate that we had on the subject with the Department for Environment, Food and Rural Affairs.

The best way to address dangerous climate change and its potential impact on extreme weather events is to get a global deal, which is why we have been so focused on trying to do so. I reassure her that I will work closely with my colleagues in DEFRA to ensure that we have a national adaptation programme in place.

**Jonathan Reynolds** (Stalybridge and Hyde) (Lab/Co-op): One thing that we have to do in the UK to meet our obligations under that international deal is to reduce further our emissions from buildings. When people buy a more efficient car, they pay less tax than they would on a less efficient model. Should not the same apply to the taxation of buildings?

**Amber Rudd:** I agree with the hon. Gentleman that addressing buildings is an incredibly important part of trying to meet the renewable energy targets that we have set for 2020 through the EU. I am working closely with the Department for Communities and Local Government to see what action we can take to address that, but buildings are an important part of the mix.

**Mr Speaker:** I would be reassured to know that the Secretary of State does not literally address buildings.

**Barry Gardiner** (Brent North) (Lab): Surely one of the most important things that the Secretary of State can do to limit climate change is publicly to state how she will meet the shortfall in our legally binding renewable targets for 2020. She knows that beyond 2017, her Department projects a 25% shortfall across the heating, electricity and transport sectors. The Eurostat data released yesterday show the UK to be missing its target by the widest margin of any European country. What assessment has she made of the potential fines the UK may face as a result of that failure?

**Amber Rudd:** I do not share the hon. Gentleman's catastrophic view of the progress that we have made. We already have nearly 25% of our electricity coming from renewables, and we believe that we may well exceed our target of 30% by 2020. In terms of the overall renewable target, I hope he will welcome, as I do, the fact that we have already exceeded our interim target, which was 5.4%; we are now at 6.3%. However, we are aware that we need to make more progress, and we have set out clearly what we will do during this Parliament to address the shortfall.

#### Offshore Wind

13. **Oliver Colvile** (Plymouth, Sutton and Devonport) (Con): What steps her Department is taking to ensure the long-term future of the offshore wind industry. [903602]

**The Secretary of State for Energy and Climate Change (Amber Rudd):** My hon. Friend will be aware that I announced last November that, in addition to the 10 GW I expect to be installed by 2020, the UK could support up to 10 GW of new offshore wind in the 2020s, subject to costs coming down. The next contract for difference round will take place by the end of this year, and I will set out further information in due course so that potential bidders can start planning their bids.

**Oliver Colvile:** I thank my right hon. Friend for that answer. Offshore wind is an important part of renewable energy policy but so, for that matter, is marine energy. What progress have the Government made on the marine energy park to be situated down in the south-west?

**Amber Rudd:** I am aware of the good work that my hon. Friend has done this year and the progress he has made, and that Plymouth's world-leading expertise is at the heart of the south-west marine energy park. Last year, I was delighted to host, with him, a conference in Plymouth to take forward marine energy planning. I can reassure him that we will continue to work with him to ensure that Plymouth stands at the front of any marine energy park.

**Nic Dakin (Scunthorpe) (Lab):** The development of Hornsea Project One by DONG Energy will be funded by UK taxpayers and UK energy bill payers. How will the Government use their new procurement guidelines to ensure that UK content, such as UK steel, is used in that development?

**Amber Rudd:** The hon. Gentleman is absolutely right to raise this matter. May I reassure him that we are having regular meetings with DONG and with the MPs involved to ensure that the UK content is as high as possible, within the procurement rules?

### Energy Prices

15. **Jim McMahon (Oldham West and Royton) (Lab):** What steps her Department is taking to ensure that changes in gas prices are passed on to consumers. [903604]

16. **Martyn Day (Linlithgow and East Falkirk) (SNP):** What steps she is taking to ensure that reductions in the wholesale price of energy are passed on to consumers. [903606]

**The Secretary of State for Energy and Climate Change (Amber Rudd):** As the hon. Gentlemen may be aware, average domestic gas prices fell by £37 during 2015. Six major suppliers have announced a further cut in their tariffs; two more have announced that this morning. It is a good start, but the Government expect all suppliers to pass on reductions in the costs of supplying energy to consumers. I have met all the major energy suppliers in recent months to make that point clear.

**Jim McMahon:** Will the Secretary of State join me in celebrating the work of our local councils in assisting people to save energy? Oldham Council's collective buying scheme has attracted 8,700 households to sign up to it, each of which will save about £170. In Nottingham, the first local authority energy company, which employs 30 staff, is hoping to sign up 10,000 households.

**Amber Rudd:** I will join the hon. Gentleman in congratulating his council on doing that. Some individual councils are doing exceptionally good work on group switching and are trying to help their constituents. I visited Nottingham last year to see the good work that has been done there. I hope that more councils will follow that lead.

**Martyn Day:** Does the Secretary of State think that the Competition and Markets Authority should, as part of its investigation into the energy market, introduce measures to make switching suppliers easier, as the consumer group Which? has called for?

**Amber Rudd:** Like the hon. Gentleman, I am impatient to receive the comments of the Competition and Markets Authority. It was predominately to address the difficulties with switching and the difficulties that some consumers find in engaging with the energy market that the Prime Minister referred the energy market, via Ofgem, to the authority. I certainly hope that it comes forward with such suggestions.

**Lisa Nandy (Wigan) (Lab):** Just over a year ago, the Government announced an investigation into whether families should pay less for their energy because of the fall in the wholesale price of gas. The Chancellor told *The Telegraph*:

"Falling oil and gas prices should bring cheaper household bills".

A spokesman added that the Government were conducting a series of studies of utility companies to examine whether action was needed. The investigation was backed by the Prime Minister, the then Energy and Climate Change Secretary and the former Chief Secretary to the Treasury. It was reported that Ministers would be watching the energy companies "like a hawk". What happened to that study, and what action was taken?

**Amber Rudd:** I can reassure the hon. Lady that we continue to watch the energy companies like a hawk. I am pleased that we continue to see reductions, with two more being announced just this morning, and I hope she will join me in welcoming them. The great news for consumers is that they are not faced with the price freeze that I cannot forget Labour promised last year. If that had happened, none of these reductions would have taken place.

**Mr Speaker:** Progress has been rather slow today, on account of some quite long questions and some long answers, but I do not like Back-Bench Members who are waiting patiently to lose out. The hon. Member for Ashton-under-Lyne will not lose out. I call Angela Rayner.

### Solar Energy: VAT

17. **Angela Rayner (Ashton-under-Lyne) (Lab):** Whether the Secretary of State has had discussions with the Chancellor of the Exchequer on proposals to increase VAT on solar panels. [903607]

**The Minister of State, Department of Energy and Climate Change (Andrea Leadsom):** A recent European Court of Justice ruling found that the reduced rate of VAT on certain "energy saving materials" was in breach of EU law. As a result, Her Majesty's Revenue and Customs recently consulted on changes to the rate of VAT and is considering the responses. If the rate of VAT does change, we will consider the options for how to maintain a suitable rate of return for investors under the feed-in tariff.

**Angela Rayner:** May I, along with the Minister, wish my hon. Friend the Member for Bolsover (Mr Skinner) a happy birthday? I am so pleased that he is still winning. He is fantastic.

Following on from the question from the hon. Member for Cheltenham (Alex Chalk), the proposed hike in VAT would raise the typical cost of a 4 kW residential solar PV system by nearly £1,000, even though industry experts advise us to retain the lower tax rate for solar under the recent ECJ judgment. The Government are keeping the lower rate for heat pumps, biomass boilers and combined heat and power units. The same should surely apply to solar PV thermal; otherwise we will have the perverse situation in which electricity generated from fossil fuels is taxed at 5% VAT, while homeowners have to pay 20% VAT for their own renewable energy. Can the Minister not persuade the Chancellor to reverse this tax hike and, if she cannot, will she make commensurate increases?

**Andrea Leadsom:** I want to be clear with the hon. Lady that this is not the Chancellor's choice. As I have made very clear, this is an EU Court ruling; it is not our choice. In the event that we have to impose an increase in VAT, we will look at the returns to investors under the feed-in tariff.

#### Topical Questions

T1. [903609] **Nusrat Ghani** (Wealden) (Con): If she will make a statement on her departmental responsibilities.

**The Secretary of State for Energy and Climate Change (Amber Rudd):** Since the last Question Time, there has been a dramatic fall in the oil price. The Government are clear that the broad shoulders of the UK are 100% behind our oil and gas industry, the hard-working people it employs and the families it supports. The Government have set up the Oil and Gas Authority to drive collaboration and productivity in the industry. We recently set out an action plan to back the export of our world-class skills in oil and gas, and to diversify the economy of the north-east of Scotland, including through investment in exploration, innovation and skills.

**Nusrat Ghani:** Will the Secretary of State outline what progress is being made to secure vital infrastructure investment in the energy sector? Are not thinking for the long term and investing in infrastructure the best way to get secure, low-cost electricity for my constituents in Wealden? Before I forget, I wish the hon. Member for Bolsover (Mr Skinner) a happy birthday.

**Amber Rudd:** My hon. Friend is absolutely right. We are tackling the legacy of under-investment, the failure to deliver the next generation of energy projects and the energy security black hole that were left by the last Labour Government. We are getting on with the job of building a system of energy infrastructure fit for the 21st century. We have made substantial progress in securing infrastructure investment. The UK has enjoyed record levels in the deployment of renewables over recent years and it maintains a healthy energy investment pipeline, as is shown in our national infrastructure plan.

**Lisa Nandy** (Wigan) (Lab): Last week, a Bloomberg report showed that the UK is the biggest beneficiary of European Investment Bank funding for clean energy projects and we are the third largest recipient of the new

European fund for strategic investments, which is being spent mostly on energy. Some 70,000 jobs are expected to be created as a result. Does the Secretary of State agree that that is further evidence that Britain should stay in the European Union?

**Amber Rudd:** There are, of course, tremendous benefits from a united energy market, and I am interested and excited to work on the progress of the energy union.

T4. [903612] **Sir David Amess** (Southend West) (Con): Will my right hon. Friend ensure that energy companies automatically switch their customers to the cheapest tariff possible, because many constituents find the current system confusing and somewhat disappointing?

**Amber Rudd:** My hon. Friend puts his finger on a sensitive and tricky issue about delivering the best for consumers, which is what the Government want to achieve, while also encouraging competition. I ask him to wait for the Competition and Markets Authority report, which I hope will address the issue, and then I believe we will make some progress.

**Callum McCaig** (Aberdeen South) (SNP): At Prime Minister's questions on 27 January, the Prime Minister said about oil and gas:

"I am determined that we build a bridge to the future for all those involved"—[*Official Report*, 27 January 2016; Vol. 605, c. 260.]

Following his visit to Aberdeen, it is clear that that bridge will be built on the cheap. Industry needs meaningful support in the forthcoming Budget, so can we have less talk about the broad shoulders of the UK, and will the Secretary of State put her back into delivering the change we need?

**Amber Rudd:** The hon. Gentleman is being a little churlish about the significant investment that the broad shoulders of the United Kingdom are putting into the north-east, particularly to ensure that jobs and skills are secured. I am working across Departments, and chairing a ministerial group, to ensure that those skills are preserved, and I will be working with the Department for Business, Innovation and Skills to ensure that we have a taskforce to take that forward. I hope he will also welcome the £250 million put into Aberdeen for its city deal, but there is a lot of progress to be made and a lot more to take forward.

T6. [903614] **Mike Wood** (Dudley South) (Con): Will the Secretary of State consider how the current system model, including the National Infrastructure Commission, National Grid and Ofgem, could be reformed to make it a more flexible and independent part of an energy infrastructure that is fit for the 21st century?

**Amber Rudd:** My hon. Friend has a great deal of experience in this sector, and he will be aware, as I am, that National Grid as system operator has played a pivotal role in keeping the energy market working. As our system changes, we must ensure that it is as productive, secure and cost-effective as possible. There is a strong case for greater independence for the system operator, to allow it to make the necessary changes, and we will work alongside the National Infrastructure Commission to consider how best to reform the current model.

T2. [903610] **Patrick Grady** (Glasgow North) (SNP): As Valentine's day approaches, will the Secretary of State support the climate coalition "Show the love" campaign and encourage all Members to wear the green hearts that we have been sent, which symbolise how so much of what we love, wherever we are in the world, is affected by climate change?

**Amber Rudd:** That is a very interesting approach, and it is always good to welcome Valentine's day. Perhaps the hon. Gentleman could give one of those hearts to the birthday boy who is sitting in front of him.

T7. [903615] **Jason McCartney** (Colne Valley) (Con): Dozens of my constituents are employed in the solar power industry, and I meet them regularly. May I add my voice to that of my hon. Friend the Member for Cheltenham (Alex Chalk) in asking the ministerial team to continue to assess and analyse what effect the changes to solar subsidies are having on microbusinesses and small and medium-sized businesses that are engaged in the solar industry?

**The Minister of State, Department of Energy and Climate Change (Andrea Leadsom):** As my hon. Friend knows, the solar industry is a great UK success story, and we are set to exceed massively our targets for solar power, achieving almost 13 GW of solar energy capacity forecast for 2020. With our revised tariff we expect up to 220,000 brand-new solar installations between now and 2019, which will give a rate of return of nearly 5% to well-sited installations.

T3. [903611] **Owen Thompson** (Midlothian) (SNP): Pinsent Masons recently published a report on the prospects for the oil and gas sector in 2016, which highlighted that 67% of oil and gas executives see the UK as a prime opportunity for growth over the next three years, under the right fiscal environment. What fiscal support is being considered for the oil and gas industry ahead of the Budget?

**Amber Rudd:** The hon. Gentleman will be aware that fiscal changes are the responsibility of my right hon. Friend the Chancellor of the Exchequer, but I reassure him that we take seriously the support that we want to give to the UK continental shelf and all the jobs around it. I chair the cross-ministerial group, which also includes a member from the Treasury.

**Peter Aldous** (Waveney) (Con): The new Anglia local enterprise partnership's oil and gas taskforce has developed a package of measures to support businesses and workers at this difficult time. Will the Secretary of State consider a proposal from the LEP for the Government to match the local funding that it is providing?

**Amber Rudd:** I hesitate to agree to any financial commitments in this Chamber, but I am always interested in looking at proposals from my hon. Friend.

T5. [903613] **Mr Alistair Carmichael** (Orkney and Shetland) (LD): What progress is the Secretary of State making on getting state aid consent for the strike price for island communities in offshore wind projects? When does she expect to go out to consultation on what that strike price should be?

**Andrea Leadsom:** We absolutely appreciate that industry, across all technologies, needs clarity on Government policies in future allocation rounds so that it can manage its investment decisions, and we aim to support that. We are currently working with Her Majesty's Treasury to finalise the budget for future auctions, and we will set out more information as soon as we can.

**Martin Vickers** (Cleethorpes) (Con): I thank the Minister for her robust and informative response to my Adjournment debate about the Humber estuary on Tuesday evening. May I draw her attention to a statement issued to the local media by DONG Energy? The statement is wet, woolly and non-committal. Will she reaffirm her determination to be involved in the future developments in northern Lincolnshire?

**Andrea Leadsom:** I pay tribute to my hon. Friend for his excellent support for his area. I was delighted to respond to him in the Adjournment debate, and I can absolutely assure him that there will be no wriggle room; in order for the UK to benefit properly from our decision to support new offshore wind, we will require UK content and the UK supply chain be a key beneficiary of it.

T8. [903616] **Tom Brake** (Carshalton and Wallington) (LD): What plans does the Secretary of State have to allow large-scale solar generators to apply for a contract under the contract for difference mechanism?

**Amber Rudd:** We do not have plans at the moment for a large-scale solar contract. What we have found is that the large-scale ground mounted solar industry has confirmed to us that it does not need any subsidy and that because costs have fallen to such a great degree, it can continue, subject to planning permission, to develop and to supply electricity without a formal contract. That is surely in the better interests of the taxpayer and the bill payer, if it can be achieved.

**Antoinette Sandbach** (Eddisbury) (Con): Given that Cheshire has a centre of excellence in relation to the nuclear industry, what steps are the Government taking to ensure funding for new nuclear centres in the universities in the north of England?

**Amber Rudd:** My hon. Friend may be aware that in the recent spending review one area where we did get an increase was in innovation. Specifically, we have allocated half of the new increase for small modular reactors. We are working on delivery in that area with universities and with Innovate UK and we will continue to do so.

T9. [903617] **Diana Johnson** (Kingston upon Hull North) (Lab): The Select Committee has found that scrapping the Government's support for carbon capture and storage technology puts at risk the UK's international commitments on tackling climate change and makes it more expensive to do this. We have also lost out on about £250 million-worth of EU investment. Can the Minister just explain to me how this makes sense?

**Andrea Leadsom:** Our view is that CCS has a potentially important role to play in long-term decarbonisation. We continue to invest in the development of CCS; we are investing more than £130 million to develop the

technology through innovation support. My Department is looking at what our new policy is to develop this important technology.

T10. [903618] **Roger Mullin** (Kirkcaldy and Cowdenbeath) (SNP): Electrical network losses from theft and so-called “copper losses” are estimated by the Department to cost consumers in excess of £3 billion annually. What recent analysis has the Department undertaken on the potential contribution of power line carrier technology to address this issue?

**Andrea Leadsom:** This area interests me a great deal. Obviously, it is a complete disaster if pipeline tapping—in effect, stealing—takes product away from consumers which then has to be paid for. This is a vital area and I am looking at it. I am not familiar with the proposal the hon. Gentleman has mentioned, but if he would like to write to me about it, I would be happy to take a look at it.

**Rachael Maskell** (York Central) (Lab/Co-op): Historically, all mining has been prohibited under the city of York. City of York Council passed a motion to say that no licences should be given for fracking, yet a licence has been given. What guarantee will the Minister give that the local voice now will determine what happens?

**Andrea Leadsom:** I am grateful to the hon. Lady for giving me a chance to explain that the licence is not a

licence to frack—that sounds a bit Bond-like; it is simply a licence to be able to consider the seismic opportunity of the shale gas that is potentially underneath. It is absolutely not a guarantee that anything will happen at all. There is then a whole planning process to go through, including environmental assessments, health and safety assessments and so on. And there is a very clear local planning process, which is very well communicated and with which she will be very familiar.

**Ian Lavery** (Wansbeck) (Lab): This morning, energy experts reported that we were way behind on the target emission levels set at the Paris COP and in the fourth carbon budget. This comes only weeks after the important agreement in Paris. How on earth can this be the case?

**Amber Rudd:** The hon. Gentleman might be aware that the Paris agreement called for temperature increases to be limited to a maximum of 2°, yet the intended nationally determined contributions—the voluntary contributions from each country—only reached 2.7°, so that comes as no surprise. Everyone who signed up to the agreement—let us celebrate the fact that nearly 200 countries did so—knows that there is more work to do. It is not the end of the journey; it is just the start.

**Several hon. Members** *rose*—

**Mr Speaker:** Order. I am sorry to disappoint remaining colleagues, but we must now move on.

## Short Money and Policy Development Grant

10.35 am

**Chris Bryant** (Rhondda) (Lab) (*Urgent Question*): To ask the Leader of the House to make a statement on Short money and the policy development grant.

**The Parliamentary Secretary, Cabinet Office (John Penrose)** *rose*—

**Hon. Members:** Where's the Leader of the House?

**Mr Speaker:** I call the Minister with responsibility for constitutional reform.

**John Penrose:** That includes the policy development grant, Mr Speaker.

As the shadow Leader of the House will already know, the Electoral Commission has been consulting on changes to policy development grant, and there have been informal discussions about parallel changes to Short money between the political parties as well. I can confirm that we plan to initiate further, more formal consultations on Short money shortly. There will be plenty of time and opportunity for views to be expressed on both sides of the House, and I am sure, if he runs true to form, he will use those opportunities well.

I am also required, under the terms of the Political Parties, Elections and Referendums Act 2000, to lay a statutory instrument before the House to adjust the shares of policy development grant between political parties to reflect the results of the recent general election. This statutory instrument is nearly ready and will be laid soon. I am sure it will then be scrutinised and debated carefully by the House, if it wishes, in the usual way.

**Chris Bryant:** Does the Minister agree that it

“cannot be right...for Opposition parties to be under-resourced, particularly when...the Government have increased substantially, from taxpayers' money, the resources that they receive for their own special advisers”?—[*Official Report*, 26 May 1999; Vol. 332, c. 428-9.]

Those are not my words; they were the words of Sir George Young, when he was the Conservative shadow Leader of the House, arguing for even more Short money for the Tories when the Labour Government trebled it for them in 1999. In opposition, the Prime Minister said he would cut the number and cost of special advisers, yet in government he has appointed 27 more than ever before and the cost to the taxpayer has gone up by £2.5 million a year. There is a word for that, Mr Speaker, but it is not parliamentary.

In opposition, the Conservatives banked £46 million a year in Short money, yet in government they want to cut it for the Opposition by 20%. There is a word for that, Mr Speaker, but it is not parliamentary. How can it be right for the Government to cut the policy development grant to political parties by 19%, when they are not cutting the amount of money spent on their own special advisers? Surely history has taught us that an overweening Executive is always a mistake. Surely, if a party in government needs financial support in addition to the civil service, it is in the national interest that all the Opposition parties should be properly resourced as well.

The Government have briefed journalists that they will publish their proposals on Short money tomorrow—in the recess—and that, basically, is what the Minister just admitted. Surely, above all else, this is a matter for the House. Short money was created by the House, and amendments have to be agreed by the House, so surely the House should hear first. Why, then, has the Leader of the House made absolutely no attempt to meet me or representatives of any other political party for proper consultation? Why did he fail to turn up for three meetings yesterday? Why is he not doing his proper job and standing at the Dispatch Box today? Mr Speaker, what is the word for this behaviour? Is it shabby, tawdry or just downright cynical?

**John Penrose:** I apologise fulsomely for not being the Leader of the House. I am sure that the shadow Leader of the House is looking forward to his weekly arm wrestle with him, but in the meantime I hope that he will accept having the other policy Minister—I am responsible for policy development grants—responding to his question and treat it as an amuse-bouche for his later work-outs with the Leader of the House.

To clarify one further point, I did not say we were launching “proposals”; I said we would be launching further “consultations”—and it is extremely important to understand that consultations involve a dialogue. The determined assault of the shadow Leader of the House is rather blunted by the fact that he will have a huge opportunity to contribute, as will others of all parties, as required, as soon as this consultation is launched.

One important point that the shadow Leader of the House managed to gloss over—I am sure inadvertently—is that Short money, contrary to the impression given by his remarks, has actually risen very substantially over the course of the last five years. It has gone up by more than 50%; it is more than 50% higher than it used to be. If we make no changes over the next few years, it will continue to rise still further. The population—the voters—who have had five or more years of having to tighten their belts to deal with the—[*Interruption.*]

**Mr Speaker:** Order. I appreciate that this is a high-octane issue, and it is because I judged it worthy of treatment today that the urgent question was granted. Members must, however, listen to the Minister who is, to be fair, among the most courteous of Ministers. He must be heard—[*Interruption.*] Order. There will then be a full opportunity for colleagues to question him.

**John Penrose:** Thank you, Mr Speaker. To finish my point, the country will not understand why politicians should be exempt from having to deal with the effects of the financial deficit that we were bequeathed by the last Labour Government. The reason why we have to tighten our belts as a nation is that whopping financial deficit. It cannot be right for politicians to argue that they should be in some way exempt—a special class—and not have to do their bit. Short money has gone up by 50% so far, and it will continue to rise if we do nothing. I think that the country expects us as politicians to set an example and to do our bit.

**Mr Bernard Jenkin** (Harwich and North Essex) (Con): I have great sympathy for my hon. Friend the Minister who has been sent here to be shouted at by the hon. Member for Rhondda (Chris Bryant) because I doubt

whether he is the author of this policy or that he is responsible for determining the outcome. If the policy is as reasonable as the Minister insists, however, it is quite clear from these exchanges that the Government have handled the matter in a clumsy manner so that the Opposition feel they have not been consulted. On the other hand, could there be an agenda behind this change, which is rather more political in its intent?

I would like to inform Members that my Select Committee has already received correspondence from another Conservative Chair of a Select Committee expressing concern about this matter. We are looking into it and will be holding an inquiry. All sides should have a fair hearing so that these matters can be agreed by consensus.

**John Penrose:** I welcome the Select Committee Chairman's pledge of a further consultation. That will provide further opportunities to air the issues around this matter in addition to—and possibly in parallel with, depending on the timing—the consultation I mentioned in my earlier remarks.

**Patrick Grady (Glasgow North) (SNP):** I declare an interest as the national secretary of the Scottish National party. I echo the points already made on Short money. Government is growing, special advisers are growing, the House of Lords is growing, but our ability to hold the Government to account is being stripped back. There is one rule for Tory cronies and another rule for everyone else.

The policy development grant poses serious issues for the headquarters, especially of smaller parties and especially given the prospect of a cut in the middle of devolved election campaigns. Will the Minister take on board the recommendations of the Electoral Commission? What opportunities will be there be for further consultation and cross-party negotiation on both these issues?

**John Penrose:** The hon. Gentleman is absolutely right that the policy development grant has a slightly different mechanism. It has to be dealt with through a statutory instrument rather than by resolution of the House. The statutory instrument will be laid as soon as it is ready, whereupon the hon. Gentleman and everybody else will have an opportunity to debate it. The hon. Gentleman is also right to say that the Electoral Commission has been consulting carefully and making recommendations about the revised shares to reflect the results of the last general election. I look forward to hearing his further comments at that point.

**Mr Philip Hollobone (Kettering) (Con):** May I make two points on behalf of my constituents? First, I absolutely agree with the shadow Leader of the House that the growth in the number of special advisers has got completely out of hand. If the Government want sensible policy advice, they should speak to their Back Benchers. After all, we are the ones who are in touch with our electorate.

Secondly, there should be some mechanism for measuring the effectiveness of the Opposition, because from where I am sitting it would seem that, pro rata, the Scottish National party offers a far more effective opposition than the present Labour party.

**John Penrose:** The shadow Leader of the House delights in using the standard format, "There is a word for that." He has used that rhetorical device on several

previous occasions, but one of the words he has not used is "shambles", which is perhaps what my hon. Friend is suggesting about Labour's performance on at least one or two issues.

I can happily confirm that the cost of Spads has started to fall since the last general election, which is tremendously important. I also heartily endorse my hon. Friend's point that, in order to remain in touch with both the feelings of the House and those of the electorate, Governments need to listen to Back Benchers as well as to others very carefully indeed.

**Margaret Beckett (Derby South) (Lab):** Is the Minister aware that I was fortunate enough to be the Leader of the House who put through the settlement on Short money to which my hon. Friend the Member for Rhondda (Chris Bryant) has referred? At the time, we had a massive majority and every opportunity to use office to disadvantage our opponents, had we wished. The Conservative party was politically on its knees, and financially as close to it as it had ever been. We had experienced one of the features of the proposal that is being considered, namely the freezing of the grant after it has been cut. We experienced inflation of 10% to 15% under the triumphant preceding Conservative Government. Consequently, not only did we treble the money and make special provision for the special needs of the Leader of the Opposition, but we inflation-proofed it. That is why the money has gone up for the past five years: it is his party's own record on inflation that the Minister is criticising.

**John Penrose:** The right hon. Lady makes a very important point, but there is a crucial difference between the situation when she was in charge and the current situation: we have a huge deficit to deal with, while Labour inherited an economy that was doing incredibly well and a set of Government finances that were in a far stronger position. The difference is the deficit, and the reason for the deficit is sitting opposite me. I am afraid that that is why politicians and the rest of the country have to tighten our belts.

**Michael Fabricant (Lichfield) (Con):** Will my hon. Friend, despite all the outrage on the Opposition Benches, just remind us again by precisely how much Short money has risen since 2010?

**John Penrose:** It has gone up by 50% when everybody else has had to tighten their belts, and if we do nothing, it will continue to rise further.

**Mr Douglas Carswell (Clacton) (UKIP):** I am delighted that the Government are cutting Short money; few things this Administration have announced have pleased me more. Does the Minister agree that this is public money and that the public will deeply resent it being spent on politicians to do more politics? Does he agree that the rules on Short money need to reflect the fact that the cost of doing politics—of doing policy, research and communication—have come down? We live in a world where Google is at our fingertips, so we do not need researchers. We also have Twitter and blogs so we do not need a whole department of press officers. Does he agree that the public will resent using public money to pay for Spads and shadow special advisers, who have watched too much of "The West Wing", to sit in Portcullis House at public expense?

**John Penrose:** I agree with large parts of what the hon. Gentleman says. I think that the public will look at these contributions from the public purse—which taxpayers fund without choice, unlike other forms of political donation about which people do have a choice—and wonder why the political classes think that they should be exempt, particularly because, as the hon. Gentleman rightly points out, it is far more possible nowadays to do this work in an efficient fashion and to deliver greater efficiencies. I believe that he has in the past turned down potential allocations of either Short money or the policy development grant to which he was theoretically entitled, and I compliment him on that principled stand.

**John Glen (Salisbury) (Con):** Speaking as one who managed Short money and the policy development grant for the Conservative party when we were in opposition, I think that they are critical elements of what we need in order to function effectively in a democracy. I recognise that the grants have increased significantly, but I would gently say to those on the Front Bench that when making proposals about the future of these sums and how they are to be spent, due consideration should be given to the risks of their being spent more broadly in political parties, and also the opportunities that exist to fund a great deal of the work involved from sources outside political parties in the modern age of politics.

**John Penrose:** My hon. Friend is absolutely right, and, as he says, he speaks from personal experience. I think that the crucial point we all need to remember—the guiding star—is that at some point whoever is in government will be in opposition, although I hope it will not be for a great deal of time in our case. We must therefore come up with rules that we are all happy to live with, whichever side of the aisle we are on.

**Mr Nicholas Brown (Newcastle upon Tyne East) (Lab):** The Government are setting to one side all the conventions for dealing with issues of this kind. There is no precedent for them to proceed in this way. In fact, what they are doing does not amount to anything more than Bullingdon Club bullying of Parliament. They are treating Parliament as if it were a Department of Government, and an unfavoured Department of Government at that. Will the Leader of the House—sorry, I mean the Minister, although it ought to be the Leader of the House—tell us what he has done to defend the interests of Parliament, rather than the narrow political interests of the Conservative Government?

**John Penrose:** I would gently and respectfully demur from the right hon. Gentleman's starting point. We have been undertaking some informal discussions between parties, which we are planning to make much more formal in the future, and I think that means that there will be plenty of opportunities for cross-party views to be gathered. There is absolutely no intention to subvert the will of Parliament. In fact, as you know, Mr Speaker, whatever proposals are made will have to be subject to debate and passage through the House when they eventually materialise.

**Oliver Colville (Plymouth, Sutton and Devonport) (Con):** Will my hon. Friend tell me how much money we are talking about, in cash terms? If he does not know, will he write to me about it, please?

**John Penrose:** I shall.

**Mr Nigel Dodds (Belfast North) (DUP):** Can the Minister reassure me that all parties in the House will be fully involved in every stage of all the consultations? Will he also bear it in mind that a flat cut in both Short money and policy development grant will have a disproportionate effect on smaller parties, particularly regional parties? They are important elements in allowing us to function properly.

**John Penrose:** I can give the right hon. Gentleman exactly that reassurance. We will ensure that all political parties are involved in our consultation.

**Ms Gisela Stuart (Birmingham, Edgbaston) (Lab):** If this is about responding to the deficit and the cuts are therefore justified, will the Minister explain how it is justified that the number of Spads has risen from 79 to 95, at an extra cost of more than £2 million?

**John Penrose:** As I said earlier, the cost of Spads has started to fall in the current Parliament. It is also important to remember that the total amount of Short money and policy development grant comes to dramatically more than the cost of Spads or anything of that sort.

**Tom Brake (Carshalton and Wallington) (LD):** The Government, and the Conservatives, have form when it comes to rigging the electoral playing field. The Conservatives may have broken the law by spending more than the legal limit at by-elections. They are ramming through one-sided changes in the funding of political parties, while leaving in place their ability to raise huge sums from hedge fund managers. Now they intend to slash the Short money which ensures that Opposition parties can hold Governments to account. Can the Minister guarantee that the cuts will not be the final chapter in our transition from a multi-party state to a one-party state in which Robert Mugabe would be at home?

**John Penrose:** I do not know where to start in trying to rebut some of the absurd assumptions in that question, but I think that the short answer to all of them is “No.”

**Liz McInnes (Heywood and Middleton) (Lab):** These proposals come on the back of the Government's attack on Labour's funding via the Trade Union Bill. It is clearly part of a partisan move to hit the Opposition and give the Government an unfair advantage, while leaving their own funding base of big donors untouched. Can the Minister confirm that the Government are now in favour of rigging the rules to suit themselves?

**John Penrose:** The hon. Lady will be unsurprised to hear that I disagree strongly with almost every word of her question. I am happy to confirm that I and my hon. Friend the Minister for Skills in the Department for Business, Innovation and Skills will give evidence on the Trade Union Bill to the House of Lords Trade Union Political Funds and Political Party Funding Committee later today, when we will perhaps have an opportunity to debate the proposals in even greater depth.

**Mr David Winnick (Walsall North) (Lab):** The name is after the Leader of the House at the time, Edward Short, who provided money for the Opposition parties, particularly the Tories. Is the Minister aware that the



measure he has announced will be seen, despite all his denials, as sheer spite against the Opposition parties, particularly the main Opposition party? The Government should be thoroughly ashamed of taking such a measure together with others to introduce, as was rightly said, a one-party state.

**John Penrose:** I am terribly sorry to disagree with such a senior and experienced Member, but I must remind the hon. Gentleman and others that the public at large have had several years of belt-tightening. They have had to deal with the effects of the deficit and have all had to contribute to try to close the yawning financial gap that we were bequeathed by the previous Government. They will just not understand—they will judge politicians and the political classes, as they see them, extremely harshly—if we are not willing to do our bit and make this work.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): There is a great sense of fairness in the British public at large and a much better sense of fairness among some Government Back Benchers. When the Minister is talking to the public about belt-tightening, it does not wash very well when they see the gala fundraisers the Conservative party is currently holding. If the proposal comes to this House of Commons for a vote, I warn him that reasonable people who value democracy and a healthy Opposition will not give him a majority.

**John Penrose:** The measures will in due course come to the House for a vote, and rightly so. They will be subject to proper democratic scrutiny in due course, so the hon. Gentleman will have his opportunity to try to persuade others of his point of view, but I again draw a crucial distinction between the provision of public money, funded by taxpayers, who do not have a choice about whether the money goes to political parties, and voluntary political donations made by whoever it may be—individuals or trade unions. In the end, people should have a choice. That is the crucial distinction between those two sources.

**Jonathan Edwards** (Carmarthen East and Dinefwr) (PC): Short money and the policy development grant are vital for parties such as mine in developing ideas and policies, which are the vital ingredients of any functioning democracy. If the UK Government are serious about cutting the cost of politics, why do they not reduce the membership of the over-bloated other House?

**John Penrose:** We are extremely serious about cutting the cost of politics. As you know, Mr Speaker, we have plans to reduce the size of this Chamber from 650 to 600 MPs, as was agreed in the last Parliament. The number of peers is going up, but the cost of the upper House is falling. I am sure the hon. Gentleman will welcome that news and the news that there are ongoing political discussions on a cross-party basis on how other reforms might be effected in the House of Lords.

**Paul Flynn** (Newport West) (Lab): If the money for democracy is cut and if the ermine-clad pantomime of the House of Lords is further bloated, contrary to what the Minister just said, is it not likely to bring shameless hypocrisy into disrepute?

**John Penrose:** There were an awful lot of negatives in that question, but I think that I get the hon. Gentleman's drift. I take his point on the concerns about the overall

size of the House of Lords, but it is important for us not to forget that it has managed to reduce its total costs. As I mentioned earlier, there are ongoing cross-party discussions on how to address its overall size. I encourage their lordships to continue those discussions and, with any luck, to produce proposals shortly.

**Jo Stevens** (Cardiff Central) (Lab): The Minister has repeatedly spoken this morning of tightening belts, but will he confirm that, when in opposition, the Conservative party took every penny of the £4.8 million Short money it was offered each year? There was no tightening of the belts then.

**John Penrose:** I cannot speak for what happened while we were in opposition, but I can confirm that we have on occasion handed back parts of, I think, the policy development grant because we were unable to spend it and we felt that it was appropriate to ensure that the taxpayer was reimbursed.

**Valerie Vaz** (Walsall South) (Lab): The Minister will be aware that 63% of the British population did not vote for this Government, and those people need to have their voices heard when policies hurt them. This is not about money for hotel rooms during by-elections; this is about democracy. Will the Minister start the consultation after the Public Administration and Constitutional Affairs Committee has reported?

**John Penrose:** We are all anxious to crack on with this as soon as we can, and we would like to start the consultation shortly. Given the level of interest that has been made evident during this urgent question, I am sure that we would be criticised further if we were to delay the consultation. I would like to get on with it soon, if we can, and to allow plenty of time for people to respond over a period of weeks. I am sure that the Select Committee's Chairman, my hon. Friend the Member for Harwich and North Essex (Mr Jenkin), will understand that timetable and that he will time his Committee's investigations appropriately.

**Nick Thomas-Symonds** (Torfaen) (Lab): The Chancellor of the Exchequer has increased the pay of one of his special advisers by as much as 42%. How on earth can it be justified for the Chancellor to lecture the rest of us on tightening our belts when that does not seem to apply to him?

**John Penrose:** As I mentioned before, the total cost of Spads since the general election has started to fall.

**Jim McMahon** (Oldham West and Royton) (Lab): This cannot be taken in isolation. The fact is that the Government do not like being held to account. That is precisely why we now have the Trade Union Bill, why charities are being gagged by the Charities (Protection and Social Investment) Bill and why the Government are cutting the money to the Opposition. The truth is that they might be able to win a vote, but they cannot win the argument.

**John Penrose:** I keep on coming back to the central point that it is perfectly possible to undertake policy raising and policy development tasks more cheaply than before, as the hon. Member for Clacton (Mr Carswell) mentioned.

[John Penrose]

The rest of the country would not understand why, when everyone else has had to become more efficient, politicians should somehow be a special case. They would accuse us of feathering our own nests, and it would be extremely hard to justify that kind of action to anyone outside this place.

**Jim Fitzpatrick** (Poplar and Limehouse) (Lab): Mr Speaker, you said earlier that the Minister was one of the most courteous in the House—indeed he is—but he has now been in denial for the best part of half an hour. Does he not accept that the combination of a Trade Union Bill attacking Labour party funds, a boundary review that is likely to favour the Conservative party and a reduction in Short money and policy development money gives the impression outside this place that the Government are acting like the bully in the playground? The damage will be inflicted not on a child but on the integrity of Parliament and on the health of our democracy.

**John Penrose:** I am glad that the hon. Gentleman has mentioned the boundary review. It is important that we all sign up to the principle that everybody's vote, right the way across the country, no matter which constituency they might be in, should weigh the same. It cannot be right to have a system in which, in the past, Members of Parliament from some political parties have been elected in constituencies with many fewer people than others. People might justifiably ask why the Labour party, which benefited from that system for a very long time, is so against the notion of having equal votes for equal weight. I commend the new changes and the equalisation of the size of constituencies to all here.

**Cat Smith** (Lancaster and Fleetwood) (Lab): The Minister is desperately trying, and failing, to justify the 19% cut to the Short money in the context of a Trade Union Bill that takes funds from the Labour party, of stuffing up the House of Lords and of changes to the electoral register and general election boundaries. Will he now admit that the so-called one nation party is trying to create a one-party nation?

**John Penrose:** I compliment the hon. Lady on a well-rehearsed soundbite, but I have to tell her that I am not feeling terribly desperate at the moment. Indeed, I am feeling quite principled, because we are trying to make the system fairer and to ensure that our democracy works in a fairer fashion in future.

**Diana Johnson** (Kingston upon Hull North) (Lab): The Minister has said several times we all need to tighten our belts, so can he just answer this question: how come the Chancellor of the Exchequer can increase his Spad's pay by 42%? Just answer the question, please.

**John Penrose:** I believe that I already have. The cost of Spads has fallen since the general election.

**Mr Adrian Bailey** (West Bromwich West) (Lab/Co-op): The Minister is right when he says that in times of austerity politicians have to take their cut in expenditure. Will he therefore give a commitment that any percentage drop in Short money for the Opposition is more than matched by cuts in expenditure on Government Spads?

**John Penrose:** I can go broader than that. I can promise that the proposed cuts are the same as those being applied to all non-protected Departments right the way across the Government. This is not picking on any particular area at all. This is the standard cut, which every other Department that has not been protected has had to deal with. That is an important point to get across to the rest of the country.

**Jonathan Reynolds** (Stalybridge and Hyde) (Lab/Co-op): The number of Government political advisers is up to nearly 100. The number of political advisers on the highest pay grade is up 150%. The Prime Minister's reportable salaries have increased by 51% and the Chancellor's reportable political salaries have increased by 277%. When the Minister told us, just minutes ago, that the Government were tightening their belt on their political budget, did he deliberately mislead the House?

**Mr Speaker:** Order. I think understand what the hon. Gentleman was driving at, but it is wholly disorderly to deliberately mislead the House. The notion that somebody might do so should not be put to a Minister. The hon. Gentleman is extremely felicitous of phrase and I feel sure he can find another way to convey the thrust of what he wishes to communicate to the Minister. I very politely now invite him to do so.

**Jonathan Reynolds:** It appears that the facts contradict the Minister, so I just wonder if he made an inadvertent mistake in the statement he has made to us today.

**Mr Speaker:** Very dextrous.

**John Penrose:** Not as far as I am aware.

## Business of the House

11.6 am

**Chris Bryant** (Rhondda) (Lab): Will the absentee, part-time Leader of the House give us the business for next week?

**The Leader of the House of Commons (Chris Grayling):** It is a pleasure to follow an urgent question responded to by the Minister responsible.

The business for next week is as follows:

**MONDAY 22 FEBRUARY**—Second Reading of the Northern Ireland (Stormont Agreement and Implementation Plan) Bill. I also expect my right hon. Friend the Prime Minister to make a statement, following the European Council meeting.

**TUESDAY 23 FEBRUARY**—Consideration of Lords amendments to the Welfare Reform and Work Bill, followed by consideration of Lords amendments to the Education and Adoption Bill, followed by business to be nominated by the Backbench Business Committee.

**WEDNESDAY 24 FEBRUARY**—Opposition day (19th allotted day). There will be a debate on an Opposition motion. Subject to be announced.

**THURSDAY 25 FEBRUARY**—General debate on European affairs.

**FRIDAY 26 FEBRUARY**—Private Members' Bills.

The provisional business for the week commencing 29 February will include:

**MONDAY 29 FEBRUARY**—Estimates (1st allotted day). There will be a debate on the science budget, followed by a debate on end-of-life care. Further details will be given in the *Official Report*.

[The details are as follows: *First Report from the Science and Technology Committee, The Science Budget, HC 340, and the Government response, HC 729; and Fifth Report from the Health Committee, Session 2014-15, HC 805, and the Government response, Cm 9143; First Report from the Public Administration and Constitutional Affairs Committee, Follow-up to PHSO Report: Dying without dignity, HC 432; Sixth Report from the Public Administration Committee, Session 2014-15, Investigating clinical incidents in the NHS, HC 886.*]

**TUESDAY 1 MARCH**—Estimates (2nd allotted day). There will be a debate on the Foreign and Commonwealth Office and the 2015 spending review, followed by a debate on the reform of the police funding formula. At 7 pm, the House will be asked to agree all outstanding estimates. Further details will be given in the *Official Report*.

[The details are as follows: *First Report from the Foreign Affairs Committee, The FCO and the 2015 Spending Review, HC 467, and the Government response, HC 816; and Fourth Report from the Home Affairs Committee, Reform of the Police Funding Formula, HC 476.*]

I should also like to inform the House that the business in Westminster Hall for 25 February will be:

**THURSDAY 25 FEBRUARY**—Debate on the seventh report from the Communities and Local Government Committee on litter and fly-tipping in England.

**Chris Bryant:** Let me pay tribute to Harry Harpham. I know others have done so, but there are few miners left in this House and my constituents in the Rhondda

would want to mark his passing with a warm comradely salute. And talking of miners, I would like to wish my hon. Friend the Member for Bolsover (Mr Skinner) an 84th happy birthday. He has still got the oomph of a 48-year-old.

I hope that the announcement made by the Leader of the House got you all excited, Mr Speaker, and that you were all atingle. I am genuinely excited, because if you read between the lines you will have spotted that Monday 22 February is going to be a very special day indeed. It is not just that the Prime Minister is making a statement on the EU Council. Far more importantly, 22 February 2016 will be the day the Government abandon collective responsibility on the EU. Cabinet Ministers will be hurtling down the corridors of power to get to television studios to be the first to go live on air to declare themselves an out-er. Forget the relief of Mafeking; forget the liberation of Paris; forget “Free Willy”; and even forget “Free Nelson Mandela”, because the 22 February 2016 will be known hereafter as the National Liberation of Grayling Day. Buy your bunting now, Mr Speaker.

Talking of the 22 February, the Leader of the House has also announced, finally, the mystery Second Reading Bill, which will be a Northern Ireland Bill. Will he ensure that the Committee and Report stages of that Bill are all taken on the Floor of the House, so that all Northern Ireland Members can take part in the debate?

Can the Leader of the House tell us the date of the State Opening of Parliament? We have fixed-term Parliaments now, so can he tell us whether it will even be in May? If it is to be in May, there are four possible Wednesdays. The 4 May is the day before local elections, so that is out. The 25 May is just before the bank holiday and would fall in purdah for the EU referendum, so will it be the 11 or the 18 May? Come on! Or are the Government intending to keep this Session going indefinitely, way beyond the European referendum, into the autumn and into next year? If so, will he give us some more dates for private Members' Bills as we have no more Fridays allocated?

We have been saying for a while that the Trade Union Bill is partisan, petty-minded and vindictive, but now we know that the Government think so, too. After all, the Minister for Skills, who is the Minister in charge, has written to the Leader of the House, saying that large chunks of the Bill need redrafting—would you believe it?—because they are simply not “rational”—his word. He is seeking clearance on possible concessions to ease handling in the House of Lords.

Apparently, one concession under consideration relates to check-off—obviously, I do not mean the playwright—whereby most trade union members have their union subscriptions deducted from their pay and sent to their union by their employer. The Government want to ban check-off, but the leaked letter makes it absolutely clear that it would be illegal to do so in Scotland and Wales due to devolution, but how on earth can it be right for the Government to ban check-off at all? The Government's own website makes it absolutely clear that this arrangement is entirely voluntary. This is what it says:

“There is no legal requirement for your employer to do this”.

For petty, partisan advantage a Conservative Government are intending to outlaw a perfectly sensible private contract between employer and employee. How does that fit with Edmund Burke and Adam Smith?

[Chris Bryant]

When the Bill was in this House, the hon. Member for Stafford (Jeremy Lefroy) quite wisely tabled a perfectly sensible amendment to allow check-off to continue. Why does the Leader of the House not stand up today and tell us that that is one of the Government's concessions?

Also speaking of the Trade Union Bill, Lord Adebowale, a Cross Bencher, said:

"If ever there was evidence that the intention of the Bill is not entirely honourable, it is in the refusal to allow electronic workplace ballots".—[*Official Report, House of Lords*, 11 January 2016; Vol. 768, c. 63.]

Would it not be utterly hypocritical to campaign for the Tory candidate for Mayor of London, who was elected by Tory Members in an e-ballot, while refusing to allow trade unions to e-ballot their own members?

Will the Government finally back down on their preposterous 50% minimum threshold proposal for strike action? How many MPs would be sitting in this House if we had to get 50% of the electorate? Can the Leader of the House confirm that not a single Conservative MP achieved that? He got just 43%, so by his own logic he should not be here, but, frankly, by his own attendance record at the moment, he is not here anyway.

Going back to that letter that was sent to the Leader of the House, what really fascinates me is that it was leaked not to *The Daily Telegraph*, *The Times*, or *Daily Mail* but to the *Socialist Worker*. What is going on? Is there something the Leader of the House wants to tell us?

Talking of two-facedness, can we have a debate on pork barrel politics? After all, the Government were so terrified of losing their local government allocation yesterday that they bought off their own Members with a special slush fund of £300 million. How on earth did they decide how that money was to be allocated? Did Tory Ministers just sit down with their address books and shout out the postcodes of their friends and relatives and people who went to the black and white ball, while the Local Government Minister notched up £24 million for Surrey, £19 million for hard-up Hampshire, £16 million for Hertfordshire and £9 million each for Buckinghamshire and for the Prime Minister's backyard in Oxfordshire? Why on earth are the five poorest councils in the land, with the toughest circumstances and with multiple levels of deprivation, getting not a single penny of extra money, while the richest are being showered with £5.3 million? It is thoroughly disreputable—it is Robin Hood in reverse.

**Chris Grayling:** The hon. Gentleman is clearly incapable of keeping his remarks to five minutes.

May I start by echoing the hon. Gentleman's comments about Harry Harpham? It is always a tragedy when any Member of this House passes away, particularly after such a short time in this House. I am sure I express the sentiments of all hon. Members in sending good wishes to his family.

I, too, extend birthday wishes to the hon. Member for Bolsover (Mr Skinner). I suspect he will not join me, although I hope that the shadow Leader of the House, as a great champion of equalities issues, will in celebrating the 41st anniversary of the first woman party leader in this country—a woman who became one of our greatest Prime Ministers, a great leader of this country. I am sure he would want to celebrate her achievement in demonstrating that the Conservative party is the one that creates opportunity for all.

As we heard yesterday at Prime Minister's questions, there is no doubt about the winner of this week's quote of the week award:

"Oh dear oh dear omg oh dear oh dear need to go rest in a darkened room".

The surprising thing is that that tweet from the hon. Member for Bridgend (Mrs Moon) was not about her party leader's stunning success in launching his local election campaign 2016 in Nottingham, a city which this year has no local elections. Of course her comments came in the wake of her party being briefed on progress in its defence review. The party was told that Trident would soon be as obsolete as Spitfire because of a new generation of demon underwater drones that no defence specialist has ever heard of. Oh dear, oh dear, oh dear, indeed. This is the madness that has now engulfed the Labour party. And the hon. Gentleman still thinks he has any credibility sitting in the shadow Cabinet.

I am pleased to have been able to confirm that the Northern Ireland (Stormont Agreement and Implementation Plan) Bill will receive its Second Reading on 22 February. I place on record my thanks and congratulations to all those who have been involved in the negotiations leading to the publication of the Bill. I am also grateful for the constructive discussions that have taken place between the Government and Opposition parties about the Bill.

The only rather surprising thing is that when the shadow Leader of the House started jumping up and down last week about the Second Reading on 22 February, no one on his side had apparently bothered to tell him that all those discussions were happening. But we know that the hon. Gentleman is not much in the loop with his party these days anyway. At these sessions he asks for debate after debate, but when I give him and his colleagues an Opposition day and they pick their subject, it is virtually never on the subjects he says are important. He has asked for various things this morning. I have given him a new Opposition day, but I bet his party still does not listen to him.

It has not been a great week for the hon. Gentleman. He managed to turn an important debate about domestic violence into one about whether Welsh rugby fans should sing the Tom Jones song "Delilah" at the start of matches. He ended up in a spat with the songwriter, who said that the hon. Gentleman did not even know what the song was about. He may love the sound of his own voice, but right now it is not unusual to find that no one is listening to him.

**Andrew Bingham (High Peak) (Con):** The roads around Glossop in my constituency have been gridlocked this week owing to the closure of Long Lane in Charlesworth. It is a short country road used as a shortcut. The congestion was so bad that a child who was taken ill on her way to school had to wait 20 minutes for an ambulance to get through. A road is proposed in our road building programme, but may we have an urgent debate about when and which is the quickest way we can get this overdue bypass built? The hon. Member for Rhondda (Chris Bryant) talks about out-ers; my constituents would like to get out of Glossop to get to work.

**Chris Grayling:** I congratulate my hon. Friend, who has been an assiduous campaigner on these issues. I know that the Department is considering road improvements

in his area and has plans in development. I also know that he has an Adjournment debate planned for the week after next, when I know he will put his points across to the Minister with his customary effectiveness.

**Pete Wishart** (Perth and North Perthshire) (SNP): May I too thank the Leader of the House for announcing the business for the week after next? We on the Scottish National party Benches also express our condolences to the family of Harry Harpham. Obviously, we also wish the hon. Member for Bolsover (Mr Skinner) a happy 84th birthday. We might have had a bit of a difference with him initially about sharing the Front Bench, but we could not have a finer Member of Parliament to share it with.

We may be approaching Valentine's day, but there is not much love coming from the Leader of the House. This morning, we saw the report on English votes for English laws from the Public Administration and Constitutional Affairs Committee—and what a report it was. I hope we will start to see the death knell of the absurdity that is EVEL. It is over-complicated and ad hoc, it lacks transparency, and it is incompatible with Barnett. Those are not the words of the Scottish National party, although I would be proud of every one of them; they are the words of a Select Committee of this House with a Conservative Chair and a Conservative majority. Can we not just conclude that this dog's breakfast is not fit for purpose? It commands no support beyond the ranks of the Conservative party, and it is deeply divisive. Let us go back to equality—equality of membership of this House—and not have division by nationality or geographic location of constituency. We have tried that. It has failed. Let us now move on.

One striking anomaly in this mess is that we still have to contend with Barnett consequentials. We all remember what the Leader of the House said: this is nothing to do with legislation, and there is no such thing as Barnett consequentials—a bit like the Easter bunny, I suppose. That is what he said: Barnett consequentials would be found in the consolidated spending Departments' estimates process, but there is no difference in the way we are debating estimates—it is business as usual. Will he tell us, then, how we are supposed to examine the Barnett consequentials when the Speaker is invited to disregard it in English-only certification, and we cannot find it in anything to do with the estimates? Will he tell us where we can have these debates, and if necessary Divisions, on Barnett consequentials, because we cannot do that at all just now?

Everybody is working extremely hard to get a deal on the fiscal framework, and the Leader of the House will know of and appreciate their efforts. I hope the Scottish Affairs Committee report will help to find a solution to these difficult and fragile conversations. However, there does seem to be a real distance to go in achieving a coming together of minds on the “no detriment” principle. Will the Leader of the House tell us what happens if no agreement is reached? What would happen to the Scotland Bill if the two Governments reached no agreement on the fiscal framework? Can he categorically rule out this Government imposing a deal and a solution on the Scottish Parliament?

Last week, the right hon. Member for New Forest East (Dr Lewis)—I am glad he is in his place—asked the Leader of the House when we could expect the Trident maingate decision, and we got the usual response from

the Leader of the House that it would be sometime. I really hope that he—I hope he will rule this out—is not using the chaos and crisis in the Labour party on this issue to play games on something so important. I hope he will bring this critical decision to the House, regardless of the mess the Labour party is in, so that the House can properly debate it and vote on it.

**Chris Grayling:** The hon. Gentleman was right to echo the birthday wishes to the hon. Member for Bolsover (Mr Skinner). We do look back nostalgically to last summer—to those mornings when the Scottish nationalists and the more Union-focused members of the Labour party rushed for the same seats. They then reached a peace agreement and an accommodation, and it seems as though happiness has reigned on those Benches ever since.

The hon. Member for Perth and North Perthshire (Pete Wishart) asked about English votes. I have to say that the English votes process has bedded down pretty well in this House. I do not accept what he says about the changes we have put in place: they were set out in detail in the Conservative manifesto, and they are the right thing to do. At the moment, it is still the case that the hon. Gentleman's responsibilities are very different from mine. I have a duty to represent my constituents on issues such as education and health; in his constituency, it is a Member of the Scottish Parliament who deals with those issues. It is therefore only right and proper that we have a settlement that reflects the reality of devolution and gives the English a fair say in what happens as well.

On the estimates debate, I have always regarded the hon. Gentleman as an influential Member of this House. However, the topics for the estimates debate are picked by the Liaison Committee. As a Committee Chair himself, he is a member of the Liaison Committee, so he is in a most effective position to secure the debates on estimates that he wants. Knowing how influential he can be, I cannot understand what went wrong. Why did he not get the debates he wanted? He needs to go back to his colleagues on the Committee and try to do better next time.

On the fiscal framework, the hon. Gentleman asked what happens if it does not work. Well, I am afraid that I am not going to accept the concept of failure. We will reach an agreement. It is in his party's interest to do the right thing for Scotland and in our party's interest to do the right thing for Scotland, and I am sure that we will.

On Trident, we will bring forward the motion for debate in due course. In the meantime, I think we are all enjoying the spectacle of the utter chaos on the Labour Benches. Surely not even those Front Benchers who are doggedly determined to hold on to their jobs could avoid the reality that they are now a total shambles.

**Mr Laurence Robertson** (Tewkesbury) (Con): While the world focuses on the crisis in Syria, it is all too easy to overlook the unfolding crisis in Africa. The drought in Ethiopia is putting at risk over 10 million people who are in desperate need of food aid. The Government have responded, but much more needs to be done. Can the House consider this matter as a matter of urgency? Given that we are in recess next week, will my right hon. Friend bring it to the attention of the Secretary of State for International Development to see what urgent relief can be brought to those people?

**Chris Grayling:** I think we would all regard the current situation in Ethiopia as enormously distressing. I can assure my hon. Friend that discussions about this have already taken place within Government. The Government are already providing more than £100 million of aid to address this challenge, and we will continue to work with international agencies to do everything we can to alleviate what is potentially a dreadful humanitarian crisis.

**Dawn Butler** (Brent Central) (Lab): Will the Leader of the House make time to debate the Government's manifesto commitment to install smart meters in every household by 2020? This important move will help to end the pre-pay rip-off if the customers affected are prioritised in the smart meter roll-out.

**Chris Grayling:** This is a focus of the Government, as are broader changes to try to ensure that consumers get a better deal. We will make more information about this available in the months ahead. I shall make sure that the hon. Lady's concerns are passed to the relevant Minister. She may also want to bring the matter to the Floor of the House through the Backbench Business Committee or an Adjournment debate.

**Mr Ian Liddell-Grainger** (Bridgwater and West Somerset) (Con): We are going absolutely over the top with the European debate at the moment. The only place that can make a decision to stop this is the House of Commons. May we have a debate in Government time so that all Members across the House can have a say on the EU referendum before it takes on a life of its own and we start to get more and more innuendos on the front pages of the press? Will the Government please make two to three days available so that Members can say what they really want?

**Chris Grayling:** First, I congratulate my hon. Friend on the role he has taken up in the Council of Europe on behalf of this country. This issue is enormously important. Of course, as I said earlier, we will be making time available for a debate. He is right that the debate that takes place both in this House and in this country needs to be a measured one that is based on facts and information. With all the talk about "project fear" and innuendo, we have to table information and make arguments in a measured way so that the public can make an informed decision before they vote in the summer, or whenever it is.

**Ian Mearns** (Gateshead) (Lab): The Backbench Business Committee was aware that there was a possibility of getting some time on Tuesday 23 February, and we have a number of debates that we would possibly like to table for then. However, it is now only two sitting days away and we have not yet had an undertaking that there will be guaranteed time for such debates. We have an application for a debate on the serious issue of gangs and serious youth violence, but we would be reticent to table it unless we were guaranteed that it would get a good airing. We also have two debates that are time-sensitive for which we would like notification on tabling: one on Welsh affairs, which we would like to have as close as possible to St David's day on 1 March; and one on International Women's Day, which we would like to have as close as possible to 8 March. May I have some undertakings from the Leader of the House on this?

**Chris Grayling:** I am very much aware of the requests for the last two debates. We are discussing that and will seek to find the best way of making sure it can happen.

As for the business on Tuesday week, there should be plenty of time available. We have consideration of two sets of Lords amendments, but I am confident that there would be time for a debate to take place on that day. Looking back at the experience of the past few weeks, it has tended to work okay, but I continue to keep the matter under review.

**Dr Andrew Murrison** (South West Wiltshire) (Con): Today, the report of the Joint Committee on the Draft Investigatory Powers Bill was published, and the Intelligence and Security Committee published a report on the Bill earlier this week. There is a lot of public interest in the matter. Will the Leader of the House ensure that sufficient parliamentary time is allotted to consideration of what the Prime Minister has described as the "most important" Bill of this Parliament, so that the matter can be properly explored and debated?

**Chris Grayling:** I express the Government's thanks to all who have been involved in scrutinising the draft Bill. My hon. Friend is right to say that the House must have appropriate time to scrutinise and debate the legislation. It will come before the House shortly, and we want to make sure that people have the opportunity to deal fully with the issues that it contains.

**Ms Gisela Stuart** (Birmingham, Edgbaston) (Lab): The Prime Minister makes great play of the fact that as part of his European negotiations, he will strengthen the role of national Parliaments. Is the Leader of the House not therefore a little bit embarrassed about the fact that the debate on European affairs will be after the Prime Minister has negotiated, and that the Government have not given Parliament a proper day's debate to consider what the Prime Minister should negotiate on?

**Chris Grayling:** I do not think that anyone in the House has been short of opportunities in recent months to make their views on the matter known. We have had extended statements and extended opportunities for questions. As the Prime Minister has conducted the negotiations, I do not think that he has been under any illusion about the different views that exist in this House.

**Dr Julian Lewis** (New Forest East) (Con): I know that the Leader of the House will not tell us today the date of the forthcoming debate and vote on the Trident Successor submarines, but will he at least tell the House whether the Government have made up their mind to hold that debate soon, or whether they are determined to spin things out until the Labour party conference in October?

**Chris Grayling:** As my right hon. Friend the Prime Minister made clear yesterday, he will bring forward the matter for debate at an appropriate moment. In the meantime, perhaps we can have a debate on where the mysterious underwater drones that will render Trident redundant will come from.

**Jim Shannon** (Strangford) (DUP): Mr Islam al-Beheiry is an Egyptian television presenter and researcher who hosted a religious talk show. In June 2015, he was convicted of contempt of religion under article 98 of the penal code and sentenced to five years in prison with hard labour. On 2 February 2016, a court upheld his sentence. The TV show that he hosted was a way to debate Islamic interpretations, and that comes under

freedom of religion or belief. Egypt has signed the international covenant on civil and political rights, so by upholding al-Beheiry's sentence the country has violated its legal obligations to protect the right to freedom of religion or belief. Will the Leader of the House agree to a statement on the diplomatic steps that the Government have taken to call for the release of Islam al-Beheiry?

**Chris Grayling:** The hon. Gentleman makes an important point, and I will make sure that his concerns are drawn to the Foreign Secretary's attention. The Foreign Secretary will be before the House on Tuesday week, when the hon. Gentleman will have the opportunity to put that question to him.

**Antoinette Sandbach** (Eddisbury) (Con): Few things upset my constituents more than the potential impact of new housing development on their doctors' surgeries, schools and local infrastructure. The Minister for Housing and Planning emphasised during proceedings on the Housing and Planning Bill the importance of local councils giving due consideration to impacts on infrastructure. Will the Leader of the House secure a written statement from the Housing and Planning Minister to give local councils proper guidance on how to apply that principle?

**Chris Grayling:** That is an important point. We need more housing in this country, but it is essential that the resources are made available through development schemes and smart local planning to establish the appropriate infrastructure. I will make sure that Ministers are aware of the concerns that my hon. Friend has raised.

**Ann Clwyd** (Cynon Valley) (Lab): In the '70s and '80s, at least eight young boys in my constituency were sexually abused in homes in north Wales. Lady Macur's report has been on Ministers' desks for at least the last two months. We understand that some of it may be redacted. If the report is truly independent, why are the Government sitting on it?

**Chris Grayling:** I do not know the reasons for the timing of the report, which I was instrumental in setting up when I was Justice Secretary. I pay tribute to Lady Justice Macur, who is a distinguished judge and who will have done the job as effectively as possible. I will make sure that the right hon. Lady's concern is passed to my right hon. Friend the Justice Secretary. Clearly, we want to do right by the victims.

**Oliver Colvile** (Plymouth, Sutton and Devonport) (Con): Mr Speaker, you will be delighted to know that, at 10.15 this morning, my petition to save the hedgehog went live. It can be found at <https://petition.parliament.uk/petitions/121264>. May I ask my right hon. Friend to urge fellow Members of the House to help gather signatures to ensure that we have a further debate on saving the hedgehog?

**Chris Grayling:** I am sure everyone in the House today will commend my hon. Friend for his determination to pursue the cause of ensuring the protection of a noble species. I congratulate him on what he is doing. The hedgehog is an integral part of our country's wildlife. *[Interruption.]* Despite what the shadow Leader of the House says, it is a very noble species and a very important part of our national heritage. I commend my hon. Friend for the work he is doing. I have no doubt

whatever that when he comes forward with a successful petition, as I am sure he will, the Petitions Committee will make time available for such a debate.

**Barry Gardiner** (Brent North) (Lab): My constituent Mr K has received two fixed penalty notices—one for exiting a car park from the wrong exit, and another for parking in a business permit bay—and, as a result, he was told that he had failed the good character requirement for British citizenship. May we have a debate on proportionate decision making in the Home Office?

**Chris Grayling:** It is difficult for me to comment on the individual case. Clearly, we want people who apply for citizenship to be of good character. However, I accept the hon. Gentleman's point that if the system has gone badly wrong, somebody should do something about it. The Home Secretary will be in the Chamber for oral questions on Monday week and I suggest that the hon. Gentleman puts that question to Ministers, who I am sure will want to take it up on his behalf.

**Mr Philip Hollobone** (Kettering) (Con): Will the Leader of the House join me in congratulating the University Hospitals of Leicester NHS Trust on the opening of its new dialysis unit in Kettering? This state-of-the-art, first-class, ultra-modern, world-standard kidney dialysis unit is located in Trafalgar Road, Kettering, near the centre of the town. May we have a statement from the Department of Health listing all the new infrastructure investments in our NHS, which will make a world of difference to the patients who need them?

**Chris Grayling:** My hon. Friend makes a very important point. I am sure that this investment was a little bit helped on its way by the effective way in which he represents the town of Kettering. He highlights the very real new investments that are taking place in the national health service—new treatments, new equipment—all as a result of the extra funding we are putting into the national health service. The party now in opposition did not want to do that, and the Labour party in power in Wales is not doing it.

**Alison Thewliss** (Glasgow Central) (SNP): My constituent Coreen McClusker is a single mother of a nine-year-old girl. She suffers from depression, and she has been diagnosed with dyslexia. She has had no benefits money since July, and she is at risk of eviction, having been sanctioned no fewer than five times. She has not been informed of her rights by the Department for Work and Pensions. Will the Leader of the Heath help me to ensure that she gets a full investigation of this issue by Work and Pensions Ministers?

**Chris Grayling:** It is very difficult for me to comment on the individual case, but if the hon. Lady writes to me with the details, I will make sure that it is passed on to Work and Pensions Ministers so that they can look into it.

**Chris White** (Warwick and Leamington) (Con): One of the challenges we will face in the coming years is the need to address our skills gap, not least in engineering. May we have a debate on the provision of high-quality careers advice in our schools and colleges?

**Chris Grayling:** I know that this is a matter of great importance to the Education Secretary and that she is working on it at the moment. My hon. Friend makes an important point, because ensuring a smooth transition from school or college into work is an essential part of securing this country's economic future. One thing we are trying to do to strengthen that is to increase the number of apprenticeships and to make it absolutely clear to young people that the apprenticeship route can be a very powerful and successful way into work.

**Paula Sherriff** (Dewsbury) (Lab): May we have Government time for a debate on the consultation by the Department for Business, Innovation and Skills on tips and gratuities? The consultation closed at the start of last November, but the Minister for Skills confirmed in a written answer this morning that no Government response is imminent. Just this week, Unite the union has exposed another scandalous practice in which the Melia Hotel International chain appears to take a 15% cut from tips and uses it to top up senior managers' pay, which it describes as standard industry practice. Will the Leader of the House join me in saying that this is totally unacceptable, and urge his colleagues to move from consultation to action?

**Chris Grayling:** I have always taken the view that if someone is given a tip, either they should keep it or it should be pooled with their fellow members of staff. I know that the Secretary of State for Business, Innovation and Skills takes this issue seriously and I will make sure that the specific concerns raised by the hon. Lady are passed to him.

**Jason McCartney** (Colne Valley) (Con): Marsden football club in my constituency, which was established in 1900, is fighting for survival. Many matches have been postponed because of a flooded pitch and the clubhouse has been raided. That comes at the same time as a record TV deal for the premier league and discussions about ticket pricing in the premier league. May we have a debate on finances in football to ensure that not only fans but community football clubs get a good deal?

**Chris Grayling:** My hon. Friend makes an important point. Local football clubs are an essential part of local communities. That is certainly the case in his constituency. I will certainly make sure that the point he makes is passed to the Sports Minister, the Under-Secretary of State for Culture, Media and Sport, my hon. Friend the Member for Chatham and Aylesford (Tracey Crouch). I congratulate my hon. Friend the Member for Colne Valley (Jason McCartney) and those in the club who are working to raise charitable funds for the air ambulance service. That suggests to me that they are a really engaged group of people who are trying to do the right thing for the local community.

**Jonathan Edwards** (Carmarthen East and Dinefwr) (PC): Today, the Ministry of Justice will publish a written statement that may close more than 80 courts in Wales and England, including the Crown, magistrates and family courts in Carmarthen. Surely a statement of that magnitude must be made on the Floor of the House so that Ministers are held to account. May we have an oral statement on this issue following the recess?

**Chris Grayling:** This matter has been under consideration for some time. The Secretary of State for Justice has been here on several occasions and the matter has been discussed and debated in this House. It is right and proper that the Government bring forward their conclusions to end the uncertainty.

**Vicky Foxcroft** (Lewisham, Deptford) (Lab): The year of the monkey started this week and I hear that this brings out a mischievous streak in people. I am not sure if you are aware, Mr Speaker, but you are a rabbit. Some of your traits are being gentle, elegant, alert, quick and kind. The Leader of the House is a tiger, which is known for being over-indulged, but also for its bravery. Well, one has to be brave to go up against someone as diligent, dependable and full of strength and determination as our ox, the shadow Leader of the House. Members may or may not know that the Chancellor is a pig—quite literally, he is a pig! I will leave it there and simply ask the Leader of the House to join me in wishing my Chinese community, whose celebrations I will join this weekend, a happy Chinese new year.

**Chris Grayling:** All of us join the hon. Lady in wishing every member of the Chinese community in this country a very happy and successful Chinese new year. I hope that the celebrations over the next few days go well. I have to say that, on balance, I would rather be a tiger than an ox.

**Patrick Grady** (Glasgow North) (SNP): Yesterday from the Vote Office I collected the central Government supply estimates, 2015-16 edition, which, despite running to 700 pages, describes itself as a "booklet". Can the Leader of the House tell me what opportunities I will have, as a Member from Scotland, to debate and amend the specifics in this booklet if I feel that they may have Barnett consequential through EVEL legislation, and what the deadline is for tabling those amendments?

**Chris Grayling:** As the hon. Gentleman knows, that is a matter for the Liaison Committee. The hon. Member for Perth and North Perthshire (Pete Wishart), who is sitting next to him, is on the Liaison Committee, so I am the wrong person to ask.

**Mrs Madeleine Moon** (Bridgend) (Lab): Every day, we see tragic pictures of people fleeing the horror of Aleppo. We see the anxiety building as they are refused entry into Turkey and there is the fear that they will make their way across the Mediterranean into Europe. May we have a whole day's debate on the international crisis facing the world that is flooding out of Syria and on how we can take responsibility for that crisis, which has largely been created by the Assad regime and Russia?

**Chris Grayling:** We all view what is happening in Aleppo with enormous distress, and we desperately want peace in that country. As the hon. Lady knows, the International Development Secretary addressed that issue in the House at the start of the week, and we will continue to put substantial amounts of aid into Syria and the surrounding areas. She will know that the recent Syria conference in London raised more money in one day than any previous event of its kind, and I assure her that as far as is possible, this country will do everything



it can to facilitate peace in Syria, the reconstruction of that country, and the opportunity of those people to return to their homes.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): The Leader of the House will recall that many of us were critical of the World Health Organisation for its slowness in getting to grips with the Ebola disaster in west Africa. Another crisis is emerging from Brazil, and the Zika virus is spreading throughout South America and beyond. May we have an urgent debate on that virus and the impact that it will have on the rest of the world, and can we urge the WHO, and the great charities that stepped into the breach on Ebola, to act quickly and act now?

**Chris Grayling:** As the hon. Gentleman says, this is a matter of great international concern. The tales of tragedy that are coming from South America, and the impact of the Zika virus on pregnant women and babies, are enormously distressing. The Government will do everything they can to play a role internationally in tackling the crisis, and I have no doubt that my right hon. Friends the Foreign Secretary and the International Development Secretary will do everything they can to work with the WHO to ensure an appropriate international response.

**Gavin Newlands** (Paisley and Renfrewshire North) (SNP): During last week's successful debate on the role of men in preventing violence against women, and the urgent question on the Return of Kings, the Minister answered questions on the delay in ratifying the Istanbul convention on women's rights, and indicated that the Government are keen to do so but need the primary legislation. Is the Leader of the House aware of any plans to bring legislation on that matter before the House before the summer recess? If not, will he ask his right hon. Friend the Home Secretary to make a statement on why that is?

**Chris Grayling:** The Government will certainly consider that issue. The hon. Gentleman will understand that I cannot make any announcements at this stage about the contents of the upcoming Queen's Speech, which will put forward a programme of legislation that is designed to address the issues faced by this country, but I will ensure that Ministers are aware of his concern.

**Liz McInnes** (Heywood and Middleton) (Lab): The British Retail Consortium's crime report for 2014-15 found that there were 41 incidents of violence and abuse per 1,000 retail employees, which is up from 32 incidents per 1,000 employees in the previous year. Three million people work in our retail industry, and I do not need to say how important their work is to our local and national economies. May we have an urgent debate about that unacceptable level of violence against our retail workers?

**Chris Grayling:** Any violence against a retail worker is unacceptable, as are the levels of violence that the hon. Lady describes. The police have many powers to deal with that and to charge and prosecute people, and I hope they will always view that as an important area in which to take action. The Home Secretary will come before the House on Monday week, so perhaps the hon. Lady will raise the issue with her then.

**Huw Irranca-Davies** (Ogmore) (Lab): The Leader of the House will probably be aware that within very short order, two separate debates in Westminster Hall have raised serious allegations of the deliberate undervaluing and downgrading of assets, forced bankruptcy and seizure of assets, and further allegations of collusion between banks, receivers and intermediaries. For my constituent, Alun Richards, that involved Alder King and Lloyds, but other banks and intermediaries were involved in cases considered by many other MPs. More than 10 cross-party MPs have written to the Chair of the Business, Innovation and Skills Committee to ask him to investigate the matter urgently, and I have written to the director of the Serious Fraud Office to ask for a meeting. Is it time for a debate on the Floor of the House on that matter, and for the Serious Fraud Office to investigate those serious allegations?

**Chris Grayling:** I am not aware of the individual cases that the hon. Gentleman raises, but this is a serious matter and I hope that he will successfully secure an investigation from the Committee, which should respond to substantial and widespread concerns raised by Members. I will ensure that the Department for Business, Innovation and Skills is aware of the matter.

**Paul Flynn** (Newport West) (Lab): When can we debate the warning given by a senior Japanese industrialist to the Foreign Secretary that the continuing financial fiasco of Hinkley Point is damaging the reputation of Britain internationally, and threatening further investment? Can we not recognise that the problems at Hinkley Point are terminal, and change to the practical technology of tidal power which is clean, British, free and eternal?

**Chris Grayling:** As the hon. Gentleman knows, the Government's policy is not to put all eggs in one basket. We have probably done more than any previous Government in pursuing renewable energy in this country, be it wind, solar or tidal, but we believe that we need a mix of generation for the future, and that will include nuclear.

**Chris Stephens** (Glasgow South West) (SNP): I wish to make a similar point to one made by the shadow Leader of the House. Do the Government intend to make a statement or hold a debate in Government time on the contradictory statements they are making on their anti-Trade Union Bill? I am of course referring to the aforementioned letter dated 26 January from the Minister for Skills, which is in stark contrast to the oral answer he provided to me on 2 February, when he said there would be no concessions on facility time and check-off. In the absence of any statement, will the Leader of the House tell us what his answer was to that letter of 26 January? Or is that also the exclusive property of the *Socialist Worker* newspaper?

**Chris Grayling:** These matters will be and are being debated in the other place, and they will be debated in this House again. Honourable Members will have to wait until those moments to discuss and debate them.

**Valerie Vaz** (Walsall South) (Lab): If I can show I am related to the Prime Minister, will I get money for my libraries and Sure Start centres in Walsall? The shadow Leader of the House is right to say that we need

[Valerie Vaz]

a debate on good governance, because we need to know whether Ministers took into account relevant considerations and we need to know the reasons for the decisions for that settlement.

**Chris Grayling:** In a society that is free and able to express individual views, none of us seeks to gag our relatives, even when they disagree with us.

**Jonathan Reynolds** (Stalybridge and Hyde) (Lab/Co-op): May we have a debate about the operation of the child maintenance regulations? I have a constituent with a very difficult case, whose 17-year-old daughter has moved out of the family home into a third party adult property, against the will of the family. They have now received a claim for child maintenance from that third party. This does not seem to be within the spirit of the law, which is surely to ensure that children continue to be supported in the event of family breakdown.

**Chris Grayling:** This is an immensely complex area, and most of us who have been in this House for a long time will have had extensive experience of it, and frustrations and difficulties with it. Of course we all seek to bring individual cases to the Department and to the relevant authorities, and we will continue to do so. I am confident that Ministers will do their best to ensure that the regime in place will deal with the challenges and operational difficulties faced in the tragic situations around family breakdown.

**Diana Johnson** (Kingston upon Hull North) (Lab): On 21 January, I enlisted the help of the Leader of the House to arrange the meeting that the Prime Minister had promised with my constituent Mike and Tina Trowhill in order to discuss the national baby ashes scandal. The Leader of the House said he would come back to me, but I have not heard anything. I also asked the Under-Secretary of State for Women and Equalities and Family Justice, the hon. Member for Gosport (Caroline Dinenage)

on 26 January whether she would help me, but I have not heard from her either. Politicians need to keep their promises and I hope I will get that meeting with the Prime Minister, which he promised to my constituents.

**Chris Grayling:** I checked on this and the hon. Lady has perhaps misinterpreted the wording of the Prime Minister's response, but I have tried to ensure that she receives a ministerial meeting. If that has not come through yet, I will follow it up today.

**Rachael Maskell** (York Central) (Lab/Co-op): The floods in York were devastating for so many because so many could not afford any insurance. They need every bit of help they can get, yet the Government still have not applied for the EU solidarity fund. May we have an urgent statement on why that has not happened and on what progress is being made?

**Chris Grayling:** The Government's approach has been to try get finance to those who need it quickly and not to worry about complicated bidding processes, so that we ensure we provide help immediately to those who need it. If people look at the amounts of money that have been provided to the areas affected, they will see that we have done the right thing.

**Nick Thomas-Symonds** (Torfaen) (Lab): Last Saturday marked the 126th anniversary of the Llanerch colliery disaster in my constituency, in which 176 men and boys lost their lives in an explosion that devastated the local community. May we have a debate on the sacrifices made by miners, their families and their communities over many generations?

**Chris Grayling:** There is no doubt that mining communities played a huge role in this country. They provided the energy that kept this country and its economy going for decades. I am glad that in today's world we can provide energy sources from a variety of different routes, which means that we do not perhaps have to subject those who did such sterling work in the past to those conditions today.

## Junior Doctors Contracts

11.54 am

### **The Secretary of State for Health (Mr Jeremy Hunt):**

Nearly three years ago to the day, the Government first sat down with the British Medical Association to negotiate a new contract for junior doctors. Both sides agreed that the current arrangements, drawn up in 1999, were not fit for purpose and that the system of paying for unsocial hours in particular was unfair. Under the existing contract, doctors can receive the same pay for working quite different amounts of unsocial hours; doctors not working nights can be paid the same as those who do; and if one doctor works just one hour over the maximum shift length, it can trigger a 66% pay rise for all doctors on that rota.

Despite the patent unfairness of the contract, progress in reforming it has been slow, with the BMA walking away from discussions without notice before the general election. Following the election, which the Government won with a clear manifesto commitment to a seven-day NHS, the BMA junior doctors committee refused point blank to discuss reforms, instead choosing to ballot for industrial action. Talks finally started—under the Advisory, Conciliation and Arbitration Service process—in November, but since then we have had two damaging strikes, which have resulted in about 6,000 operations being cancelled.

In January, I asked Sir David Dalton, chief executive of Salford Royal, to lead the negotiating team for the Government. Under his outstanding leadership, for which the whole House will be immensely grateful, progress has been made on almost 100 different points of discussion, with agreement secured with the BMA on approximately 90% of them. Sadly, despite this progress and willingness from the Government to be flexible on the crucial issue of Saturday pay, Sir David wrote to me yesterday advising that a negotiated solution was not realistically possible. Along with other senior NHS leaders and supported by NHS Employers, NHS England, NHS Improvement, the NHS Confederation and NHS Providers, Sir David has asked me to end the uncertainty for the service by proceeding with the introduction of a new contract that he and his colleagues consider both safer for patients and fair and reasonable for junior doctors. I have therefore today decided to do that.

Tired doctors risk patient safety, so in the new contract the maximum number of hours that can be worked in one week will be reduced from 91 to 72; the maximum number of consecutive nights doctors can be asked to work will be reduced from seven to four; the maximum number of consecutive long days will be reduced from seven to five; and no doctor will ever be rostered consecutive weekends. Sir David believes that these changes will bring substantial improvements to both patient safety and doctor wellbeing. We will also introduce a new guardian role within every trust. These guardians will have the authority to impose fines for breaches to agreed working hours based on excess hours worked. These fines will be invested in educational resources and facilities for trainees.

The new contract will give additional pay to those working Saturday evenings from 5 pm, nights from 9 pm to 7 am and all day on Sunday, and plain time hours will now be extended from 7 am to 5 pm on Saturdays. However, I said that the Government were willing to be flexible on Saturday premium pay, and we

have been: those working one in four or more Saturdays will receive a pay premium of 30%. That is higher on average than that available to nurses, midwives, paramedics and most other clinical staff, and also higher than that available to fire officers, police officers and those in many other walks of life.

None the less, the changes represent a reduction compared with current rates, but that is necessary to ensure that hospitals can afford additional weekend rostering, and because we do not want take-home pay to go down for junior doctors, after updated modelling, I can tell the House that these changes will allow an increase in basic salary not of 11%, as previously thought, but of 13.5%. Three quarters of doctors will see a take-home pay rise, and no trainee working within contracted hours will have their pay cut.

Our strong preference was always for a negotiated solution. Our door remained open for three years, and we demonstrated time and again our willingness to negotiate with the BMA on the concerns it raised. However, the definition of negotiation is a discussion where both sides demonstrate flexibility and compromise on their original objectives. The BMA ultimately proved unwilling to do this.

In such a situation, any Government must do what is right for both patients and doctors. We have now had eight independent studies in the last five years identifying higher mortality rates at weekends as a key challenge to be addressed. Six of these say staffing levels are a factor that needs to be investigated. Professor Sir Bruce Keogh describes the status quo as

“an avoidable weekend effect which if addressed could save lives”, and has set out the 10 clinical standards necessary to remedy this. Today, we are taking one important step necessary to make this possible.

While I understand that this process has generated considerable dismay amongst junior doctors, I believe that the new contract we are introducing, shaped by Sir David Dalton, and with over 90% of the measures agreed by the BMA through negotiation, is one that in time can command the confidence of both the workforce and their employers. I do believe, however, that the process of negotiation has uncovered some wider and more deep-seated issues relating to junior doctors' morale, wellbeing and quality of life that need to be addressed.

These issues include inflexibility around leave; lack of notice about placements that can be a long way from home; separation from spouses and families; and sometimes inadequate support from employers, professional bodies and senior clinicians. I have therefore asked Professor Dame Sue Bailey, president of the Academy of Medical Royal Colleges, alongside other senior clinicians, to lead a review into measures outside the contract that can be taken to improve the morale of the junior doctor workforce. Further details of this review will be set out soon.

No Government or Health Secretary could responsibly ignore the evidence that hospital mortality rates are higher at the weekend or the overwhelming consensus that the standard of weekend services is too low, with insufficient senior clinical decision makers. The lessons of Mid Staffs, Morecambe Bay and Basildon in the last decade are that patients suffer when Governments drag their feet on high hospital mortality rates, and this Government are determined that our NHS should offer the safest, highest-quality care in the world.

[Mr Jeremy Hunt]

We have committed an extra £10 billion to the NHS this Parliament, but with that extra funding must come reform to deliver safer services across all seven days. This is not just about changing doctors contracts. We also need better weekend support services such as physiotherapy, pharmacy and diagnostic scans; better seven-day social care services to facilitate weekend discharging; and better primary care access to help tackle avoidable weekend admissions. Today, we are taking a decisive step forward to help deliver our manifesto commitment, and I commend this statement to the House.

12.2 pm

**Heidi Alexander** (Lewisham East) (Lab): I am grateful to the Secretary of State for advance sight of his statement. It would have been good to have previewed this exchange during the urgent question on Monday, but we all know that the Secretary of State could not be bothered to turn up. You might also think, Mr Speaker, that the Health Secretary would do me the courtesy of responding to the two letters I have sent to him in the last week, but you would be wrong. So much for a seven-day health service! A five-day-a-week Health Secretary would be nice.

This whole dispute could have been handled so differently. The Health Secretary's failure to listen to junior doctors, his deeply dubious misrepresentation of research about care at weekends and his desire to make these contract negotiations into a symbolic fight for delivery of seven-day services has led to a situation that has been unprecedented in my lifetime. Everyone, including the BMA, agrees with the need to reform the current contract, but hardly anyone thinks the need to do that is so urgent that it justifies imposition, and all the chaos that will bring.

The Health Secretary said NHS leaders had asked him to "end the uncertainty", but can he confirm that that means they support "imposing" a new contract? One hospital chief executive, who the Secretary of State claims is supporting him, tweeted this morning:

"I have supported the view that the offer made is reasonable...I have not supported contract imposition".

For the purpose of clarity, can the Secretary of State say categorically that all the NHS leaders whom he mentioned fully support his actions? Can he not see that imposing a new contract that does not enjoy the confidence of junior doctors will destroy morale, which is already at rock bottom? Does he not realise that this decision could lead to a protracted period of industrial action that would be distressing for everyone—patients, doctors, and everyone else who works in or depends on the NHS? [Interruption.]

**Mr Speaker:** Order. There is far too much noise in the Chamber. Let me say this to Members on both sides of the House who are shouting: do it again, and you will not be called. It is as simple as that. If Members cannot exercise the self-restraint to be quiet while the Front Benchers are speaking, they have no business taking part in the exchanges.

**Heidi Alexander:** I am grateful to you, Mr Speaker.

What impact does the Secretary of State honestly think an imposed contract will have on recruitment and retention? Earlier this week, a poll found that nearly 90% of junior doctors would be prepared to leave the NHS if a contract were imposed. How does the Secretary

of State propose to deliver seven-day services with one tenth of the current junior doctor workforce? How can it possibly be right for us to be training junior doctors and the consultants of tomorrow, only to export them en masse to the southern hemisphere? The Secretary of State needs to stop behaving like a recruiting agent for Australian hospitals, and start acting like the Secretary of State for our NHS.

What advice did the Secretary of State take before making this decision? He may not want to respond to my letters, but what does he say to the Royal College of Surgeons, the Royal College of Obstetricians and Gynaecologists, and the Royal College of Paediatrics and Child Health, all of which have urged him not to impose a contract? What legal advice has he taken about how an imposed contract would work in practice? What employment rights do junior doctors have in this context, and what will happen if they simply refuse to sign?

The Secretary of State has been keen to present a new junior doctors contract as the key that will unlock the delivery of seven-day services, but that is a massive over-simplification, and he knows it. Although research shows that there is a higher mortality rate among patients who are admitted to hospital at weekends, there is absolutely no evidence to show that it is specifically caused by a lack of junior doctors. Will the right hon. Gentleman state, for the record, that he accepts that?

One of the real barriers to more consistent seven-day services is the consultants contract. Until now, at least, the BMA and the Government were making progress in those negotiations. Could not a decision to impose a new junior doctors contract put the consultant negotiations at risk, and make the delivery of seven-day services even harder? Will the Secretary of State also make it clear how the definition of unsocial hours will need to change in other contracts in order for seven-day services to be delivered, and which groups of staff that will apply to?

What we heard from the Secretary of State today could amount to the biggest gamble with patient safety that the House has ever seen. He has failed to win the trust of the very people who keep our hospitals running, and he has failed to convince the public of his grounds for change. Imposing a contract is a sign of failure, and it is about time the Secretary of State realised that.

**Mr Hunt:** The hon. Member for Lewisham East (Heidi Alexander) has made a number of incorrect statements with which I shall deal with later, but what the country will notice about her response is more straightforward. When we have a seven-day NHS, in a few years' time, people will say that it was obviously necessary and the right thing to do. They will remember that it was not easy to get there, and they will also remember—sadly—the big call that she made today for short-term political advantage to be placed ahead of the long-term interests of patients.

Previous reforming Labour Governments might have done what we are doing today. Let me say to the hon. Lady that she has vulnerable constituents—we all have vulnerable constituents—who need a true seven-day NHS, and those are precisely the people that the NHS should be there for. Sorting this out should not be a party issue; it should be something that unites the whole House, and she will come to regret the line that she has taken today.

Let me address some of the hon. Lady's particular points. She has said today and on other occasions that this has been badly handled. If she wants to know who has handled contract negotiations badly, it was the party that gave consultants the right to opt out from weekend work in 2003 and that gave GPs the right to opt out of out-of-hours care in 2004. Is it difficult to sort out those problems? Yes. Are we going to be lectured by the people who caused them? No, we are not.

The hon. Lady also questioned whether there was support for imposition. Let me just read her exactly what the letter that I got from Sir David Dalton says. He states that, on the basis of the stalemate,

"I therefore advise the government to do whatever it deems necessary to end uncertainty for the service and to make sure that a new contract is in place which is as close as possible to the final position put forward to the BMA yesterday."

And what does Simon Stevens, chief executive of NHS England, say?

"Under these highly regrettable and entirely avoidable circumstances, hospitals are rightly calling for an end to the uncertainty, and the implementation of the compromise package the Dalton team are recommending."

The hon. Lady talked about the impact on morale. Perhaps she would like to look at the hospitals that have implemented seven-day care, including Salford Royal, Northumbria and one or two others. They have some of the highest morale in the NHS, because morale for doctors is higher when they are giving better care for patients. She also says that we should not impose the contract, but what she is actually saying is that if the BMA refuses point blank to negotiate on seven-day care, we should give up looking after and doing the right thing for vulnerable patients. What an extraordinary thing for a Labour shadow Health Secretary to say. She also said that we were conflating the junior doctors contract with seven-day working. Well, let us look at what the Academy of Medical Royal Colleges said in 2012. It said:

"The weekend effect is very likely attributable to deficiencies in care processes linked to the absence of skilled and empowered senior staff".

Most medical royal colleges say that junior doctors with experience qualify as senior staff.

The NHS has made great strides in improving the quality of care. Since I have been Health Secretary, avoidable harm in hospitals has nearly halved, nearly 20% of acute hospitals have been put into a new special measures regime—and we are turning them round—and record numbers of members of the public say that their care is safe and that they are treated with dignity and respect. The seven-day NHS is not just a manifesto commitment; we are doing this because we are willing to fight to make the NHS the safest, highest quality healthcare system in the world. Today we have seen that the Labour party is not prepared to have that fight. Does not this prove to the country that it is the Conservatives who are now the true party of the NHS?

**Mr Kenneth Clarke (Rushcliffe) (Con):** I congratulate my right hon. Friend on taking this clear and correct decision, because it is quite obvious that after three years, the BMA was prepared to let the whole thing drag on with talks and days of action until he either abandoned the seven-day service or gave the junior doctors an enormous pay settlement in order to buy their agreement to do it. In future discussions, will he keep concentrating, as he has, on the essential public interest, which is to meet the rising and remorseless demand

on the service resulting from an ageing population and clinical advance? Will he also use the extra resources that the NHS is getting at the moment to deliver a better service to patients and not allow it to be taken away, as so often happened in the past—including a little more than 10 years ago in 2003—by very large pay claims by the various staff unions, as that would lessen his ability to give us the modern NHS that he is talking about?

**Mr Hunt:** My right hon. and learned Friend speaks with great wisdom and also great experience. Many Members will remember how, when he was Health Secretary, the BMA put posters of him up all over the country saying "What do you call a man who ignores medical advice?", and there he was, smoking his cigar. I am sure that there have been Labour Health Secretaries who have had similar treatment. He makes an important point, however. Under the new Labour Administration of Tony Blair, huge amounts of extra resources were put into the NHS but, unfortunately, because of the impact of contract changes in 1999, 2003 and 2004, weekend care actually became less effective, not more effective. Now, thanks to the tough decisions we have taken on public spending and turning the economy around, we have been able to give the NHS a funding settlement next year that is the sixth biggest in its entire nearly 70-year history. We are absolutely determined that, if we are putting that extra money into the NHS, it should come with reform that leads to better care for patients. That is the Conservative way, and we will not be deflected from it.

**Dr Philippa Whitford (Central Ayrshire) (SNP):** I should like to pick the Secretary of State up on some aspects of his statement. On Monday, I challenged the Under-Secretary of State for Health, the hon. Member for Ipswich (Ben Gummer) to step away from the term "weekend deaths". The Freemantle paper does not show that; it shows increased 30-day mortality in people admitted at the weekend, and there is actually a lower mortality rate at weekends. The junior Minister said that the Secretary of State was really careful, but he has made that suggestion twice in his statement today, and I think that that is very misleading.

What should have come from the Freemantle paper and others is an attempt to understand why these things happen. The only study that gives a clear answer and backs up the Francis report is the Bray paper on 103 stroke units, which showed that the single most important factor was the ratio of registered nurses. We should know what the problem is before we try to fix it. The one group of staff that is there, along with the nurses, is the junior doctors. They are not the barrier to achieving the 10 standards.

I welcome the progress that has been made since last November. In a debate in this Chamber in October, the Secretary of State seemed relatively unwilling to go to ACAS, but progress has been made since the negotiations started, and particularly since Sir David Dalton became involved in the past month. I therefore found it incredible to see on the BBC this morning that, having achieved 90% agreement and following a tweet at 4 minutes past 8 saying that we should now get both sides back to the table, the Secretary of State was going to impose the contract.

The problem with the recognition of unsocial hours might increase the difficulty that we already have in recruiting people to the acute specialties: A&E, maternity and acute medicine. They are already struggling, and this

[*Dr Philippa Whitford*]

might well make things worse. I also still have concerns about the role of the guardian. The problem is that a junior doctor at the bottom of a hierarchy will have to go and complain, and we can imagine how difficult that might be in a hierarchical system and how easily that doctor could be labelled a troublemaker. So there are still things to be dealt with. I welcome the progress that has been made in the last month, but this is absolutely not the time to pour petrol on the fire and then throw in the towel.

**Mr Hunt:** I welcome the tone of the hon. Lady's comments. I do not agree with everything that she has said, and I shall explain why, but they were immensely more constructive than the comments that we have heard from other Opposition spokesmen. She is right to say that the studies talk about mortality rates for people admitted at weekends. There have been eight studies in the past five years, or 15 since 2010 if we include international studies. She is right to say that we need to look at why we have these problems.

The clinical standards state that when someone is admitted, they should be seen by a senior decision-maker within 14 hours of admission. They will be seen by a doctor before then, but they should be seen by someone senior within 14 hours. The standards also state that vulnerable people should be checked twice a day by a senior doctor. Now, across the seven days of the week, the first of those standards is being met in only one in eight of our hospitals and the second in only one in 20. That is why it is important that junior doctors should be part of the group of people who constitute those senior decision-makers—consultants are also part of it—and that is why contract reform is essential.

The hon. Lady is right to say that this is also about nurse presence, and the terms that we are offering today for junior doctors are better on average than those for the nurses working in the very same hospitals, and better than those for the midwives and the paramedics. That is why Sir David Dalton and many others say that this is a fair and reasonable offer.

With respect to A&E recruitment, the impact of the contract change we are proposing is that people who regularly work nights and weekends will actually see their pay go up, relatively, compared to the current contract. These are the people who are delivering a seven-day NHS and we must support them every step of the way.

**Dr Sarah Wollaston (Totnes) (Con):** I know colleagues across the House will want to join me in thanking junior doctors for the valuable work they do for patients across the NHS. [HON. MEMBERS: "Hear, hear."] I hope that they will look very carefully at the improvements in the offer, with a 13.5% increase in the basic rate and the very important safeguard that will discourage over-rostering at weekends by giving them premium rates if they have to work more than, or including, one in four weekends. I hope the BMA will also recognise and welcome the very important appointment of Professor Dame Sue Bailey to lead an inquiry into all the other aspects that lead to discontent with junior doctors. I wonder if the Secretary of State agrees that what we now need is to move forward in a positive spirit that brings this dispute to an end, takes the temperature down and recognises that we all want the same thing: safety for patients.

**Mr Hunt:** I thank my hon. Friend for her very constructive comments. She is right. A 13.5% increase in basic pay is very significant, because, unlike overtime and premium pay, it is pensionable. It will help when applying for a mortgage and will mean more money on maternity leave. I think it will be much better for junior doctors.

The review that Dame Sue Bailey is doing, which was much-derided by the Opposition when I mentioned it in my statement, is actually very significant. One of the things that has gone wrong in training is that since the implementation of the European working time directive, we have moved away from the old "firm" system, which would mean that junior doctors were assigned to a consultant, who they would see on a regular basis and who was able to coach them on a continuous basis over weeks and months. That has been lost and many people think that that has led to much lower morale. We want to see what we can do to sort that out.

Finally, I want to echo what my hon. Friend said about going forward in a positive and constructive spirit. When, as a Government, we took the decision to proceed with implementing new contracts, we had the choice of many different routes, because, essentially, we can decide exactly what to choose. We have chosen to implement the contract recommended by NHS chief executives as being fair and reasonable. That is different from our original position. We have moved a considerable distance on most of the major issues, but it is what the NHS thinks is a fair and reasonable contract and we need to move forward.

**Barry Gardiner (Brent North) (Lab):** The Secretary of State, I am sure, has the grace to acknowledge that the application rate for specialty training has fallen since the Government put forward their proposals last year, but does he have the logic to accept that if he gets fewer junior doctors the problem he is trying to solve will only get worse?

**Mr Hunt:** We now have 10,600 more doctors working in the NHS than we did five years ago and we are investing record amounts going forward. There has been a lot of smoke and mirrors about what is actually in our contract proposals. I hope all trainees and medical students will look at the proposals and see that independent people have looked over them and believe they are fair and reasonable—actually better—for junior doctors, and that we will continue to be able to recruit more doctors into the NHS.

**Sir Edward Leigh (Gainsborough) (Con):** As one, like myself, gets a bit older—some might say clapped out—one relies on the NHS more and more. People like me—I have just had an operation and might have another coming up—get worried about strikes. I hope the Secretary of State will try, from now on, to build the morale of junior doctors. Surely the NHS is not for the Conservative party, the Labour party, doctors or nurses, but for the people? Why should people like me, who are admitted to hospital on a Saturday, have a greater chance of dying? He has to take on the vested interests and stand up for the people.

**Mr Hunt:** My hon. Friend is absolutely right. Indeed, if we look at the change happening in global healthcare, the big movement is towards putting patients in the driving seat of their own healthcare. If we want the NHS to be

the best in the world, we have to be confident that we are giving patients the best care in the world. That is why I completely agree with him and why I said in my statement that there is no reason why this could not be something the whole House can unite behind. What we cannot do, however, is look at eight studies in five years and say that we will act on this just as soon as we can get a consensus in the medical profession. We have been trying to get that consensus now for over three years. There comes a time when you have to say, "Enough is enough" and do the right thing for patients.

**Mr David Anderson** (Blaydon) (Lab): I know the Secretary of State does not usually listen to people with a bit of experience, but, as somebody who has spent 40 years dealing with trade disputes and their aftermath, may I ask him how he expects industrial relations to improve when he has imposed a contract, accused the negotiators of lying, and effectively said that the members were fooled by their own negotiators? He has now told us today that he will build into the contract a differential between the antisocial payments paid to these professionals and those paid to other professionals working next to them. That is a recipe for disaster. Will he put in the Library a full list of what he believes are the so-called lies that were told by the leaders of the BMA? Will he explain how he expects to get things back on an even keel, something that was asked for by the Chair of the Health Committee?

**Mr Hunt:** As someone who I fully concede may have more experience of industrial relation disputes than me, let me just say this: it is very clear that we are able to progress when there is give and take from both sides; when both sides are prepared to negotiate and come to a deal that is in the interests of the service and in the interests of the people working in the service. That was not possible. It is not me who is saying that; that is what Sir David Dalton, a highly respected independent chief executive, said in the letter he wrote to me last night.

Some of the things that the BMA put out about the offer—for example, it put up on its website a pay calculator saying that junior doctors were going to have their pay cut by 30% to 50%—caused a huge amount of upset, anger and dismay, and were completely wrong. I do not think it would be very constructive for me to put in the House of Commons Library a list of all those things, when what I want to try to do is build trust and confidence. The differential between doctors and other workers in hospitals is what the BMA was seeking to protect. It still exists, but we have reduced it from what it was before because we think it is fairer that way and better for junior doctors.

**Dr Julian Lewis** (New Forest East) (Con): May I add to what my long-time comrade, my hon. Friend the Member for Gainsborough (Sir Edward Leigh) said by delving into a bit of history? In 1977, I was knocked off a motorcycle by a careless driver on a Sunday. Because staff were not in the hospital, the wound could not be cleaned until it was x-rayed and because the wound could not be cleaned, I got an infection. This is not just about increased mortality rates; it is about the prolongation and exacerbation of small or routine episodes and injuries. Will the Secretary of State, in his calm and measured way, say again to the House that when we look back on this episode people will be very surprised that it took nearly 40 years—from my accident—to bring about this long-overdue reform?

**Mr Hunt:** My right hon. Friend is absolutely right. He talks about x-rays, which illustrates the point that this is not just about doctor presence but the presence of those who are able to do x-rays, MRI scans, CT scans, get results back from laboratories and so on. A whole suite of things are necessary for seven-day care. He is also right to point out that there are huge savings if we get this right. For example, if someone gets an avoidable pressure ulcer because they have not had the care that they should have received over a weekend, they are likely to have to stay in hospital for over 10 days longer. That will cost the NHS several thousand pounds more and that is why, in the end, this is the right thing to do economically as well as ethically.

**Tom Brake** (Carshalton and Wallington) (LD): There are huge pressures everywhere in the NHS. For instance, GP out-of-hours services are under an incredible strain and cover is very limited in some parts of the country. What is the Secretary of State doing about those pressures and the additional strain that could be triggered by an exodus of doctors, following the imposition of the doctors' contract? Will he entertain the idea of a commission, as advocated by my right hon. Friend the Member for North Norfolk (Norman Lamb) and by others on both sides of the House, to find a long-term consensual solution to the growing health and care challenges that we face?

**Mr Hunt:** The trouble with commissions is that they tend to take rather a long time to come up with their conclusions, and we need to sort out these problems now. That is why the Chancellor promised an extra £3.8 billion for the NHS next year, and why we said that we want 5,000 more GPs working in general practice, which will help out-of-hours services. We have a five-year plan that the NHS has the funding to implement, and that will transform out-of-hospital services. I hope that those developments will address the right hon. Gentleman's concerns.

**Mr Bernard Jenkin** (Harwich and North Essex) (Con): I thank my right hon. Friend for his patience and resolution in bringing this matter to a conclusion. Does he share the real sadness that so many of us feel that these wonderful young people who come into the health service to be doctors with such high ideals are caught up in this terribly debilitating and damaging dispute? I ask him to reinforce his efforts to engage and speak directly with junior doctors and the medical profession as a whole and not allow the disruptive behaviour of the British Medical Association to destroy the relationship that we need to have with our doctors.

**Mr Hunt:** My hon. Friend is right. There was absolutely no reason to have this dispute, because the things that we are trying to sort out—seven-day care and safer care for patients—are what every doctor wants to happen. Indeed, they choose medicine as a profession from the highest of ethical motives, and we want to support them. I share his sadness that it has come to this, but given that the counter-party in the situation is not willing to budge, we have to take action to remove uncertainty and to do the right for patients and for doctors. I will certainly continue to engage. The new commission headed up by Professor Dame Sue Bailey will also look at wider issues of morale, which will make a big difference.

**Several hon. Members** *rose*—

**Mr Speaker:** Order. I must advise the House that, so far, we have got through eight questioners in 14 minutes, which, by the standards of the House operating at its best, is poor, so we need to do better. That means shorter questions and, frankly, rather pithier answers.

**Kevin Barron** (Rother Valley) (Lab): I had a further email on this subject from a doctor in my constituency this morning. He thanked me for forwarding replies from the Department, although he did say that they were disappointing. He said that the BMA had proposed a contract that met the Government's cost-neutral requirements, but that it had been rejected. Is that true?

**Mr Hunt:** I will be pithy, Mr Speaker. This is not just about cost-neutrality, but about dealing with weekend care, which is why that proposal was not accepted.

**Alec Shelbrooke** (Elmet and Rothwell) (Con): May I congratulate my right hon. Friend on always having at the forefront patient care and the wellbeing of young doctors? Did it not give the game away when the BMA said that this was a blow against austerity? Will he remind the House how much extra money has gone into the NHS, by contrast to what happened under the Labour party?

**Mr Hunt:** My hon. Friend is absolutely right. I am afraid that, regrettably, there are some political elements inside the BMA. The great irony is that, without the austerity measures that those same people opposed in the previous Parliament, we would not have been able to give the NHS its sixth biggest funding increase ever.

**Dawn Butler** (Brent Central) (Lab): When I watched the Secretary of State on the TV on Sunday, two things struck me: first, he got paler as the letters from junior doctors were read out; and secondly, he made it clear that it was the senior doctors not being present that was the barrier to a full seven-day NHS. Why is it then that he is picking a fight with junior doctors?

**Mr Hunt:** We need senior decision-makers to be present. They are the most important people when it comes to delivering seven-day care. Most of the medical royal colleges accept that a junior doctor who has had a substantial amount of training does qualify as a senior decision-maker, which is why we need them more.

**Dr Andrew Murrison** (South West Wiltshire) (Con): The BMA has taken the oversubscribed political speciality of spin doctoring to a whole new level. May I express my admiration for the Secretary of State for his ability to keep his cool under the sort of provocation that he has had, and ask how a 13.5% increase in pensionable pay could possibly lead to problems with recruitment and retention?

**Mr Hunt:** My hon. Friend speaks with personal knowledge. One of the things that has been wrong with junior doctors' contracts for many years is that basic pay is too low. They therefore feel under huge pressure to boost basic pay by premium working, and that has led to some of the distortions that we see. So, yes, it is a significant increase in basic pay, which will be a very big step forward.

**Jack Dromey** (Birmingham, Erdington) (Lab): I have spent 30 years in the world of work, representing employees, conducting negotiations and solving disputes. I have seldom seen a sense of grievance so grotesquely mishandled, insulting the intelligence of junior doctors by telling them that they do not understand what is on offer. Does the Secretary of State not feel a sense of shame that his handling of this dispute should have so poisoned relationships with junior doctors, who are the backbone of the national health service?

**Mr Hunt:** The hon. Gentleman can do a lot better than that. We have been willing to negotiate since June. It was not me who refused to sit round the table and talk until December; it was the BMA, which, before even talking to the Government, balloted for industrial action. What totally irresponsible behaviour that is. If Labour were responsible, it would be condemning it as well.

**Wendy Morton** (Aldridge-Brownhills) (Con): I thank my right hon. Friend for his statement today and for all the work that he is doing to deliver a truly seven-day-a-week NHS, which we all really want for our constituents. Will he confirm that the BMA, the royal colleges, the Government and the wider NHS are all now agreed on the need to improve weekend care, which, as Professor Sir Bruce Keogh has said, is both a clinical and a moral cause?

**Mr Hunt:** My hon. Friend is absolutely right. There is a huge amount of support for doing the right thing for patients, which is why it is so extraordinary that the BMA has chosen to defend the indefensible, not to sit round and talk about how we can do this, as any reasonable doctor would have done and—to go back to the earlier question—to put out deeply misleading comments to its own members that have inflamed the situation and made it far worse than it needed to be.

**Mike Kane** (Wythenshawe and Sale East) (Lab): The Royal College of General Practitioners has reacted to the decision to impose the contract by saying that it is shocked and dismayed. The Royal College of Psychiatrists has said that the decision will exacerbate the recruitment and retention issues that the NHS currently faces. Why does the Health Secretary ignore the concerns of those two royal colleges?

**Mr Hunt:** When those colleges have had a chance to look carefully at our proposal, they will find much that they can commend. For both psychiatrists and GPs, we are putting in a premium to attract more people into those specialties, which will be immensely important both for them and for the NHS.

**Antoinette Sandbach** (Eddisbury) (Con): Will the Secretary of State draw to the shadow Secretary of State's attention the research in the Netherlands that has shown that seven-day working has dramatically cut stillbirth rates—by 6.8% in the Netherlands—and has the potential to have a real impact on survival rates for young babies?

**Mr Hunt:** I commend my hon. Friend for her campaigning on that issue. She could not be more right. Just before Christmas, a report by Professor Paul Aylin



said that the mortality rates for neonatal children were 7% higher at weekends, which underlines just how important it is to get this right.

**Rachael Maskell** (York Central) (Lab/Co-op): On 5 December 2011, the Government tried to cut unsocial hours for "Agenda for Change" staff. At a time when morale right across the NHS is so low, will the Secretary of State guarantee that he will not bring forward cuts, because the reason behind the unsocial hours cut that I mentioned was to introduce seven-day working?

**Mr Hunt:** We have no plans to do so, but I cannot be drawn any further, except to say that we do have to deliver our manifesto commitments. The specific issues that we have identified with respect to seven-day working relate to consultant and junior doctor presence, and that is what we are focused on putting right.

**Oliver Colville** (Plymouth, Sutton and Devonport) (Con): I thank my right hon. Friend for the very clear way in which he has kept the House up to date on the progress of all this. It is very important not only that we free up beds in hospitals, most certainly at weekends, but that we should be making much greater use of our pharmacies to deliver better healthcare within the community. Will he explain how that might happen?

**Mr Hunt:** I believe my right hon. Friend the Minister of State is with the pharmacists now discussing that precise issue. My hon. Friend raises this issue regularly and rightly: pharmacists have a very important part in the future of the NHS.

**Paul Flynn** (Newport West) (Lab): On Sunday, I witnessed the seven-day working at a Welsh hospital, where a clinic was held in Nevill Hall for the convenience of patients and to get maximum use of an expensive gamma camera. The Secretary of State constantly denigrates the work of the Welsh health service, but will he pause to congratulate the Welsh and Scottish Governments, who avoided the misery of the strike and will also avoid the poisonous legacy of resentment that he will face from junior doctors?

**Mr Hunt:** The Welsh and Scottish Governments may have avoided the difficult decision that we are taking in the NHS in England, but the longer they go on avoiding the issue, the longer they will have higher mortality rates at weekends, which we are determined to do something about.

**Jim Shannon** (Strangford) (DUP): I thank the Secretary of State for his statement. If we do not have enough junior doctors, patient safety cannot be guaranteed. In his statement, he referred to reducing the number of hours, nights, days and rostered weekends for doctors. Does he believe that that will ensure that there will be no strike? What safeguards are in place for patients, nurses and senior doctors if an agreement cannot be reached?

**Mr Hunt:** It is because an agreement cannot be reached that we have to take the measures that we are taking today. The bits of the new contract to which the hon. Gentleman draws attention are the bits that will have the biggest impact on the morale of junior doctors, because we are saying that we do not think it is right for hospitals to ask them to work five nights in a row or to

work six or seven long days in a row. We are putting that right in the new contract. That will lead to less tired doctors and better care for patients.

**Jeff Smith** (Manchester, Withington) (Lab): I met a large group of junior doctors in my constituency to discuss the new contract. They were highly professional and totally committed to the NHS, but for the first time some of them were considering working abroad. One of them told me that, although she loved her job, she would never let her daughter train as a junior doctor now. Does that not demonstrate that the low morale—the despair, frankly—and the likely flight of junior doctors as a consequence of imposition is a huge threat to the future of our NHS?

**Mr Hunt:** The biggest threat to morale for doctors is not being able to deliver the care that they came into the profession to deliver. That is why we are sorting out a proper seven-day NHS, particularly for junior doctors who work in A&E departments at weekends, where they often do not have the support they would get during the week and do not have as many consultants around as there would normally be. That is what we are trying to put right. I appreciate that it is very difficult when the counter-party in the dispute does not want to negotiate, but in the end Governments have to decide what is right for patients and what is right for the service, as well as what is right for doctors.

**Diana Johnson** (Kingston upon Hull North) (Lab): Hull has traditionally struggled to recruit doctors in specialties such as A&E, general practice and psychiatry. I am concerned about the royal colleges' warning that the imposition of the contract will have a detrimental effect on staff morale and staff retention in the NHS. Will this not make things even more difficult for areas such as Hull, which struggle to recruit in the first place?

**Mr Hunt:** We want more doctors and more nurses in the NHS, but in the end, if we are putting extra money in to recruit these extra doctors and nurses, it is fair to the public who are paying for their salaries to have reforms that mean their care gets better. That will apply to the hon. Lady's constituents in Hull, who want a seven-day NHS, just as my constituents in Surrey do.

**Paula Sherriff** (Dewsbury) (Lab): The Health Secretary repeatedly accuses the BMA of misleading junior doctors, yet 98% of them voted for industrial action. Without exception, every doctor I have spoken to said that the last thing they wanted to do was to go out on strike. Doctors are some of the brightest and most intelligent people we have in our country. Does the right hon. Gentleman really believe that they cannot make up their minds for themselves?

**Mr Hunt:** It is interesting that when that vote was held, the BMA had not sat down and talked to the Government, despite repeated invitations. I personally met Johann Malawana, the leader of the junior doctors committee, and invited him to talks. Despite those repeated invitations, they refused to talk; they decided to ballot for industrial action. How serious are people about reaching a negotiated settlement if that is what they do?

**Liz McInnes** (Heywood and Middleton) (Lab): Can the Secretary of State clarify something in his statement for me? He says that “those working one in four Saturdays or more will receive a pay premium of 30%. That is higher on average than that available to nurses, midwives, paramedics and most other clinical staff”. The staff he cites will be employed on bands 4 to 9 under “Agenda for Change” terms and conditions. If they work Saturdays, they receive plain time plus 30% for working then, so can the Secretary of State tell me how he has calculated an average? I do not understand his mathematics.

**Mr Hunt:** I am happy to do that. The contract that we are going to implement gives junior doctors who work more than one in four Saturdays—so one in three Saturdays—a higher premium of 50%, so when taken on average, it is a higher premium for working on a Saturday.

**Huw Irranca-Davies** (Ogmore) (Lab): As has been pointed out by my hon. Friend the Member for Newport West (Paul Flynn), there were no strikes in Wales yesterday. However, on the point made by the hon. Member for Central Ayrshire (Dr Whitford), there was an increase of 10% in the budget, equivalent to 135 places for nurse training, which is so critical for cover. That may be what led to a communication that I received from a junior doctor in England who said, “Could we have your Minister for Wales, please?” What does it say about morale in the NHS in England when, in football and rugby parlance, the Minister has lost the confidence of the changing room?

**Mr Hunt:** I think that is the first time in living memory in this House that a Welsh MP has got up and said that they think things are better in the Welsh NHS. Just look at the waiting times that people face for basic operations on the NHS in Wales—far, far longer than in England. We will take no lectures about how to run the NHS from Labour in Wales.

**Paul Blomfield** (Sheffield Central) (Lab): I represent three fine hospitals and one great medical school, and I spend a lot of time listening to junior doctors and medical students. The Secretary of State talks about the crisis in morale in the NHS among junior doctors. Does he not recognise that his handling of the dispute has done so much to enhance that crisis, and that today’s announcement will make it so much worse?

**Mr Hunt:** Not at all. The choice I had was to do something about mortality rates at weekends or to duck the issue. Under the Conservatives, we do not duck issues about mortality rates. We do the right thing for patients. After Labour’s record, I should have thought the hon. Gentleman would be a little more circumspect.

## Points of Order

12.47 pm

**Tom Brake** (Carshalton and Wallington) (LD): On a point of order, Madam Deputy Speaker. In an earlier exchange in Energy and Climate Change questions, the Secretary of State said, in response to a question that I posed to her, that large-scale solar is already subsidy-free. I think she may have inadvertently misled the House. As I understand it, under the Government’s banding review, they are proposing a subsidy of £34 per megawatt-hour. How can I get the Secretary of State to correct her statement?

**Madam Deputy Speaker (Natascha Engel):** I was not here during DECC questions but, as the right hon. Gentleman knows, Ministers take responsibility for their own statements. He has put the matter on the record.

**Diana Johnson** (Kingston upon Hull North) (Lab): On a point of order, Madam Deputy Speaker. Earlier in business questions, I raised the case of my constituents, Mike and Tina Trowhill. I had raised the matter in Prime Minister’s questions on 4 November and the Prime Minister had promised a meeting with my constituents. I raised it with the Leader of the House because it is now the middle of February and it has proved very difficult to arrange that meeting. The Leader of the House said that I had misinterpreted the response from the Prime Minister. I have checked *Hansard* for 4 November. I said:

“Will the Prime Minister agree to meet Mike and Tina to discuss why we need national and local inquiries into what happened to baby ashes in such cases?”

His response was:

“I am happy to arrange that meeting.”—[*Official Report*, 4 November 2015; Vol. 601, c. 964.]

I do not understand how I have misinterpreted that and, more to the point, how my constituents, who have now been waiting three months for a meeting with the Prime Minister, could have misinterpreted it? Can you assist me in how I should take the matter forward?

**Madam Deputy Speaker:** The hon. Lady has already taken the matter forward by putting it on the record. No doubt, the Minister on the Treasury Bench will take it further. Perhaps the hon. Lady will be written to, at least.

## Housing Associations and the Right to Buy

### SELECT COMMITTEE ON COMMUNITIES AND LOCAL GOVERNMENT

#### *Select Committee statement*

**Madam Deputy Speaker (Natascha Engel):** We come now to two Select Committee statements. Mr Clive Betts will speak on his subject for up to 10 minutes, during which no interventions may be taken. At the conclusion of his statement, I will call Members to put questions on the subject of the statement, and I will call Mr Clive Betts to respond to those in turn. Members can expect to be called only once. Interventions should be questions and should be brief. Front-Bench Members may take part in questioning. The same procedure will be followed for the second Select Committee statement. I call the Chair of the Communities and Local Government Committee, Clive Betts.

12.49 pm

**Mr Clive Betts (Sheffield South East) (Lab):** I would like to thank the Backbench Business Committee for the opportunity to present our report on housing associations and the right to buy. I would also like to thank Craig Bowdery, our Committee specialist; Professor Christine Whitehead, our specialist adviser; and Professor Ian Cole and his research colleagues at Sheffield Hallam University for their help in producing the report.

There is clearly a housing crisis in this country, so the Committee wanted to look in greater detail at one of the Government's key policies: extending the right to buy to tenants of housing associations. That was a Conservative manifesto commitment, so the Committee did not question whether it should be implemented. As is appropriate for Select Committees, however, we scrutinised how it was being implemented. We also looked at other Government policies, such as the 1% reduction in social rents, pay to stay and starter homes, which will all have an impact on the provision of social housing and on housing associations.

We had a large response to our request for evidence, with more than 175 written submissions, and we heard from a range of witnesses, including housing association chiefs from across England, Scotland and Wales, council leaders and representatives of tenants and mortgage lenders.

Throughout our investigations, we found a great deal of uncertainty—that was a key point—and a lack of detail. The robustness of the funding model for the right to buy is extremely questionable, and we call on the Government to cost the programmes fully as a matter of urgency.

Shortly after our investigations began, a deal to implement the extended right to buy voluntarily was reached between the Government and the National Housing Federation. We recognise that a voluntary deal is a way of delivering a key policy from the Government's manifesto while maintaining the independence of housing associations, and that, in the circumstances, it is the best way forward for both. However, there remains much uncertainty in the wording of the agreement. A minority of associations voted against it, and some abstained, and we do not yet know how the right to buy will be imposed on them and how binding the terms of a voluntary agreement can be.

Another issue is exactly how much discretion each association will have to decline sales. Can they, for example, choose not sell any of their homes in a certain area, or will they sell them on a case-by-case basis? Similarly, what is the appeal process for tenants who are refused the right to buy?

The extended right to buy is designed to increase home ownership and housing supply. We support those aspirations and the principle of giving people the opportunity to own their own home, provided that the homes sold under the right to buy are replaced on a one-for-one basis and that housing continues to be delivered across all tenures to meet the country's housing needs. We feel there are unresolved issues, and we remain concerned that the Government's policies could have a detrimental effect on the provision of accessible and affordable housing across all tenures, particularly on affordable rented homes.

We looked particularly at houses in rural areas, where there is often high demand. Limited land availability means that it can be challenging to build new homes to replace those sold through the right to buy. For our rural communities to thrive, it is important that young people and those on lower incomes can afford to live in them. The terms of the voluntary agreement included the ability of housing associations to offer a portable discount in place of selling a home. Given that rural areas such as national parks can be large, it remains to be seen how that will work in practice.

We are concerned that the extended right to buy could hinder the provision of specialist and supported housing schemes. Homes in such schemes are expensive to build and can be harder to replace, but they provide essential services to those living in them. We also believe that to avoid confusion or possible legal challenges, restrictive covenants on specific sites and properties built using charitable funds should be explicitly exempt from the extended right to buy.

We found that large numbers of homes sold through the statutory right to buy to council tenants had become rental properties in the private sector in a relatively short time. That is a concern because the private rented sector is often more expensive than social housing, and the quality of homes can, in some cases, be lower. Selling much needed social assets at a discount, only for them to become more expensive in the private rented sector, is therefore a significant concern for the Committee.

Measures to restrict homes sold through the right to buy from ending up in the private rented sector need to be explored. We suggest that those might include a provision that any right-to-buy homes resold within 10 years should first be offered to local housing associations or the local council, which could choose to buy them at market price. They might also include a restrictive covenant requiring a minimum period of owner-occupation. Those are matters for exploration.

The Government propose to fund the extended right to buy with the proceeds from the sale of high-value council homes. The definition of "high value" has not yet been announced, and it is long overdue. The precise mechanism by which this policy will be funded contains too many unknowns and unclear definitions. However, we observe that public policies should usually be funded by the Government, rather than through a levy on local authorities. If only those councils that have retained some housing stock are required to make the payment to fund

[*Mr Clive Betts*]

the right-to-buy discounts, the effect on communities, and the financial risk for local authorities, will be greater in some areas than in others. That is another reason for our belief that a national policy should be funded nationally.

We received much evidence on the proposed funding, and we are concerned that the sums do not add up. We cannot be sure that the proceeds from selling council homes will cover the costs of providing right-to-buy discounts, the costs of building replacement council homes and the brownfield regeneration fund. We urge the Government to publish their figures and to clarify the funding mechanism as soon as possible.

The success of the extended right to buy largely depends on the homes that are sold being replaced and on the housing supply being maintained. We appreciate the size of the challenge of building more homes to meet demand, but we seek more details from the Government on how they will meet their objective of achieving at least one-for-one replacement of the homes sold. They must take steps to ensure that the homes built to offset right-to-buy and council home sales meet the needs of local communities and have a tenure mix that reflects local circumstances.

Another policy that could impact on housing associations and the provision of rented housing is the new legal duty on councils to ensure the provision of 200,000 new starter homes across all reasonably sized sites. It is important that homes for affordable rent are also built where the need exists, particularly because starter homes now count towards satisfying the affordable housing allocation in section 106 agreements. Starter homes should not be built at the expense of other forms of tenure; it is vital that homes for affordable rent are built to reflect local needs. To put that in context, about 250,000 housing association rented homes have been built in the last 10 years through section 106 agreements.

Another policy change is that housing associations have been required to adapt to the fact that the Government are reducing social rents by 1% a year for four years. That reduction in housing association's income is significant and could impact on the pastoral services provided. It could also impact on associations' development capacity and the viability of supported housing schemes. It will affect different housing associations in different ways. We welcome the recent announcement that supported housing rents will be exempt from the 1% reduction for a year while the Government review the situation.

Before the 2016 autumn statement, the Government should provide some certainty over rent levels post-2020, to assist long-term business planning and increase investor confidence. We support their efforts to deregulate housing associations, and we argue that giving them the freedom to set their own rent levels is the next logical step.

It is clear that the housing association sector is undergoing a substantial change. We encourage the regulator to adopt a framework that is based on risk, rather than factors such as size, and that recognises the sector's diversity. Regardless of how housing associations might change in future, it is vital that they remain mindful of their social mission and philanthropic purpose.

The Government have ambitious plans to address the severe housing shortage, and they are seeking to do so by prioritising affordable home ownership. None the

less, rented housing at full market rents and sub-market rents will continue to be essential to meet the needs of many in our society and should exist alongside other forms of housing.

Finally, I thank all members of the Committee for working assiduously and collectively to produce this unanimously agreed report.

**Mr Philip Hollobone** (Kettering) (Con): May I congratulate the hon. Gentleman on his statement, and him and his Committee on its report? I was interested in conclusion 96, which says:

"It is important that housing associations which generate surpluses apply them to delivering new housing."

In his report, the hon. Gentleman highlights the fact that the department has identified

"that the housing association sector had a surplus of £2.4 billion", which it could make use of. Does he share my concern that there is tremendous scope for more efficiencies in housing associations? Is he as concerned as I am that some chief executives of housing associations receive very large salaries indeed?

**Mr Betts:** That was an issue the Committee was mindful of. That wording in the report is very clear. Where there are large surpluses, and there are housing shortages to be met, housing associations should look to make sure those surpluses are spent in a way that delivers more homes.

It is also important that housing association boards look at how their resources can be managed to the maximum efficiency. The public sector as a whole has had to have an eye on efficiency in the last few years. The housing associations are deliberately not in the public sector, and the Government have taken steps to deal with that issue. Nevertheless, they receive public funding, and they should make sure they spend that public money as efficiently as possible.

**John Healey** (Wentworth and Dearne) (Lab): I welcome this unanimous cross-party report, which reinforces criticism and opposition already voiced by Conservative Members and by the Conservative-led Local Government Association about the huge loss of affordable homes in rural and urban areas alike as a result of the Housing and Planning Bill. The other place is set to examine the Bill's provisions on housing associations' right to buy and the forced sale of council homes on 3 March, so what steps will my hon. Friend take to make sure that peers know all about this important report before then?

**Mr Betts:** I would have thought that making this statement today was a start to that process and give the report some publicity. I am sure that my right hon. Friend will be sending messages to his colleagues in the other place where he wants to draw particular aspects to their attention. A key issue is how the right-to-buy scheme should be funded. I think it would be very helpful for their lordships if the Government were to produce the calculations on how the sale of high-value council assets in relation to right-to-buy discounts, the replacement of the sold-off council homes, and the brownfield regeneration fund—which I think we can all support as a very good principle—can all be funded. We need to see the Government's figures given that we had evidence from the Chartered Institute of Housing that

the maximum amount raised from the levy would be about £2.2 billion a year, which would not cover the three costs that need to be covered to meet the Government's intentions.

**Bob Blackman** (Harrow East) (Con): I welcome the statement from the Chair of the Select Committee, on which I am pleased to serve. I can confirm that this report was, helpfully, agreed on a cross-party basis. I commend him for his diligent work in ensuring that we did come to such an agreement even though it was quite difficult at times. Does he agree that it is important to increase not only the supply but the mixture of tenure? One of the key concerns that the Government have addressed, thanks to an amendment to the Bill, is that social rented homes sold will be replaced on a two-for-one basis. I think that is warmly welcomed. We also need to make sure that the homes that are sold are for owner-occupation and do not end up in the private rented sector market, because that denies people the right to own their own home.

**Mr Betts:** When a home is bought under the right to buy and the Government then continue with their policy of selling a council home to pay for it, if both those homes could be replaced with properties that meet the needs of those communities, I think everyone would feel a lot more comfortable about the direction of travel. As I understand it, the two-for-one replacement is a London-only commitment at this stage, and it is not precisely clear what the tenure of the two-homes replacement would be. That is one of the unanswered questions. Another is that we do not yet know how the levy raised on councils would be distributed around the country. Presumably the specific requirement for London means that some sort of regional ring-fencing will be in place, but we do not know precisely what that will be until the Government say so.

Yes, there is a concern about homes being bought under the right to buy and then becoming homes in the private rented sector. We can all see why that is. When people have bought their council homes, we see the front doors and front windows appearing in those newly bought homes, and a few years later we go back and probably see the roofs that have not been repaired, indicating that those homes have been passed on to the private rented sector. That is a challenge the Committee identified, and I hope that the Government will work with the National Housing Federation to explore how it might be dealt with.

**Jim Shannon** (Strangford) (DUP): I, too, thank the Chair of the Select Committee for bringing forward this report. I have always supported the right to buy. This is a devolved matter in Northern Ireland, but I still want to ask a question. In Northern Ireland, we have changed the tenancy arrangements such that a tenant has to stay for an extra five years before they can have a right to purchase. Another change is that tenants have no right to buy a bungalow or adapted disabled accommodation

because of constituents' insatiable demand for such housing. Has the Chair given any consideration to those two conditions in Northern Ireland? Did any discussions take place with the Northern Ireland Assembly or with other devolved regional Administrations to gauge their opinion on what they do? That would perhaps allow us to have a uniform set of rules or criteria across the whole of the United Kingdom of Great Britain and Northern Ireland.

**Mr Betts:** We had witnesses from England, Scotland and Northern Ireland, so we did look across the board. We did not look specifically at extending the qualifying period for the right to buy, but we did look in some detail at supported housing. We thought that the discount should not be eligible in relation to the right to buy. The problem is that in some cases where a property cannot be sold, a portable discount can be given to another property, but if a person needs supported housing, then saying to them, "You can't buy that house but you can have a portable discount to another supported housing unit somewhere else" does not really add up. We need clarification on that because we were very concerned about the prospect of losing supported housing in this way.

**The Minister for Housing and Planning (Brandon Lewis):** First, I apologise to the Chairman and members of the Select Committee for not being here earlier; I have been serving on a Bill Committee. I hope they will appreciate that I whizzed down as soon as we finished the sitting.

I thank the Chairman and the entire team who worked on this report, and everybody who gave evidence, for their time and effort. It is a deep report that we will look at with interest. I am sure that members of the Committee and the Chairman himself will appreciate that there may be things that we do not entirely agree with; we have that debate from time to time. Through the voluntary agreement, our policies in the Housing and Planning Bill and our housing policies in general, we have been very clear that we support, and will continue to do all we can to support, the aspiration of home ownership, and the right to buy plays an important part in that. I welcome the time and effort that the Committee put into the report, and look forward to the debates on these issues in the period ahead.

**Mr Betts:** I would probably be disappointed if the Minister did agree with everything in the report. The Committee members were absolutely at one on this. We support the aspiration of home ownership—how could we not when we are homeowners ourselves? People would look at us askance if we came to a different view. We did not say that we were against the right to buy; rather, we raised a number of fundamental questions about how it could be funded. We would like the Minister to provide in response the information, the evidence and the facts and figures to back up the Government's policy so that we can have a better view as to how it will work in practice.

## Future of the Union: English Votes for English Laws

### SELECT COMMITTEE ON PUBLIC ADMINISTRATION AND CONSTITUTIONAL AFFAIRS

*Select Committee statement*

1.7 pm

**Mr Bernard Jenkin** (Harwich and North Essex) (Con): I am grateful to the Backbench Business Committee for the opportunity to introduce PACAC's latest report to the House. Our main conclusion is that while there is evidence that the principle behind EVEL commands popular support, we have significant doubts that the current Standing Orders are the right answer or that they represent a sustainable solution to the English question. They may be unlikely to survive the election of a Government who cannot command a double majority of English and UK MPs. The Government should use the remainder of the 12-month period in the run-up to their promised review of the Standing Orders to rethink the issue and to develop proposals that are more comprehensible, more likely to command the confidence of all political parties represented in the House of Commons, and therefore likely to be constitutionally durable.

On complexity, we note with concern the comments of a former Clerk of the House, Sir William McKay, who described the new Standing Orders as

"a forest in which I lose myself".

That former Clerks of the House of Commons—individuals steeped in decades of learning about the law of Parliament and parliamentary procedure—should have difficulty in discerning what these Standing Orders mean should raise serious doubts about them.

It is regrettable that the new Standing Orders have been drafted, like legislation, by Government parliamentary draftsmen. Never again should Standing Orders be drafted by the Government, rather than by our own Clerks. Revisions made to Standing Orders to make them more coherent and transparent should be made by the House, for the House, as a matter of principle.

On sustainability, our report notes the stridency of the opposition to the new Standing Orders from those on the Opposition Benches—all those on the Opposition Benches—which underlines their vulnerability. Only the Conservative party voted in favour of the new arrangements. The Standing Orders therefore face a high risk of being overridden as soon as there is a non-Conservative majority in the House of Commons.

The shadow Leader of the House noted in his evidence to the Committee:

"It is certainly feasible, if not probable"

that a future Labour Administration would revoke the new Standing Orders. That the Standing Orders have attracted such hostility and can be removed on the basis of a simple majority must raise doubts about whether they can ever be regarded as anything more than a temporary expedient. Currently, they cannot be considered to be part of a stable constitutional settlement that will endure.

It is too soon to say what the constitutional implications of the new Standing Orders might be, but we note the difficulties raised by trying to reconcile EVEL with the

continued operation of the Barnett formula. It is increasingly perverse that decisions made about spending in England determine what is spent in Scotland, Wales and Northern Ireland. Alternative schemes of territorial funding will have to be examined.

My right hon. Friend the Leader of the House has described the devolution test used for the certification of English only, or English and Welsh-only, issues as "a very simple test." It is difficult to see how a neat, one-size-fits-all test can be applied to a highly complex, political and asymmetrical set of devolution dispensations. We note that it is highly likely that interested parties from inside and outside the House will want to make representations to the Speaker on how he adjudicates this test. We agree with the Procedure Committee that there is a case for the Speaker to establish and publish a procedure for how he would handle such representations.

Above all—this is of most importance—our report points out that the ad hoc approach to change in the constitution of the Union, which dates back only to the devolution reforms initiated by the Labour Government in 1997, and which has treated Scotland, Wales, Northern Ireland and, indeed, England in different ways at different times, has been characteristic of constitutional reform since the 1990s. The Government must abandon this ad hoc approach and explore a comprehensive approach for the future of relationships between the Westminster Parliament and the component parts of the United Kingdom. That will be the subject of our continuing inquiry into the future of the Union, and of our subsequent reports on the subject. We are pursuing this by developing conversations, in private and in public, with an open mind to build up trust and understanding between all the Parliaments and Assemblies of the United Kingdom and among all political parties. We have had a successful visit to the Welsh Assembly in Cardiff, and we will visit Holyrood in March. We will issue further reports to the House in due course on the progress of those conversations.

**Melanie Onn** (Great Grimsby) (Lab): The report is most welcome, and I thank the Committee for its efforts. The report makes it clear that EVEL, in its current guise, is not coherent, transparent or sustainable. Does the hon. Gentleman agree that we now need the wider constitutional convention that Labour has called for since before the election? Does he agree that the Government should support expert views such as that of the McKay commission, which set out an effective system to replace the current bureaucratic mess? We are willing to work with the Government to find a better system to strengthen English voices in Parliament, but it cannot be right that some Members in this place have a veto when others do not. Does he agree that the Government should heed the report and, during their review of EVEL proceedings, return to the drawing board to find a fairer solution that we can all support?

**Mr Jenkin**: I agree in part with the hon. Lady, and I am grateful for her remarks. The McKay commission was as unsatisfactory, in many ways, as the present proposals. It is in the nature of the Scottish Parliament, the Welsh Assembly and the Northern Ireland Assembly that English MPs have no say over the laws that they make, so the veto to which she refers is merely a quid pro quo. Interestingly—and I stress this point—the principle behind English votes for English laws seemed to have quite a lot of popular support, even in Scotland,

although that view is controversial and not entirely shared by the Scottish National party member of the Committee. As for the constitutional convention, we have not taken evidence on the matter. I do not think that there is an appetite for reopening the entire British constitution to an interminable process that would take years. We need a quicker solution.

**Crispin Blunt** (Reigate) (Con): I congratulate my hon. Friend and the Committee on the report. It is plain from the report and what he has just told the House that EVEL is yet another step in the endless and unbalanced process of devolution in the UK that has gone on for some time. Does he really believe that we are now within reach of a settlement that has some chance of holding in the next Parliament? Will it be possible to introduce proposals that command universal consent and put this endless constitutional debate finally to bed?

**Mr Jenkin:** I do not think that we are within reach of such a settlement. I think we are a very long way from such a settlement, such is the chaos inflicted by these piecemeal and bitty reforms. Many of them, such as the Scottish Parliament, we now accept as permanent parts of the constitution, but we are a long way from a common understanding of how everything should be knitted together again to preserve something like the United Kingdom. We are even a long way from agreeing, with an open mind, on the kind of relationship that the four parts of the United Kingdom should have with each other. We are just starting those conversations. We are talking in terms, and with openness, to people of whom we have been implacable opponents. That fresh approach will lead to renewed trust and understanding, on which we might eventually frame a new settlement of some kind, but I think we are a long way from that.

**Patrick Grady** (Glasgow North) (SNP): In the SNP, we have never objected in principle to the concept of English votes for English laws, not least because it is a logical consequence of independence for Scotland. However, the Committee's report confirms, as we have said all along, that the current Standing Order procedure is a guddle, a bürach and, in short, a complete mess. Does the hon. Gentleman agree that the system is further complicated by the complete lack of transparency in the estimates process, as confirmed today by the Leader of the House, which effectively means that Scottish MPs will have no real say on how Barnett consequentials play out in Scotland, and therefore the entire system of EVEL must be urgently reviewed?

**Mr Jenkin:** Our report does not use the kind of language that the hon. Gentleman adopted, and I think that we are in danger of getting trapped in conversations that will not get us anywhere. That is why we are trying to have a different sort of conversation with Members of the SNP, north of the border as well as down here. That is the future direction in which we would go. One problem that he and I will have to wrestle with is the nonsense that the spending of the Holyrood Parliament and the Scottish Executive is determined by what we decide for ourselves in England. The Barnett formula was designed for a different United Kingdom, and it is not fit for purpose for the United Kingdom that we have or for the hon. Gentleman who, if he gets the full fiscal autonomy that he wants, will be deeply out of pocket as we will not be paying anything.

**Mr David Jones** (Clwyd West) (Con): I congratulate my hon. Friend on his chairmanship of the Committee. Its consideration of the future of the Union is an extremely useful piece of work. The report sets out some useful background to where we are now, and explains what has led to the imposition of EVEL through Standing Orders. The problem dates back to the West Lothian question, which was well rehearsed but which, the Committee concluded—albeit on a divided vote—was given insufficient attention in 1997 when the legislation was considered. Does my hon. Friend agree that if there is one further lesson we can learn from the report, it is that in all matters constitutional, we should hurry slowly?

**Mr Jenkin:** In my speech in the Chamber on Second Reading of the Scotland Bill, I said that we might rue the day we passed the legislation. Even the then Prime Minister has rued the day that he passed it. Now is not the time for regrets, however; now is the time to learn from experience. There is some urgency to resolve the very serious anomalies that now exist in our constitutional arrangements—for example, they exploded during the general election, as we remark in our report, and perhaps even determined its outcome—in order to provide stability. We should tread carefully, but with some urgency.

**Paul Flynn** (Newport West) (Lab): This is a worthwhile report. It identifies EVEL as a foolish piece of legislation that will, perversely, live up to its acronym and accelerate the process of the break-up of the United Kingdom by putting up barriers between the four countries. It has already created great resentment by creating four classes of MPs.

Does the hon. Gentleman rather regret following the addiction, which has become an incurable one in his party, of blaming Labour Governments for everything that has ever gone wrong? The suggestion is that the Labour Government of 1997 was remiss in not taking account of the West Lothian question—the expression was coined in 1977 by Enoch Powell, after a speech by Tam Dalyell—but no party has tried to come to grips with it. It really is an imaginative rewriting of history, trying to get some kind of retrospective justification, to suggest that it was a live issue in 1997, when it was not. Have we not followed a large number of ad hoc, piecemeal decisions by this House by making another, even more piecemeal, decision?

**Mr Jenkin:** I am grateful to the hon. Gentleman and, indeed, to all members of the Committee who have contributed to the report. It is a pleasure to work with them. I do not entirely share his view that this is a “foolish piece of legislation”, because we do not use the word “foolish” in the report and it is not legislation. We do not blame the Labour Government for everything, but I did just point out that the former Labour Prime Minister has expressed such a regret.

The fundamental point is that we must end this ad hoc approach to constitutional reform. We must take a much more comprehensive approach. I agree with the hon. Gentleman on that point.

**Sir Edward Leigh** (Gainsborough) (Con): I sit on the Procedure Committee, which has done an exhaustive study on this matter, but I am speaking for myself. I must say that my problem with all this—both my hon. Friend and I are romantic Unionists, who think the Union is more important than anything else—is that we

[*Sir Edward Leigh*]

are inflaming opinion in Scotland and Wales, but our current arrangements will not change the result of a single part of a single Bill throughout this Parliament, because we have an overall majority. If we do not have an overall majority next time, the other political parties, given that every other political party in the House is dead set against it, will simply cancel the Standing Orders on a wet, rainy afternoon, and no one will care because it would have been on page 20 of the manifesto.

Is not the solution to all this still to try to work towards some form of consensus? Surely it should be possible for those on the two Front Benches to work out something that actually solves this problem, and if it is not possible, we should at least try. Otherwise, what are we doing, apart from inflaming opinion against the Union in Scotland?

**Mr Jenkin:** I am acutely aware of that. We have argued about this, and I agree with my hon. Friend much more than I used to about the danger of inflaming opinion in Scotland. It has to be said, however, that having produced this report today—I did one interview on “Good Morning Scotland”—there has not been a huge reaction to it. It is a very Westminster village, techie subject, but the problem is that it has the potential to create deep political grievances.

It was a fatal error for the 1997 Parliament to consider this issue too boring for words and to ignore it. We will rue that day. To base a constitutional reform on the complete absence of consensus is extremely dangerous, but that is what we have done with these Standing Orders. That is why I agree with my hon. Friend that we should be working towards some form of consensus. That may be impossible: in putting in place these structures, we may have created a constitutional Gordian knot that cannot now be undone or resolved. In that case, I hope that the conversations we are beginning to open up with all parts of the United Kingdom will lead us towards an altogether different kind of debate about how to settle the future of the four countries that compose the United Kingdom.

**Steven Paterson** (Stirling) (SNP): I would contradict the hon. Gentleman because this issue is headline news in Scotland. It is a really big deal and it is newsworthy. Where I agree with him, however, is that he is quite correct to point to the asymmetric nature of devolution. Devolution took decades, and we are not finished forming it yet—I hope there is only one destination that devolution can reach—but these proposals were rushed through extremely quickly and I quite agree that they need to be binned. We must think again about how to make this work, and we must achieve consensus with the Scottish National party. I hope he agrees that if there is an opportunity to sit down and thrash out the proposals, we can do so.

**Mr Jenkin:** The proposals only become an issue in Scotland if they are misrepresented—but they are capable of being misrepresented, and that is why they are unsatisfactory.

I cannot vote on matters devolved to the Scottish Parliament in relation to the hon. Gentleman’s constituency,

and all this is trying to do is to make sure that there is a measure of restraint on how he votes on the same matters in relation to my constituency. That is perfectly logical. The problem is that what is resolved for Scotland in the form of the Scottish Parliament is resolved for England in a completely different and almost incomprehensible way. The lack of consensus on that leaves us in a very difficult situation.

However, I urge the hon. Gentleman not to go around stirring up a false grievance in his constituency, which would be quite difficult, on the basis that he should somehow be able to vote about schools, hospitals or even tax rates in Harwich, when he cannot vote on those matters in respect of his own constituents. The Scottish Parliament will vary the rate of Scottish income tax; that is not something on which he can vote in this House. These matters are very complicated.

This is my advice to the House. Let us approach this in a different way. Let us have a more frank and open conversation. Perhaps we should have more conversations in private so that we can befriend and learn to trust each other and make progress on that basis.

**Mr Philip Hollobone** (Kettering) (Con): I commend my hon. Friend for his statement, and he and his Committee for their excellent report. Pages 25 to 27 are packed with juicy soundbites. One is:

“It is highly regrettable that the 1997 Parliament voted to proceed with devolution...without proper consideration being given to the well-rehearsed West Lothian Question.”

I say, “Hear, hear” to that. The report goes on to say that

“we have significant doubts that the current Standing Orders are the right answer or that they represent a sustainable solution.”

It also states that it is up to the Government to be “working towards a new and durable constitutional settlement for the United Kingdom”.

He has entitled his report “part one” and I understand that further parts are to follow. How many volumes does he think his Committee will produce? In which volume will he come up with the answer to this thorny question?

**Mr Jenkin:** I cannot answer either of the last two questions, but I am grateful to my hon. Friend for his remarks and for reading out to the House some of the report. This may be a long journey, but I think we must approach it with an open mind. We must be prepared to think what we thought we would never think. We must be prepared to sit down with people we have implacably opposed in the past. I hope, in that spirit, that the House will accept the report and that it will support the Committee’s work on future inquiries and reports.

**Nic Dakin** (Scunthorpe) (Lab): On a point of order, Madam Deputy Speaker. Is it right that the Government should slip out just before the recess a written parliamentary statement about the closure of 86 family courts in England, which will restrict access to justice? Given that there has been so much interest in the House about that, it would have been so much better if the Minister had come to the House and talked to us directly.

**Madam Deputy Speaker** (Natascha Engel): The hon. Gentleman has put that point on the record, and I thank him for doing so.



## Backbench Business

### Equitable Life

Madam Deputy Speaker (Natascha Engel): Before I call Bob Blackman to move the motion, I must tell the House that we have two very heavily subscribed Back-Bench debates. In the first debate, we will start with a time limit of five minutes, and in the second one, the limit will be four minutes. With that in mind, I call Bob Blackman.

1.29 pm

**Bob Blackman** (Harrow East) (Con): I beg to move,

That this House congratulates the Government on providing a scheme to compensate victims of the Equitable Life scandal; welcomes the Government's acceptance of the Parliamentary Ombudsman's findings in full; notes that the Parliamentary Ombudsman recommended that policyholders should be put back in the position they would have been in had maladministration not occurred; further notes that most victims have only received partial compensation compared to the confirmed losses and that the compensation scheme is now closed to new applicants; and calls on the Government to ensure that the entire existing budget allocated for compensation to date is paid to eligible policyholders and to make a further commitment to provide full compensation for relative losses to all victims of this scandal.

I draw Members' attention to the fact that I am the co-chairman of the all-party parliamentary group for justice for Equitable Life policyholders. I share that honour with the hon. Member for Leeds North East (Fabian Hamilton), who regrettably has to be in another debate, otherwise he would have been here. I hope that he will be able to get here and put his point of view before we conclude. The all-party parliamentary group is one of the largest groups in Parliament, if not the largest group, with 195 members drawn from all political parties.

When I was elected in May 2010, I signed only a limited number of pledges. One that I was very happy to sign, having investigated the matter fully, was a pledge to seek justice for Equitable Life policyholders. There is no doubt that this has been an outrageous scandal in respect of the length of time it has lasted and the repeated failure of Governments of all persuasions adequately to compensate people who were the victims of a scam. These were hard-working people who invested their life savings in a pension scheme that they believed was secure.

We all know that when one invests on the stock market or in such schemes, the market can go up or down. The difference between this scam and other such schemes is that Equitable Life went round inducing people to put their life savings into it, promising huge bonuses and payouts. It swept up enormous amounts of money and numbers of people who thought that it was a great scheme. In reality, the scheme could not finance itself. It could never meet the commitments that it had made. That was very dangerous, but the regulator knew that it was going on, as did the Government and the Treasury. They conspired to prevent it becoming public knowledge so that people carried on investing their money and losing money.

To make matters worse, it took not only court action, but the Parliamentary and Health Service Ombudsman to bring to the attention of the public that this was maladministration of the worst kind. The last parliamentary

ombudsman made it clear in her excellent report that Equitable Life policyholders who had suffered a relative loss should be put back in the position they would have been in had they not suffered as a result of this scam. I seek to ensure in this Parliament, as we did in the last, that all Equitable Life policyholders are given the compensation they are due.

**Sir Edward Leigh** (Gainsborough) (Con): After all the debates, the truth is that 95% of Equitable Life with-profits policyholders have received just 22% of their relative losses. That is the bottom line, is it not? The Government have a responsibility, given the maladministration that clearly happened, to help the many elderly people who have faced such appalling losses.

**Bob Blackman:** I thank my hon. Friend for that clear statement.

There are three sets of policyholders: the pre-1992 trapped annuitants, who were to get not a single penny under the compensation scheme; the with-profits annuitants, who were to get 100% compensation; and the pension holders, who got 22.4% of their relative losses, as my hon. Friend said. The coalition Government set up a compensation scheme, which I was pleased to support. However, it is a scandal that if someone purchased their policy on 31 August 1992, they got nothing, but if they purchased it on 1 September 1992, they got 100%. The rationale was that if the pre-1992 trapped annuitants had looked at the regulated accounts, they could have seen that there was a problem and that it was a scam. The reality is that when people sign up to such schemes, they do not expect to have to do that. I applaud the Government for taking steps, following the legislation, to partly compensate the pre-1992 trapped annuitants.

**Robert Neill** (Bromley and Chislehurst) (Con): My hon. Friend has done great work with the other members of the all-party parliamentary group. I apologise, Madam Deputy Speaker, for the fact that, as you know, for a number of reasons I will not be able to stay for the whole debate. Many of my constituents were victims of this scam. Does he agree that when there has been a failure of regulation, as there was in this case, the Government essentially stand behind the regulator, so the moral responsibility ultimately falls on the Government, regardless of party? Although the coalition did something, the financial constraints that enabled it to argue that it was not able to do as much as we would have wished at that time are beginning to ease. Do not decency, honesty and equity demand that we revisit the amount of compensation that is due to these people, who saved and did the right thing, and who, frankly, have been let down by Government agencies as much as by Equitable Life?

**Bob Blackman:** I thank my hon. Friend for that clear conclusion.

The Government allocated £1.5 billion of compensation to policyholders who had lost money. Some £45 million was then promised and delivered to the pre-1992 trapped annuitants. The Chancellor accepted at the Dispatch Box in November 2010 that the total loss was some £4.1 billion, so the shortfall in compensation is £2.6 billion.

**Mr Adrian Bailey** (West Bromwich West) (Lab/Co-op): I congratulate the hon. Gentleman on bringing this issue forward for debate in the Chamber. I am sure that,

[Mr Adrian Bailey]

like me, he has received representations from elderly decent people who have done the right thing throughout their life and who invested in Equitable Life in order, they thought, that they had a secure pension in the long term. The Government need to foster a savings culture and promote pensions. Does he not think that the failure to compensate people in full for what they did responsibly and in good faith risks undermining the culture that we need to develop for the future of this country?

**Bob Blackman:** When people make an investment decision, they understand that the market can go up or down. What made this scheme different from other investment choices was that it was a scam, and we should recognise it as such. It was a scandal. There is a moral duty, as hon. Members have said, on the Government to provide full compensation.

What has changed is that the Government set a time limit for the submission of new applications for compensation and said that they had to be in by 31 December 2015. Therefore, we now know the total number of people who are due compensation and can look at how the compensation scheme is operating. I have no doubt that the Minister will outline the progress that has been made in compensating individual policyholders.

I want to draw attention to two elements. A contingency fund of £100 million was deliberately set aside because, at that time, it was not known how many policyholders would need to be compensated. Also, because it has not been possible to trace a large number of policyholders—I think it is about 110,000—there has been an underspend of some £39 million. My first ask of the Minister is that that £139 million goes to the people who have suffered loss. That would not cost the Treasury anything because it has already allocated that money.

**Rachael Maskell** (York Central) (Lab/Co-op): I thank the hon. Gentleman for securing this debate. This is an important matter for my constituents, particularly those who worked at the carriage works in York, which has closed, many of whom have suffered from mesothelioma. For some of them, it is too late. Is not expediency an important criterion for the Government to consider so that the survivors have the opportunity to receive compensation?

**Bob Blackman:** I thank the hon. Lady for that intervention.

Because of the different categories of policyholder, the pre-1992 trapped annuitants—of which 9,000 are still alive—have a minimum age of 88, and most are in their late 80s or early 90s. They are coming to the end of their lives, and it is right that they should seek and receive compensation. It is wrong and reprehensible that some of those individuals who invested their money have had to exist on pension credit, when they expected to have a proper pension scheme. Those 9,000 people should receive the £100 million contingency fund, which would lead roughly—I will leave the Minister to consider the detail—to an average of about £12,000 compensation each. That would be a dramatic change for those individuals who are coming to the end of their lives.

**Julie Cooper** (Burnley) (Lab): I thank the hon. Gentleman for securing this important debate on a matter that affects a number of my constituents. The Government have cited affordability constraints as a reason for not bridging the gap and providing full compensation. Given that we are now in 2016, and the Chancellor constantly tells us that the economy is in a far stronger position, should we urge him to look again at the issue, so that those who have been so badly affected and who have worked all their lives and invested in a prudent fashion, should be compensated?

**Bob Blackman:** I agree wholeheartedly with the hon. Lady. We now know how many victims there are, and what the payouts have been. For with-profit annuitants, 38,135 victims have received £336 million, and those payments will continue over the next few years. However, 890,472 victims have received only 22.4%, and it has been difficult for members of the scheme to understand the basis on which that has been delivered. As has been mentioned, the Government said that they could not afford all that money to pay people out, but people who are in that position will need compensation over several years. They do not need all the money to be put into the scheme upfront; they need it to be spread over a number of years while they are pensioners. As the economy recovers, the Government should supply additional funds, as the Treasury can afford it, to top up the scheme and ensure that those who suffered relative loss receive the full compensation package due.

**Mr Charles Walker** (Broxbourne) (Con): My hon. Friend mentions the hundreds of thousands of people who are waiting for full compensation. How much additional money does he feel that the Government will have to come up with over that compensation period?

**Bob Blackman:** We must find a further £2.6 billion to meet the commitment that all of us signed up to. Those of us who made that pledge said that we wanted full and fair compensation, and the Chancellor made it clear at the Dispatch Box that that was the figure, although he was only able to come up with £1.5 billion at the time. The shortfall is now £2.6 billion. I could go through a whole list of other things that the Chancellor has found money for but that have perhaps less merit than the plight of those elderly people who invested their money.

I do not expect the Minister suddenly to say, “Don’t worry, we’re going to provide all the money. Here it is”—it would be good if he did—but the Chancellor will be at the Dispatch Box on 16 March to deliver the Budget, and I hope that he will announce further compensation for the pre-1992 trapped annuitants so that they receive full compensation. I also hope he will confirm that none of the money that has already been pledged will be clawed back at the end of the scheme, and that further moneys will be made available as and when that is allowed in the Treasury forecast.

**Mr Christopher Chope** (Christchurch) (Con): I am grateful to my hon. Friend for all his work on behalf of the victims of the Equitable Life saga. It surprises me that the Treasury has not yet conceded that it will have to spend the £139 million that it has in its coffers on this compensation, as it expected to, rather than take it as a windfall. Surely that is the starting point.

**Bob Blackman:** I completely agree with my hon. Friend—that is the starting point, but to be fair to the Treasury, we expected and hoped that the agency would be able to trace more victims of the scandal so that they could receive the compensation due. Tracing has taken place over an extended period, and I applaud the Government for using many different means to try to trace those individuals. Some people will have died, some have moved multiple times, and some were in all sorts of pension schemes that then moved on. Some people had small pension policies and may not have seen any point in requesting compensation. However, we now know exactly how many victims there are, and there is no excuse for retaining the contingency or the underspend.

I know that a number of Members wish to speak, so in conclusion, this is all about justice for people who have suffered loss. Indeed, not only did they suffer that loss, but it was avoidable. The Government, the company and the regulator knew that the scam was going on, but it was too big to fail because had it done so, the Government would have had to come up with all the compensation straightaway. This is a matter of justice, and on behalf of the all-party group for justice for equitable life policyholders, I pay tribute to the Equitable Members Action Group for its wonderful work over the years in bringing the plight of those people to light in both the public eye and in Parliament. The fight will go on until every single policyholder who suffered relative loss is receiving full compensation. I invite the Minister to receive comments from across the House, and to do the right thing by people who have suffered injustice.

1.47 pm

**Melanie Onn** (Great Grimsby) (Lab): I have been contacted by a number of constituents who were affected by the collapse of Equitable Life. One woman wrote to me to say:

“I myself have lost over £40,000, and have only received £12,000 in compensation. Does this sound fair to you?”

Successive Governments have failed to appreciate the anger that this issue has caused people. A couple who contacted me asked why the Treasury had provided 100% compensation to Icelandic bank depositors, when they had received only a fifth of the sum that they were due and had planned their retirement around. They said:

“In the years prior to our retirement we actually took money from our own savings to top up our pension payments and feel that we have lost twice over. We would have been better off being irresponsible and spent every penny we had and then relied on the State. It seems the government departments are hoping that we will die and the problem will go away.”

**Dr Rupa Huq** (Ealing Central and Acton) (Lab): The Library briefing points out that there is a ticking time bomb because the beneficiaries of the scheme are elderly. Like my hon. Friend, I have received representations from many constituents. Has she heard the same sentiment that I heard expressed by Brian Watkins, who faces losing up to £40,000 and thinks that the Government are waiting until policyholders die, so that they do not have to deal with them? Surely, we should reassure those people, and the Chancellor should find that money down the back of the sofa.

**Melanie Onn:** I agree, and our constituents in London and the north of the country clearly share the view that this is a significant issue. People feel seriously let down by the Government's failure to act on this matter in a

timely fashion. I wonder whether the Minister is confident that the current regulations are strong enough to prevent any repeat of what happened. Future investors will be particularly keen to know that they are not going to fall into a similar trap and that if a similar situation were to come to light in the future, the Government would engage with the victims and allow their voices to be heard when trying to devise a solution.

**Cat Smith** (Lancaster and Fleetwood) (Lab): My hon. Friend is making an important point about victims feeling that their voices are not being heard; that is the message that has come across loud and clear from my constituents, who have also been affected and have found themselves re-mortgaging their homes in their old age just to make ends meet. Does she share my concerns on that?

**Melanie Onn:** It must be a significant concern to people to find themselves at retirement age without the money they were expecting, having prudently invested. The example I gave was of people taking money out of their savings to top up their pensions, and they would have expected to have some security in their older years.

It is welcome that the Government do step in where regulation has failed; but unfortunately, the delivery is too often lacking. We know about this in Grimsby, because there has also been appalling maladministration of the fishermen's pensions and the fishermen's compensation scheme. Despite it being 30 years since those were due to pay out, a constituent of mine is still waiting and has not received the £3,000 that he is due, simply because of poor record keeping. The Government must understand that when compensation packages are devised, the mechanism to deliver them must be properly put in place and all the calculations must be done appropriately, and where money is promised, it must be delivered. The Government need to ensure that the regulation of these industries is robust and they need to be quicker to compensate those who lose out in the future.

1.51 pm

**Gordon Henderson** (Sittingbourne and Sheppey) (Con): Much of what I wanted to say has been mentioned already by other hon. Members, including my hon. Friend the Member for Harrow East (Bob Blackman), who has been a fierce and consistent champion for Equitable Life policyholders. I wish to make very clear my continued support for the Equitable Life policyholders in my constituency, and I believe the best way to do that would be to resurrect some comments I made in a speech in this House almost six years ago. That speech was one of my first after being elected in 2010, and it brings into sharp relief just how long some of us have been trying to get justice for those of our constituents affected by the collapse of Equitable Life, some of whom lost thousands of pounds.

I pointed out the following in that speech:

“Several hon. Members have suggested today that the Equitable Life scandal—and a scandal it was—is complicated, but for me it is actually quite simple. It is about fairness to a group of people who were badly let down by the regulatory failures of their Government. I went into the recent general election supporting a Conservative manifesto that made a promise to Equitable Life policyholders in my constituency. It said:

“We must not let the mis-selling of financial products put people off saving. We will implement the Ombudsman's

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recommendation to make fair and transparent payments to Equitable Life policy holders, through an independent payment scheme, for their relative loss as a consequence of regulatory failure.”

**Daniel Kawczynski** (Shrewsbury and Atcham) (Con): My hon. Friend refers to that manifesto commitment in 2010. May I tell him that in the previous Parliament I helped to set up the all-party group and that we interviewed the then shadow Ministers at that juncture and they promised they would do everything to help the people affected? My constituent, Mr Meinertzhagen has lost half his pension as a result of this terrible tragedy.

**Gordon Henderson:** I am grateful to my hon. Friend for bringing that to my attention.

I continued that speech by saying:

“I wish to take this opportunity to assure policyholders in my constituency that I for one do not intend to go back on that election pledge.

Most people accept that Equitable Life policyholders were the subject of Government maladministration, and that is certainly the view of the ombudsman, Ann Abraham. There is some dispute on all sides, however, about the level of compensation that should be paid to policyholders. Sir John Chadwick’s report established that the relative loss suffered by Equitable Life amounted to between £4 billion and £4.8 billion, and the Financial Secretary, in his statement to the House this July, supported that figure. However, Sir John then used a series of convoluted calculations and speculative assumptions that allowed him to suggest a cap on the total amount of compensation that should be paid. He then went on to reduce that cap figure to just 10% of the relative loss figure that he himself originally calculated.

One of Sir John’s most telling assumptions was that the majority of policyholders would have invested in Equitable Life irrespective of maladministration. That is a very big assumption that cannot be proved or disproved...

Like many Members, I have been in touch with many of those policyholders, and all they want is fairness, because they are fair-minded people. However, they are not stupid people, and they recognise that in these times of austerity even they must shoulder some of the burden needed to bring down the country’s massive debt mountain.”—[*Official Report*, 14 September 2010; Vol. 515, c. 834-35.]

That was my position in 2010 and that position has not changed.

The Government went some way towards compensating those who lost money in the Equitable Life scandal, but that compensation met only part of the loss, so the Equitable Life investors in my constituency received partial justice. In truth, partial justice is no justice at all, and I urge the Government to give people justice now.

1.56 pm

**Mike Weir** (Angus) (SNP): It is a somewhat novel experience for me, as a Scottish National party Member, to stand up to support a motion that starts by saying “this House congratulates the Government”.

However, I do so because this matter has been dragging on for a large number of years. The hon. Member for Sittingbourne and Sheppey (Gordon Henderson) said that he had been dealing with this for six years. I was first elected to this House in 2001, and I have been talking about it for coming up to 15 years now. This all started when the policyholders won their case before the House of Lords in 2000, so they have been fighting this for 16 years. Many Administrations refused to take it seriously, but I give the coalition Government credit

for finally grasping the nettle and introducing a scheme. We may not agree with all the terms of the scheme, but that Government did do something about this. I see from a note I received from the Library that it appears that, when the scheme closed on 31 December, some 125,000 policyholders had not come forward to submit a claim. That is a large number of people who have not even got any money out of the existing scheme.

It took a report from the ombudsman to get the ball rolling on compensation, and I suppose the reason we are still debating it today was her conclusion:

“the diversion of scarce public resources is a relevant consideration which should be taken into account and weighed in the balance along with other relevant considerations”.

In introducing this debate, the hon. Member for Harrow East (Bob Blackman) said that the agreed sum outstanding was some £2.5 billion, but it is not entirely straightforward to see exactly what sum is required to put the policyholders back to where they would have been in terms of the relative loss. I have seen figures of up to £5 billion and as low as £500 million in this regard. First, we have to be clear exactly what the figure is. The Government, policyholders and the Equitable Members Action Group must agree what the figure is, because at the moment a large range of figures are being talked about.

The action group has consistently campaigned for full compensation. It is a disgrace that people have got less than a quarter of what they should have received, all because of the Treasury. That is where I disagree slightly with the hon. Member for Bromley and Chislehurst (Robert Neill), who said that the Government stand behind the regulator, as in this case the Treasury was the regulator for the relevant period during the 1990s. The Government have a direct responsibility for what went wrong in this case, which is why compensation is due. As has been pointed out, many policyholders have received compensation amounting to only about 22% of the losses.

Over the years, like many Members, constituents, many of them elderly, have come to me about this matter. Sadly, time has whittled down their numbers. One constituent, a Mrs Smith from Arbroath, told me the other week that she did everything she should have done. She made provision for what she expected to be a relatively good retirement not reliant on Government funds, but she was robbed of it because of a regulatory failure. Equitable Life was touted as a long-established, steady company. I used to be a practising solicitor and remember it well—not that I ever put any money into it, thankfully—but no one then realised the problem lurking below the surface.

The Government need to grasp the point about what happens from hereon in. We are now asking people to make greater provision for their own pensions, but that will work only if people are confident they will get the pension they are investing in. Equitable Life and other such scandals have greatly undermined that confidence. We need to show that when something goes wrong, through the fault of the Government, compensation will be available to put people in the position they would have been in. If we do not, the danger is that people will not be convinced to invest in the new pension landscape. In the future, the Government might face a much higher bill, because if we do not encourage people to invest in their own pensions, the state will inevitably have to step in. I urge the Minister to reconsider, given the confusion about the figure.

**Several hon. Members** *rose*—

**Madam Deputy Speaker (Natascha Engel):** Quite a few people have not turned up whose names were on the list, so I am revising the speech limit up to seven minutes.

2.1 pm

**Caroline Nokes** (Romsey and Southampton North) (Con): I can reassure Members that I probably will not take up seven minutes.

I congratulate my hon. Friend the Member for Harrow East (Bob Blackman) not just on securing this important debate, but on his tireless work on Equitable Life since he entered this place in 2010. This sorry saga has been extremely long running. The hon. Member for Angus (Mike Weir) indicated that he had been speaking about Equitable Life in this place for 15 years. I know from EMAG, which has also worked very hard and diligently provided information to Members, that every constituency has roughly 2,000 people affected by Equitable Life. I wanted to highlight that figure.

When I was first elected in 2010, I could reliably expect about 20 or 30 people to contact me about Equitable Life every time it was raised in the House. Ahead of today's debate, the number of constituents who either emailed or came to see me in my surgery dwindled to just half a dozen. I found that interesting but also incredibly sad. There are many reasons why our constituents are no longer contacting us. First and foremost, there is the sad truth that many have passed away, and some are too frail to make contact. They might not have easy access to email. They might be in care homes or reliant on family or carers. For them, it is not simply a case of popping off a quick email. In many ways, however, the saddest cases are those who have simply given up and no longer see the value in contacting us because they do not expect anything to change. Those who were once optimistic they would recover their losses now no longer come to our surgeries because they do not expect to get anything.

Those who remain in contact, however, are forceful in their arguments. One reason they feel so aggrieved is that, as we have heard repeatedly, they acted responsibly and did the right thing—or thought they had. They made provision for their retirement and took out policies they expected to provide them with a comfortable old age and the means to support themselves in their retirement. The Government need to encourage and incentivise people to do exactly that. Equitable Life was a very sorry saga indeed, and one that has left a legacy of suspicion and mistrust. Those who invested bitterly regret their decision, but it has longer tentacles than that. Even today people point to Equitable Life as a reason not to bother saving for their future. We must not allow that to happen.

I do not intend to repeat the comments of the chair of the APPG or other hon. Members. They have already set out the case in the motion. Instead, I want to highlight the difficult circumstances of some of my constituents—good decent people saving for their retirement. For them, a foreign holiday is now out of the question. They are reliant on public transport in an area that has little of it, because they cannot afford to run a car. They expected their retirement to be comfortable; they did not expect still to be working—in many cases, well into

their 70s. Eight years after the ombudsman's report, they remain of the view that the compensation they have received is not adequate.

I know what my hon. Friend the Minister will say: he will highlight the element of the ombudsman's report emphasising that the Government had to recognise fairness to the taxpayer as well policyholders. I do not regard £1.5 billion as “diddy squat”, as one of my constituents described it. It is an enormous sum, and I welcome the Government's efforts to identify and compensate policyholders. My one request is that, for the sake of the Equitable pensioners, he keep the situation under review. I know the scheme is closed, but should public finances permit it, he should consider reopening it.

2.6 pm

**Crispin Blunt** (Reigate) (Con): I declare an interest: I invested in Equitable Life while a special adviser. I cheerfully put 17.5% of my salary into an Equitable Life scheme over four years, when I worked for Malcolm Rifkind, and then watched, after I was elected to this place, as the whole Equitable debacle developed over the next decade or so. But at least I was sharing the pain of many of my constituents—well north of 3,000, according to an estimate given to me. The situation that my hon. Friend the Member for Romsey and Southampton North (Caroline Nokes) laid out is exactly my experience. To start with, there was a substantial lobby, but that dwindled, although there remain some persistent people—I have their letters—who lost hundreds of thousands of pounds, and they come from all classes of annuitants and policyholders.

**Tom Tugendhat** (Tonbridge and Malling) (Con): I welcome this debate. Does my hon. Friend agree that some people, like him and my father, did at least have time to make up the shortfall, but that others, including many of my constituents, simply did not have that time? Will he mention the fact that some people did not have the opportunity to recover their losses?

**Crispin Blunt:** My hon. Friend makes an extremely pertinent point.

On being returned in 2010, I found myself a member of the Government and obliged, at one level, to support their decision to limit the compensation to £1.5 billion. At the time, as the Prisons Minister, and the prisons budget being rather less than the total compensation required, I could understand, in the circumstances, why they decided to limit the overall compensation. I resolved, however, to speak in this debate and to re-examine the letters I sent out defending the Government's position, and to re-evaluate my position to see whether it was reasonable.

I was much taken with the comments from the hon. Member for West Bromwich West (Mr Bailey), the former Chairman of the Business, Innovation and Skills Committee. This is about confidence in the entire savings system. I can remember Labour's first Budget in 1997 and the consequences—unreported from the Dispatch Box—of IR35, which saw £5 billion cheerfully lifted from investors in pension funds through a tax on dividends. If a £5 billion change can be made in a Budget, announced not in the House of Commons but by press release, we need to be aware that we are dealing with vast numbers when it comes to pension policy. I tell the Economic

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Secretary, who is replying to the debate, that I believe we are on the verge of a substantial—and, for me, very welcome—change in pension policy. As part of that, we need to acknowledge the point made by the hon. Member for West Bromwich West that this issue is about confidence in the system as well as fundamental fairness to our constituents.

I congratulate my hon. Friend the Member for Harrow East (Bob Blackman), who introduced the debate so effectively, on securing it. I also congratulate my hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski) on setting up the all-party group in 2006-07 to reinforce the efforts that were already under way. He attempted to corral those efforts, make them more effective and secure from the Conservatives and the Liberal Democrats an undertaking that the issue would be addressed in their manifestos leading into the 2010 election. It is important to highlight that as a simple issue of fairness we need to revisit the sum of £1.5 billion and decide whether or not we have discharged our duty.

**Daniel Kawczynski:** I just wanted to remind my hon. Friend of my constituent Mr Meinertzhagen, whose living standards are suffering. He is now worried about the consequences for his wife when he departs from this world. It is a real struggle for him, and I hope my hon. Friend will join me in urging the Economic Secretary to find money and set it aside to help these people in desperate situations.

**Crispin Blunt:** My hon. Friend is entirely right. This is why these artificial divisions—between 31 August 1992 and 1 September 1992—are so unfair on the people involved. My constituent Derek Burton estimates his losses at around £175,000 as a consequence of his having invested before the cut-off date in 1992. That shows the impact on him of the changes that were subsequently made. These are enormous sums of money that have destroyed the planned retirements of thousands of my constituents—an average of 2,000 of every Member's constituents have been affected.

Frankly, we have to grasp this problem and address it. I hope it can be done through the Budget and through further substantial and welcome changes to pension policy, on which the Chancellor absolutely deserves our support. By those means, he can address this lingering unfairness so that people can be given the confidence to invest in pensions again. The lesson I took from my little episode with Equitable Life was that I was simply not going to undertake any extra investment in pension schemes thereafter.

On the figures, I do not know whether we will get an answer from the Minister on whether £2.7 billion remains the sum required to put this right. In trying to do the mathematics, that figure does not seem to work out precisely to me, given that about £1 billion went to 890,472 policyholders who received only 22.4%. Provision should now be made for us to address this issue.

Maladministration was recognised and a clear recommendation was eventually made by Ann Abraham in her report, after various other people had looked at the problem. I have a lingering sympathy for some of the Equitable Life administrators at the time. The original legal challenge to their policies always struck me as

ludicrous. It lost at every conceivable stage until the last one, when there was no possible course of appeal. Provision had not been made, as it should have been, for the possibility that they might lose the action. That was how the maladministration came to be identified in all the reports.

If we—the system—have overseen people not doing their job properly and not protected people who were wholly innocent, including those who were investors before 31 August 1992, it is right that we do our duty—out of fairness to them and to restore confidence in the whole pension system. If people find that they have invested resources other than their house in the biggest single asset they are going to invest in, and encountered circumstances utterly beyond their control, or utterly beyond any reasonable duty of care they would have taken to find out about what they were investing in; and given that Equitable Life was the most reputable pension provider around at that time, we need to put things right. We are now able to afford to compensate these people, and we should be able to do so by continuing significant pension reform to put this right properly and fully.

2.16 pm

**Antoinette Sandbach** (Eddisbury) (Con): I pay tribute to my predecessor, Stephen O'Brien, who fought tirelessly on behalf of Equitable Life policyholders in my constituency. I am grateful to my hon. Friend the Member for Harrow East (Bob Blackman) for securing this debate.

The Minister may be surprised to know that some of my constituents who have received support from the compensation scheme have recognised the role of the coalition Government and want me to pass on their thanks to that Government for setting up the compensation scheme that has allowed them to salvage a little from the shipwreck that Equitable Life has in effect been. They fully recognise the good intentions of the last coalition Government in attempting to do something, when nothing had been done previously. I want to put that on the record.

**Victoria Atkins** (Louth and Horncastle) (Con): Does my hon. Friend agree that the dignified yet forceful way in which EMAG has conducted itself—Mr David Wakerley in my constituency has been involved—shows the realistic view it has taken of what has been done so far, but this in no way addresses the needs of those left behind?

**Antoinette Sandbach:** I entirely agree with my hon. Friend. A constituent of mine who wrote to me has lost 75% of his life savings. He is living on a pittance by contrast with the position he would have been in if Equitable Life had not gone under. There is a broad recognition among Equitable Life policyholders of the stresses and strains that the last coalition Government faced, particularly with a severe economic crisis and a ballooning deficit.

Of course, we are now seeing the impact of the long-term economic plan. When the Government were in difficulties and faced stark choices, I believe that my constituents recognised that and were grateful that the Government were willing to act. Now they can see that circumstances are changing, they are asking the Minister to keep this matter under review, as my hon. Friend the

Member for Romsey and Southampton North (Caroline Nokes) suggested. We are in a different economic situation from that when this fund was originally set up.

**Mr Laurence Robertson** (Tewkesbury) (Con): My hon. Friend is making a powerful point, as indeed have others. I do not wish to be pedantic, but when we talk about “keeping the matter under review”, we must remember that pension holders are dying, which makes the matter very urgent. My hon. Friend is right to say that the economy has improved to the extent that the Government can afford to pay full compensation, but beyond that I think there is a moral duty. There was regulatory failure, so whether or not they can realistically afford it today or tomorrow, do the Government not have a duty to pay this money?

**Antoinette Sandbach:** I am grateful to my hon. Friend for his intervention, because his point about regulatory failure is absolutely key. Had the regulator been doing its job properly and effectively, we would not be in this situation. That is what lies behind the requests for fairness, justice and equity for the policyholders, who were entitled to believe that proper, appropriate and fit regulation was in place and would keep their policies safe. That is the inherent injustice about which those policyholders are rightly aggrieved. As my hon. Friend the Member for Harrow East has said, it is unarguable that the unspent £139 million must be distributed among the pre-1992 policyholders.

**Chris Leslie** (Nottingham East) (Lab/Co-op): I am listening carefully to the hon. Lady’s argument. I think that all Members want to find a constructive, positive approach. It occurs to me that a number of those who are not eligible for compensation might be falling on social security benefits, which, of course, is a cost to the taxpayer. Perhaps this is too difficult for us as individual Members, but I wonder whether it would be possible to do some modelling in order to see whether that accruing cost to the taxpayer would justify changing the compensation profile at this early stage. If we are trying to find ways to find money to improve the compensation offer, perhaps that would be an option.

**Antoinette Sandbach:** I am sure that the Exchequer Secretary has listened to the hon. Gentleman’s submission and I have no doubt that he will pay due regard to it. The Government have announced that payments to non-profit annuity policyholders who are on pension credit will be doubled, so some action has been taken, but we will not get to the heart of the unfairness until the regulatory failure has been properly addressed. That is what I am arguing for on behalf of my constituents.

We know that there are difficult spending decisions to be made, but these people trusted the system and paid in, in good faith, over many years, only to find that there has been consistent, repeated and unwarranted failure of regulation, and that it was so bad that there was found to be maladministration. In such circumstances, our constituents should not be having to pay the price for the failure of Government.

**David Mowat** (Warrington South) (Con): My hon. Friend has mentioned difficult spending decisions—which is true, to an extent—and the £139 million, which has already been voted through by Parliament. It would be

completely wrong for that not to be used for additional policyholders, if they can be found. Indeed, if it were not used for that purpose, it would represent a windfall for the Treasury in this fiscal year, which cannot be the right answer. I am as interested as my hon. Friend is to hear the Exchequer Secretary explain the plans for that £139 million.

**Antoinette Sandbach:** The Exchequer Secretary would be in danger of undoing all the good work the coalition Government did in setting up the fund in the first place if he were seen to be mealy-mouthed, if I may put it that way—I know he most certainly is not—and were to withhold those funds and to seek to bring them back into the Treasury, given the huge injustice suffered by the policyholders.

I am not going to take up much more time, Minister, because I know that you have other Members to hear from. I urge you please to look at the settlement and at what you can do to support those who are in desperate straits, including constituents of mine, and to do the right thing.

**Several hon. Members** *rose*—

**Madam Deputy Speaker (Natascha Engel):** Order. Before I call the next speaker, may I remind Members that they are speaking through the Chair, so when the hon. Lady says “you”, she is speaking directly to the Chair?

2.24 pm

**Peter Heaton-Jones** (North Devon) (Con): I congratulate my hon. Friend the Member for Harrow East (Bob Blackman) on securing this incredibly important debate. In common with Members on both sides of the House, I have received a considerable amount of correspondence on the issue and met people in my surgeries who have been affected by it.

Other Members have mentioned this, but I want to pay particular tribute to the Equitable Members Action Group, which has done extraordinary work to highlight the issue and to represent members who have suffered as a result of the unfairness. The group members are persistent, dogged and effective campaigners and lobbyists. I have had the pleasure of meeting the EMAG chairman who covers the whole of the south-west. He is an extraordinarily effective campaigner.

As many Members have said, this is an issue of fairness. Policyholders who were doing the right thing and saving for the future have found themselves in an awful position. We need to take account of that. They have our sympathy, without doubt. Whatever solution we find, however, we also have to keep it in mind that we need to be fair to taxpayers as a whole. Although £2.6 billion is a considerable amount of money that would plug the gap and ensure that those who lost out are compensated in full for their losses, it does, none the less, place a burden—it is a big ask—on the taxpayer and the Treasury to find it. We need to be aware of that.

I am glad that the Treasury has responded to a number of letters from me. There has been a considerable amount of correspondence back and forth. I am particularly happy to have received a letter from a Treasury Minister, which addresses the need and, indeed, the desire to keep

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the matter under review. As my hon. Friend the Member for Tewkesbury (Mr Robertson) says, time is short, so I urge the Treasury not only to keep the matter under review, but to bear it in mind that, sadly, the passage of time means that it needs to be addressed quickly. The letter, which I received in response to a letter I wrote on behalf of the chairman of EMAG in the south-west, makes it clear that the Treasury welcomes submissions and ideas for my right hon. Friend the Chancellor to include in the Budget statement. I am sure that the Treasury is taking account of all those submissions.

It is worth bearing in mind that the Chancellor has already announced—and I am sure he will announce more—extremely welcome changes and reforms to the pension system. I hope we can look at the issue as part of that wider package of reforms.

**Tom Tugendhat:** As the Treasury looks at that wider package, may I urge it to ensure that helping the EMAG pensioners is very much part of setting the conditions for other people to save? If people feel that their savings will go unrewarded, that undermines the tone that the Chancellor and the Economic Secretary have rightly set in the various pension arrangements they have made, helping people to realise that pensions are worthwhile and will help them in the future.

**Peter Heaton-Jones:** My hon. Friend makes a very good point. That is, indeed, the tone of the pension package reforms that the Chancellor and the Treasury have made and will continue to introduce. The Equitable Life policyholders need to be part of that wider package.

**Mr Robin Walker** (Worcester) (Con) *rose*—

**Crispin Blunt** *rose*—

**Peter Heaton-Jones:** I give way to my hon. Friend the Member for Worcester (Mr Walker).

**Mr Robin Walker:** I am grateful to my hon. Friend for giving way and apologise to my hon. Friend the Member for Reigate (Crispin Blunt) for rising at the same time. My hon. Friend the Member for North Devon (Peter Heaton-Jones) is absolutely right to say that this is part of a wider package relating not just to pensions, but to the savings culture more generally. Does my hon. Friend agree that the Exchequer Secretary has done fantastic things to support savers, particularly small savers, in his championing of the credit union movement? Any move in the direction of further support for Equitable Life savers would take that legacy further.

**Peter Heaton-Jones:** I entirely agree. The Government have done a great deal to support savers and to support and encourage those who invest for the future, and have done a great deal for pensioners as well. That is undeniable. I hope that, as part of the package, there will be some movement on the issue, and that it will be kept under careful consideration.

The letter that the Treasury Minister wrote to me in response to the letter that I wrote on behalf of the EMAG representatives in my constituency contains the welcome information that she is open to submissions in relation to the Budget. She also points out that the Parliamentary Ombudsman's report was published in 2008, and that—as

we heard from the hon. Member for Angus (Mike Weir)—it is only since the Conservative-led coalition Government came to office in 2010 that any compensation has been paid. It is important to remember that this Government started the ball rolling.

**George Kerevan** (East Lothian) (SNP): I appreciate everything that the hon. Gentleman is saying, but there is clearly a difference between banks that have been mis-selling having to pay up for their misdeeds, and the Treasury, regardless of party—and the state, regardless of who are the Government of the day—paying for a regulatory failure. It is not a question of charity from a Government to the individuals who have suffered under Equitable Life. People suffer as a result of a regulatory failure, and therefore it is the Treasury's duty to pay full compensation, just as it is the banks' duty to pay full compensation to those who have suffered as a result of mis-selling.

**Peter Heaton-Jones:** I take the hon. Gentleman's point, but let me return to a point that I made earlier. He refers to the Treasury paying compensation. The Treasury has no money; it is all taxpayers' money. We need to strike a careful balance. There must be fairness, not only to Equitable Life policyholders but to taxpayers in general, because it is they who will ultimately have to foot the bill for any compensation.

**Crispin Blunt:** May I briefly make the point that there is a taxpayer interest here? If the savings culture is undermined, the taxpayers' interests are absolutely at stake. We need people to invest in pensions to ensure that they are not dependent on the taxpayer in their retirement.

**Peter Heaton-Jones:** That is a good point, and I do not think that it is wholly at odds with the point that I was seeking to make.

I shall not delay the House for much longer. We all recognise that Equitable Life policyholders have found themselves in an impossible position—and, again, I pay tribute to all the work that they have done—but it should also be recognised that asking the taxpayer to provide £2.6 billion of compensation, if that is indeed the figure, is a big ask. Let me say to the Minister that that I acknowledge that balance, and I hope that we can find a way along what is a difficult path. I welcome the Treasury's assurance that it will entertain all submissions from Members of Parliament, members of EMAG and members of the public, and will keep the matter under careful consideration so that we can resolve it in a way that will satisfy both Equitable Life policyholders and the interests of the wider taxpayer.

2.33 pm

**Huw Merriman** (Bexhill and Battle) (Con): I thank my hon. Friend the Member for Harrow East (Bob Blackman) for initiating the debate, and I have been asked by my constituents to thank him for everything that he has done on their behalf over the years.

In 2010, when standing for election in North East Derbyshire, I engaged with many Equitable Life policyholders. They were your constituents, Madam Deputy Speaker, and they were full of praise for the work that you had done on their behalf. I added that to a lengthy list of reasons why you were returned and I



was not. Having served my apprenticeship, I put some of those best practices to good effect when I was selected for the constituency of Bexhill and Battle, and was subsequently elected.

All the constituents with whom I have interacted have put their positions with clarity and with understanding of the economic challenges that the Government face in balancing the books. Given that those people had planned to save so sensibly for their own retirement, it is clear that prudence and budget-planning were second nature to them. I pay tribute to my hon. Friend the Economic Secretary to the Treasury, who has responded to my numerous items of correspondence on this subject both in person and in writing. Her explanations, and the time that she has given to explaining, have helped me to communicate with my impacted constituents, and for that I am very grateful.

As I interpret a recent letter from the Treasury, prompted by one of my constituents, I understand that the Government have closed the scheme to new compensation claims, and will reallocate unclaimed moneys remaining in the pool to policyholders who are receiving pension credit. I had understood the words

“I am sorry to say that no changes to the funds allocated to the Scheme are planned”

to mean that no new moneys would be added to the pool, and that the £1.5 billion paid out would be the final payment, in the light of the Parliamentary Ombudsman’s direction that the Government should have regard to the impact on public finances. However, one of my more eagle-eyed constituent policyholders has read those words to mean that, while the manner in which the funds within the pool are to be allocated is fixed, that does not expressly rule out the possibility that new funds could be added to the pool, and go towards the £2.6 billion shortfall, during the current term.

I should be grateful if the Minister made it clear whether any further funds for the pool are expressly ruled out for this term, so that I can pass on that clarification to my constituents. It may sound perverse, but many of them would accept that position, because they have reached a stage at which they would like to have absolute finality, and to know whether it makes sense for them to continue funding the fight.

I also want to say something about the stated position for with-profits policyholders. The letter that I received from the Treasury states that they were compensated in full. I understand that the proxy value of the pensions of pre-1995 with-profits policyholders was calculated by virtue of a benchmark from the Prudential, which was considered to be a similar proxy for their own policies. However, I understand that in the case of post-1995 with-profits policyholders, the proxy value was calculated by the benchmarking of not only Prudential, but Scottish Widows. The appropriateness of the latter as a benchmark was disputed by some of my constituents on the grounds that it was a poorly performing policy. Those policyholders dispute the claim that they have received full value, and have drawn distinctions between their own policy and that of the Prudential, and the policy of Scottish Widows. I should like the Minister to tell me whether my understanding is correct. Perhaps he will also comment on why the Scottish Widows policy was seen as a fair benchmark for this exercise, if my contention is indeed along the right lines.

I should add that I empathise hugely with all the policyholders who have been impacted by the losses to their policies. However, I am also conscious that this matter was determined before my election, and that I was elected on a manifesto which promised to deliver a budget surplus. Adding a further £2.6 billion would mean that other constituents of mine would have to provide for it. I have explained that difficult concept in person to my impacted constituents, because I believe in being direct when a resolution is unlikely to be arrived at, and I am indebted to them for the manner in which they have responded to my direct approach.

**George Kerevan:** Is the hon. Gentleman saying that he prefers delivering a budget surplus to delivering justice?

**Huw Merriman:** I was elected on the basis that there would indeed be a budget surplus. I think that it would be wrong of me to stand up and try to proclaim—this was mentioned earlier—that £2.6 billion could be found down the back of the sofa. If only it were that easy. I also believe in being direct and straight with my constituents, and I hope that the hon. Gentleman thinks that I am doing so now.

I support the Government in their approach to this difficult issue. Let me end by asking the Minister, on behalf of my constituents, whether the funding of the scheme is indeed final for this term, and whether the use of the Scottish Widows policy benchmark was justifiable.

2.39 pm

**Ian Blackford** (Ross, Skye and Lochaber) (SNP): It is a pleasure to sum up the debate. I warmly thank the hon. Member for Harrow East (Bob Blackman) and those who signed the motion. As has been pointed out, the wide-ranging all-party parliamentary group has 195 members from all parties, which demonstrates the interest hon. Members take in this matter. It was also said in the debate that, in each of our constituencies, there are around about 2,000 Equitable Life policyholders, which shows the scale of the problem we face and why we must take the matter seriously. I am delighted that we are having this debate today.

The hon. Gentleman talked about the outrageous scandal, which is exactly the point. He went on to talk about the perceptions of market risk—markets going up and down—and the promises that were given to Equitable Life policyholders. However, in the main, we are not only talking about promises, because Equitable Life gave guarantees to its policyholders. We ought to reflect on that point, particularly in the light of what he said in the debate about who knew within the company, the regulator and the Government. Ultimately, the Government must stand behind the regulator when there is market failure of the degree that took place with Equitable Life. That is their responsibility.

The hon. Member for Bexhill and Battle (Huw Merriman) spoke at the tail-end of the debate. I say to him that everybody understands that all parties want a balanced budget, but we also have a moral and ethical responsibility to protect the consumer interest. That is what we are talking about today. I ask the Minister to reflect on what was said by the hon. Member for Harrow East and others on looking for those who have pre-1992 annuities and considering what can be done for them.

[*Ian Blackford*]

Two broad themes have been mentioned time and again in the debate: fairness, which was mentioned by the hon. Members for Sittingbourne and Sheppey (Gordon Henderson) and for North Devon (Peter Heaton-Jones); and regulatory failure, which goes back to the Government's ultimate responsibility, and which was mentioned by the hon. Member for Eddisbury (Antoinette Sandbach).

The hon. Member for Romsey and Southampton North (Caroline Nokes) made the point about the 2,000 members and the fact that all hon. Members are still getting letters from constituents. Many of my SNP colleagues have had them in the past few weeks.

One of the most important points was made by my hon. Friend the Member for Angus (Mike Weir) and others. We must have confidence in the financial markets. If we are not going to stand behind the policyholders in this case, that undermines the savings culture that we want. We want people to invest in pensions and know that there is consumer confidence problem. We must tackle that.

I want to put this debate in the context of the good debate we had just a couple of weeks ago on the Financial Conduct Authority. One much-discussed theme was the importance of consumer protection and trust. On the back of scandals such as those involving Equitable Life policyholders, it is clear that many consumers are concerned about whether they can trust the providers of financial services products, whether they can trust the regulatory regime to protect them, and whether the Government will discharge their obligations to protect the consumer interest. The significance of that cannot be overstated.

**Brendan O'Hara** (Argyll and Bute) (SNP): Given that the regulator was there to protect consumers and that the Government were standing behind the regulator, does my hon. Friend agree that, when that regulator failed to protect the consumer, the Government had a moral obligation to step in and protect policyholders?

**Ian Blackford**: I strongly agree. I can hear my hon. Friend the Member for East Lothian (George Kerevan) commenting in the background—he made that same point in the debate, as did the hon. Member for Reigate (Crispin Blunt). There is unity in the House on wanting a savings culture. We want people to retire with decent pensionable income, but we will create that confidence only if we show that we are prepared to stand behind the Equitable Life consumers. They were let down by the company and the regulator, and the Government have that moral and ethical responsibility to step in. That should not be underestimated.

**Kevin Foster** (Torbay) (Con): Does the hon. Gentleman agree that this is partly about building intergenerational confidence? We want people to start saving for pensions in their late 20s and their 30s. They need to have confidence that that money will still be there in a pot in future, and that there is a proper system of regulation. This is about building confidence for those who will save in future, and not just about the Equitable Life policyholders who have been affected in this instance.

**Ian Blackford**: I strongly agree with the hon. Gentleman and am happy to associate myself with his comments. It is about creating that long-term stability in the financial services industry and ensuring that we have the right

regulatory regime. We must have the right architecture for both private and public pension provision in this country. I hope all in the House have a shared interest in doing that. That is why the debate is so important, and why the Government must respond in the correct manner. How we deal with the long-running saga of Equitable Life is important in the context of his intervention.

Let us remind ourselves of the background. Equitable Life was a major provider of with-profits pension plans. A minority of policyholders invested in policies that offered a guaranteed annuity rate. That rate was set below the normal historical rates, but towards the end of the 1980s, that “normal” changed. Increasingly, the guaranteed annuity rate was over-generous and ultimately unaffordable to Equitable Life in the long run. In response, Equitable stopped sales and reduced the capital value of the pension pots by reducing discretionary bonuses. Guaranteed annuity rates were thus maintained only because the capital sum was far lower than had been expected.

Ultimately, GAR holders took legal action to stop Equitable from rigging pension payouts and won in the House of Lords in 2000, as my hon. Friend the Member for Angus mentioned in his speech. That judgment increased the financial burden on Equitable by about £1.5 billion, a sum that threatened its solvency. Equitable Life hoped to fill that gap by suspending distributions to policyholders and by selling the business, but it was unable to find a buyer. It ceased all further business and became a closed fund. It also had to reduce policy bonuses, and hence the ongoing pensions of investors. Pensions reductions of up to a third were common. It was a perfect storm.

Policyholders have long tried for compensation. Two ombudsman reports concluded that there had been maladministration and that injustice had been suffered. We should remind ourselves of what was said in the second ombudsman report. The conclusion stated:

“the Government should establish and fund a compensation scheme, with a view to assessing the individual cases of those who have been affected by the events covered in this report and providing appropriate compensation.”

I emphasise “appropriate compensation”.

**Margaret Ferrier** (Rutherglen and Hamilton West) (SNP): I want to highlight the case of my constituent, Mary, an ex-machinist, and her husband, an ex-electrician's mate. They worked all their lives contributing to our society and economy for decades and opted to invest a substantial amount of money in a scheme—an Equitable Life scheme. Due to years of negligence by the company and different Governments, the money was snatched away. Sadly, Mary's husband passed away last year and she was given only a small amount of compensation. Her husband is not here to see justice being served. Surely we must act for Mary and other Marys across the UK?

**Ian Blackford**: I wholly concur with my hon. Friend and her constituent. Other Members have made the point that there is a sense that the Government must act quickly because the policyholders are dying. We have a responsibility to deal with the problem in a timely manner.

I am conscious of time, so I will try to wrap up quickly. The 2008 report also stated that regulation was not implemented properly, meaning

“consistently, fairly, and with proper regard to the interests of those directly affected”.

We understand that that involved previous Governments—the Minister will be pleased to hear that not even I would blame the current Government for this one—but we do have a responsibility to reflect on what has been said and what actions we should take as a consequence.

All the parties involved accepted the ombudsman’s second report and accepted the case for compensation. During the inquiry, EMAG told the ombudsman that it had calculated the loss for those investing after 1990 at £3.2 billion if they remained with Equitable as against £4.6 billion if they had invested elsewhere. The final conclusion from the ombudsman states:

“The government should establish and fund a compensation scheme. The aim of such a scheme would be to put those who have suffered a relative loss back into the position that they would have been in had maladministration not occurred.”

We have all reflected on what the Government did with the £1.5 billion, but it is the issue of fairness that we keep coming back to.

This has already been mentioned, but it is worth stating again that before the 2010 election, the main Equitable Life policyholders’ action group, EMAG, lobbied MPs to seek support for compensation for its members. Perhaps as a result, the 2010 Conservative manifesto included this brief comment:

“We must not let the mis-selling of financial products put people off saving. We will implement the Ombudsman’s recommendation to make fair and transparent payments to Equitable Life policy holders, through an independent payment scheme, for their relative loss as a consequence of regulatory failure.”

It has been said today that the Government could not go beyond the £1.5 billion because of the financial circumstances at the time. Let us take this opportunity today to right that wrong and to plug some of that gap. I appeal to the Government to listen to all the points that have been made across the Chamber today and to do the right thing for the policyholders of Equitable Life.

2.50 pm

**Rebecca Long Bailey** (Salford and Eccles) (Lab): I congratulate the hon. Member for Harrow East (Bob Blackman) on securing this important debate today and on the articulate way in which he described the events that many of our constituents have faced. He touched on many of the issues that I will highlight in my speech. And of course it is always a pleasure to stand opposite the Exchequer Secretary to the Treasury, the hon. Member for East Hampshire (Damian Hinds).

I would also like to thank the various Members who have spoken today. I will not go through them one by one as I know we are pushed for time, but there were several emotional contributions that I would like to highlight. My hon. Friend the Member for Great Grimsby (Melanie Onn) told the story of the lady in her constituency who lost £40,000 and got only £12,000 back. The hon. Member for Romsey and Southampton North (Caroline Nokes) said that she had noticed a decline in the number of constituents visiting her to discuss this issue and that, sadly, it was because many of them had either passed away or given up hope.

The fate of Equitable Life and those who invested in it has been debated in this House for more than 15 years by Members on both sides. I commend the work of the Equitable Members Action Group, which I will call EMAG for the sake of expediency. I would also like to thank the many Members of this House who have campaigned tirelessly on behalf of their constituents to ensure that this issue is not kicked into the long grass. It is difficult not to sympathise with the anguish and worry that many of those investors have experienced. Many have seen their nest eggs disintegrate, and they feel cheated. Over the years, it has become clear that, despite all the efforts to review the issue, there is no one universally agreed strategy to compensate them. It has therefore been difficult to establish a course of action that will truly put the matter to bed.

Along with many other Members, I appreciate the action that the Government have taken to compensate those who were disproportionately affected by this sorry affair. However, as we have heard today, concerns remain about the management and assessment of compensation payments. More than 90% of Conservative Members in the last Parliament signed the following pledge:

“I pledge to the voters of this constituency that if I am elected to Parliament at the next general election, I will support and vote for proper compensation for the victims of the Equitable Life scandal and I will support and vote to set up a swift, simple, transparent and fair payment scheme—independent of government, as recommended by the Parliamentary Ombudsman.”

The Prime Minister, the Chancellor of the Exchequer and the Exchequer Secretary to the Treasury signed that pledge to provide proper compensation for those affected by the events at Equitable Life. It would be helpful to ascertain whether the Minister feels that the pledge has been fully met today.

The assessment of compensation payments—and the amount allocated by the Government—is not a simple matter. At the time of the second ombudsman’s report, EMAG estimated the losses incurred by policyholders investing after 1990 at £3.2 billion if they remained with Equitable Life and at £4.6 billion if they had invested elsewhere. In comparison, the 2010 Chadwick report assessed the loss at £500 million on the basis of assessing maladministration. There is therefore a clear difference between the principles used to calculate the EMAG estimates and those used to calculate the Chadwick estimates. All those figures are of course different from the £1.5 billion and the subsequent £500 million top-up offered by the Government. EMAG states that, according to its own calculations, the outstanding figure is between £2.6 billion and £2.8 billion.

I should also like to address the administration of the scheme generally. The National Audit Office reported in 2013 that the scheme had faced a number of administrative issues. The NAO appreciated, as do I, that the task of setting up the scheme was a difficult challenge. It was a complex operation undertaken in quite a short period of time. However, it noted that the scheme had significant issues with tracing the identity of some policyholders, as the data provided by Equitable Life were out of date. Following the publication of the findings, the Public Accounts Committee undertook its own report into the administration of the scheme and concluded that the Treasury had

“not used all information available to trace as many policyholders as possible”.

[Rebecca Long Bailey]

In April 2013, the NAO reported that only 35% of payments had been made and the PAC quoted that the Treasury estimated that it may not trace 17% to 20% of policyholders. As of 30 December 2015, the scheme had issued payments to 915,453 policyholders, representing 88% of those eligible—only a slight improvement since the PAC’s critical findings. Given that the scheme closed for new claims on 31 December 2015, will the Minister tell us how many of the remaining 12% of eligible policyholders were found? At the time, it was also recommended that the Treasury and National Savings and Investments would

“work with the Equitable Members’ Action Group to explore options for utilising data to contact policyholders who have not yet received payment”.

Will the Minister confirm, therefore, that the recommendations of the PAC with regard to that were acted on and that all reasonable steps were taken to contact eligible policyholders?

The NAO and the PAC also found that some policyholders were dissatisfied with the responses to their queries and complaints. They included policyholders receiving duplicate requests for the same information and generic responses in relation to specific queries. Will the Minister outline what steps were taken to ensure that customer service has improved since the reports and that it will remain at an adequate level for those policyholders who are still in receipt of annuity payments from the scheme?

The next concern I wish to raise with the Minister is the amount of money it has cost to administer the payment scheme. National Savings and Investments, an executive agency of the Treasury, was tasked with operating the scheme. It originally outsourced to Siemens, whose contract was then bought by Atos. The PAC expressed concern in 2013 that the Treasury was not achieving value for money in the contract with Atos to deliver the scheme. The contract was based on time and materials, and it is argued that there was a vast amount of waste of taxpayers’ money as a result. The total budget for administering the scheme was set at £57 million. In 2013, National Savings and Investments estimated that the cost would go £4 million over budget. Will the Minister confirm whether the payment scheme was delivered on budget, and, if not, by how much it overspent?

Finally, the PAC recommended that the Treasury undertake a lessons-learned exercise, as it felt the failures of previous Government compensation schemes had not been addressed when setting up the Equitable Life payment scheme. The Government accepted that recommendation and confirmed that they would produce two reports: one in November 2013; and a final report, to be shared with the PAC, the NAO and the Major Projects Authority in early 2016. Will the Minister take this opportunity to update the House on the progress of the second lessons-learned report?

On the subject of lessons learned, it is, above all, incumbent on us to ensure that future such scandals do not take place. Will the Minister tell us, therefore, what measures the Government have put in place to stop this happening again? In particular, pension fund providers and their fund managers continue to resist calls for transparency of costs and performance, so are the Government taking any steps to ensure that they inform

pension scheme members of the true costs of investing? What plans do the Government have to review the governance arrangements for pension funds? Will he confirm that governance committees are currently without a fiduciary duty to their members in contract-based pensions and have they given any consideration to changing that?

It is clear that that although some progress has been made to address the anguish and loss caused by this matter, a number of questions remain. I look forward to the Minister’s response.

2.59 pm

**The Exchequer Secretary to the Treasury (Damian Hinds):** This is an extremely important subject, and I congratulate my hon. Friend the Member for Harrow East (Bob Blackman) on securing the debate and bringing it to the Floor of the House today. His tireless work and that of other colleagues has been of great importance to many of our constituents. There are many human stories, and we have heard a number of them today from colleagues across the House. I am grateful to have the opportunity both to set out what this Government have done to address this long-standing issue and to set the record straight on some of the background.

Equitable Life has been a very sorry tale, and we all share sympathy for those affected by it. As the motion notes, this Government have taken action to resolve the long-standing issue, which is something that previous Governments failed to do, as noted by my hon. Friends the Members for Eddisbury (Antoinette Sandbach) and for North Devon (Peter Heaton-Jones).

Although Equitable Life remains a going concern and continues to trade, its problems in the 1990s and at the turn of the century caused a great many of its policyholders to suffer financial and emotional distress. Many different factors contributed to the losses suffered by policyholders. The ombudsman’s 2008 report established the part played by the then Government.

When we came to government, we committed to implement the ombudsman’s recommendation that the Government should make payments to Equitable Life policyholders in recognition of the part that was played by the Government at the time. We took swift action, introducing the Equitable Life (Payments) Bill in 2010, with payments starting to be made to policyholders in June 2011, six months after the Bill received Royal Assent.

**Mr Charles Walker:** My hon. Friend knows that the thrust of this afternoon’s debate is a request for additional money to be made available on top of the money that has already been earmarked for compensation to Equitable Life policyholders. Will the Government be able to find additional money?

**Damian Hinds:** I will have to disappoint my hon. Friend, because the public finances remain in a very difficult state. Although the economy and our public finances have improved compared with where they were, money is still extremely tight.

We established a set of rules for the payments, based on the Government’s full acceptance of the parliamentary ombudsman’s findings. The scheme was based on the assumption that all policyholders considered the incorrect

regulatory returns when making their investment and would have decided not to invest in Equitable Life had those returns been correct. Obviously, those are quite conservative assumptions. The Government used the ombudsman's findings to calculate the resulting individual loss by assessing the Equitable Life returns against those of comparator companies. That led to an assessment of the loss from Government maladministration of £4.1 billion.

Despite the constraints facing the public purse, the 2010 spending review announced that up to £1.5 billion would be made available for payment to eligible policyholders. Out of that sum, following consultation, we decided to pay the with-profits, or trapped, annuitants in full. As a result, this group of policyholders will receive an annual payment for life, and the actuarial assessment of those payments is that the Government will be making payments to this group well into the next decade and probably beyond.

The total cost of those payments is assessed to be around £625 million—though that is dependent on how long policyholders live. Importantly, the £100 million contingency fund, to which my hon. Friend the Member for Harrow East referred, is an accounting provision to provide a safety net in case the annuitants live longer than the central forecast. The remaining £775 million of available funding was distributed pro-rata to other policyholders on the advice of an independent commission, and that resulted in a figure of 22.4 pence in the pound of their relative loss.

Of course I know that that was deeply disappointing to many, but these were difficult decisions that were taken in the light of the position of the public finances. As I said just now in reply to my hon. Friend the Member for Broxbourne (Mr Walker), public finances remain in a very difficult position, and we have to take decisions in the interests of overall fairness to all taxpayers.

**Margaret Ferrier** *rose*—

**Damian Hinds:** I hope that the hon. Lady will forgive me, but I will make some progress, as time is short.

**Margaret Ferrier:** On that very point—

**Damian Hinds:** I will take the point.

**Margaret Ferrier:** With the Government preparing to usher in the successor to the Trident nuclear weapon system, which is estimated to cost £167 billion, I call into question the Cabinet's priorities. If the Government can find money for that, they can find money to pay Equitable Life policyholders.

**Damian Hinds:** The hon. Lady's definition of "on that very point" has a degree of elastic in it.

The motion notes that the ombudsman recommended in her report that policyholders should be put back in the position that they would have been in, had Government maladministration not occurred. What the ombudsman went on to say just after this recommendation, however, is that it was appropriate also to take into account the impact on the public purse when considering the funding of payments.

**Mr Laurence Robertson** (Tewkesbury) (Con): Will my hon. Friend give way?

**Damian Hinds:** If my hon. Friend will forgive me, I must make progress. I know there is another debate to follow and I am time-limited.

The ombudsman has written to the all-party parliamentary group on the funding and said that the Government's decisions on affordability and eligibility cannot be said to be incompatible with her report.

As announced in the summer Budget, and following more than four years of operation, the scheme closed to new claims on 31 December. As part of that closure, we did find a way to double the payments received by investors who had previously received the 22.4% of their losses, but who were also in receipt of pension credit. These further payments started just before Christmas and will be completed shortly.

There have been many representations regarding the group of policyholders known as the pre-92 annuitants. Although they were not included in the payment scheme for well-established reasons that have been debated in this House, the Government recognised that they were not receiving the income they expected from their annuities. Although that is not due to Government maladministration, in late 2013, those policyholders received a payment of £5,000, or £10,000 for those in receipt of pension credit.

The Government have also received representations about the fact that, as the economy improves, further funding should be made available to the payment scheme. The improvements our economy has made since 2010 are greatly to be welcomed and show that the Government's long-term economic plan is working, but the plan is not complete and we have some way to go to fully restore the public finances. Based on latest outturn data, the deficit was £89.1 billion last year. That is why we have no plans to reopen the payment scheme after more than four years of operation. So apart from the ongoing payments to annuitants, which will continue for many years to come, our focus now is to complete the orderly wind-down of the scheme by summer this year.

We do not yet know what the final picture will be, but we expect that by the summer, close to 950,000 policyholders will have been paid around £1.1 billion by the scheme. That is a considerable achievement, given the issues that the payment scheme faced in tracing policyholders, as mentioned by the hon. Member for Salford and Eccles (Rebecca Long Bailey), who speaks for the Opposition, and exceeds the expectations set out in the National Audit Office report of 2013, to which she referred.

I will respond briefly to a couple of points made during the debate. My hon. Friend the Member for Harrow East asked for a progress report on payments. As I said, we will know the final position on that by the summer and a report will then be published. We do not yet know the final position on the cash figures, but we expect the difference at the end to be lower than the £39 million that my hon. Friend referred to. The £100 million that I mentioned earlier, the contingency on the actuarial projections, is in a different category.

My hon. Friend the Member for Bexhill and Battle (Huw Merriman) asked for clarity, as did my hon. Friend the Member for Broxbourne in an intervention, on whether more money would be forthcoming. I wish I could say that was the case, but because of the condition of the public finances, that is not possible. My hon. Friend the Member for Bexhill and Battle also asked

[*Damian Hinds*]

about the Scottish Widows benchmark. This is a complicated issue, but the core concept in the scheme was the concept of relative loss, which has to take a view of the investment's performance, compared with similar investments available elsewhere. The Scottish Widows fund that he referred to was not available to invest in, I understand, before 1995, whereas the Prudential investment was.

The hon. Member for Salford and Eccles asked whether the Treasury had taken all reasonable steps to trace policyholders. There was national advertising and various other tracing methods, including through the Department for Work and Pensions, and also a data list that came from EMAG with members' details to help trace them. In terms of the spend on administering the scheme, our forecast outturn is within about 3% of the original budget.

The hon. Member for Great Grimsby (Melanie Onn) alluded to the contrast with savers in the Icelandic banks. Of course, that was a very different situation, where ex gratia payments were made to UK depositors in those banks. That was done as a result of a decision by the previous Government to guarantee all qualifying deposits when there was a danger of not having financial stability in the UK. However, the Financial Services Compensation Scheme was loaned the money to facilitate those payments, in the expectation that the money paid to UK depositors would come back from those banks eventually.

A number of hon. Members have raised the issue of general confidence in financial institutions and encouragement to save. That is very important to the Government, who have helped more than 5 million people to save for retirement for the first time, or to save more, through automatic enrolment. Individuals now also have the freedom to access their pension from the age of 55 if they wish.

The Government have also acted strongly on reforming financial regulation to ensure that it is fit for purpose in future. The Financial Services Act 2012 dismantled the failed tripartite system and created a new architecture and approach for financial regulation. I am confident that our actions have provided a robust framework for the authorities to work within.

I reiterate my thanks to my hon. Friend the Member for Harrow East and other colleagues for securing the debate, which has given us another opportunity to discuss these important issues. I also recognise the hard work the all-party group has done.

I appreciate that many policyholders are not receiving the income they expected, but by paying more than £1 billion to more than 900,000 policyholders, we have taken action to resolve the Government's part in the Equitable Life issue. We have been able to pay in full the losses of the most trapped policyholders and to double the payments to vulnerable non-annuitant policyholders, as well as providing a one-off payment to the pre-1992 annuitants, who, though unaffected by the maladministration, were recognised by the Government

to be suffering as a result of their declining annuity income. In doing that, we have balanced the needs of policyholders against the need to reduce the deficit and repair the public finances.

3.12 pm

**Bob Blackman:** I thank hon. Members and all three Front-Bench speakers for the constructive and fair way in which the debate has been conducted. Almost 2% of the population have been affected by this scandal, and we have a duty to ensure that they are given full compensation for the loss they have suffered.

I thank the Minister for laying out his argument, and I thank those who have contributed on the personal views of different constituents. I listened carefully to the Minister, and the Treasury accepts that the compensation bill for Equitable Life policyholders is £4.1 billion. Of that, £1.5 billion has been paid out, which leaves a balance of £2.6 billion.

The Minister rightly said that compensation payments will be made well into the next decade for those who have suffered loss. It therefore seems reasonable to me and, I think, to Members across the House—the Chancellor will no doubt be listening to this—that as the economy recovers, our long-term economic plan comes to fruition and we reach a position where the budget is in balance, those who have saved for their retirement are given full and proper compensation.

As the economy recovers, therefore, the Government can top up the scheme if they choose to, and I urge the Chancellor to pledge to do that in his Budget speech on 16 March. As we reform pensions in other ways, we can then send out the signal to young—and not so young—people that it is right to save for the future and for retirement and that if such a scandal were ever to happen again, the Government would step in to protect the retirement incomes of those who do the right thing and save for their old age.

*Question put and agreed to.*

*Resolved,*

That this House congratulates the Government on providing a scheme to compensate victims of the Equitable Life scandal; welcomes the Government's acceptance of the Parliamentary Ombudsman's findings in full; notes that the Parliamentary Ombudsman recommended that policyholders should be put back in the position they would have been in had maladministration not occurred; further notes that most victims have only received partial compensation compared to the confirmed losses and that the compensation scheme is now closed to new applicants; and calls on the Government to ensure that the entire existing budget allocated for compensation to date is paid to eligible policyholders and to make a further commitment to provide full compensation for relative losses to all victims of this scandal.

**Madam Deputy Speaker (Natascha Engel):** Order. Before we come on to the next debate, I inform Members that I am going to raise the speech limit on Back-Bench contributions to seven minutes, in order that they are aware that they have a little more time than is shown on the annunciator.

## Recreational Sea Bass Fishing

3.15 pm

**Scott Mann** (North Cornwall) (Con): I beg to move,

That this House believes that the recent EU restrictions on recreational sea bass fishing are unfair and fail to address the real threat to the future viability of UK sea bass stocks; and calls on the Government to make representations within the Council of the EU on the reconsideration of the imposition of those restrictions.

I thank the Backbench Business Committee for granting this very important debate. Let me place my cards firmly on the table: I am a recreational angler, and a very passionate one. I have cast from many a beach in Cornwall. I have fished with plugs and lures from rigid-hulled inflatable boats. I have regularly fished and ledgered on the Camel estuary and taken great pleasure in digging my own lugworms—big long trenches of lugworms—and ragworms. It is great to be on the coast looking out over Daymer bay and Padstow with the sun going down, the tide coming in and the lines dipping into the sea, waiting for that bite.

**Mr Charles Walker** (Broxbourne) (Con): Am I right in thinking that my hon. Friend enjoys visiting *The Art of Fishing in Wadebridge*—one of the best tackle shops in the country, let alone Cornwall?

**Scott Mann:** That is a shameless plug, but it is a fantastic fishing shop, I have to say. The chap there has some very good fishing rods and tackle that can be purchased at very reasonable rates.

I have set the scene for my fishing expeditions on the Camel. However, the situation this year is very different from that in previous years. For the first six months of this year, if I, as a recreational angler, caught a bass that was of legal size, I would not be allowed to keep it—I would have return it to the estuary—yet a commercial fishing boat that was netting on the estuary would be able to claim that fish and take it for the table.

**Mrs Sheryll Murray** (South East Cornwall) (Con): Does my hon. Friend accept that he has to differentiate with regard to commercial fishing nets, because driftnet fishermen are banned from landing any bass whatsoever?

**Scott Mann:** I will come on to some of the different elements of the fishing industry when I talk about the Cornwall inshore fisheries and conservation authority.

I am here today not just to speak for myself as a recreational angler but to speak up for the 900,000 recreational sea anglers in the UK. There are many parts of the fishing industry, as my hon. Friend the Member for South East Cornwall (Mrs Murray) pointed out. When I served on the Cornwall sea fisheries committee, we saw people with beam trawlers, people from the under-10-metre fleet, rod-and-line anglers, and many others who made a living out of fishing. There needs to be a properly managed inshore fleet so that we can have a sustainable future for our fishing industry.

**Tim Loughton** (East Worthing and Shoreham) (Con): As another MP with a coastline, may I ask my hon. Friend to acknowledge that not only are some 10,400 jobs dependent on sea angling, but there is a whole lot of leisure industry business that supports sea anglers—accommodation and everything else—with sea bass fishing

being, of course, the most popular form of sea angling? An enormous business worth over £1.2 billion, it is estimated, lies behind this.

**Scott Mann:** My hon. Friend makes an exceptionally good point, and I fully agree. I will go on to talk about some of the tourism benefits. We have seen some great uplifts in places such as Ireland and the USA, where there have been big recreational fisheries for a long time.

The crux of my argument is that it is grossly unfair to penalise rod-and-line anglers for the first six months of the year while commercial boats are allowed to operate in that period.

**Oliver Colville** (Plymouth, Sutton and Devonport) (Con): Does my hon. Friend recognise that there is a real need to have some data to support any action that is taken? Otherwise, it will be very difficult for us to work out a strategy as to what we should be doing.

**Scott Mann:** I agree with my hon. Friend that it is important to have data. The issue is that the data recently presented to the EU show that the bass fishery is in decline and needs to be managed effectively.

**Jonathan Edwards** (Carmarthen East and Dinefwr) (PC): I congratulate the hon. Gentleman on securing the debate and on being so generous with his time. He mentioned Ireland. My understanding is that following the depletion of sea bass stocks in the '60s and '70s, Ireland banned commercial fishing and concentrated on the recreational side, which has expanded its tourism base. Despite the expansion and re-strengthening of the stock of sea bass, Ireland continues to ban commercial fishing.

**Scott Mann:** The hon. Gentleman is correct. I believe that Ireland relies solely on the recreational sector, but that has been of huge benefit to the tourism industry. In the spirit of the Opposition, I will read not from Jeff or Rosie but from Paul. Paul is a sea angler in north Cornwall who wrote to me:

“After enjoying free and unfettered access to the inshore bass fishery for countless generations, it is understandable that many anglers feel aggrieved that they are suddenly having the right to take fish for the table so severely limited that in effect for many it will equate to zero.

What is not in doubt is that bass stocks are in serious decline and most anglers agree that steps should be taken to... reverse this situation. Despite the assertion that the cause of the decline has little or nothing to do with angling pressure, most anglers are content to accept reasonable reductions in the number of fish they can retain. Hence the widespread, uncomplaining acceptance of the three fish ‘bag limit’ introduced for recreational sea anglers in September 2015.

However, within the RSA community it was naively believed that the commercial sector would have been asked to make similar reductions in catch effort. No such drastic reduction in commercial effort was achieved. At this stage, many RSAs were both angry and perplexed”—

**Mrs Sheryll Murray:** Does my hon. Friend accept that the current proposals ban pelagic midwater trawling and impose a 1% bycatch limit on all mixed fisheries, including for fishermen who fish commercially from my hon. Friend’s constituency?

**Scott Mann:** I am aware of those regulations, but I am also aware that gillnetting and commercial fishing are still permitted in bass nursery areas.

Paul continued in his letter:

“The results of the negotiations are well known and in effect fall a long way short of the scientific recommendation... We call for an immediate review of the regulations in respect of the daily ‘bag limit’ for RSAs and a prompt correction of ill-judged legislation. It belies the intelligence of the EU commissioners not to recognise how illogical the rule is in its present form.”

**Melanie Onn** (Great Grimsby) (Lab): I want to make two points. First, the Commission has proposed the measures but does not decide on them. Those decisions are made by Ministers of national Governments, including our own fisheries Minister. Secondly, is the hon. Gentleman aware that last year, Labour MEPs, having received representations from recreational sea anglers, called for a multi-annual management plan for sea bass stocks that made specific reference to the importance of recreational fisheries, but UKIP and the Tories voted against it?

**Scott Mann:** I was not aware of that, and I thank the hon. Lady for making those points. I want to talk about some of the EU changes. I welcome the ban on French pair trawlers between January and April. They account for about a third of the bass taken in British waters, and many of the bass that they catch are spawning fish. Taking large spawning fish out of the ecosystem means there are no smaller fish to grow and become bigger fish. In the EU changes, we should be talking about reclaiming our territorial waters. The EU holds the common fisheries policy up as a shining example of joined-up thinking, but I am yet to find a commercial fisherman or a recreational sea angler who believes that the CFP is a good thing.

**Huw Irranca-Davies** (Ogmore) (Lab): I am delighted to be drawn into intervening by the hon. Gentleman. May I draw his attention to a 3-inch piece in a right-hand column in *The Times* about six months ago—a tiny little thing—which reported that the long-running battle to replenish cod in the North sea was being won? Cod stocks are growing bigger, as we can read in the press again today. North sea cod has been replenished because instead of cod wars we have agreements based on science to replenish the stocks. Those agreements are working.

**Scott Mann:** I will try to check out that column in *The Times*. It is not my regular newspaper—I normally read *The Telegraph* and *The Sun*—but I will go back and check it. Such agreements may be fine in other waters, but we should have an understanding that our territorial waters inside the 6-mile limit should be protected for our fisheries and our people.

**Mr Christopher Chope** (Christchurch) (Con): My hon. Friend is making a splendid speech, which I know will be much supported by Christchurch fishermen. Does he agree that Iceland decided to take control of its own fisheries and that those fisheries are a fantastic success?

**Scott Mann:** I welcome my hon. Friend’s intervention. I agree that many fisheries people feel that that is the case.

**Antoinette Sandbach** (Eddisbury) (Con): Does my hon. Friend accept that the huge decline in cod stocks was initially caused by the highly discredited common fisheries policy implemented by the European Union?

**Scott Mann:** I thank my hon. Friend for her intervention. I recently read a book about the Bering sea and the mass stocks that it used to have. No fishery can be managed properly unless it is looked after effectively. We used to see huge shoals and salmon and sea trout regularly running the Camel, but such stocks no longer materialise.

**Melanie Onn:** The hon. Gentleman is being incredibly generous in giving way. One of the very significant reasons for the depletion of stocks is the advancement of technology in trawlers. The fact that deep-sea trawlers can go further using technologically very advanced sonar is one of the principal causes of depletion, not the common fisheries policy, as has been erroneously suggested.

**Scott Mann:** If our fishing boats have to go outside the 6-mile limit to catch fish, that surely shows that the fish are not actually within that limit and that fish stocks have been depleted over the years.

Recreational sea anglers fully accept that fishery resources are finite and that there should be controls on their activities—minimum landing sizes, bag limits, seasonal closures—to protect this public resource from over-exploitation. The Council of Minister’s recent decision to prevent recreational fishers from taking any bass for the first six months of 2016, while sanctioning commercial fishing for bass for the first four months, is irrational. The decision is a symptom of a fisheries management regime that is broken and a common fisheries policy that is unfit for purpose. The EU has displayed utter contempt for our recreational sea anglers and those whose livelihoods depend on recreational sea angling.

**Huw Merriman** (Bexhill and Battle) (Con): Will my hon. Friend give way?

**Scott Mann:** I will give way one more time, and then I will make some progress.

**Huw Merriman:** I thank my hon. Friend for securing this debate. Does he agree that, as those of us with coastal constituencies know, there is real anger about this interference? Does he also agree that we need to send a message from this House that we want locally line-caught sea bass back on our menus?

**Scott Mann:** My hon. Friend makes a very good point. Locally caught sea bass has a premium price. It can be sold in local restaurants, and local businesses can make a profit from it.

I want to point out the madness of the current situation. Recreational sea anglers are members of the public who equip themselves with the tackle and knowledge necessary to access and enjoy public fishery resources. They selectively retain some fish for their own consumption, just as other members of the public enjoy Dartmoor, the New Forest or the Forest of Dean to forage for wild mushrooms, nuts and so on for their personal use. I believe that the EU is preventing our UK anglers from exercising their right—the right of our ancestors—to claim fish for the table, which is very wrong.



My hon. Friend the Member for East Worthing and Shoreham (Tim Loughton) made an interesting point about tourism, something I want to comment on. The Invest in Fish project, which was funded by the Department for Environment, Food and Rural Affairs, was launched in 2004 and ran until 2007. It was a multi-stakeholder steering group that included fishermen, restaurants, fishing producers, merchants, recreational anglers and a number of other organisations. The objective was to examine ways in which fish stocks might be restored. In the south-west, it covered Bristol, Cornwall, Weymouth and Dorset.

The project involved numerous work packages, one of which was a study of the demographics and economic impacts of recreational sea angling. I will give some of the figures. The south-west has 240,000 recreational anglers, who cumulatively spend £110 million on their pursuit. In addition, some 750,000 days are spent at sea and the visitor spend is about £55 million. Recreational sea angling across the south-west therefore generates a total of £165 million of expenditure on bait, clothes, charter boats, boat ownership, fees, travel and accommodation.

Some places have recreational angling only, and I want to outline the benefits that that has brought. In the USA, the striped bass recreational fishery attracts anglers from all over the world and makes an estimated economic contribution to the country in excess of \$2.5 billion. We must learn from the good practice in the USA and elsewhere, which delivers agreed resource sharing by species in line with fishery management advice, the best scientific evidence and economic objectives, as was said earlier.

There are jurisdictions in the British Isles, such as Ireland, that have fishery management policies that operate in favour of the most sustainable forms of bass fishing and the conservation of stocks. Bass has been a recreation-only species since the 1990s in Ireland, as was illustrated by the hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards). That delivers an estimated €71 million to the Irish economy annually and supports 1,200 jobs. The Isle of Man is about to change the legislation covering sea bass to include a ban on all commercial bass fishing within 12 miles of the coast. Changes are happening around the world and we seem a bit slow to keep up.

Many of the fishing ports of north Cornwall used to be utilised regularly for fishing. In Padstow, back in the '80s and '90s, many people used to sit around rodding and lining off the pier. We do not tend to see that as much nowadays.

There are huge economic benefits to recreational angling. There are almost 900,000 recreational anglers in the UK and they pump £1.23 billion into the economy. There are almost 11,000 full-time jobs in sea angling alone. The "Sea Angling 2012" report found that the direct expenditure of sea anglers, after deductions, was £831 million. English anglers pay as much into the Treasury as the entire value of English fish landings, but receive no consideration in the reallocation of resources.

**Kevin Foster (Torbay) (Con):** I congratulate my hon. Friend on securing this debate. Does he agree that we must consider not just the direct value of angling, but the wider impact on the economy? For example, those who come to Torbay for the sea angling will not only stay in a hotel, but buy a scone done in the correct way.

**Scott Mann:** I thank my hon. Friend for making that point.

I will give two accounts from different parts of the sector before I wind up. The first is from a tour guide in the west country, who writes:

"About to start the new fishing season with a great deal of concern and trepidation for the future of recreational angling and how it may affect my business. Prior to the new rulings regarding Bass, I had a full diary for the year ahead, due to the uncertainty of our weather patterns in this country, this has proved to be an economic necessity as we lose so many days.

Now I find myself shielding daily emails from booked customers asking if the new rulings will apply to them, and would I consider turning a blind eye to the odd fish for the table as opposed to a cancellation!!!!"

I do not want anglers to be criminalised—that seems ridiculous. He continues:

"I consider myself as indeed are most of my customers to be conservation minded, but find these new rulings to be extremely harsh, especially when you consider that commercial fishing with rod and line and indeed netting will be allowed to continue within my 'low pressure sector'. It is highly possible that I will be forcing anglers to return a fish right in front of a commercial line drifter", which could then keep the fish that has been returned. He went on:

"There is also the wider picture to consider, local cafes, tackle shops, bed and breakfasts"

and all the people who rely on that sector.

TV fisherman and bass guide Henry Gilbey—one of my personal favourite fishermen—stated:

"I am a full time fishing writer and photographer with a ridiculous obsession for bass fishing. I live within walking distance of the sea in south east Cornwall yet I spend more than two months each year in Ireland. Why? Because the bass fishing is better. I run guided bass fishing trips and I need as many photographs of bass fishing as I can get, and I would love to be promoting bass fishing in Cornwall. But I can't. My local bass fishing isn't good enough. The fact is that to access really good bass fishing I need to travel away from my home in Cornwall and help promote Ireland as a sport fishing destination. We could have bass fishing like they have in Ireland though...but we don't. We need more and bigger bass for anglers to catch, and this can only come about via better management of the stocks. Bass are the king of our saltwater species and anglers want to catch them." They are simply being denied.

**Melanie Onn:** Will the hon. Gentleman give way?

**Scott Mann:** I will not give way because I want to make progress.

To conclude I will quote from John Buchan who said:

"The charm of fishing is that it is the pursuit of what is elusive but attainable, a perpetual series of occasions for hope."

I do not want to take that hope away from our recreational sea angling community, and I urge the Government to do a few things. First, will they review this decision and reverse the unnecessary catch-and-release policy for recreational sea anglers? Will DEFRA consider making a study of how much benefit rod-and-line angling produces for British tourism industries, and will it consider a complete ban of gillnetting in bass nursery areas? I look forward to hearing the views of other hon. Members, and I hope to sum up the debate at the end.

3.37 pm

**Jon Cruddas (Dagenham and Rainham) (Lab):** It is a great pleasure to follow the hon. Member for North Cornwall (Scott Mann), who made a brilliant speech, and I congratulate him on securing this debate. I also

[Jon Cruddas]

welcome him to the all-party group on angling, which is chaired by the hon. Member for Broxbourne (Mr Walker). I look forward to some pleasant days out.

I am a terrible fisherman, so restraints such as the 42 cm landing size, the one-fish-per-day limit, or the moratorium will not affect me because I do not actually catch anything. However, I have great affection for the recreational angling community, and this is a great opportunity to debate the issue. I do not think we have discussed recreational fishing since December 2014, when the hon. Member for Meon Valley (George Hollingbery) secured an Adjournment debate on bass fishing. After that debate we were optimistic about the future direction of travel of Government policy, but I am afraid we stand here today pretty disappointed about where we have got to.

Angling is one of the highest participant recreational sports across Havering, Barking and Dagenham, and in the country at large. If we joined conversations in recreational angling chatrooms, and talked to people from the Angling Trust and the Bass Anglers Sportfishing Society, we would quickly appreciate the concerns across the country. Anglers are desperate to help to rebuild bass stocks in a fair, efficient and proportionate way, and we were looking forward to making real progress at the December Council of Ministers meeting.

The basic problem now is that the recreational angler feels singled out and that EU fishing Ministers have unfairly targeted them in the new six-month moratorium. That moratorium risks criminalising thousands of law-abiding people, and it will be difficult to enforce without the active support of angling clubs, anglers and the Angling Trust.

Evidence suggests that charter boat bookings are already down, which will impact on tourism revenues and potentially put some operators out of business. Anglers fishing from April to June will have to return all their bass, yet a commercial boat can come alongside and catch and kill the same fish. Ministers have boasted that these supposed conservation measures will have little effect on commercial inshore bass fishing, while also claiming that they have secured a good deal for bass stocks. Those statements cannot both be true. We therefore need to find out what the Government's actual position is.

DEFRA's own "Sea Angling 2012" report shows that there are 884,000 sea anglers in England, who directly pump some £1.23 billion per annum into our economy. As the hon. Member for North Cornwall mentioned, bass are the most popular recreational species, and bass angling is worth some £200 million in England alone. Let us cut to the chase: for the past decade and a half, recreational sea anglers have been led to believe that their most popular sporting fish would be managed sustainably and be acknowledged as a valued recreational species. Why is that? It is because politicians of all parties have told them so.

In 2002, the Prime Minister's strategy unit commissioned a report on the benefits of recreational sea angling. That report, "Net Benefits", was eventually published in 2004, and it said:

"Fisheries management policy should recognise that sea angling may...provide a better return on the use of some resources than commercial exploitation."

The Environment, Food and Rural Affairs Committee report on "Net Benefits" said:

"We support the re-designation of certain species for recreational use and recognise the benefits that this can bring from both a conservation and economic point of view."

In the 2014 debate, the hon. Member for Meon Valley, who is now a Minister, concluded his speech by saying this:

"does the Minister agree that the development of sea bass fishing as a recreational activity is the best long-term solution to both the ecological and the economic sustainability of the fishery, as proved by the Irish sea bass experience, the striped bass fishery of the north-east coast of the US and many other examples?"—[*Official Report*, 3 December 2014; Vol. 589, c. 119WH.]

Today, we ask the same question: what is the Government's policy? We ask that as the derogations drive policy in the opposite direction to that argued for by the hon. Gentleman and the Government report in 2004.

Do not get me wrong, I am not attempting to make a party political point about this. For example, under the last Labour Government, the then Minister, my right hon. Friend the Member for Exeter (Mr Bradshaw), tried to increase the minimum landing size to 42 cm, but he was replaced by a new Minister who caved in to the commercial lobbying and annulled the statutory instrument that would have delivered this important conservation measure. My right hon. Friend was actively supported in those attempts to introduce that minimum landing size by the then Member for Reading, West, who, sadly, is no longer an MP, even though he is very much active in the Angling Trust and continues to lobby on behalf of recreational anglers.

There is a recurring theme throughout the past 20 years, whereby the ecological case has been consistently put by the recreational side, backed up by Government reports and all-party groups, and this has been accompanied by limited actions of Governments of various persuasions, given pressures from the commercial side. Here we are again today making the same points and trying to give voice to the recreational angling community.

In Ireland, bass has been designated a recreational species since 1990, delivering an estimated €71 million to the Irish economy annually and supporting more than 1,200 jobs. Ireland is also in the EU. The Isle of Man is about to embark on a similar policy. As well as highlighting the ridiculous anomalies with the current situation and the unfair treatment of recreational anglers, this debate today is really about trying to find out the longer-term thinking of the Government, so we do not have to return to this question again and again, whoever is in power.

3.43 pm

**Mr Geoffroy Cox** (Torridge and West Devon) (Con): I am not a recreational angler, but I have every intention of taking it up. It sounds an immensely enjoyable pastime and one in which all Members of Parliament should partake. I do, however, have an inshore fishing fleet to speak up for, and I have to say that one thing I am depressed about as a result of reading some of the briefings for this debate is the tone that is taken towards decent inshore commercial fishermen. These are men and women who have families to support. They are not large concerns. Having clung to a traditional fishing industry, in places such as Appledore, Bideford and Clovelly, they have found the rug gradually pulled out from under their feet.

I agree with my hon. Friends and the hon. Member for Dagenham and Rainham (Jon Cruddas). We are dealing here with an insane, illogical, irrational, fatuous policy. It is absolutely crazy that anglers cannot take two or three fish home for the table, when, at the same time, the Minister, my hon. Friend the Member for Camborne and Redruth (George Eustice), has obtained derogations that allow netting to continue. Of course on the face of it, if we take the one, it is strange we do not take the other, but I propose a reason to the House. Ministers know, when negotiating in Brussels with their counterparts in other countries, that if they take away bass from the inshore fishing fleet, they will have nothing left to catch. In the north Devon industry, which I represent, they cannot catch spurdog; there is no cod, plaice or sole; no thornback ray; no blonde ray; and now there is a ban on small-eyed ray, which represents 40% of the take for the northern Devon fishing industry. Fishermen say to me, "What do we catch?"

**Maria Caulfield (Lewes) (Con):** Does my hon. and learned Friend agree that the ban is pitting the recreational fishermen against the under-10 metre fleet? I and my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton) met our Sussex inshore fisheries and conservation authority last week and found out that, as a direct result of the ban on sea bass, there are now restrictions on shellfish.

**Mr Cox:** I do agree. The policy is crazy, and Ministers know it. They wrestle with their consciences, they feel guilty and they try to push the envelope for the inshore fleet, but they know that the situation is untenable. They know that decent men and women with livelihoods to protect cannot go to sea for more than a few days a year and cannot cover their costs. I sympathise with my hon. Friend the Member for North Cornwall (Scott Mann). Of course the position is crazy. It is an insane policy.

Of course the rod-and-line sea anglers must feel a sense of injustice. It is a direct and perverse consequence of a failed policy. That is the difficulty. How do I go back to Bideford and Appledore and say to my fishermen, "There's nothing for you to catch"? Catching small-eyed ray, the last thing on which they depended, was banned in December. Why do we think my hon. Friend the Minister came back with derogations for gillnetting? It was because he knew that the small-eyed ray was banned, which meant 40% of the northern Devon fishing industry cut at a slice. Was there any consultation on that ban? No. Was there any warning? No.

The real injustice is the whole failed policy. It is time we got out of it. The people of this country will have the chance to withdraw us from it in just a few months. Then we can have a properly managed fishery in which the rod-and-line men and the sea anglers can be treated properly, and the inshore fleet, on which traditional coastal communities depend, can breathe again when we introduce common sense back into the counsels of our fishing policy.

**Huw Irranca-Davies** *rose—*

**Mr Cox:** No, I am not listening to a former Minister who presided over this policy and went cap in hand to Brussels begging for scraps. It is time we took back our fisheries policy. That will bring justice to the people my

hon. Friend the Member for North Cornwall spoke for and to the decent men and women who have nothing to fish for in the north Devon fishery.

3.49 pm

**Mrs Madeleine Moon (Bridgend) (Lab):** Oh dear, oh dear, oh dear! What are the Government doing risking Europe's sea bass for their foolish, unfair, ineffective and fishy decision on sea bass fishing? Members might ask what I am doing here out of my darkened room—it is nothing to do with defence; I do not eat fish; and I am not an angler. Thanks to 40 years of living with an ecologist, however, I know an environmental disaster when I see one.

I have constituents who are sea anglers who came to my surgery and asked me to take an interest in sea bass fishing. Unfortunately for me, I happen to know the former Member for Reading, and when someone knows the former Member for Reading, it is very dangerous to ask him, "What is the issue about sea bass fishing?" because he will tell them.

**Huw Irranca-Davies:** You shouldn't have done that!

**Mrs Moon:** I appreciate the comment from my hon. Friend the Member for Ogmere (Huw Irranca-Davies)—I should never have done it, but my constituents wanted to know, so I wanted to know, and thus I am here today. I am also a Member who has a coastal resort, in which sea bass fishing was a very popular activity, so I started looking at the facts.

Everywhere I looked, it was very clear that there was an urgent need to rebuild bass stocks—and nobody seems to dispute that. It is the core bottom line. It is an environmental and economic imperative, and everybody will agree on that. We know this because in 2014, the International Council for the Exploration of the Seas recommended an 80% cut in bass mortality across the EU area for 2015, following a rise in bass landings from 772 tonnes to 1,004 tonnes. We were taking more out of the sea than was sustainable. The bass stock in the North Atlantic fishery is 527 tonnes—well below the trigger point of concern for the exploration of the seas, which was set at 8,000 tonnes. Future regenerations of sea bass stocks are now in danger.

**The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Rory Stewart):** This is just a small point, but I think the hon. Lady meant to say 5,250 tonnes.

**Mrs Moon:** I thank the Minister for the correction; he is absolutely right.

In December 2015, the EU Fisheries and Agricultural Council met to formulate a package of measures and regulations, but the agreement that was reached was both unfair, ineffective and, quite honestly, unbelievable. The regulation of recreational and commercial bass fishing, which came out of that December meeting, has exposed a rotten relationship between the industry and Government, both in the UK and across the EU.

**Antoinette Sandbach:** Will the hon. Lady give way?

**Mrs Moon:** No, I would like to make some progress.

During the run-up to the December meeting, the Minister of State, Department for Environment, Food and Rural Affairs, the hon. Member for Camborne and

[Mrs Moon]

Redruth (George Eustice) who is responsible for farming, food and the marine environment, was lobbied from all sides, but from everything I have seen and all the evidence sent to me, preference seems to have been given to commercial lobbyists. I am told that recreational anglers were granted a 30-minute telephone conference call with the Minister, whereas commercial lobbyists seem to have been in contact with UK Ministers and officials throughout the negotiations. Members will be aware that if we are going to carry out a consultation, it needs to be open, honest and not biased towards an already decided outcome.

I believe that the initial proposals were well received by all sides, but particularly by recreational anglers. There was to be a complete ban on recreational and commercial fishing, including catch and release, in the first half of 2016; then, in the second half of 2016, a monthly 1-tonne catch limit for vessels targeting sea bass and a one fish per day limit for recreational anglers and the reintroduction of catch and release.

**Antoinette Sandbach** *rose*—

**Mrs Moon:** I have already said no.

After lengthy conversations with the commercial sector throughout the negotiation period, EU Fisheries Ministers granted a surprise, namely a four-month exemption for commercial hook-and-line bass gillnet fishing, which accounts for 50% of bass fishing. The strict ban on recreational fishing will remain in place, and the monthly catch limit for commercial vessels has been increased from 1 tonne to 1.3 tonnes. Those outside this place who have never had the joy of seeing a gillnet should be made aware that it leads to the violation of EU fish-size regulations by allowing for the catch of undersized fish, which are then thrown overboard dead. They do not help conserve fish stocks, because the undersized fish—the next generation of fish—are thrown back dead.

I do not usually quote Christopher Booker of *The Sunday Telegraph*, but I agree with him that the EU is using a

“sledgehammer to miss a nut.”

Yet the regulation is endorsed and supported by this Government.

I may not be an angler, but I know nonsense when I hear it. The EU Fisheries Ministers, in conjunction with UK Ministers, are talking nonsense when they try to spin this fix-up as a considered and environmentally sound policy. They falsely claim that bass gillnet fishing has a minimal environmental impact; that the measures are beneficial both for the commercial fishing sector and for bass stocks; that, because drift netting has been caught by the moratorium, bass stocks will increase; and that drifting accounts for 90% of all bass fishing.

We need to know where the Minister got that 90% statistic from, because it is misleading and contradicts data published by the Government's own Marine Management Organisation, which in 2014 stated that netting constitutes 62% of all commercial bass catches, with drifting responsible for only 20%.

How can this Government possibly justify increasing conservation-damaging gillnetting, yet ban recreational angling? I had thought that the Minister had mistyped the policy and that he in fact intended to ban gillnetting

and to increase angling, but that was not the case. Recreational angling represents the sustainable future of bass fishing and it should not be banned.

The Centre for Environment, Fisheries and Aquaculture Science—

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. I call Charles Walker.

3.57 pm

**Mr Charles Walker (Broxbourne) (Con):** Thank you for calling me to speak, Madam Deputy Speaker. The Government negotiated a stunningly bad deal. I cannot think of a worse deal that they could have come back with for recreational bass fishermen in this country. It is no good beating around the bush.

I make no apology for enjoying visiting the website of the Art of Fishing in Wadebridge. I have never visited the shop, but I hope that my hon. Friend the Member for North Cornwall (Scott Mann) will send the team my regards when he sees them this or some future weekend.

Why was the Government's deal so stunningly bad? They have come back and trumpeted a six-month closure. That sounds like pretty good news, until we realise that they have negotiated a four-month derogation for gillnets and hook and liners. Over the next 10 months, each of the boats will be allowed to take up to 1.3 tonnes a month—in other words, 1,300 fish a month, or 13,000 fish a year. Indeed, it is a 1 tonne increase on what they could take last year.

Let us be clear: anglers account for less than 10% of the bass killed and taken out of this country's waters, yet the value of recreational bass fishing is estimated to be £200 million to the economy, while the figure for bass stocks landed by commercial fishermen is an estimated £7 million.

**Mrs Sheryll Murray:** Will the hon. Gentleman not acknowledge that, according to the European Commission, recreational sea anglers take 25% of the total stock caught, and that the International Council for the Exploration of the Seas has increased that figure to 30%?

**Mr Walker:** Only in the strange world of the European Union can a few thousand blokes with fishing rods—well, a hundred thousand-plus blokes—

**Melanie Onn:** Blokes?

**Mr Walker:** And ladies—account for 25% or 30% of all the hundreds of thousands, the millions, of bass that are taken. There they are, those recreational anglers, filling up their wheelbarrows and taking them down the high streets of our fishing communities! What a load of rubbish that is. It defies belief that organisations that pretend to be serious expect us to swallow such utter nonsense.

Let us be clear about this. The value of a bass on the dock is about £3.50. The value of that same bass to recreational angling is about £100. It is worth 28 times more to recreational anglers than it is dead on the slab, going to market.

**Jim Shannon (Strangford) (DUP):** The hon. Gentleman is making a very good case for getting out of Europe. Does he feel, as I do, and as many other Members in the Chamber do, that it is about time we had control of our

fishing grounds around the shores and in the seas of the United Kingdom of Great Britain and Northern Ireland? We make the decisions, and let us do it ourselves.

**Mr Walker:** Of course I agree that we should have control of our fishing grounds, which is why I shall be voting to leave the European Union, but that is an argument for another time. I do not want to stand here and attack commercial fishermen who fish for bass, because I think that there is a golden opportunity here. As was pointed out by my hon. and learned Friend the Member for Torridge and West Devon (Mr Cox), there are very few fish left in the sea for inshore commercial fishermen to target.

**Oliver Colville:** I thank my hon. Friend—my very good hon. Friend, whom I have known for many years—for giving way. Do we not need to ensure that a bass stock is available? That is key, because if there are no bass, there will be nothing for anyone to fish for.

**Mr Walker:** My hon. Friend has made an excellent point, although I do not think that the proposals that were negotiated, or agreed to, by the Government take us any nearer to that stage.

As I was saying, there are very few fish left in the sea for inshore commercial fishermen to target, and once they have finished with the bass, there will be nothing left. So here is the opportunity: let us create a recreational bass fishery that is the envy of the western world. In 1984, it was decided in the United States, on the east-coast Atlantic seaboard, that the inshore striped bass fishery would be recreational only. That fishery is now worth \$2.5 billion to the economy, as people from around the world travel there, booking charters and staying in hotels in order to go out and catch those wonderful fish.

This is the opportunity that remains open to our coastal communities. As my hon. Friend the Member for North Cornwall said, it has been seized in Ireland, and that recreational fishery is now worth £71 million a year to the entire Irish economy.

**Mr Cox:** Does my hon. Friend agree that the fishing tackle industry, and the supply of fishing tackle, are vital to all these crucial areas? May I commend to him the Summerlands fishing tackle shop in Westward Ho!? It is a superb exponent of that particular art, and I hope that he will go and see it and buy something from it.

**Mr Walker:** I think that, during his speech, my hon. and learned Friend unwittingly invited my hon. Friend the Member for North Cornwall and me to join him for a bit of fishing. We shall be able to introduce him to the delights of recreational angling, and that fishing shop will be the first place that we visit after breakfast, at 9.30 in the morning.

But I want to be serious about this. There is a huge opportunity here. As I have said, the value of recreational fishing—bass fishing—to the Republic of Ireland's economy is £71 million. The value of the entire commercial catch of bass in this country is £7 million. I put to my hon. Friends representing fishing communities that the real prize, the real money and the real future for their inshore commercial bass fishermen is being at the forefront of creating recreational fisheries. There is a laboratory—a live case study. We can forget Ireland and the USA because they are established and thriving. The Isle of

Man has decided to pursue that route to create jobs for charter captains and fishing guides, and jobs in hotels and restaurants. That is the opportunity that presents itself.

**Mr Angus Brendan MacNeil** (Na h-Eileanan an Iar) (SNP): On the words expressed earlier about the Europe and the CFP, does the hon. Gentleman find it remiss of the Prime Minister that he did not prioritise fisheries in any part of his negotiations with Europe?

**Mr Walker:** I wish the Prime Minister would be more bullish when he comes to defend fishing interests. I remember fishing with the hon. Gentleman in Shetland. He was sitting on the side of a beautiful loch as it neared midnight on about 8 July. He said, "Charles, why are you using a fly and not a worm?" I leave him to justify his position in that matter with his own constituents.

Let us not make this a row between recreational fishermen and inshore fishermen, who have also had a pretty rough deal. Without threatening jobs, could we start to think collectively about creating a new opportunity for what remains of our inshore fleet to thrive and prosper, and about having a sustainable fishery and not one that is here today, gone tomorrow? As my hon. and learned Friend the Member for Torridge and West Devon made clear, many fisheries around his coast have been here today and gone tomorrow, and they are now in the last chance saloon.

I have spoken for longer than I thought I would, and I took a couple of interventions, which I greatly enjoyed, but be in no doubt that the Government will continue to be harried and harassed on this matter, because there is no other word to describe their dealings in the European Union but failure.

4.7 pm

**Mrs Sheryll Murray** (South East Cornwall) (Con): I congratulate my hon. Friend the Member for North Cornwall (Scott Mann) and thank the Backbench Business Committee for the debate.

Bass tastes great served at a dinner party or a simple supper. My mother had a very special way of cooking bass that was caught with a rod and line at Queener Point off Rame Head near my home. Bass has always been a highly prized fish. Some people dream of winning the lottery. My late husband Neil—my late, fantastic commercial fisherman—dreamt of catching a bag of bass.

I am here to talk about all fishermen, not just recreational sea anglers and not just commercial men. In addition to recreational sea anglers, two other groups are affected by such terrible measures: trip boats that work out of Looe and Polperro, taking groups of anglers out to sea with fish with rods and lines; and commercial fishermen who trawl or net for a living. Recreational sea anglers spend their leisure time fishing for hours, and it is only right that, when they get a bite and reel in their catch of bass, they can take it home for their supper. Recreational fishing is a very popular pastime for locals and visitors alike. Contrary to what my hon. Friend the Member for Broxbourne (Mr Walker) said, it is estimated that landings of recreational bass account for about 25% of the total. I have heard that the European Commission is challenging the UK because it is not recording the landings of bass in a reasonable way.

[Mrs Sheryll Murray]

Cornish mackerel handline vessels often use charter trips as a way of ensuring that they have an economically sustainable business. Commercial vessels from the south-west rely on bass in the winter months. To presume that they can make up the economic loss with other species shows a complete lack of understanding of the commercial fishing industry and its seasonal nature. It is essential to have joined-up fisheries management for all fishermen, and restrictions must look at the socioeconomic impact on coastal communities. Recreational fishermen provide support for tourism, and commercial vessels provide support for harbour repairs and local infrastructure.

In 2006, the Labour Government announced that the minimum landing size for bass would be increased from 36 cm to 45 cm. This was to apply only to UK vessels operating within the 12-mile limit. Labour reconsidered, however, and announced in October 2007 that the minimum landing size for bass would remain at 36 cm. The December 2014 Fisheries Council could not agree on bass conservation measures. The Angling Trust expressed its disappointment and called for domestic measures in UK waters, including raising the minimum landing size to 45 cm, strengthening the UK's network of bass nursery areas, moving away from netting towards line-caught methods and limiting the catch per commercial boat. There was no mention of bag limits, I hasten to add. The Angling Trust should be careful what it wishes for when the European Commission is involved.

I am sure that the UK's request for emergency measures on 19 December 2014 was made for genuine reasons, and all fishermen accepted that some conservation measures were necessary. Those emergency measures included a three-fish bag limit for anglers, and 18 kg a day limit for demersal boats—which was workable—and a ban on mid-water trawls until the end of April, which was accepted because that was the time at which the fish were spawning. In September 2015, the minimum landing size was increased to 42 cm, which was a sensible conservation measure. The International Council for the Exploration of the Sea published advice on 30 June 2015, before an assessment of those emergency measures. Its paper acknowledges that there were uncertainties in the assessment due to inaccuracies in historical landings.

To maintain a sustainable fishing industry—I include recreational sea angling in that description—I propose that in the short term our Minister immediately asks the European Commission to revert to those emergency measures, so that we can make a real assessment of the bass stock. I also propose that the bycatch for demersal trawlers should be increased from 1% to a workable 5%, because discarded bass do not survive. What is the point of throwing this stock back into the sea dead when it is not covered by the European landing obligation? Discarded bass would have a very low survival rate.

**Mr Charles Walker:** Does my hon. Friend agree that the great advantage of commercial hook-and-line fishing is that there is a greater chance of returning undersized bass or bass over a certain size that we might want to release for breeding?

**Mrs Murray:** I completely agree with my hon. Friend, but my point is that some commercial vessels rely on catches of bass and it is too costly for them suddenly to

change their gear. Believe you me, I know about this because I spent 24 and a half years married to one such fisherman. Preventing drift netters from bass fishing is vindictive. They cannot catch any other species during their seasonal fishing, although they could of course simply add weights to their nets, fix them to the seabed and carry on.

**Maria Caulfield:** I completely agree with my hon. Friend on that point. There are fishermen in Newhaven in my constituency who invested in new nets just before Christmas. Because there was no notice of the ban, they had no way of planning for it, and this has decimated the fishing industry in Newhaven.

**Mrs Murray:** I could not agree more with my hon. Friend. I have seen how the industry and fishermen are affected by changes to the rules, and to introduce such a measure so quickly when it costs a lot of money to invest in gear is simply nonsensical.

I acknowledge that the Minister may need to ask the Minister of State, Department for Environment, Food and Rural Affairs to write to me on this matter, but will he please reveal why the ban on drift netting was not announced until after the Council meeting, and not at the end of the debrief with the industry? I am sure he did not intend to allow fishing representatives to believe that all static net fishing had an exemption.

This is a clear example of how the common fisheries policy has destroyed fishermen. The draconian CFP has caused fishermen from Looe and elsewhere to fish alongside French boats in the south-west 12-mile limit, and see those boats land about 10 times more haddock. Our fishermen have sent me images of their charts showing French fishing vessels inside our six-mile limit, while their path and speed suggests that they were actually fishing. To take this forward to prosecution under the CFP, the UK would need evidence of the gear in the water or confirmation from the fishery protection vessel.

I understand that the 2016 herring quota has been exhausted already and we are only in February. Sprat and Cornish pilchard boats cannot avoid catching herring and they are subject to the pelagic landing obligation. Will the Minister meet me and my hon. Friend the Member for Totnes (Dr Wollaston) to talk about that, because it is really important to our fishing industry?

Enough is enough. Fishermen are fed up. The UK has to get control of our 200-mile median line, so that our Fisheries Minister is able to make the rules without going cap in hand to the European Commission.

**Several hon. Members** *rose*—

**Madam Deputy Speaker (Mrs Eleanor Laing):** I have to reduce the time limit to five minutes, because we are running out of time.

4.16 pm

**Huw Irranca-Davies (Ogmore) (Lab):** I will try to be quick so that others can speak, Madam Deputy Speaker. I hope Members will understand if I do not take interventions. I have been tempted into making some points. There have been some very good speeches by Members who know a lot more about the fishing industry than I do, but my opening point is that the Europe issue is a red herring.

Even if we had control of our own waters, we would have to have the right conservation measures to balance conservation with the survival of fisheries. We would have to do that come what may. I alluded earlier to North sea cod. Even if we had not been part of the common fisheries policy, and even if I had not been the Minister who started the trend for bringing back devolution of decision making on the North sea alongside Scottish colleagues and others, we would still have had to have made that decision for the good of our fisheries in the long term. We need the focus to be on the conservation of stocks, which is, ultimately, good for recreational fishermen and commercial fisheries.

The Minister has a very difficult task. When he goes to Brussels, he argues for the UK—it is not as though we do not have a voice, and he is there alongside colleagues from Wales, Northern Ireland and Scotland—and he has to do a difficult thing: he has to represent fishing communities while taking account of the science. Yes, I understand that that is difficult, but my question to the Minister is why is the decision on bass such a departure from the science? That is the fundamental question. I understand the difficulties he has when he goes to Europe, but there is such a difference between what ICES and the science clearly says—science is never perfect, but it is pretty good to go on—and what the Government have come up with. That is what we need to hear today. This issue is not between recreational anglers and commercial fisheries—or it should not be, although sometimes it seems to descend into that—but about the balance between using the science effectively in negotiations and keeping the fisheries alive.

The fundamental question in my very short contribution is this: why is there a chasm between the science and the final outcome of the December fisheries negotiations on bass? The joy of the North sea cod result was that we had to strike a balance for more than a decade and we did it. Yes, fishermen were not happy, but they are a lot happier now that the cod is recovering and that they have bigger fish to land in their vessels. We need to do the same with bass and all other species as well.

The question that I leave the Minister is this: why is there such a gap? I have experienced the difficulties of fisheries negotiations, but he must understand that there is a chasm between what the science was telling him and the outcome. Is it because there was a huge pressure from the fisheries communities and the Minister gave way? I have certainly been faced with the situation in which we almost had to close fisheries off the west of Scotland and off north-east Ireland. We managed to pull away from that, but it was difficult. There is such a chasm now that I must ask whether the Minister has just dispelled the science and let rip.

4.20 pm

**Antoinette Sandbach** (Eddisbury) (Con): Cheshire is not known for its coastal communities, largely because it has none. However, it does have some very keen recreational fishermen. I agree with my hon. Friend the Member for Broxbourne (Mr Walker) and my hon. and learned Friend the Member for Torridge and West Devon (Mr Cox) who said that the policy is crazy and that it is absolutely insane to criminalise recreational anglers for removing one or two fish from the sea while allowing commercial fisheries to behave in the way that has been described. It simply does not make sense. Speaking as someone who comes from the other side of

the European debate to my hon. Friend the Member for Broxbourne, I can say that this is exactly the kind of insane EU policy making that discredits the whole European Union.

I was slightly surprised by the sentiments expressed by the hon. Members for Ogmere (Huw Irranca-Davies) and for Bridgend (Mrs Moon), as of course there is a large degree of subsidiarity involved here whereby both the Welsh Assembly and the Scottish Parliament have an ability to regulate their inshore fleet, to designate their own conservation zones and to apply their own conservation criteria. If those communities do not agree with the policy, the decision making over the inshore fleet is devolved, and, effectively, changes can be made.

The answer to this is not simply to leave the EU, because the reality is that there are many treaties between EU and non-EU countries that regulate the fisheries but that are not in the common fisheries policy. Those pre-existing treaties are one reason why the CFP has historically failed over so many years. They have caused many, many problems and undermined attempts at an EU level to try to resolve things. I have, however, considerable sympathy with my hon. Friend the Member for South East Cornwall (Mrs Murray) who talked about French boats landing three times the amount of haddock as her local fleet. It is a real problem and it is inherently unfair. It just seems to me that this whole area needs to be looked at again.

The real point is that if we do not protect sea bass, we will not have any fish to fish. ICES said that, on a scientific basis, no more than 541 tonnes of sea bass should be fished in the central and south North sea, Irish sea, English channel, Bristol channel and the Celtic sea. In the past year alone, the UK has landed 1,000 tonnes. That seems wrong.

We need to consider the time that it takes for sea bass to mature. It takes from four to seven years for them to reach a size to spawn. If the UK is landing virtually double the tonnage that has been recommended on a scientific basis for the whole region, is it any wonder that we are in crisis? If there is that opportunity for recreational angling to reinvigorate coastal communities in a different way and to boost tourism and provide that extra pound that circulates in the local economy with all the benefit that that brings, surely we need to look first at line-caught sea bass, rather than allowing netting or drift fisheries. The common fisheries policy causes a great credibility gap for the EU. My recreational anglers in Eddisbury see that hypocrisy and do not like being criminalised.

4.25 pm

**Kevin Foster** (Torbay) (Con): I shall be brief. It is a pleasure to speak in this debate. Being on the Backbench Business Committee, I learned a lot about sea bass reproduction, when my hon. Friend the Member for North Cornwall (Scott Mann) regaled us all with the reasons why we should have this debate.

I am grateful to my constituent Chris Packer who wrote to me yesterday setting out the impact in Torbay, where there are about 3,000 recreational anglers. My constituency, like that of my hon. Friend the Member for Eddisbury (Antoinette Sandbach), is one of the most beautiful coastal parts of the whole country and has a thriving seafood industry, as well as a commercial fishery. I have the waters of Brixham harbour in my constituency,

[Kevin Foster]

and my hon. Friend the Member for Totnes (Dr Wollaston) has the harbour itself in hers, so there is a strong interest.

I agree with the hon. Member for Ogmere (Huw Irranca-Davies) that the question whether this is a “leave” or “remain” debate is a red herring. Whatever our position in relation to the European Union, we will need to have an agreement with other nations.

**Mrs Sheryll Murray** *rose*—

**Kevin Foster:** I apologise to my hon. Friend. Her intervention will have to be very brief, and I will not take the extra minute.

**Mrs Murray:** If the UK were not part of the CFP, our UK Minister could make the rules that apply to our waters.

**Kevin Foster:** We would still almost certainly end up having to co-operate with the countries that border the channel and the North sea to ensure that we had a coherent fisheries policy.

There should be no distinction between recreational and commercial fishing. Instead, we should focus on the science and the methods. In my constituency the rod-and-line commercial fishermen came to lobby me. They catch relatively small numbers, and do so in a way that allows them easily to check the size of the catch they are landing and return to the sea immediately any fish that do not meet the requirements, meaning that they are likely to survive. If we debate whether this is commercial or recreational, we get into the position outlined by my hon. Friend the Member for North Cornwall. In theory, a recreational boat could go out and have to return, whereas a commercial rod-and-line boat could be beside it, using the same method for catching. That is bizarre.

I welcome the debate. The importance of the industry should be recognised, not just on account of those who participate directly in it, but as part of wider tourism and visitor attractions, particularly for constituencies in Devon and Cornwall, and certainly for my own. I welcome the contributions we have heard so far. There are real concerns about the system currently in place and they have been well explained during the debate. Whatever system we have, we will end up with some restrictions. Nobody here today is suggesting that we should not preserve the stocks and build them up, but we need to do that on the basis of science and evidence. There has been a slightly false division between commercial and recreational fishing, when the important issue is what we are taking out and what methods we are using to do that, based on clear science.

4.28 pm

**Suella Fernandes** (Fareham) (Con): I speak on behalf of the small-scale coastal fishing community in my constituency, based on the River Hamble in Warsash, which has been fishing the Solent for centuries. Records from 1235 show that herring, cod, plaice, sole and bass were once in plentiful supply. The Prior of Hamble used to send 20,000 oysters to the monks at Winchester every year.

Today the local fishermen own small inshore fishing vessels, which I recently visited. They use a rod and line, and long lines to catch bass. Their families have been fishing the Solent for generations, but life is hard for them. They do not fish for recreation, but to earn a living. However, after taking account of their running expenses and the hours they work, they do not even earn the minimum wage. Now, they face destruction as a result of the six-month ban on bass fishing, the changes to quota sizes and the increase in the minimum landing size. They are a community on the verge of total collapse.

How did we get here? The quotas at the heart of the common fisheries policy have excessively affected British fishermen. Why our Fisheries Department ever allocated 96% of all quotas, no one can understand. The small-scale under and over-10-metre vessels received only a derisory 4% of the quota.

The common fisheries policy has caused the absurdity of discards. Healthy fish are thrown back into the sea, skewing the natural relationship between man and sea. For all of time, man has harvested the riches of the ocean harmoniously and intuitively. Then, the European Commission constructed a system so bizarre that it gave rise to the problem we face today: depleting stocks of fish. Instead of enabling the natural equilibrium, we have now imposed artificial, heavy-handed management measures and quotas. These have been in place for the whole of my life, and they are now causing our fishermen to catch and throw back fish that could otherwise feed people.

Let us consider cod stock. Once it was a staple of the British diet, but it was nigh on driven to annihilation. The huge total allowable catch reductions and the savage days-at-sea restrictions were big mistakes. At worst that meant that in the North sea, one cod would be discarded for every cod retained on board. That is at odds with all we do by experience, and it is injurious to the health of our oceans.

The common fisheries policy, for that is what I am describing, is one example of how pan-European interference can change—no, distort—what was previously a perfectly healthy model. The policy has been driven by a Commission addicted to drastic measures characterised by clumsy and blundering legislation. Bass now faces the same fate as cod stock. This knee-jerk moratorium on fishing for bass will kill off the fishing community in my constituency.

Set in the local context, the ban is too stringent. The Solent already has many restrictions as a result of UK and European protection designations. In Southampton Water, we have one of the world’s busiest shipping lanes, with fish stock nurseries and other obstacles for fishermen to navigate. That has made it impossible for them to fish alternatives, such as mullet and sole, which might otherwise make up quotas if bass is limited.

This small-scale, sustainable industry is suffering as a result of attempts to prevent overfishing by large-scale industry trawlers further out to sea in the channel. Those in the industry are receiving no compensation for their loss of income or to buy new equipment. They have nowhere else to turn.

It is not easy to reach agreement on matters to do with the European Union—something we are all very aware of at the moment. Although I will not stray into



wider EU issues now, I can say that the way the Warsash fishermen will vote in the EU referendum is clear for all to see.

Lastly, I do not profess to match the expertise of those of my constituents who live, breathe and work in the sector, but I ask whether extra measures can be taken to protect them from being annihilated by this deal. That would avert massive unemployment. Declining fish stocks will destroy our fishing industry. That will cost us fish and fishermen. As the precious stone set in the silver sea, Britain deserves more.

4.33 pm

**Mike Weir** (Angus) (SNP): I am glad to be able to say a few words in this debate. I congratulate the hon. Member for North Cornwall (Scott Mann) on his entertaining and energetic opening speech. He is clearly an enthusiastic angler. I have to say that although my late father was an angler, I have never cast a rod in anger myself. However, I am sure that the hon. Gentleman's advertising for *The Art of Fishing in Wadebridge*—he was egged on by the hon. Member for Broxbourne (Mr Walker)—will stand him in good stead with his local communities.

As many Members have said, it is unfortunate that we have got to a stage where there is a dispute between recreational and commercial fishing, because that is in nobody's interest. We must remember that this has happened because of the scientific evidence on depletion of the stocks. The situation is not new. It goes back to 2013, when ICES advised a 36% cut and was ignored, and then, in June 2014, recommended an 80% cut in bass mortality for that year. As a result, the stock has been in decline, and now these draconian measures are being brought in.

Sea bass is an important stock for recreational and commercial interests in Scotland. As the hon. Member for Eddisbury (Antoinette Sandbach) rightly said, the reformed common fisheries policy now has a regionalisation element, and the Scottish Government do have some powers in this regard. In fact, they are now putting in place conservation areas, and they have introduced the Wild Fisheries (Scotland) Bill, which is currently going through the Scottish Parliament. We have a great many interests in angling and deeper-sea fishing. On the estuary at Montrose in my constituency, there is salmon fishing, which is also relevant. There are disputes between the commercial salmon fishers at the estuary mouth and those who angle further up the river for these important fish. We have fishing in many of our rivers—the Tay, the Spey and many others. That brings in a great deal of tourism, and thus a great deal of money to the Scottish economy. It is calculated that while fishing brings about £500 million to our economy, aquaculture overall brings in about £1.86 billion, so it is a very important aspect.

**Antoinette Sandbach** *rose*—

**Mike Weir:** If the hon. Lady does not mind, I really want to get on.

It is important that we do not get into a dispute between the two sides. I appreciate that anglers are very angry about some things, but we must also think of the needs of the commercial fishermen—the hon. Member for South East Cornwall (Mrs Murray) made an excellent point about that. It is about balancing these needs to get to a stage where both sets of interests are represented. I am sure that we can do that, but it needs a bit less

megaphone diplomacy between the two sides and a bit more getting together and seeing how we can co-operate to ensure that we are not destroying our inshore fishing fleets.

The issue of pulling out of the EU is perhaps a red herring—no pun intended. The Minister will still have to make these difficult decisions, whether within the confines of reform of the common fisheries policy or in the context of UK-only policy. It is no easier either way when he has to look at the scientific evidence. The EU argument should not be relied on in this.

I grew up in the town of Arbroath, which had a very good fishing industry when I was young, but it has basically gone now. There is some crustacean—lobster and crab—fishing, and there are trip boats that take anglers out to fish in the North sea, but the large-scale fishing industry has gone. It is fair to say that in the past the Scots have had their difficulties with the common fisheries policy, but we are making progress with a new regime. It has meant that Scottish fishermen have made great sacrifices, but the fishing stocks are now beginning to improve, and we do not want to throw that away. There are difficult decisions to be taken all round, but let us not fall out about it—let us get the two sides together and see what we can do so that both can enjoy their fishing.

4.39 pm

**Kerry McCarthy** (Bristol East) (Lab): I, too, congratulate the hon. Member for North Cornwall (Scott Mann) on securing the debate and putting the case of recreational sea bass anglers so strongly. He spoke with great passion about his fondness for fishing, and he showed particular enthusiasm when he got on to the subject of lugworms. Several hon. Members have highlighted the need not only to conserve sea bass stocks but to restore them to sustainable levels. Hon. Members spoke about what the hon. Gentleman described as the “madness” of the situation in which recreational anglers are treated differently from the commercial industry. Questions have been raised about the extent to which the Government have caved in to the demands of the commercial fishing lobby and the long-term consequences of failing to take tough action. The hon. and learned Member for Torridge and West Devon (Mr Cox) described the policy as insane, illogical and fatuous. My hon. Friend the Member for Dagenham and Rainham (Jon Cruddas), who is a keen angler, said that the ecological case has been consistently put by the recreational side, but has not been listened to by the Government under pressure from the commercial fishing lobby.

Bass stocks across Europe are in trouble, and urgent action is needed to conserve and rebuild the remaining spawning populations. As my hon. Friend the Member for Bridgend (Mrs Moon) made clear, she can recognise an environmental disaster when she sees one. The decline is largely the result of commercial overfishing over the last 30 years, rather than of recreational sea angling. Increased fishing effort, targeting of spawning aggregations and juvenile fish, and loss of nursery habitat in estuaries are also factors.

**Mrs Sheryll Murray:** Will the hon. Lady give way?

**Kerry McCarthy:** No. As has been noted, it is only in fairly recent times that sea bass has been commercially fished. The 2004 “Net Benefits” report by the Cabinet

[Kerry McCarthy]

Office recommended that fisheries departments consider making bass a recreational-only species, although that was not carried through.

In 2014, ICES recommended an 80% cut in bass mortality across the EU for 2015, having previously recommended a 36% cut for 2014, which was not implemented. Bass landings by UK vessels rose by 30% in 2014, from 772 tonnes to 1,004 tonnes. That was yet another example of expert scientific advice being ignored, with predictable consequences. As my hon. Friend the Member for Ogmore (Huw Irranca-Davies), who has a great deal of experience of the matter as a former DEFRA Minister, said, it is important that we show that we can work with the science. He questioned why there was such a chasm between the science and the policy that was adopted. For 2016, ICES recommended a 90% cut, and some expect that its next advice, due in June this year, will be to recommend a complete moratorium lasting several years. That is what happens when early warnings are not heeded and action is not taken.

The Marine Conservation Society recommends a full six-month moratorium, followed by more stringent monthly catch limits and a range of avoidance and selectivity measures. As the MCS says, current measures

“have not come close to the reductions in fishing mortality needed to allow the stock to recover to levels capable of sustainable exploitation”.

The hon. Member for South East Cornwall (Mrs Murray) has argued that commercial fishermen cannot easily change gear. I have sympathy for that view, but they are in this situation because sea bass stocks have dropped to such a low level. The hon. Member for Fareham (Suella Fernandes) made a similar point. I entirely accept her argument, but we are at the stage that if drastic action is not taken, the fish will simply not be there for people to catch.

The UK led in Europe on introducing the 2015 package of emergency measures to protect bass stocks, but it is estimated that these have reduced catches by only 36%. The European Commission accepts that the measures did not go far enough, but its 2016 proposals were watered down by Ministers at the EU Fisheries Council, with commercial sea bass fishing being closed for only two months of the year rather than the six-month moratorium during the spawning period that was proposed by the Commission. As the hon. Member for Broxbourne (Mr Walker) said, it was a stunningly bad deal.

Other Members have questioned the accuracy of the figures and assumptions used; why gillnetting is still being allowed; and the treatment of recreational anglers, who, somewhat perversely, will have to return all bass caught from April to June, but a commercial boat could come alongside and catch and kill the same fish.

It is clear that the current watered-down proposals will not do enough to protect sea bass stocks. The approach of making somewhat ad hoc, year-on-year decisions, which take on board ICES advice to some extent, but in some cases ignore it, is not a prescription for achieving a sensible long-term policy. It risks ignoring the lessons of previous stock collapses and forcing the introduction of a complete moratorium on all forms of bass fishing.

Does the Minister accept that the measures to date have not achieved the desired outcome, and that further action is now needed at EU level? Does he agree that over-fishing inevitably has consequences, and that the faster that depleted stocks can recover, the better? Did the UK support the Commission's call for a six-month moratorium, or were we party to watering down the proposals in the Council of Ministers? If so, does he now think that that was the wrong thing to do? Does he agree that it is important to take national action to tackle illegal, unregulated and unreported landings?

I understand that the UK has been sent an infringement letter about the poor quality of its commercial landing records. We hear reports of huge numbers of unrecorded landings, a thriving market in black fish, netting rules that are regularly flouted, and a buyers and sellers exemption that allows unlimited, unrecorded sales of 30 kg transactions from licensed vessels to consumers. I hope the Minister can tell us what he plans to do about that, as well as about what the UK can now do to secure a sustainable future for sea bass.

4.46 pm

**The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Rory Stewart):** As someone who is not the fisheries Minister and whose constituency is stuck on the top of a mountain, I feel I am being drawn from my native rivers and well out from the pelagic realms into very deep water. My main responsibility has been to listen very carefully to this highly intelligent and serious debate. I will communicate all the arguments that have been made to the fisheries Minister and I will make sure that DEFRA takes them into account, responds to them in detail and takes action.

In the seven minutes I have left, it will not be possible for me to do full justice to all the speeches and interventions. May I say, however, that it is a great pleasure to take part in this debate? One of the most striking things about it, as one can see in the Chamber, is the great strength, good humour and, indeed, good looks of anglers. I have been very struck by the sense of generally energetic, tanned men, such as the hon. Member for Dagenham and Rainham (Jon Cruddas) and my hon. Friend the Member for North Cornwall (Scott Mann), who is looking cheerful and bouncy. I have a general sense that this sport brings out a stress-free, cheerful life, and that it is to be praised. The hon. Member for Na h-Eileanan an Iar (Mr MacNeil) also contributed to the debate in an intervention.

As someone who is new to the debate about sea bass, it is striking that it is bringing to the surface the very serious tension between EU fisheries policy and UK policy, and between the interests of anglers and the interests of commercial fishermen. Navigating our way through that is quite tough. Very strong statements were made by my hon. Friend the Member for South East Cornwall (Mrs Murray), who particularly stressed her family connection with commercial fishing, my hon. Friend the Member for Fareham (Suella Fernandes), who took us all the way back to medieval abbots, and my hon. and learned Friend the Member for Torridge and West Devon (Mr Cox), whose speech was perhaps more suitable for mobilising a brigade for war than for a technical discussion of maximum sustainable yields.

The hon. Member for Angus (Mike Weir) made us think about the role of aquaculture in relation to sea bass. One reason why sea bass is a very striking fish is that it is, or so it seems to an outsider, the next salmon—the next great challenge we face in the debate in the United Kingdom. It is clearly an unusual fish, as people found when they developed aquaculture in the late 1970s and early 1980s. It struggles to get out of the microscopic eggs, it produces juveniles that have difficulty in tracking down their prey, and it has to create its air sack by rising to the surface and filling it with an oxygen bubble. In fact, the species suffered what was essentially an extinction event in the Mediterranean. We are now talking about the north-east Atlantic, but the Mediterranean sea bass was in effect eliminated during the 1960s and 1970s. Most of its presence there now appears to be related to farmed sea bass that have escaped.

That is why the challenge that the hon. Member for Ogmore (Huw Irranca-Davies) made to us to focus hard on the science is so important. The hon. Member for Bridgend (Mrs Moon) focused on biomass, particularly breeding or spawning biomass, and my hon. Friend the Member for Eddisbury (Antoinette Sandbach) focused on landings. The shadow Secretary of State pointed to the issues around tonnage and black fish, particularly the landing of 1,100 tonnes in 2014.

This is a serious subject and the science is at the core of the debate. It does not matter whether we are talking to commercial fishermen or the angling community: the question is: what is the state of sea bass? Of course, sea bass has been on an extraordinary rollercoaster since the early 1980s. We went from minimal tonnage to a single spike year in the 1980s in which we hit nearly 13 million tonnes of biomass. Very warm conditions seem to have created an enormous number of sea bass. Along with changes in our eating patterns, that created the phenomenon, which did not really exist before the 1980s, of commercial fleets going into the Atlantic after sea bass to feed these new tastes. A series of cold winters from 2009 onwards appear to have led to a serious problem in new juvenile production, when combined with the large levels of catching, as the shadow Secretary of State pointed out.

The best analysis that we can currently reach on the subject comes from ICES. We believe that we are catching about 5,000 tonnes and that that is about 30% of an 18,000 tonne biomass. However, if we look at breeding biomass, the figures appear to be lower. I see the hon. Member for Ogmore is looking at a piece of paper. Does he want me to give way briefly?

**Huw Irranca-Davies:** I thank the Minister for a very detailed answer, which is focused on the science. The ICES evidence points to the necessity of an 80% cutback in the year ahead and a 90% cutback after that. Those cuts are massive and stringent. Will the Minister respond to the suggestion that we will actually be looking at about 20%? Is that accurate?

**Rory Stewart:** I notice that since the emergency of Daesh, people have really struggled to pronounce ICES. It is causing more and more of a problem. Foreign affairs and defence appear to be entering into fishing debates.

To answer the hon. Gentleman, the 80% reduction is a reduction from a current maximum sustainable yield, which we believe to be about 13%—that is the best

science—from the current catch rates and landings, which seem to be striking at about 30%. The question clearly is whether the measures taken in December Council will achieve those targets. I will come on to that now.

The key thing is that most of us in this Chamber agree that we need a solution—in fact, everybody in the Chamber probably agrees that we need a solution—that achieves a healthy bass stock. Again, I am very much not speaking as an expert, as this is outside my field. The measures that were taken at the Council were, broadly speaking, steps in the right direction. I think hon. Members would agree with that. The most important actions that were taken—this relates to the question from the hon. Member for Ogmore about the 80% reduction—were those that related to the pelagic fleet. In particular, the measures on drift netting—not on fixed gillnets, but on drift netting in general—were important, especially in relation to pair trawlers.

One debate in this House is about what kind of impact those measures will have. Will they reduce by 70% or even more the amount that is caught, as one would hope, or does more need to be done? I think that we would also embrace the move from 36 cm to 42 cm. The reason for that, which I do not need to point out to the House, is that we will get more spawning stock because the animals will get to a greater age.

**Mrs Sheryll Murray:** Does my hon. Friend agree that in 2005, the UK fisheries Minister wanted to impose that increase just on UK fishermen? Now, it will at least be imposed on anybody who goes out from any member state to fish for bass.

**Rory Stewart:** That is a very good point, but it is important to remember that one reason why the EU dimension matters is that these fish are very widely distributed. I have talked about the Mediterranean variety, but they exist all the way from the Mediterranean right up to the north Atlantic. About 70% of the catches—it is hard to put a figure on this, but certainly the majority of the catches—in the north Atlantic come from French boats. It is extremely important, therefore, to the UK fisheries that an agreement is reached at the European level if we are to create a sustainable biomass and a maximum sustainable yield on catching.

My hon. Friend the Member for Broxbourne (Mr Walker), in a characteristically energetic, cheerful and engaged speech, attacked the specific conclusions that were reached in relation to fixed gillnets and, in particular, the 1.3 tonne limit and the two-month closure.

Let me move to a conclusion. There seems to be a consensus in the House that there is more to do and that we must consider our next steps, several of which have emerged from the debate. First, we must all agree that the huge achievement in the Council—I am sorry that more people have not pointed this out—was to get all member states to agree on the figure for the maximum sustainable yield. That is absolutely vital. By getting them to agree on a 13% take, we have a target for 2017-18 that we can use to leverage in exactly the kind of arguments made by my hon. Friend about the tonnage catch for individual boats. We must have those conversations throughout the summer and the rest of the year, and keep relentlessly focused on that target.

[Rory Stewart]

Secondly, the hon. Member for Angus made a powerful point about ensuring that, through the regional advisory council network, we have people in a room who are seriously focused on an agreed target of meeting that maximum sustainable yield—as my hon. Friend the Member for South East Cornwall pointed out, that also extends to commercial fishing. The 25-year environment plan that DEFRA is introducing will provide us with an opportunity to lead a pathfinder that will focus on a marine area. Hopefully that will allow us to explore the kind of ideas that my hon. Friend the Member for North Cornwall focused on in relation to striped bass and the hon. Member for Dagenham and Rainham focused on in relation to Ireland, namely the potential social and economic benefit that can come from developing a sustainable bass angling industry.

This has been an impressive debate given the level of science, detail and constituency commitments involved. In defence of the deals that are being struck, we have achieved an enormous amount in addressing the biggest problem, which was the pelagic large drift and pair trawlers, and that is a big achievement. We have also achieved an enormous amount in getting agreement at European Council on the maximum sustainable yield, and that target will be vital. We have done that in a way that has attempted to respect the interests of commercial fishermen, and also to engage anglers. If we can achieve that target by 2017-18—and it will be tough—a lot of these issues can be revisited. If we do not achieve the right path towards that target in the coming year, we will have to revisit the catch for commercial fishermen. I call on the patience and understanding of the House as we address an issue that is important not just to this country, and that is the preservation of a unique iconic species: the branzino, the spigola, the lavráki, or for us, the bass.

4.57 pm

**Scott Mann:** I am grateful for the opportunity to respond to this exceptionally good debate. I am pleased that the 900,000 sea anglers have had their voices heard today, and that we have had the opportunity to express their concerns. The hon. Member for Bridgend (Mrs Moon) made some interesting points about ecology, and my hon. and learned Friend the Member for Torridge and West Devon (Mr Cox) spoke eloquently about the benefits of coming out of the EU, and how we might be able to control our own inshore fishing fleet. My hon. Friend

the Member for South East Cornwall (Mrs Murray) always speaks eloquently about her inshore fleet, and I invite the hon. Member for Dagenham and Rainham (Jon Cruddas) and my hon. Friend the Member for Broxbourne (Mr Walker) to partake in a charter boat catch-and-release opportunity with Bass Go Deeper, a bass fishing company that works out of Cornwall.

What has come out of this debate is that we must follow the science, because without fish in the water there will be no recreational or commercial fishing. I thank the Minister for his response and for his idea of exploring how tourism could benefit from recreational angling. I urge him to consider the views expressed by hon. Members, as well as those of the angling community, and to fight as hard as he can in future weeks, months and years for the recreational angling community.

*Question put and agreed to,*

*Resolved,*

That this House believes that the recent EU restrictions on recreational sea bass fishing are unfair and fail to address the real threat to the future viability of UK sea bass stocks; and calls on the Government to make representations within the Council of the EU on the reconsideration of the imposition of those restrictions.

**Heidi Alexander:** On a point of order, Madam Deputy Speaker. During today's oral statement on the junior doctor contract, the Secretary of State for Health said, "Along with other senior NHS leaders... Sir David has asked me to end the uncertainty for the service by proceeding with the introduction of a new contract". The *Health Service Journal* has this afternoon contacted the 20 senior NHS leaders the Health Secretary referred to in his statement, and at least five have replied to say that they do not support his decision to impose a new contract. I am concerned that in making this claim the Health Secretary may have inadvertently misled the House. Can you advise me, Madam Deputy Speaker, on how best the Secretary of State can correct the record?

**Madam Deputy Speaker (Mrs Eleanor Laing):** I am grateful to the hon. Lady for her point of order, but she will appreciate, as the House will, that it is not a point of order for the Chair. She has a point that she wishes to draw to the attention of the House, and she has used this mechanism so to do. I am quite sure that those on the Treasury Bench will have heard what she has said and that her concerns will be conveyed to the Secretary of State. Whatever the Secretary of State says in this House is a matter for him and not a matter for the Chair.

## Poppi Worthington

*Motion made, and Question proposed,* That this House do now adjourn.—(Sarah Newton.)

**Madam Deputy Speaker (Mrs Eleanor Laing):** Before I call the hon. Member for Barrow and Furness (John Woodcock), I should inform the House that as the coroner has now decided that the inquest into the death of Poppi Worthington should be resumed, the subject of this debate may, to some extent, be sub judice. Having carefully considered the matter and the public interest in it, Mr Speaker has decided to exercise the discretion allowed to the Chair to waive the usual restrictions on references to matters sub judice. However, I urge the hon. Gentleman and other Members present to be very careful in what they say and to take due account both of the resumed inquest and of the continuing possibility of a prosecution. I am quite sure that the hon. Gentleman will bear that in mind in dealing with such a very sensitive subject, as will the rest of the House.

5.2 pm

**John Woodcock (Barrow and Furness) (Lab/Co-op):** Thank you, Madam Deputy Speaker. I will heed your very appropriate warning on these matters. Indeed, the precise nature of what can and cannot, and should and should not, be disclosed is an important issue in this debate, as I will go on to discuss. I want to thank colleagues who have been right behind the push to try to salvage some justice after the death of Poppi Worthington and to press for the changes that this investigation clearly must lead to, both in the way the police operate in these matters and in social services. I am grateful to the Minister for her time today in the meeting, and it is good to be able to follow on so directly with this public debate.

Poppi Worthington died in December 2012, when she was 13 months old. We are now in February 2016, so more than three years later I am still having to come to this House for answers. Indeed, it has been only weeks since it has been possible to discuss this matter in public, because of the extensive, deeply surprising and in many ways concerning injunction that was placed upon reporting this matter. That was only partially lifted by Mr Justice Jackson's ruling last month.

I will briefly go through some of the key facts, before moving on to the questions I hope the Minister will answer. On 11 December 2012, Poppi Worthington was put to bed by her mother a perfectly healthy child. Eight hours later, she was brought downstairs by her father lifeless and with troubling injuries, including significant bleeding from her anus. She was just 13 months old when she died. It then took until June 2013 for the full post mortem to declare the cause of death as "unascertained".

In August 2013—eight months after Poppi's death—Paul Worthington, her father, was brought in for questioning. That was the first time he had been questioned by police. He had twice before been questioned in relation to different child sexual abuse allegations. Critical evidence, such as Poppi's clothes and last nappy, had been lost or never gathered by police. The media have reported that Mr Worthington's laptop was not requested by police at the time, and by the time they eventually asked for it, the device had apparently been sold and sold again and so was unavailable to the police's store of evidence.

In March 2014, a fact-finding report was delivered in private in a family court. Court records dated 18 December 2014 make it clear that lawyers acting for Cumbria County Council originally applied for a 15-year ban on the disclosure even of Poppi's name. In the judge's words, their case for secrecy included the claim that "disclosure of alleged shortcomings by agencies might be unfair to the agencies".

The coroner's inquest in Barrow town hall took just seven minutes to declare her death as "unexplained". That is less than a quarter of the time we have for this debate.

It took legal action from a variety of media organisations to force a second inquest, after the first was declared insufficient and therefore unlawful. I pay tribute to several people in the media who have pushed for this tirelessly, particularly Clare Fallon of "BBC North West Tonight" and the *North West Evening Mail*, whose Justice for Poppi campaign is still gathering signatures on the Downing Street website for the full and independent investigation that I believe is necessary, given the scale and breadth of the failings.

It then took until July 2015 for the High Court to order the second inquest. In November, Mr Justice Jackson in the family court released part of his original fact-finding judgment from the March before. This revealed that Cumbria police conducted "no real investigation" into Poppi's death for nine months, despite a senior pathologist at the time raising concerns that Poppi might have suffered a serious sexual assault. It then took until this January—just last month—for Mr Justice Jackson to give his final, very clear verdict: based on medical evidence, he believed that Poppi had suffered a penetrative sexual assault before her death. It was only after this judgment that the second coroner's inquest could get off the ground. It had been requested in January 2015 and confirmed in July.

We heard earlier this week that the second inquest would commence in March and that we would find out the timetable soon. Worryingly, the senior coroner has indicated that it might not even be concluded this year. Meanwhile, the Independent Police Complaints Commission has put together a report into failings by Cumbria police that names several officers. The report was finished last March—nearly a full 12 months ago—and leaked to the BBC, but the IPCC is currently still refusing to publish it. Similarly, a serious case review by Cumbria Local Safeguarding Children Board is being withheld, despite the Under-Secretary of State for Women and Equalities and Family Justice, the hon. Member for Gosport (Caroline Dinenage) making it clear that the publication of neither of these reports could prejudice the coroner's second inquest.

In addition, the Crown Prosecution Service is reviewing the evidence to see if a criminal prosecution is possible. The fact that it is in doubt is surely largely the result of the astounding failures by the police in their handling of this case. The clear question to the police, which must now be taken up, is why they did not act immediately after a pathologist raised the prospect of a serious sexual assault. Why did they not keep hold of vital evidence from the scene?

Those questions demand serious action from the force itself and from the Government. That brings me to the following serious issues: the nature of and justification

[John Woodcock]

for the refusal by the IPCC to publish its completed report; and the appointment and continued tenure of acting Chief Constable Michelle Skeer.

We are told that lessons have been learnt by the force, but we cannot judge because we are not permitted even to see the IPCC report into what went wrong. We do not know exactly why these failures occurred. We do not know if those responsible have been held properly accountable. Most importantly of all, we do not know if new systems have been put in place to stop this happening again.

I have written to the IPCC to ask for the release of its report. It refused on the grounds that it could prejudice the second inquest, the disciplinary processes that have yet to be fully undergone or a future criminal investigation. My case to the Minister today is that none of those three potential justifications holds any water.

Let me deal first with the idea that the report could prejudice the second inquest. The inquest, by definition of course, looks at the cause of death. It looks at the period of time up to death occurring. The IPCC report is concerned exclusively with the police investigation into that death, so there is zero overlap between those two periods of time. One cannot logically prejudice the other. While I understand that the Minister cannot command the IPCC, as it is currently constituted, to do anything—it is an independent body for justifiable reasons—I urge her to comment on her view of the logic of that case.

Neither is it legally possible to prejudice disciplinary proceedings, which are yet to get under way. That is my clear legal understanding based on evidence I have seen provided to the BBC. I would like the Minister to confirm that. The key failure we face is whether there is the prospect of mounting any criminal investigation at all.

When I was first able to question the Minister a couple of weeks ago after Mr Speaker granted me an urgent question on this matter, I called for a separate force to be brought in, given the manifest failures of the original investigation. I wanted a separate force to be brought in to take over this investigation. The Minister and I have been able to discuss this outside the Chamber and I understand that she does not yet have the necessary information to make a judgment on that, but part of the necessary information will be the IPCC report that is currently being withheld. Every day that goes by, the evidence trail gets colder, and every day without justice for Poppi is a day in which her killer, if she was unlawfully killed, is able to walk free.

Will the Minister confirm that she wants to see the report as quickly as possible, preferably through full and open publication? If that is not possible, is she prepared to ask for a private copy like that provided to the police and crime commissioner, who has confirmed that, although he is not allowed to refer to it publicly, he is able to use it to make judgments?

It has become apparent that the police and crime commissioner, Mr Richard Rhodes, had not received the report when he endorsed the temporary promotion of Michelle Skeer from deputy chief constable to acting chief constable after Chief Constable Jerry Graham was forced to stand down temporarily on the grounds of ill health. Regulations state that the PCC should be

given an unpublished report only if it relates to the chief constable, but he was not made aware of the contents of this report, even though he was required to endorse the temporary promotion of a woman—this is clear, because the report has been leaked to and reported on by the BBC, and it has been shown to me—whom it directly names and criticises for her actions in this case. She is now overseeing the force's path of improvement from the case, despite the fact that she was directly implicated in it.

Is the Minister as troubled as I am by this situation, and will she agree to re-examine the regulations and procedures, to ensure that this kind of thing cannot happen again? If a report relates to someone who may be promoted to the position of chief constable, the police and crime commissioner should automatically be given sight of that important evidence.

I have come to the conclusion that it is unsustainable for Michelle Skeer to continue in the post of acting chief constable, because that is to the detriment of restoring confidence in the police force and the process of change that it now needs to carry out. She was named in the report from which the police force needs to recover, and the manner of her appointment was flawed. The Minister will probably say that that judgment is not for her, but for the PCC to make. However, if the PCC reaches that view, will the Minister at least pledge to give him her Department's assistance in finding an alternative acting chief constable while the permanent chief constable returns to health?

These are incredibly difficult and distressing matters. No professional intentionally allows such horrific cases to go without justice. Police officers go to work to prevent and to solve crimes, and social workers go to work to protect children, but that has not happened in this case. Although this is a difficult and complex issue, the Government face a binary choice: either they must be prepared to step in and do all they can to increase transparency and to remove the logjam and the cloud of secrecy hanging over the case, or they will end up being part of a system that perpetuates that secrecy.

5.20 pm

**The Parliamentary Under-Secretary of State for the Home Department (Karen Bradley):** I congratulate the hon. Member for Barrow and Furness (John Woodcock) on securing the debate, and thank him for the points that he, along with others, has raised about this deeply sad and troubling matter today and previously. He is an excellent constituency Member, and I know how hard he works for his constituents. The fact that he is continuing to campaign on this deeply troubling matter is a credit to him, and a credit to the constituents who elected him. I also thank you, Madam Deputy Speaker, for the advice that you gave at the beginning of the debate. I shall bear your words in mind.

The circumstances surrounding the death of Poppi Worthington are extremely distressing and disturbing. I am sure that other Members who have read the press reports and court findings have found them as profoundly upsetting and moving as I have, and I am sure that we share a determination to try and discover what happened in Poppi's case. Any failings in the police response, or the response of any other agency involved, must be identified, and action must be taken to ensure that they are never repeated.

However, as I made clear in my comments to the House during a debate on this matter on 20 January, I cannot comment on this case in detail. Indeed, it has become even more crucial for me to maintain that position since the announcement on Tuesday by senior coroner David Llewelyn Roberts that the inquest into Poppi's death will reopen on 18 March. I know that Members will share my primary concern that, in discussing this case, we should not inadvertently prejudice a much-needed judicial process. The House will understand that, to that end—whatever my personal views may be on the terrible nature of Poppi's death—I am constrained by the ongoing proceedings, and am therefore unable to make any detailed comment today. I urge others, in the Chamber and outside, to consider and take heed of that approach.

Members will be aware of the allegations of police failings in the original criminal investigation of Poppi's death in 2012, which have been investigated by the Independent Police Complaints Commission. The IPCC looked into whether that specific investigation had been conducted thoroughly and appropriately, and whether investigative opportunities to obtain key evidence had been identified and acted on appropriately. It is, of course, the role of Her Majesty's inspectorate of constabulary to assess the overall functioning of the force.

The IPCC's subsequent investigation report was given to Cumbria constabulary on 1 April last year, so that it could consider the report and determine what action to take. I should point out that HMIC will have regard to the force's response to the IPCC report in the course of its inspections. All forces are inspected annually on their overall effectiveness, and, in addition, HMIC has a rolling national child protection inspection programme which looks specifically at each force's child protection arrangements.

I fully understand the level of public interest in Poppi's death, and I fully understand why there have been calls by, among others, the hon. Gentleman for the IPCC report to be published immediately. I know that the IPCC has written to the hon. Gentleman to explain its position, offering to meet him to discuss the matter further. I have met IPCC officials to discuss the matter, and I understand its position. I appreciate that we must balance the interest of the public in these matters with the wider public interest in ensuring that the integrity of ongoing and any future proceedings is not jeopardised. The IPCC has made it clear to me that it will not release the report while disciplinary proceedings are ongoing. It has also told me that the second inquest may be a jury inquest, and that it does not wish to release the report until there is certainty about whether that is the case, because otherwise there might be prejudice in regard to the inquest.

**John Woodcock:** The Minister and I know that that is the justification, but does she at least understand my bafflement, given the entirely different timeframes that are being discussed, as I set out?

**Karen Bradley:** The hon. Gentleman and I discussed that point earlier. I sympathise with his position, but that is the IPCC's position and its guidance. I should make the point that I want to see justice done and to uncover the failings. As long as the people who are able to find that out and make those decisions have all the

information available to them, that is my priority. I do not want anything to jeopardise that and I do not want anything that means that justice is not done. As long as the people who make those decisions and who can get to the bottom of the situation know what happened, that is the priority.

**John Woodcock:** I thank the Minister once again for giving way—this will be the last time I intervene. I hear what she says on that point, but if she were to see the report in private would that be useful to her in making a judgment on whether another force ought to be brought in? Surely it would be useful for her to see that information in private.

**Karen Bradley:** I met the IPCC this week. It does not give reports out and has to wait for the appropriate moment. There is not a process by which a Minister can see those reports. It would not be appropriate for Ministers to see reports before it is appropriate for them to be released to the public.

In response to the hon. Gentleman's point, I should explain that there is no obligation for the IPCC to provide an investigation report to the police and crime commissioner as part of any due diligence exercise on a potential promotion candidate within a force. The IPCC's obligation to provide that report to the police and crime commissioner applies only when it relates to the alleged misconduct of a chief officer for whom the PCC has a statutory responsibility. However, the hon. Gentleman makes a good point about the PCC having full sight of all information when an appointment is made. I have asked officials to look at whether anything can be done, because it could involve somebody going to a different force—they do not have to be within the same force—and it is important that PCCs who are considering a candidate for a chief officer role have all the information pertinent to the appointment when they make the decision. The hon. Gentleman asked about advice that can be given by the Home Office to the PCCs who are looking for new recruits. I assure him that any PCC who approaches the Home Office for advice on recruiting a new chief officer will receive that advice.

I stand with those who urgently want to understand what has happened in this case, but I also want to see justice served and the truth to be established. We must be careful in our haste to see justice done that we do not inadvertently prevent it from being done. In addition to the inquest into Poppi's death and the ongoing disciplinary proceedings at Cumbria constabulary, the Crown Prosecution Service is reviewing the file on Poppi's case to decide whether to launch a criminal prosecution. To avoid prejudice in any of those cases, the IPCC intends to publish its report after the conclusion of all the proceedings I have mentioned. That may disappoint some, but we must recognise the rationale for that decision.

The IPCC has investigated allegations of police failings in relation to Poppi's death, but the criminal investigation remains a matter for Cumbria constabulary. I know there have been calls for that investigation to be reopened and for a fresh one to commence. It is of course open to the police to review the investigation, but that is an operational decision for the force that will need to be considered in the light of what, if anything, a review could realistically achieve. It is for the chief constable of Cumbria to consider whether the investigation should

*[Karen Bradley]*

be reopened and whether another force should take on the investigation in order to maintain public confidence. Whatever my personal convictions, it would not be appropriate for the Home Office to intervene in this situation.

I once again thank the hon. Gentleman for raising this important issue and extend the offer of continued dialogue and meetings. We all want to get to the bottom

of what happened and to see justice done. I acknowledge that many questions have still to be answered in this terrible case. Like other Members, I want to see the outcome of those proceedings. I look to the outcome with interest, but I want them dealt with as speedily as possible.

*Question put and agreed to.*

5.29 pm

*House adjourned.*



# Westminster Hall

Monday 25 January 2016

[PHILIP DAVIES *in the Chair*]

## Small Businesses: Tax Reporting

4.30 pm

**Oliver Dowden** (Hertsmere) (Con): I beg to move,

That this House has considered e-petition 115895 relating to tax reporting for small businesses and the self-employed.

Members may be aware that it was announced less than two hours ago that, sadly, my predecessor but one as the Member for Hertsmere, Lord Parkinson—Cecil Parkinson—has died aged 84 after a long battle with cancer. He was a towering figure nationally, playing a central role in the great reforming Thatcher Governments of the 1980s, but he was also a brilliant local MP. He served Hertsmere from the constituency's creation until 1992. Time and again, local residents would recall him with tremendous warmth and fondness—something I experienced myself after I was selected as the candidate in 2014. My thoughts and prayers are with his wife, Ann, and the rest of their family. [HON. MEMBERS: “Hear, hear.”]

I thank you, Mr Davies, for chairing the debate, which I am introducing on behalf of the Petitions Committee, of which I am a member. I declare that I am an adviser to IPSE, the Association of Independent Professionals and the Self-Employed—details are in the Register of Members' Financial Interests.

The petition calls on the Government to “Scrap plans forcing self employed & small business to do 4 tax returns yearly”.

As of this morning, it had attracted 110,000 signatures.

As we all know from our constituencies, small businesses are the backbone of our local economies, employing thousands of people and generating wealth and prosperity for our communities. That was demonstrated to me last week when I had the pleasure of speaking to more than 50 small businessmen and women in Borehamwood. Their businesses ranged from financial services, through recruitment and solicitors, to digital markets. They were hard-working people from Bushey, Radlett and Potters Bar—I am sure Members have similar places in their constituency—and they all demonstrate tremendous energy and creativity. They are willing to put their careers and income on the line to build thriving businesses, and the national statistics bear that out.

According to the latest figures from the Federation of Small Businesses, small business accounts for 99% of all private sector business, with total employment of more than 15 million—more than 60% of all private sector employment in the UK—and turnover of almost £2 trillion. There is therefore understandable concern about any measures the Government might introduce that could distract small businesspeople from their already extremely demanding day-to-day work with additional new regulations or costs.

The wording of the petition and related press coverage reflect the worry that measures outlined in last year's autumn statement might require small businesses to

complete four tax returns annually. Understandably, given the time, effort and almost inevitable cost of employing an accountant to do the job, that is a cause for great concern.

I note from the Government's response to the petition that they propose quarterly updates rather than full returns. Will the Minister, when he responds to the debate, expand on that point and put on the record unambiguously that the Government's proposals do not amount to quarterly tax returns?

**Mrs Maria Miller** (Basingstoke) (Con): I welcome the debate and the Minister's commitment to modernising the tax system—that is important to my constituents. Does my hon. Friend agree that the Government could get rid of some of the concerns being expressed by our constituents were they to make the guiding principle of any change in the reporting of tax that it should reduce administration and red tape for business?

**Oliver Dowden:** I completely agree with the sentiments expressed by my right hon. Friend. I will come on to that point shortly—

**Caroline Lucas** (Brighton, Pavilion) (Green): Will the hon. Gentleman give way?

**Oliver Dowden:** If the hon. Lady will give me one moment, I will finish answering the previous intervention.

When we seek to change the taxation of small businesses, it is vital that we should do so in a way that reduces the net impact on business.

**Caroline Lucas:** I thank the hon. Gentleman for giving way and I congratulate him on securing the debate. On the burden on small businesses, does he agree that there appears to be no evidence that all small businesses or self-employed people already keep track of their affairs digitally? Will the Minister tell us what his evidence base is for asserting that any change to the requirements will not be cumbersome for them? The assumption is that they are already keeping track of things digitally, but many constituents tell me that they are not. Therefore, the change will be a burden.

**Oliver Dowden:** I will come on to such points, but full consultation on any measures is important to inform exactly the situation faced by small businesses. The Chair of the Treasury Committee, my right hon. Friend the Member for Chichester (Mr Tyrie), has pointed out the specific problem of those without access to computers and IT altogether.

**Sammy Wilson** (East Antrim) (DUP): Is the hon. Gentleman concerned about that point? In parts of my constituency especially, many small businesses do not have access to the internet at all, because the speeds are so low. To expect those businesses to exchange all that data with Her Majesty's Revenue and Customs quarterly is unrealistic.

**Oliver Dowden:** There is an issue, but the Government have said in their response to the petition that they will consider it. I hope for clarification on the question of the speed of broadband connection—businesses in my and many other constituencies rely on fast broadband,

[*Oliver Dowden*]

so for it not to be in place makes things difficult—and on the broader point about ensuring that small businesspeople who fill out tax returns have sufficient skills to do so. I also hope for reassurance from the Minister about a training programme and other online resources to enable small businesses to have those skills.

Despite what the Government have said in their response to the petition, the proposals announced in the autumn statement raise a number of issues, some of which have already been mentioned in the debate. I, too, will address such matters before other Members have the opportunity to examine them in more detail.

The Petitions Committee recently undertook a public consultation via Twitter, and I thank the Clerks for their hard work, which made it possible. Unbelievably, in 24 hours we received 1,285 tweets from 565 contributors, all of which can be seen by searching #HOCpetitions. The responses reflect concerns also expressed to me by the Federation of Small Businesses. I will briefly address some of those concerns.

The proposed measures, as I understand the situation, form part of the Government's "Making tax digital" proposals, which most people agree is the right direction of travel. An end to bureaucratic form filling and associated unnecessary complications, and full access to digital accounts, all of which are promised in "Making tax digital", would certainly be welcome. I commend the Government for their commitment to that agenda.

As we all know, however, the path to new Government initiatives, in particular those involving new IT, rarely runs smoothly, and we only have to think back to the introduction of tax credits or to the Rural Payments Agency under the previous Government for the evidence. I therefore urge the Minister to proceed with caution.

I note from the Government response to the petition that there will be consultation throughout 2016 and voluntary introduction before full phasing in by 2020. Many people are concerned that users should be fully consulted and systems properly tested before full roll-out. Furthermore, the system should be properly secure.

**Mr Alan Mak** (Havant) (Con): I thank my hon. Friend for securing the debate. I draw the House's attention to my entry in the Register of Members' Financial Interests: I am the founder of two small businesses. He rightly said that the Government should ensure positive digital competency in respect of businesses being asked to participate in the scheme, but is he also aware that more than 99% of VAT returns are filed online? A high percentage of HMRC documents are already filed online, which should give the Government great confidence when they roll out the reforms.

**Oliver Dowden:** That is an important point. While there are questions to raise, it is important not to get carried away. The overall direction of Government travel is towards having a digital system for tax returns, and I hope that Members agree that that is the right thing to do. The questions are about the speed and pace of roll-out and appropriate consultation.

The difference between VAT and what is contemplated here is that VAT returns have a threshold, so the very smallest businesses do not fill them out, but they will do

so in this case. That is an argument for caution. Another concern raised by petitioners is the nature and financial cost of digital reporting. It would therefore be helpful if the Government gave greater clarity on the scale, cost and nature of the information to be provided. Estimates suggest that businesses already pay on average £3,600 a year to ensure that they are compliant with their tax and regulatory obligations and we, as a Government, must take away from that, not add to it. Surely, that is the measure of any successful tax reform. It is therefore vital that the net effect of the measure is to reduce, not add to, that regulatory burden.

**Rachael Maskell** (York Central) (Lab/Co-op): Is it not right that, before the Government proceed any further with their proposals, they make a full analysis of not only the financial cost and burden they will put on small businesses, but the cost in time and infrastructure?

**Oliver Dowden:** I hope that all that will be considered in the consultation that the Government have committed to undertake.

**James Cleverly** (Braintree) (Con): Much of the correspondence I have received on this from small businesses and those who write about small business is based on what seems to be a misunderstanding, but concern may go a long way to either hampering or aiding implementation. Do not the Government need to give almost as much thought to the communication about implementation as to the implementation itself to give small businesses confidence that they have thought through the regulatory burden that this requirement might be perceived to bring?

**Oliver Dowden:** My hon. Friend makes an important point. As I alluded to earlier, a lot of press coverage has suggested that this requirement amounts to quarterly tax returns. Whatever reservations we may have, it is pretty clear that it does not amount to that. I would welcome the Minister's explicit assurance about that.

Another concern raised by petitioners was that they would not have the software or skills to produce the required information. I would welcome a commitment to proper availability of information, software and, where necessary, training for small businesses. We all know the difficulties of getting in contact with HMRC by telephone, so I ask the Government to look at ways to ensure that such information is readily and easily available.

**Fiona Mactaggart** (Slough) (Lab): I am struck that among those who are self-employed, the greatest growth has been in the over-50s. About a year ago, Saga produced a report that said that they were something like 25% of the growth, but it did not point out that those people are overwhelmingly women who have built a microbusiness and many of them do not have the skills to follow up on such requirements. Indeed, earlier this morning, I was talking to a self-employed woman—a physical trainer—in her 30s who said, "What? Do we have to do this every time? I can't possibly afford an accountant. My business isn't big enough to do that." Many women do not have the skills needed to do that effectively, so will the hon. Gentleman press the Minister to ensure that they get the training that they need?

**Oliver Dowden:** The right hon. Lady makes an important point about the contribution of women to the economy. One of the Government's great success stories is the rise in female labour participation. Many of those women are involved in small businesses or are self-employed. I hope that the consultation considers all those points carefully and looks at the impact on women who seek to enter the labour market through that route as well as those who have been in the labour market for a long time. As I said, I do not disagree with the direction of the Government's reforms, but it is important that the consultation addresses those matters properly.

The Treasury Committee raised specific issues about how businesses that do not use computers will be able to adapt. It would be good to have more detail on that.

In conclusion, it is welcome that the Government are committed to digitising our tax service, as that should reduce costs and administrative burdens for business, but I look forward to the debate providing an opportunity to address and allay concerns that, in the process of introducing a digital tax system, the Government do not add to the burdens on business. As I said at the beginning of my remarks, small businesses are the lifeblood of our national economy, and I hope that these measures will aid the circulation of that blood rather than clog arteries.

4.45 pm

**George Kerevan** (East Lothian) (SNP): I commend the hon. Member for Hertsmer (Oliver Dowden) for bringing the matter to our attention. As is usually the case with Petitions Committee debates, we come here to speak on behalf of not ourselves or our parties, but the 100,000-plus individuals and small businesses who have expressed their concern.

I heard the Minister's words in the Chamber about the Google issue and I take his point that small businesses are not being asked to commit to quarterly full tax returns. That is understood, but the very fact that so many people have signed the petition—every Member will be able to cite examples of constituents and local businesses who have expressed their worries—shows how worried people are, and that indicates clearly that the Government need to consult further.

This is not about whether we should implement a fully electronic, real-time tax system on the internet, as all that would provide benefits. The issue is not the technology, but bringing that technology into play and taking small businesses and the electorate with us. The charge against the Minister and the Government, which is not new or made in a cavalier way, is that there is a rush to judgment.

The Minister simply has to tell us that there could be a delay in implementing the quarterly information updates and that, rather than setting a band at £10,000, there could be a variation as to when small businesses of various sizes are brought into the system. He could tell us about checks and balances with regard to the delivery and effectiveness of HMRC's system that must be addressed before activities such as updating quarterly are triggered. He could provide all sorts of safeguards so that we could reassure our constituents and give all-party support to the introduction of the new technology.

**Bill Esterson** (Sefton Central) (Lab): Like the hon. Gentleman, I and, more importantly, my constituents would be fascinated to learn how increasing the rate of

reporting to quarterly—whether that involves a full report or an update—reduces the amount of administration faced by businesses. That is a crucial point. Did he hear the estimates at the time of the Chancellor's announcement that HMRC would collect an additional £600 million as a result of the policy? Is the purpose of the change really to increase tax returns from small businesses? Deals such as that with Google, which was the subject of today's urgent question, have caused great unease and real anger not just in my constituency, but right across the country.

**Philip Davies (in the Chair):** Order. Before Mr Kerevan resumes his speech, may I say that interventions should be somewhat shorter than they have been?

**George Kerevan:** I am happy to reinforce the hon. Gentleman's point. Indeed, various Treasury papers suggest that the shift towards a paperless tax system will increase receipts by about £600 million. That is not a bad thing, and no one would oppose it if it happened, but the issue is that the Minister and HMRC are rushing to judgment in introducing the proposed system. They think that moves to put it in place will be so advanced by 2020 that they will be able to start instructing small businesses to update quarterly.

Buried in the small print of last November's Treasury press notice is a suggestion as to one of the advantages that will come from the proposal:

"HMRC expects the number of calls"

to its various call centres

"to reduce from 38 million in 2015-16"

to a mere 15 million by 2020. Magically, as a result of the electronic vision being presented to us, about 23 million phone calls will no longer be made to HMRC. Does anyone here, the Minister included, actually believe those numbers?

In the run-up to introducing a new system, the likelihood is that things will go wrong. If we are lucky, we might make something like the proposed saving in calls 10 years from now, but I doubt that that will happen between now and 2020. I have great respect for the Minister, but I would like to hear him swear on his heart that he actually thinks we will deliver 23 million fewer calls.

**David Morris** (Morecambe and Lunesdale) (Con): From what I can gather, the whole point of having a trial period from 2018 is to iron out that anomaly in the system. Would the hon. Gentleman not agree that it is welcome that we are using small and medium-sized enterprises and self-employed people as a test bed, rather than putting through some sort of virtual reality programme?

**George Kerevan:** I could not agree more. At the risk of repeating myself, I stress that the Scottish National party—I think this goes for all parties—agrees that this is the road to take and that we need to consult, but there is a question over the speed at which this is being done. I understand why the Treasury and HMRC have to sell things and to make promises about what they can deliver but, as the hon. Member for Hertsmer said, experience proves that the introduction of major IT systems rarely works out, particularly when they are on this scale. We are talking about getting 50 million taxpayers and small businesses on this system between now and 2020, but that will not happen.

[George Kerevan]

The Government need to slow down and consult more. The Minister has to stop putting in place arbitrary timetables for when the consultation will work itself out. In particular, he has to stop telling us that he can implement the system in 2020 and impose quarterly returns, which is the thing that is worrying small businesses. Instead, he should concentrate on bringing the consultation to a point where everyone is on board, and then the system will come into play.

I want to reinforce an important point that other Members have made in interventions: we do not have full digital coverage in this country. When Culture, Media and Sport Ministers get up in the main Chamber and talk about getting to nearly 100% coverage, what is the target date? It is 2020, but that may slip. If the new system needs 100% broadband coverage, it makes much more sense to wait until that coverage is in place before switching over the entire British tax system, including the system on which small businesses depend, to a new one. That is another argument for delaying full implementation until 2025 or 2030.

I worry that there is a hidden agenda. Clearly, the Government are attempting to make cost savings. The very Treasury press statement that introduced the idea of moving quickly to a new electronic tax system by 2020 told us that HMRC seeks to make

“£717 million of sustainable resource savings”

by 2020. The system is being put in place at the same time that HMRC is being expected to make major cuts. Again, that does not all stack up.

My real point to the Minister is that no one opposes the introduction of this system, but clearly there has been a catastrophic failure in how the Government have presented it to small businesses. We hear constantly from Ministers that they are pro-small business, so now is the time for them to honour those words. If they simply consult more, delay the introduction of the new system until they are sure that they have everyone on board and set aside the requirement for quarterly reporting until they are sure that the system is actually working, they will achieve success.

4.55 pm

**Seema Kennedy** (South Ribble) (Con): It is a pleasure to serve under your chairmanship, Mr Davies, and to follow the hon. Member for East Lothian (George Kerevan)—I made my maiden speech after he made his. I thank my hon. Friend the Member for Hertsmere (Oliver Dowden) for raising this important issue. I have had representations about it from many constituents. As somebody who has run a small business, I am happy to take part in the debate. I draw Members’ attention to my entry in the Register of Members’ Financial Interests.

The “Fixing the foundations” report by my right hon. Friends the Chancellor and the Business Secretary, which came out last July, focused on creating an even more competitive tax system. The aim is to cut corporation tax to make sure that we have the lowest rate in the G20 and attract inward investment, as well as to make paying tax simpler. The aim is that that

“will dramatically cut the cost of paying tax for business.”

As we all know, a record number of people—millions more of our constituents—are now self-employed and

running small businesses. It is a generational shift, and this growing phenomenon will have an impact on many of our constituents.

As other hon. Members have said, the direction of travel—going digital—is laudable, and if the proposed system is properly implemented, it will increase the tax take, which is of course to be applauded. However, the stated aim is simplification, not only for the Revenue but for business, so I tentatively suggest that the Minister does not rush to make any changes. It is better that the switch takes places slightly later, but with fewer glitches. That would increase buy-in from the business community and reduce the frustration for constituents who are involved in making these quarterly reports—however we want to describe them. There are few more frustrating activities for small businesses, particularly sole traders without admin support, than being kept hanging on HMRC’s helpline.

**Dr Rupa Huq** (Ealing Central and Acton) (Lab): The hon. Lady’s point reminds me of a comment made by Richard Morse, the FSB’s representative in my area, who said that HMRC did not seem to realise that a lot of businesses in my constituency were sole traders and that the person doing the accounts—there is no separate accounts department—was also generating the business and doing the work. He fears that the proposed system will eat into profits and lead to less taxable income, and I hope the consultation can address his fears.

**Seema Kennedy:** The FSB has made submissions, and it will carry on doing so. Ministers will also be listening to all our representations, which is why it is important that we are here to speak on behalf of our constituents. I welcome HMRC’s commitment to make more use of digital help, such as webinars, webchat and YouTube videos, and I hope it will increase the use of those.

I am sure that the consultation went through this, but I have concerns about when tax would be payable and when penalties would be incurred. I understand that three months does not seem like a very long time, but a four-week or six-week penalty period could pass quickly for a sole trader in busy periods, such as the summer if they are involved in seasonal business. Will the Minister address that point?

My hon. Friend the Member for Morecambe and Lunesdale (David Morris) referred to test runs. Perhaps I missed this information, but I would like to know exactly who did those test runs and over what period. It is essential that the tests are done over an extensive period, with different sizes of business, so that glitches are eliminated and the system runs really well when it is in place.

I have a particular concern about adjustments for capital allowances. I am thinking particularly of my own business, which is in the building trade, as we have had to make large capital investments in the following year, and there are also issues such as amortisation. I know that the impact on working capital came up in the digital consultation carried out by the Petitions Committee.

In conclusion, the move to digital taxation is the right direction of travel if we are to meet business challenges of the 21st century, but it needs to be done after a thorough consultation, of which this debate is only one part, even if that means the current timescales are missed by a few months.

5.1 pm

**Peter Kyle** (Hove) (Lab): May I thank the hon. Member for Hertsmer (Oliver Dowden) for securing the debate? I share his condolences for the family of his predecessor, who passed away today. Even though his predecessor was not a Labour Member, he certainly made a big impact on politics in his day, and that legacy will be remembered for a great deal of time.

I am the Member of Parliament for Hove, in the city of Brighton and Hove, which is one of the most entrepreneurial cities in the whole country. It also has one of the highest rates of self-employment in the country. The self-employment rate for 16 to 64-year-olds in work is 13.5%, against a national average of 10%, with 55% of those people working in construction and 36% in professional, scientific or technical trades. That shows the nature of self-employment in the south, and self-employment is often a gateway to entrepreneurialism. Many of those self-employed people will go on to set up limited companies and become creators of wealth and employment, which drives the economy in Brighton and Hove.

Statistics, however, do not cover the nature and challenges of making the move to self-employment or setting up a microbusiness. I became self-employed early in my career and then moved on to set up a limited company and a microbusiness. I co-founded a local business, which, looking back, was the most educative experience of my life. We learn a huge amount when we decide to jump in with both feet and set up a business, as an enormous breadth of understanding and skills goes into setting up an enterprise and becoming an entrepreneur.

One key thing I learned from that experience was the nature of the risk involved in becoming self-employed or running a microbusiness. When we talk about people who are self-employed or run small businesses—sometimes as their friends, but particularly as policy makers—there is often an assumption that growth is linear, and that money increases and risk diminishes each year, as they get used to growing business and to the sector they are involved in.

My experience was very different. Growth came on the back of extreme risk and extreme vulnerability, followed by a period of comfort. I then had to make a decision: should I stay in my comfort zone or take the decision to move out of it, back into extreme risk and vulnerability? The business jumped into periods of growth, with each jump and each improvement in annual figures coming on the back of a period of risk. As the business employed more people and its growth increased, the risk did not diminish; it got greater and greater, because more depended on the business's success. I have a huge appreciation for entrepreneurs who are growing businesses, because there is no inevitability about the success of any business. It comes only on the back of extreme hard work and the ability to take risk on behalf of a business and the people who depend on it.

Few people enter self-employment or set up small businesses with all the skills they need to do so. They sometimes lack skills in sales, admin, accounting, marketing, social media and product development. No one inherently possesses all those skills—particularly accounting—when they go into business or become self-employed. It is very unlikely that all of the 55% of self-employed people in the city I live in who work in construction

have all the administrative and accounting skills they need. Talk of changes to accounting and reporting can therefore be extremely intimidating to them.

Gaps in people's skills can be not just intimidating but terrifying. While people are learning skills, or worrying about lacking them, they are not doing. They are not out there selling, building the relationships that every business and self-employed person needs or winning new business. We must be mindful of that when we heap new regulation, and changes in accounting and reporting, on people who are self-employed or run small businesses. Talk of regulatory change can be intensely worrying for those who lack accounting skills. People who are worried become risk-averse and do not have the boldness of character we need in our entrepreneurs, particularly in the small business sector.

The self-employed have a lot to worry about. One third of them will earn less than the minimum wage for two or three periods in a year. They have no statutory holiday, and the working time directive does not cover their work. All of us will have heard stories from knocking on doors and talking to constituents at community events or reading their correspondence. I was struck by one particular story when I was campaigning during the general election. I knocked on the door of a tradesman who was self-employed and always worrying about the next contract. He told me, as he held his young baby in his arms, that he had never once been on a full week's holiday with his wife and children. Instead, his wife takes the children away for a week once a year and he goes to meet them for the weekend, because he cannot take the risk of not completing a contract. That type of experience is repeated throughout the self-employed sector and the microbusiness sector. People in those sectors make a lot of personal sacrifices in order to drive the economy, particularly in the south of England.

**Caroline Lucas:** The hon. Gentleman is making a powerful speech, and he tells a strong story about the constituency of Hove, which is relevant to my constituency next door. Does he agree that the pressures on small businesses are made even worse by the fact that they often struggle to get hold of HMRC advice right now, whether on the phone or by other means, because tax offices are closing? As well as having a bigger consultation on the issue, the Government should look again at the resources going to HMRC.

**Peter Kyle:** The hon. Lady makes an incredibly important point. We have both been involved in local government issues and campaigned on national issues. Every moment that a self-employed person spends on the phone to the local council, HMRC or any other Government Department is a moment they are not spending getting new business, delivering new contracts and earning the money that will give them the security they need in the long term.

We know that HMRC has a lamentable record on customer service, which the Minister graciously acknowledged in answering questions in the main Chamber recently. I know that he will focus on that issue, and people such as myself and the hon. Member for Brighton, Pavilion (Caroline Lucas) will continue campaigning on it, because it is extremely important. In the interests of fairness, I will also carry on campaigning against my council in Brighton and Hove, which is a Labour-run

[Peter Kyle]

council, to ensure that it offers better services for, and better contact with, its local businesses and self-employed people.

I am well aware that people who run big businesses in the city that I represent, whether American Express in Brighton, Kemptown or EDF in my constituency of Hove, have a named contact in the local authority. That contact is called the chief executive. If the chief executive of one of those big businesses wants to get the council on the phone, they call the council's chief executive. However, the drivers of our local economy—people who run companies that employ fewer than eight people, which make up 90% of the businesses in our city—do not have a named contact in the local authority. There are no consequences if a phone is not picked up, or if a message is not returned. That symbolises how power is distributed in the wrong direction.

It would be wrong if we designed and implemented policies that put people off wanting to become self-employed. The calls that Members from all parties have made in this debate, imploring the Minister to ensure that there is a period of consultation, have been extremely well put.

**James Cleverly:** I thank the hon. Gentleman for sharing his experiences as an entrepreneur. As someone who has run a small business, I completely understand the point that he is making about fear of change. Does he therefore agree that if the Government showed that the new policy could be intuitive and easy to understand and implement, many of the potential hurdles that he has highlighted could be put to one side? If some of the tech entrepreneurs who I know are prevalent in his constituency could be involved in designing the implementation and roll-out of the measure with the Government, that would go a long way to addressing the issues that he has raised.

**Peter Kyle:** I am extremely grateful for that thoughtful intervention, and I have some sympathy with the hon. Gentleman's points. However, when policies are thoughtful, intuitive and in the interests of business, businesses usually flock to take them up. In this case something has clearly gone wrong in one of two ways: either it is being communicated in the wrong way, but it is a great policy; or it is a poor policy that is being communicated in the right way but is not managing to hit home. The purpose of the debate is to decide which it is.

The policy needs to be tested and communicated better. We need to ensure that people who run businesses—smart people who want to do the right thing by paying their taxes and ensuring that their businesses are not disproportionately burdened—are fully involved as the policy is implemented in the long run. In my view it certainly should happen in the long run, because at the moment, people are being put off going into self-employment or setting up their own business.

Interestingly, on the train up here today, when I was speaking to my brother, who works as a postman in the Brighton, Pavilion constituency, he told me that one of his colleagues had seen on the news that this debate was coming up and had talked about self-employment. His colleague was self-employed for a number of years—more than a decade—but moved

away from it because of the fear of the accounting, bureaucracy and regulation that was being heaped on to self-employed people.

The freedom that is associated with self-employment has diminished. As well as the burden of regulation, people fear not having the skills that they need, and they fear the unknown. Because they are not a trained accountant or an experienced administrator—rather, they are a skilled labourer—they fear that they might step outside regulatory measures without being aware of it. That was enough to drive my brother's colleague away from self-employment and back into paid employment. We should be wary of that, because it would be a huge shame if entrepreneurship were to become the preserve of the middle classes. I do not believe that entrepreneurial spirit is class-based or education-based; it is evenly distributed, even though it is not evenly expressed in our economy.

Public policy on the self-employed needs to be got right, particularly for people who run small businesses or microbusinesses. At the moment, I do not believe that Government policy across the board is on their side. Let us take one example—the much vaunted, much hyped productivity plan, which I know the Minister is keen to refer to often in the Chamber and in the media. It is interesting that in the Government's flagship productivity plan there is not one single mention of the self-employed, who make up 15% of the workforce and number 4.5 million people. The fastest-growing employment trend in our country does not warrant a single mention in the productivity plan.

In my constituency there is a fantastic business called Crunch, which has been set up specifically to supply accountancy services to people who are self-employed or running microbusinesses. I know that the hon. Member for Brighton, Pavilion, went to visit a couple of weeks ago, which was absolutely fantastic. It now provides services not only right across our city but right across the south of England, and it is great that people are starting to notice just how fantastic the business is and how important its services are. It provides light-touch, fast, responsive support to people setting up businesses. The great thing about being able to visit it is that because it has thousands of customers, it can harness insight into real-time trends in self-employment and see the impact of public policy on the small business and self-employed sector. I know that quite often, HMRC and Government Departments struggle to get real-time data on the impact of Government policy.

One prediction that Crunch makes about the negative impacts of policy is that the leap from 0% to 7.5% in basic rate dividend tax will hit lower-earning company directors the hardest. Those are probably self-employed people who are moving their company to limited status, have a very small number of employees and pay themselves through dividends. Everyone wants to make sure that the right people are paying tax, but the proposal could have the most negative impact on people on lower incomes who run microbusinesses. For example, a limited company director paying themselves primarily through dividends would pay £1,528 more tax a year on pre-tax profits of £48,000, whereas a director with £78,000 of pre-tax profits would pay only £1,343 more.

We can also see from the statistics that the change in income tax for a microbusiness from 2015-16 to 2016-17 will have a negative impact of 21% on somebody earning

about £40,000. The equivalent impact on somebody earning £58,000 will be minus 1%. There is something regressive, not progressive, about the changes to dividend tax, and we need to shift the tax burden so that it is progressive, not regressive. If the Minister does so, I know that he will be met with support from both sides of the House. I would very much welcome his comments on that point.

**Dr Huq:** My hon. Friend's point reminds me of something that Andrew Dakers, who is from West London Business in my constituency, has said:

"One can only assume the measure is being planned to speed up tax receipts, which is a duff basis for policy-making in this area."

Will my hon. Friend comment on that?

**Peter Kyle:** I am extremely grateful for that intervention, and I have a lot of sympathy with my hon. Friend's comments and the example that she has given. It is definitely worth mentioning that, and I am sure the Minister will respond to it.

Crunch, the company in my constituency that I mentioned, has a proposal for the Minister. I hope he will take it away with him, because Crunch represents a large number of self-employed people and microbusinesses. It says that the transition will be most challenging for microbusiness owners,

"as it leads to a steep hike in tax overnight."

It proposes

"either deferring the introduction of these changes for at least 2 years",

which would enable businesses to have time to adapt,

"or introducing a 3 year credit to keep dividend taxes at 0% for those business owners on the basic rate."

I support those proposals, and I hope that the Minister will consider them in the same spirit.

It is difficult to devise policies that support self-employed people, because many people go into self-employment because they enjoy the freedom. Increasingly, however, we see a trend whereby larger employers are restructuring and people are being forced into becoming self-employed at a time when they would otherwise not have done so. This area of policy is not dissimilar to youth unemployment in the challenges it provides for policy makers. Self-employed people, like young unemployed people, are hidden away behind front doors in neighbourhoods and communities. They often work from home, so there are problems of connectivity and how they network as a group. It is certainly easy to overlook them. The fact that they are hidden and dispersed in neighbourhoods makes it difficult to target them as one group.

It would be welcome if the Government examined professional development, which would not be burdensome and would link directly with the policy that the Minister is considering. Self-employed people as a sector underinvest in their own professional development, and other spending trends among self-employed people include a fall in pension contributions every year for the past five years. The key measures of their long-term strategic thinking about their own professional development show that there are challenges that are intrinsic to the self-employed.

Anyone who goes into full-time employment with a company looks at the professional development that it offers. That is a key magnet for talent. Self-employed

people are so worried about month-to-month living that they do not invest as they should. We must tackle the productivity challenge among the self-employed and microbusinesses. The Government should launch a consultation into that so that we can work cross-party to get deep into what trends are emerging and how we can support the sector. The challenge of professional development would then be won.

5.21 pm

**David Morris (Morecambe and Lunesdale) (Con):** May I declare an interest and refer hon. Members to my declaration in the Register of Members' Financial Interests? I am the Government's self-employment ambassador and as such it is my task to engage with people in the self-employment sector to find out exactly what concerns them and exactly what they would like from the Government on all matters of self-employment.

I was a small businessman for the better part of 30 years before entering Parliament. I know that I do not look old enough but, believe you me, I spent every year building my business up, just as the hon. Member for Hove (Peter Kyle) outlined. It was a steep learning curve of trepidation and fear most of the time, but when one gets a hand on the roller coaster, one begins to make a success of it.

It has just been made clear that this is not going to be a new form of taxation every quarter, but the self-employed sector is frightened that it could become the new VAT. The sector could be given a bill over a period of, perhaps, 10 years from the date when the new policy comes in and becomes law, and HMRC could mutate that to become a collective every quarter. Rightly, the self-employment sector is very worried that that might happen with this policy. From my research and what I have just been given from the Treasury, I am sure that will not happen, and I am sure the Minister can assure me of that at the end of the debate.

The sector is concerned that the proposal could be a predictor of turnover. As I outlined, when I was self-employed, I worked year on year, until I started to be comfortable. Some years were good and some were extraordinarily bad. As the hon. Member for Hove eloquently said, this is not a matter of one size fits all. Self-employment differs across the sphere. Some business may be seasonal, a classic example being a man who grows Christmas trees. He should have a good December, but during the rest of the year he will have to have other self-employment.

We do not want online registration to become a yardstick with which to beat the self-employed. I know from my experience of being self-employed that turnover can fluctuate. We have just been through a deep depression and we have seen its effects on small businesses as well as large businesses. We do not want HMRC to start saying that business X did better in quarter one four years ago than it is doing now. Self-employment does not work that way. Businesses evolve and sometimes they become smaller and sometimes they enlarge. One size does not fit all.

Not all self-employed people are computer-savvy. Some 20% are not online, especially in rural areas. That may include the farming community and its business models, up to 40% of whom are not computer literate and cannot get their heads around online formulations.

[David Morris]

The hon. Member for Hove, who spoke eloquently and forcefully, said we do not want it to become more complicated for the self-employed to get in touch with HMRC to sort out their problems.

It is welcome that, to introduce the policy by 2020, a voluntary scheme will be looked at. That would be pivotal in the success of the policy. What should also be looked at is wider consultation across the whole self-employment sector. The Federation of Small Businesses should be consulted at length, as should British Chambers of Commerce, the Association of Independent Professionals and the Self-Employed and a whole host of other self-employment bodies with a firm stakehold in the self-employment sector and society.

Some business anomalies come and go and HMRC should recognise that and help. I referred to the chap who grows Christmas trees once a year. I was in the retail and service industry, which fluctuates between holiday periods and between periods when there is more spending on the high street and recessions. That should not be used as a sort of dashboard for small businesses in particular towns or regions or even across the country because they vary from someone running an IT business on the internet and selling small goods all the way to a big business on the verge of going multinational. Such businesses cannot be predicted.

HMRC has estimated

“that £6.5 billion in tax goes unpaid every year because of mistakes made when filing tax returns.”

We do not want that to become £12 billion, which may be a stretch of the imagination, but when any new system comes in, there are new challenges. We must make sure we get this right from the start. We do not want the self-employment sector to feel that Big Brother is on to them with a turnover predictor that becomes the new form of VAT. I do not think that will happen, but it must be said. Will the policy eventually lead to quarterly payments? From what I have seen from the Treasury, I do not think it will and I am sure the Minister will reassure us on that.

What must also be taken into account is that cash flow can be very unpredictable and many businesses are paid on a 90-day cycle, which is one quarter. That could skew and distort the figure that comes across a business's dashboard with HMRC if it goes online.

To sum up, I hope this will not become the new VAT. I was a self-employed businessman for the better part of 30 years and I have seen all sorts of changes over that period from successive Governments of all political parties that had an effect on the way my business and others in my area ran. HMRC should set up special classes. The change should not be something that is just learned online. There should be a dedicated centre where self-employed people can be told what to do, so that they are not pressured into becoming semi-accountants, instead of earning money and being an entrepreneur and creative.

One part of the “Making tax digital” myth-buster that concerns me is where it says that people

“who genuinely can't use digital tools... will be offered alternatives, like nominating someone else to update their information for them, or giving information by phone.”

In plain English, that reads to me like using an accountant. That should be taken into due consideration with these classes to ensure that people do not spend more and more of their time and money on employing more accountants to deal with quarterly returns.

It must also be asked what the penalties are if a quarterly return is not filed on time. Again, that concerns the self-employed sector. Those people want to know what the new system will look like, what it will involve and how, in reality, it will affect their business. We must get this right. We cannot let the estimated £6.5 billion of losses get any larger. It is good that the Government are grasping this nettle. It is a fact, whether we like it or not—everyone in this Chamber knows—that this kind of taxation filing will be done online eventually, because that is the way things are going. It is inevitable; that is the way of life. We all, from whichever side of the political divide, accept that. However, we must ensure that we do not place extra burdens on businesses and that they remain productive and creative, as we have one of the largest sectors for self-employment not in Europe, but in the world.

5.31 pm

**Chris Leslie** (Nottingham East) (Lab/Co-op): I commend all the speeches that we have heard so far, from across the party political divide, but particularly that from my hon. Friend the Member for Hove (Peter Kyle), who touched on the spirit of entrepreneurialism that many hon. Members speaking in the debate care about and has motivated them to take part. I think that it was the hon. Member for East Lothian (George Kerevan) who correctly said or implied that no one should turn their face against employing new technology to simplify or streamline what might otherwise be bureaucratic, wasteful paper-based systems. I do not think that that is really at the heart of the debate. I am less concerned about the shift from paper to digital than I am about the potentially even more seismic change from annual to quarterly reporting, updates, summaries, returns—call them what you will, there is definitely something that a small business will have to produce. In fact, I was wondering what the difference is between a return, a summary and an update. Perhaps the Minister was updated at the last general election rather than returned. I do not know, but it is on that specific point that we will want some answers.

My apologies, by the way, Mr Davies, if I am not able to remain in the Chamber until the end of the debate. I should also say that possibly we should all declare an interest—I point to my entry in the Register of Members' Financial Interests—as individuals, because this proposal will not just affect businesses. In the Treasury's update in the autumn statement and spending review, it was clear that the proposal will take in very many businesses and self-employed people, down to levels well below the VAT thresholds and others. I do not think, even though there are 110,000 signatures on this e-petition, that most people have quite realised the ramifications that the proposal could have for them as individuals submitting an individual tax return, as well as for those businesses that are affected.

This is not just about the move to doing things online; it is very much about the process of lodging the tax return or even update, because that is the thing that many people find particularly laborious. This is not



about how things are written down; the issue is the process that takes up so much time and soaks up so much effort when a company is taking stock of the income that has been generated gross, of the expenditure that has gone out and of any gains or losses that have been incurred. When the Government say that in four years' time there will be "at least quarterly" requirements to file "summaries" with HMRC, the Minister should not be too surprised if people hear that and feel that there will be at least a quadrupling of the administrative effort and exertions and the sweat and tears that sometimes go into that process.

My hon. Friend the Member for Hove has articulated sufficiently the broad points about why we should support SMEs; I have just a few specific questions about the Government's proposals so far. Will the option of an annual tax return be abolished? Will companies still be able to make the return annually? Will this quarterly—or perhaps more frequently—arrangement be supplementing that? What exactly is proposed? The Minister says "at least quarterly". Will he elaborate on how often he means by that?

Many small businesses and individuals will liaise with their accountants annually. They will collect together all the receipts or invoices and hand them over en bloc to their accountant, who will of course help with the recording of income, business expenses and so on. The accountant will examine those, perhaps audit them and agree a verified and checked final figure; and that is the point at which information is dispatched to HMRC. I want to drill down into whether the Minister is now saying that businesses and individuals will in effect be asked to submit raw, unaudited, almost "real-time" income and expenditure data directly to HMRC—disintermediated, if I can use that term, by taking the accountant out of the picture?

Will the Minister say a little more about where the accountancy and audit stage will fit into this process? That is a crucial thing for many businesses. They want to ensure that they are submitting information about their business activities in full, so that it is accurate. They will be anxious about what will happen if they make mistakes in those data, because they are going in on a real-time or near-real-time basis. They will be anxious about how that could ever be disentangled should administrative mistakes be made. Will not businesses now feel that they ought to incur even more accountancy costs, perhaps four times a year instead of annually, just to be on the safe side? The Minister can say, "There's no need to do this. Just let us have access to your books and we'll press send on Sage," or whatever software the Minister envisages. However, I think that many businesses will want to take a precautionary approach. I can understand why they would do that, so will the Minister elaborate on that point?

What happens to the actual payment of tax owed? When will that be forthcoming? I think that the hon. Member for South Ribble (Seema Kennedy) touched on this point. Will an annual sum still be required, or are we in effect moving to some sort of pay-as-you-earn for small businesses? I have often found it a bit of an anomaly that many people who are employed have the tax deducted—dripping out as monthly payments—at source, but others have the option of making their tax payment sometimes 18 months further down the line. There is no particular incentive in that respect. There was,

when interest rates were higher, the opportunity for people to forestall the payment of their tax and perhaps gain the benefit of holding on to that cash before parting with it and giving it to the Treasury. In this case, if we are moving to a sort of PAYE for small firms, it would be better if the Minister was honest and straightforward about it, because that would be a big change in the way business accounting works.

The hon. Member for Morecambe and Lunesdale (David Morris) made the point about seasonal businesses. He mentioned Christmas tree growers. There are many seasonal companies, which will do well in the summer months and perhaps less well in the winter or vice versa. Examples include window cleaners, sports coaches and people involved in holiday lettings. Of course, quarterly reporting arrangements will therefore be quite volatile over an annual period. Taking snapshots at a particular point in time will not necessarily give the final, smoothed, annual, true report of what the business may or may not owe in tax terms. There is a real question about peaks and troughs across the year and how that can be taken into account in a quarterly reporting arrangement.

**David Morris:** One thing that concerns me from what the hon. Gentleman is saying is that, if quarters are compared to relative years and HMRC thinks that something is amiss, it could enforce an investigation. Would the powers of investigation for HMRC be doubled overnight because it would have more of a dashboard—for want of a better word—on the computer to look between years and sectors and also types of businesses?

**Chris Leslie:** Many hon. Members will have filled in all sorts of electronic forms when purchasing goods and services. I can envisage an HMRC drop-down menu saying, "Pick the type of business that you are." My concern is that not all businesses fit neatly into the categorisations provided by the computer. Whether the computer says yes or the computer says no, that does not always tally with the realities of those businesses' needs. There is some virtue in the annual tax return arrangement, because it provides a smoother, more strategic overview of the tax liabilities of a business that is complex, even if it is small or micro.

There are bigger concerns about the design of the Minister's proposal. For me, it is a bit of a distraction to get bogged down in the question of online versus paper. The core question is what is involved in moving to the quarterly summary and update arrangement. There are administrative issues, too, which people will worry about. HMRC has not exactly covered itself in glory in recent years in terms of customer responsiveness. I think 18 million phone calls went unanswered last year, and only 50% were picked up in the first half of 2015. Given that track record, I do not think the Minister should be surprised if people are a little bit wary about another big transformation coming, when they may want some help and support.

The Public Accounts Committee looked into HMRC customer responsiveness, and it was not exactly satisfied with some of the answers that it got. We need full assurance about HMRC's competence on that matter. Principally, we need assurance about whether the Government are carefully thinking through this significant change, which could affect not only businesses and the self-employed, but many other individuals—perhaps

[Chris Leslie]

tens of millions. The debate has been a worthwhile opportunity to pause and urge the Minister to think more carefully about the proposal.

5.41 pm

**Andrew Bingham** (High Peak) (Con): I apologise for the fact that I cannot stay for the end of the debate, because I am needed elsewhere at about 6 or 6.30 pm. It is a pleasure to serve under your chairmanship, Mr Davies.

I am broadly supportive of the propositions. A lot of the points that I wanted to make have already been made, but I do not apologise for making them again, because I know that the Financial Secretary is in listening mode. I am particularly pleased to see that the Minister for Small Business, Industry and Enterprise is in the Chamber, because we know that she is very committed to small businesses.

When I had a proper job, as I often say to people, I had my own small business. We use the term “small business” quite loosely in this place. I was interested to hear the hon. Member for Hove (Peter Kyle) talk about small businesses that made a profit of £70,000 a year, and I must admit that I wish that mine had made that sort of money. I want to focus on the microbusinesses—those very small companies. My business employed only four or five people. The hon. Gentleman, whose predecessor I remember well—he was a great friend of mine—made some good points. As he said, as a small business grows, its burdens are not alleviated but increased. Someone who employs five people has to worry about not one mortgage but five, and about five people’s futures.

I am concerned, as are some of my constituents, that the proposals may place further administrative burdens on small business owners. Some people think that a small business owner sits there in a big, expensive coat, smoking cigars and counting the money that comes in, but I and many Members who have outlined their experiences know that that is not the case. The small business owner or microbusiness owner has to be the salesman one day and the buyer another day. They are the credit controller in the morning, the HR manager in the afternoon and also the accountant. They have to do all those jobs at once.

I am pleased to hear the reassurance that we are not talking about making tax returns every three months. I hope that the Financial Secretary will give us more reassurances, because we need to get those out to our small business community. The quarterly update is fine, if that is where it stays, but I worry about regulation creep. I am slightly nervous that this is the thin end of the wedge and that, if we are not careful, the process will become one of quarterly tax returns. The implementation will be the key, and I would hate for the Sir Humphreys to pick this up by the scruff of the neck and turn it into something that we do not want.

I have heard that the proposal promotes savings to business, but I am slightly nervous about that. From my time running our business, I know that if there is a saving to be had, a small business owner will grab it by the scruff of the neck pretty sharpish. My business used to distribute engineering equipment. If I was selling an

item of machinery, the market would dictate what I could sell it for, and my profit was dependent on how much I could buy it for and how much it would cost me to distribute it. If there are savings to be had, most small businesses that I know will already have grabbed them with both hands, so I am slightly nervous about that suggestion.

I flag up the point made by my hon. Friend the Member for Morecambe and Lunesdale (David Morris) about businesses that are not online or computer literate. This proposal will put them online, so will they be forced to buy such things as computers, and will their overheads and administrative burden increase? I leave that question hanging for the Minister to deal with.

My High Peak constituency is rural. Although the Government have put a lot of money into broadband coverage and the situation is getting better quickly, it is still a problem, particularly in some of the most remote areas. We have not talked a great deal about the farming community, but we must remember that farmers are small business owners by virtue of what they do. In High Peak—the clue is in the name; it is high, and there are peaks and hills, with very remote farms—farmers are struggling with their broadband, as are those in a lot of areas in my constituency. Only 64% have superfast broadband, which is another problem.

I was recently approached by three businesses, all on the same trading estate. Bells Shoes sells hundreds and hundreds of pairs of shoes on the internet. Interestingly, the company has always had a retail outlet in Buxton—I think I bought my first pair of work shoes there many years ago—but its business is now very much online. What used to be a retail outlet is now more of an online outlet, with the retail supplementing it, but the business struggles because its broadband is not fast enough.

Many in the Chamber will not have heard of Otter Controls, but I promise them that they will have used a product produced by Otter Controls, which makes thermostats. Every time we switch on a kettle and it trips off at boiling point, we can bet our bottom dollar that there is an Otter Controls thermostat inside. I could talk at great length about the history of the company, because it is fascinating. Again, it employs a lot of people, but the nature of its broadband is getting in its way. I realise that this is not a debate about broadband, but I think that it is a key aspect of what we are talking about and how we move things forward.

I understand and agree that we have to move things online. We have to progress because we need to remain competitive. However, I worry that bringing in this change so quickly might be a bit previous and that we could be a little ahead of the game. I am nervous about it, as are some of our small businesses. I speak regularly at the Glossop Business Network, and I am sure that the next time I visit the network, the matter will be raised with me.

The proposal sounds simple, as it should be, but I worry that it might get overcomplicated and that the process will not be as straightforward as it should be. If that happens, who will pick up the tab for the cost? It will not be us here or the good people at HMRC; it will be the business owners, the employers and the wealth creators of the economy. I cannot remember what my hon. Friend the Member for Hertsmere (Oliver Dowden) called small businesses, but I call them the engine room of the economy. I worry that if we are not careful, we might seize that engine up.

I apologise again for the fact that I probably will not be here for the Minister's closing remarks, but I promise to read them avidly in *Hansard* in the morning. If my small business owners do not sell, they do not eat. If they do not make a profit, they put in jeopardy not only their own future, but that of their staff. All I ask of the Minister is that he assures them that the proposal will not be a big stick that HMRC will wield over them and smack them over the head with when they are already working incredibly hard to make a living for themselves, their employees and my constituents.

5.49 pm

**Sammy Wilson** (East Antrim) (DUP): Unlike some hon. Members who have spoken, I have difficulties with the concept of digitising tax returns. I have some experience from when Northern Ireland introduced digitisation and a need for internet access for planning applications and a whole range of civil service functions. Anyone who looks at the Government's record, regardless of which Department is involved, will see that none of this ever goes smoothly and that the initial costs never turn out to be as low as predicted. The process of moving towards the objective is never smooth and, inevitably, many of those affected find it hugely frustrating. Sometimes the ironing-out period is short, but it can often last for a long time.

As hon. Members have pointed out, the issue of tax returns is not just a cause of frustration as, in some instances, it can be a matter of whether a business survives. Although the Minister has outlined some of the benefits and the reductions in administrative costs, we therefore have to ask ourselves whether we are sure that the transition period will not be so disruptive that it has an impact on many of the businesses in the United Kingdom that the Government are keen to expand.

One of the fastest-growing sectors of the economy in my constituency is people moving into self-employment—they are encouraged to do so. However, it would be detrimental to push those people into a situation in which it is difficult for them to do business because the Government have made it hard for them to carry out one of the most basic things—their tax transactions. The Government will undertake a consultation, and they have the 2020 deadline and so on, but we underestimate the trauma that some people might experience along the way because these things never work out easily.

I have read through the missive that the Minister has sent us all to sell this wonderful idea and, like others, I am still not clear what the Government are trying to achieve. The document cites headline figures, and says that the change will cut administrative costs and make things easier, and that people

“will be required to keep track of their tax affairs digitally”—

that is the kind of language that is used. It says that people will not have to

“wait until the end of the year, or even longer, before knowing where they stand with their taxes”

and that

“updates will be generated from existing digital business records”.

As some Members have asked, what does that actually mean for a business? Will a business know exactly how much tax it is due to pay every quarter? Will it pay that tax every quarter? Will the digitised records simply be a reflection of the information that is already gathered?

Will they need to reflect the information that would be required at the end of the year? If so, that is radically different from simply saying, “Give us a lot of data about your business.”

There is significant work involved in getting some end-of-year records that businesses submit in their annual tax return. Those records might cover stock taking, work in progress, accruals, bad debts and one-off payments. Will all those things be required for every quarterly return? Is that what is meant by

“updates will be generated from existing digital business records”?

If that is the case, there is absolutely no way that the Government can argue that generating the accounts will not involve substantial extra work for businesses. If there is a quarterly requirement to pay tax, will businesses find themselves overpaying tax at the beginning of the year and then having to get a rebate at the end if end-of-year adjustments have reduced the tax burden? What does that do to a business's cash flow? What do the Government intend?

Once the records go in, presumably the data will be looked at. If that is the case, will queries be raised, or will the data simply be ignored? If we are going to ignore the data, why provide them? If we are not going to ignore the data, will there be queries from HMRC not at the end of the year, when one tax return would have gone in, but on a quarterly basis? That would, of course, create additional work for businesses. The change will play an important part in how businesses generate the information. If it is simply a case of passing on digitally-generated information, will the process involve more or less information than a business would usually gather during the year?

**Seema Kennedy:** Does the hon. Gentleman agree that the transition will be complicated for businesses that are paid in cash and with cheques, as well as online? I am thinking of a self-employed hairdresser, for example.

**Sammy Wilson:** That is exactly the kind of question that any reasonable business would want answered when deciding whether the change is good or bad. It is easy to hide everything behind a term such as “quarterly, digitally-gathered business records” but the detail, as the hon. Lady says, is significant for businesses.

If the information is to be looked at in detail, that will affect how businesses go about collecting and verifying it. Most businesses do not want to make mistakes. They are not all treated—unfortunately, Minister—like the Googles of this world. Many businesses fear HMRC—they fear the taxman. They are afraid of making a mistake and of that being interpreted as them somehow trying to pull the wool over people's eyes. Inevitably, instead of one visit to the accountant or auditor, there will be three or four visits. I do not think that this is just speculation, because one only has to look at what happened when VAT filing started. That was sold on the same kind of basis, because we were told, “You just fill in all the stuff,” but that was not what happened. People started going to accountants to get them to verify that they were sending in the proper information.

Will more queries be raised with businesses and will more time be tied up dealing with those queries? As businesses see the quarterly returns as something of great significance that have an impact on the tax they pay and how that might be scrutinised, will they face

[*Sammy Wilson*]

more compliance costs due to their asking professionals to do their returns? Alternatively, as some Members have described it, is it simply that they will have all the information on one spreadsheet, and that they can click a button to send it to HMRC, with that being the end of it? I doubt very much that that is how businesses will regard this, and HMRC has already accepted that there will be set-up and hardware costs.

**David Morris:** Does the hon. Gentleman agree that the best way to sort out such hardware and software costs will probably be to look at examples elsewhere? The Estonian Government, for instance, do not use paper at all; everything is done online. We have imported the car tax system from Estonia, and perhaps it would be good to look at how other countries manage similar taxation programmes.

[*MR DAVID HANSON in the Chair*]

**Sammy Wilson:** If we have long enough consultation and lead-in periods, there will be opportunities to find out where similar changes have been made and what lessons can be learned from them. I hope that that elementary step is taken so that we iron out some of those things. If the software is free, it does not mean that there will be no disruption to businesses because they will have to adapt to a universal form of data collection, which might be different from what they use at present. Of course, that requires training and changes to how things are done.

Many people in my constituency who have set up small businesses or become self-employed did so because they are good plumbers, carpenters, builders, mechanics or whatever, but they are not into the administrative stuff. Even if there is help and this standard software is provided free of charge, they will pay somebody to carry out the process, and if they have to pay that person four times a year, it will add to their costs.

As several hon. Members have said, while we talk about all this information being supplied online, that is not an option for many businesses throughout the United Kingdom. A report that was published on Friday by a group of hon. Members stated that it was accepted that the internet programme has not been rolled out as well as the Government had hoped. The report made substantial recommendations and asked whether we could implement them without breaking up BT's monopoly.

One thing we know is that HMRC has accepted that 19% of businesses have no digital contact, and that 42% need assistance, so a substantial number of businesses will not find the transition easy. Connections in this part of the United Kingdom are much better than those in Scotland, Northern Ireland or other areas of England and Wales where the population is perhaps more dispersed, so the burden of not being able to comply with digital returns will be felt much more heavily in some constituencies than others, and that needs to be taken into consideration. I do not want to make a point that others have made, but if the system needs to involve other ways for people to contact HMRC, we already know that there will be difficulties. I do not want to go through all the statistics about phone calls not being answered—

**Rob Marris** (Wolverhampton South West) (Lab): Go on.

**Sammy Wilson:** I am sure that the shadow Minister will make that point very effectively. We already know that there is a problem with communications other than those involving computers, so that is an important consideration when introducing a system in which people have to make contact four times a year.

6.4 pm

*Sitting suspended for Divisions in the House.*

6.30 pm

*On resuming—*

**Mr David Hanson (in the Chair):** As there were two Divisions in the House, the debate may continue until 8 pm. When we divided, Sammy Wilson was at his peroration.

**Sammy Wilson:** I have three points to make in conclusion. First, although more than 100,000 people have signed the petition, I believe, despite what the Government have said, that that is probably an indication that many businesses are not even aware of the changes. If the policy announcement has not percolated down to those who will be affected, how can we be sure that they will be fully aware of the substantive changes to come until they are hit by them? There is a lesson to be learned about just how effective the announcement and the consultation have been. Secondly, although the Government argue that they want to reduce the regulatory burden on businesses, I cannot for the life of me, for the reasons I have given, understand how the approach will reduce that regulatory burden.

My third point is about political perception, but it is important, and I would have thought that the Minister's party would have been particularly concerned about this. There is increasing cynicism that somehow big business gets away with things that small business does not. The measure will apply to small businesses but not to large ones, yet all the time the headline news is about how the latter—whether it is the Googles or the Starbucks—seem to walk away from their tax responsibilities. People will find it difficult to understand why there should be a greater onus on small businesses to declare their earnings and business details when some of the larger ones can get away without paying tax for 10 years and then get a slap on the wrist. As we discussed earlier in the main Chamber, they seem to get away with paying very little.

**David Morris:** I would like the hon. Gentleman to try to look at the matter this way: self-employment is the largest growing sector in the country, and that has to be taken into account when considering how taxation should be simplified. As my hon. Friend the Member for High Peak (Andrew Bingham) said, the sector is the powerhouse—the engine room—of our economy. I hope that the hon. Gentleman agrees that two different styles and sorts of businesses are being discussed in parallel. Our earlier proceedings in the Chamber were about the Googles of this world, and this debate is about the self-employed and small and up-to-medium-sized enterprises.

**Sammy Wilson:** I take the hon. Gentleman's point, but I think that I made it clear that a lot of this is about perception. Businesses that are struggling and already feel a heavy regulatory burden sense that further requirements are being imposed on them. It may well be that we are talking about different kinds of business, but we all know that perception is important in politics. There is cynicism and scepticism, and people take the view that somehow the big players get away with things that the small players do not.

The Government ought to be concerned to ensure that we are not seen to be imposing further regulation on the small, usually labour-intensive businesses that generate a lot of employment across the United Kingdom and which the Government seek to encourage. Many of the responses to the consultation have been from organisations that represent small businesses, and they have been negative. As several hon. Members have said, those organisations do not know what the Government hope to achieve, or what businesses will have to do, what information they will have to give and what the impact on them will be. Those points need to be cleared up, and that is one of the reasons why today's debate has been good. The Minister's response will be noted by hon. Members who have participated, but during the ongoing consultation and the roll-out of the policy, we need to bear in mind all the points that have been raised today.

6.35 pm

**Hannah Bardell** (Livingston) (SNP): It is a pleasure to serve under your chairmanship, Mr Hanson. I hope that hon. Members agree that we have seen a coming together across the political divides on a number of issues today. There are many shared views about the concerns that are out there.

I pay tribute to Paul Johnson, who created the petition, which, when I last looked before leaving the office today, had nearly 110,000 signatures. That is a sign of the strength of feeling to which hon. Members have referred. It is also important to pay tribute to the work of the Petitions Committee in ensuring that there are opportunities for the public to respond to and feed into Government policy. The hon. Member for Hertsmere (Oliver Dowden) mentioned the engagement on Twitter; the more we can open up our politics, the better.

It will not have escaped anyone's notice that it is Burns night tonight and, for those hon. Members who did not know, Robert Burns worked in the Excise—

**Rob Marris:** He was a socialist.

**Hannah Bardell:** Yes. What we have heard today is a call for the Government to reflect on the plans and on the pace of development. I am able to find a Robert Burns quote for every situation, and he once said:

"Dare to be honest and fear no labour."

I commend those comments to the Government.

The contributions to the debate, across all political parties, have been insightful and thought-provoking, but while the Scottish National party supports digital transformation and recognises that it is absolutely key in all aspects of our society, we believe that it must be done in parallel with a simplification of tax policy. We feel that the Government's lack of consideration about

how the changes will work in practice flies in the face of the commitments they have made to simplify tax for small businesses. I believe that the Chancellor said that his "dream" was

"that people might actually understand the tax laws which they were being asked to comply with."

Some time ago, the Government also said:

"We need to reduce the complexities in our tax system and the coalition is committed to delivering that goal."

I hope, and assume, that the Government are still committed to that goal, but I think we have heard from hon. Members across the House today that people are not convinced about that.

I highlight again that a key concern across rural parts of Scotland and, I am sure, the rest of the UK, is weak digital infrastructure and connectivity. We appreciate that there has been significant investment by the UK Government, and we commend them for that. In Scotland we have also made a significant investment—£115 million, to be spent in the next year—against a challenging financial backdrop. The overarching issue for us is that we want small and medium-sized businesses to thrive and develop in rural parts of Scotland, but connectivity and infrastructure are not developing apace with that potential and with the proposed changes. Along with people from across the political divides, I urge the Minister and the Government to include that issue in the consultation and map out the weak areas of connectivity.

My hon. Friend the Member for Ross, Skye and Lochaber (Ian Blackford), who is not here today, recently highlighted a grave concern in his constituency. Thousands of houses and premises there lost connectivity over Christmas, which affected their businesses. If that were to happen regularly, one can only imagine how the changes might affect people. To give an example, a good friend of mine owns a bed and breakfast in the port town and fishing village of Mallaig. For some time he had a satellite on the side of his house—I do not know whether he still does—which provided mobile coverage to Rum, which is one of the Small Isles. There happened to be a storm one winter, and the satellite was knocked off. The whole island lost connectivity for a number of weeks. That is a small but important example of how connectivity is delivered in some of the rural parts of our United Kingdom and across the isles.

Many businesses and groups have argued that the proposals for digital accounts and quarterly reporting will make the requirements on small businesses more complex. The Federation of Small Businesses has condemned the UK Government's failure to publish initial options for the form that the quarterly return will take, which has not been defined. A number of Members have mentioned that. The FSB has said:

"As such, the announcement runs completely contrary to evidence-based policy making, which only serves to undermine businesses' confidence that Government is determined to tackle the administrative burdens of small business."

Additional research has shown that on average, businesses pay £3,600 a year to comply with tax arrangements. The additional burden could have a significant impact.

The FSB has provided us with comments that its members made between 15 and 17 December last year in response to the proposals. One said that instead of making the lives of small business owners as simple as possible,

"HMRC should be pursuing the large businesses that do so very well out of not paying the taxes they are due!"

[*Hannah Bardell*]

That is particularly resonant given the urgent question earlier today. Another member said:

“This is my worst nightmare come true. I am going to be spending more time filling out tax returns than actually running the business. I fear it may be the straw that breaks the camel’s back.”

An accountant said:

“I totally disagree with your comment that ‘it’s good for accountants’. As a professional accountant nagging those late clients to bring in their records and other information to beat the January deadline, having to do this now 4 times a year would be our worst nightmare come true. It would be January four times a year with no doubt penalties and interest for those that are late in filing the quarterly returns.”

I hope the Minister will take those comments on board and think carefully about them.

Many bodies have echoed the concern about the additional workload that the new reporting requirements will place on businesses. Chris Jones, the president of the Chartered Institute of Taxation, said of the quarterly reporting requirement that he was

“struggling to reconcile this with the announcement by the Chancellor...that the annual cost to business of tax administration will be reduced by £400m”.

Similarly, Anthony Thomas, chairman of the Low Incomes Tax Reform Group, has said:

“We gave a cautious welcome to the new digital tax accounts on the basis they might simplify matters for some low income taxpayers, although we remained very concerned that a significant proportion of the population, often the most vulnerable, remain digitally excluded.”

That applies for a number of reasons. People on lower incomes who start businesses, particularly women, may well be excluded and unable to navigate the new system. A number of Members have referred to the roll-out and cost of training and development. I hope the Minister will refer to how that will be done and assessed, because that is important.

Business for Scotland surveyed 278 of its members, and 92% of them felt that the changes would cost them significantly more and said that they already had enough to deal with. The majority are concerned about increased stress and fear that accountancy fees will be increased and that they will be constantly preparing for the next tax return. I appreciate that some of those fears may be allayed, but there is an issue of public perception, as we have heard today. It is about how the Government communicate and consult with business, which is key.

The SNP has significant concerns about HMRC’s ability to implement the changes in light of budget cuts and the closure of HMRC offices. It is predicted that many small businesses will need to seek advice on how to meet the extra requirements of quarterly reporting. James Hoare of PricewaterhouseCoopers has said:

“Digitising the relationship between business and HMRC is desirable and inevitable, but the scope and timescale of the proposed changes raise important questions, such as whether training and support will be provided for those less familiar with digital reporting.”

HMRC has had its budget cut. Its departmental expenditure limit will fall from £3.8 billion in 2016-17 to £3.1 billion in 2019-20, which is a cut of more than £700 million across three financial years.

We are all aware of the proposed closures and the devastating impact that they will have, particularly in Scotland, where offices are going to be centralised to the central belt in Edinburgh and Glasgow. Much has been said about how that will be a positive move, and it has been said that minimal numbers of jobs will be lost, but that is not what we are hearing on the ground, where there is a real fear that we will lose much of the expertise of offices and their staff, and that there will be an inability to collect tax efficiently.

The centralisation of offices has led to other issues being raised, include travel, particularly in my constituency of Livingston. One of the offices there was purpose-built for HMRC. It is not old or dilapidated in any way, and the local workforce have impressed on me the number of areas of expertise that they feel will be lost, and the real-terms cut in salary that will result from increased travel costs. Livingston, as most Members will know, is placed right between Edinburgh and Glasgow, and connectivity is very good. I cannot imagine what things will be like for those who are considered to within one hour’s travel.

The key themes are public and business confidence, and the development of broadband infrastructure and connectivity at pace. The burden must not fall largely on small businesses, because, as a number of Members have said, entrepreneurship and the people’s desire to start their own business may be reduced if the administrative burden is put on them. As we have heard, HMRC is already struggling to answer calls and deal with the current workload, so we need to understand the effect of the various changes and cuts coming down the line. In some respects, it seems like a perfect storm of service closures, reduced budgets and a greater burden on the service.

I hope the Minister and the Government will think carefully about all the issues that have been raised, and that they will extend the time for consultation and roll-out, as Members from all parties have asked for. Otherwise, there is significant fear, not only in the House but in small businesses across the country, that the burden will be greater for small businesses and damage could be done to them.

6.47 pm

**Rob Marris** (Wolverhampton South West) (Lab): It is a pleasure to appear before you again, Mr Hanson. I give my thanks to the Chartered Institute of Taxation and the Federation of Small Businesses in particular. I also thank the petitioners and those who tweeted in response to the petition.

Broadly, Labour welcomes greater digitalisation, but I think that the Minister—he is an honourable and painstaking Minister—has been a victim of some wooliness in this whole saga. Fears have been expressed that the Government are about to do things that the Government say that they are not in fact about to do. That is always a difficult thing for politicians, and we face that whatever our political party. We are well able to defend our views and those of our party, but it is more difficult to deal with people misunderstanding our views and then attacking those misunderstood positions. We have to go through a double process with them: first, we have to sort out what our position is and then we have to justify it.

The change is a question of timing, software and the assistance that will or will not be available. As I understand it—the Minister will be able to confirm this or say I have got it wrong—a lot of HMRC stuff is already done online: VAT is online; there is real-time information for PAYE returns; and company accounts are being submitted in what is called iXBRL. No doubt, the Minister will know what that stands for; I do not. There is also the digital tax account and the agent online self-service, which is not to be confused with the agent secret service and which is for such people as accountants to deal with HMRC regarding the tax affairs of their clients.

What the Government are doing—it is very understandable; it is happening all over society—is an attempt to externalise costs. That is what it is in economic terms. We see it all over the internet with the use of online services. Many Members will be familiar with this, but years ago people would go to a travel agent, and the travel agent bore the overheads. Now, people go online and book with an airline or a travel company, and they are bearing the overheads, because they are paying for their computer, the heating and lighting in their home and so on.

HMRC is externalising its own costs, which is understandable because HMRC is not a profit-making centre. If its costs of operation are lower, taxpayers benefit. However, we know from other examples that externalising costs does not always go smoothly. I will quote from paragraph 1.5 of the Chartered Institute of Taxation's very helpful briefing:

“Making Tax Digital is a huge project that is going to bring in fundamental changes to the tax system and how both taxpayers and their agents interact with it. It has the potential to create a simpler, more workable tax system if it is developed and implemented in the right way but it must be managed carefully and in consultation with taxpayers, tax professionals and software developers alike.”

That sets the scene quite well in terms of what one ought to aim for in government, whatever one's party: to have an inclusive process that runs smoothly and not too quickly. It is not clear that the other online initiatives in HMRC have gone so well. The CIOT states:

“There is evidence that past changes in reporting obligations have led to an increase in compliance costs for businesses, and that HMRC tend to under-estimate these costs.”

In the spending review, HMRC tells us that the measure will save businesses £400 million a year, which would be very welcome, particularly for small businesses. I hope the Minister will clarify that, because I keep hearing about the effects on small businesses. We absolutely focus on that, about which more later, but I am not sure whether there is a *de minimis* or upper threshold. Perhaps the Minister will elucidate, because I keep reading, “This is an attack on small business; big business does not have to do this, and therefore it is unfair.” That might be the case, but at the moment it is not clear to me that, if the measure were brought in, it would not apply to big businesses; or, to get rid of the double negative, when this comes in, it will apply to big businesses. So we need to know who the policy will apply to.

We all know from the debate today that there is a big risk of increased costs for businesses, and that those increased costs are likely to fall to a greater extent on small and medium-sized enterprises, which do not have accounts departments. So, proportionately, the hit taken by smaller businesses, if this were to go wrong, would be much bigger because of the initial set-up costs. Even if

there is free software from HMRC, it has to be installed on a computer, if the small business has one. There is increased staff time in preparing and checking all the records four times a year and a potential increase in the fees of agents, particularly accountants. Some small businesses might need to engage an accountant, whereas previously they might not have done so.

All that costs money, and if HMRC were to raise queries four times a year, in contradistinction to once a year, the likelihood is that those queries would not be a quarter as many or a quarter as complex and that, when a whole year's worth of quarterly queries is added up, it would take more staff time and cost more for businesses, particularly, but not exclusively, for small businesses.

There is a question of timing. I understand there will be consultation this spring, so the hares are now running. We have a petition of 110,000 signatures. Organisations have considerable concerns, many of them expressed today, particularly on two aspects that are linked. There is the sanctions aspect and whether sanctions would be applied for failing to do a quarterly update. My hon. Friend the Member for Nottingham East (Chris Leslie) was right: we could use a multitude of words for this measure, but we must not use the word “return”. Returns are for taxing, winning elections and birthdays when we get happy ones. Generally, we do not say, “Happy tax returns.”

**Chris Leslie:** Many happy updates.

**Rob Marris:** Indeed.

I hope the Minister can elucidate whether the software will be free, as has been indicated in some of the material I have read. If it is to be free, or paid for by the individual, when will it be available? Perhaps it is available now; there is no sense in having the system and no software to deal with it.

Perhaps the Minister will correct me if I am wrong, but I understand there has as yet been no impact assessment, which seems to be a rather large lacuna in what hon. Members and outside organisations engaged in this matter agree—it does not mean it is right if we all agree, but the tendency increases—is a pretty big change and may presage bigger changes on a more widespread basis.

It would be helpful for business if HMRC went about saving money—externalising costs, being more efficient, whatever we want to call it—before cutting staff so much. To cut staff and introduce this new measure is a triumph of hope over experience when it comes to computerisation programmes, whether in government or in the private sector.

I have another question for the Minister on the vexed question—in spite of the agent online self-serve system—whether there will be synchronicity by April 2017. At that point, quarterly updates will have to be filed by businesses and agents will have access to all the information online—not just the information of their clients, but HMRC's—and will interact with HMRC digitally, because otherwise there is a risk that businesses will file updates four times a year, but their agents will not be fully engaged in that process that has happened before, and that is a concern.

As for staffing, there are lots of different ways to count staff. When I have probed this, there has been a difference of opinion between HMRC and the Office

[*Rob Marris*]

for National Statistics. However, if we look at the broad trend, the ONS and HMRC agree that since April 2010, when the Conservative-led Government started, there was a cut of almost 20% in HMRC's staff by April 2015, and there are more cuts in staff to come. On the centralisation of offices, for example, which has been adverted to, only 90% of staff will transfer to the centralised regional offices, according to HMRC's own figures. So a greater loss of staff is likely. Loss of staff per se is not a bad thing if an organisation is running more efficiently, but it seems to me to put the cart before the horse to say we will lose staff at the same time or even before we bring in this online stuff. Again, it is a triumph of hope over experience.

Will the Minister tell us about the practicalities and exactly what data will be submitted? My hon. Friend the Member for Nottingham East referred to this key question. The Government are saying to businesses, "We want you to provide some information four times a year," to put it at its most neutral. What information will be required four times a year? The likelihood is that businesses will no longer have a choice about how to keep their records, because, although they may retain that choice in theory, for practical purposes, they will have to keep that information in a way that is compatible with the HMRC model. That may be a good thing, but uniform models in business are always a little suspect, because they can crowd out innovation. So there is a question mark there in terms of that forced uniformity, unless HMRC, for example, comes out with two or three different sets of free software, which I doubt, but perhaps the Minister can tell us more about that.

If, as has been suggested in some of the material—again, perhaps the Minister will clarify—this is a system whereby we press a send button and all the information squirts out the computer, down the broadband, if we have broadband, to the HMRC server, that will leave HMRC with a whole lot more information, and the hon. Member for East Antrim (Sammy Wilson) quite reasonably asked what HMRC will do with that information. He has been around for even longer than I have—he is pulling a face, but I do not mean his age; as an hon. Member of this institution, he has been here longer than I have. So, as he knows, the likelihood is that with any splurge of data from businesses hitting the send button, because they have it in the format provided in the software or whatever, a lot of the information will never be looked at. Businesses will supply all that information, but it will not be looked at; it will only clog up HMRC and potentially the system. That might lead to a lower rate of compliance, and none of us wants that.

Furthermore, experience tells us that if people are submitting information four times a year, the likelihood—not the certainty—of errors creeping in goes up about fourfold. Again, that is not necessarily the case, because the system might be a simple one, understood by businesspeople who are simply running a business and not having to be an accountant on the side, so they might be clearer about what they are supplying and therefore less likely to make errors. To expect that, however, would again be a triumph of hope over experience. The greater likelihood is that, with quarterly updates, there will be a considerable increase in errors—if not fourfold, threefold.

**Seema Kennedy:** I understand the point that the hon. Gentleman is making, but although there might be an error in the input of records, surely if everything is done electronically, there will be fewer calculation errors at least, or so one would hope.

**Rob Marris:** I agree with the hon. Lady that that is the theory, but the fact is that input errors are likely to increase in number if more information is being inputted—not necessarily, but likely. She is absolutely right that that is the point at which errors, if there are any, will creep in—garbage in, garbage out, as the saying goes.

Another practicality mentioned today relates to remote areas. I hope that the Minister will say something about that, because I have seen some suggestion that things could be done on a smartphone. I am no techie, but the only ways in which I can see that being possible are on a phablet with a screen of about 7 inches in size, and there are not many of those around, or by people using their smartphone as a modem and submitting information over the mobile telephone network, rather than broadband cables. However, many remote areas do not have 4G, so in theory someone could be dumping the information through the smartphone, which is being used as a tether modem, although that seems unlikely because the speed will not be that great, so there is a problem.

Nevertheless, I support the general idea of getting stuff online to achieve greater efficiencies. We have to be careful about those who are unable to cope with the online stuff, for reasons of disability and so on, but contrary to what some Members have been saying, the Government—whether now, or in four years' time when we in the Labour party are in government—must be careful about going along with everyone who will not engage online. Some people will not engage online even when they can, although it would be more efficient for them to do so and it is more expensive for the rest of us that they do not.

The way business is going—not every business, but an awful lot of them—if a small business does not engage online, the likelihood of it being successful decreases year by year, because of the digitalisation of the world. If an HMRC initiative encourages some small businesses to have more digitalisation than they would have done had the system not come in, that could be a good thing not only for them and how they run their businesses, but for how they interact with HMRC.

The hon. Member for South Ribble (Seema Kennedy) mentioned a hairdresser. A peripatetic hairdresser, for example, with his or her own car does not necessarily have to be online to run a successful hairdressing business. The way the world is going, however, that lack of a digital presence is likely to tell us against the hairdresser. Some hairdressers will now have an automated system to send a text message to tell the client, "Don't forget, I'm coming round to give you a wash and shampoo tomorrow afternoon at 2.30." That is fairly basic stuff, but it is using the digital to enhance business with fewer missed appointments and so on. That is how the world is going, so a nudge—to use one of the Government's favourite words—from HMRC is not at all a bad thing, although we have to be sensitive about those who are unable to get online, for whatever reason, whether in terms of disability or their geographic presence, such as in a remote area.



We have all had our sob stories about running a small business. Years ago, I helped to run a small family business with a few employees, and later I worked for a large and successful firm with 1,000 employees. Before I first came to this place, I spent most of my working life in the private sector. The nudge then was to get computerised. In 1995, although I am not a techie, I was the first partner in my law firm to have a computer on my desk, because I kept saying, “The world’s getting more and more digital.” Now, 20 years later, except perhaps for reasons of disability, no lawyer in the land can be found without a computer on their desk. Any lawyer who did not have one 10 years ago probably went bust, because otherwise the job could not be done. Sometimes, we have to nudge things, and I nudged my partners on that.

Nevertheless, I suggest to the Government that any such nudge must be accompanied by simplification, as most recently referred to by the hon. Member for Livingston (Hannah Bardell). The Federation of Small Businesses states that, while it is “fully supportive” of HMRC’s “digital transformation”, it believes that that should be made “in parallel” with the simplification of tax policy. That is very important.

The Government, in their formal response to the petition, stated:

“Many taxpayers have told HMRC that they want more certainty over their tax bill”.

I can see that, although I am not sure that quarterly reporting will do it, because what bedevils business, small businesses in particular, is the complexity of the tax system.

The Minister and I have been talking about this on and off for about 10 years, so I appreciate that simplification is the holy grail. When the Chancellor was a shadow Treasury Minister, he used to bemoan the fact that under a Labour Government “Tolley’s Tax Guide” had gone up to 1,000 pages—but it is now in round terms 1,500 pages. As I have said before, however, I do not blame the Government or their predecessor coalition Government for that. Tax affairs are complex, because we have a lot of smart people in this country, who are innovative in financial services, and they find loopholes. Then the Government have to write a whole bunch of legislation to plug those loopholes, but that only keeps putting sticking plaster on sticking plaster.

For all the commendable efforts of John Whiting and the Office of Tax Simplification, the Government—true under Labour as well—have not engaged fully in tax simplification; it would be rough and ready and there would be less discretion and more apparent injustices, but there would be much more certainty, which the Government recognise all taxpayers, particularly small businesses, want.

The hon. Member for East Antrim referred to problems with computerisation. They are legion and there have been problems with the ancient online self-service system. Something that happened under the previous Labour Government and, incredibly, was made worse by the coalition Government was the single farm payment scheme for farmers. It was a disgrace under a Labour Government and that disgrace got worse under the coalition Government. Farmers were supposed to file their claims online for the single farm payment—its name has changed now, which is what all Governments

do when they get into difficulties—in a so-called simplified system. What happened? The system collapsed for those who could not get into it. Farmers, because of the nature of their business—I think the hon. Member for High Peak (Andrew Bingham) referred to this—often live in remote places. They, too, might not even be able to use a phone as a tether modem because they do not have 4G.

The Opposition’s plea to the Minister is not to put the cart before the horse. The Government should get the system up and running before they start cutting back on the available assistance. I am not going into all the problems at HMRC, but they are legion, known about and much discussed. The Government are taking them on board and there has been a little improvement in recent months. That is long overdue, but it is good. The Minister should keep it up.

It is no secret that there are big problems in HMRC and the Government accept that, which is why HMRC is moving 3,000 more people to answer telephones and so on, but if the new system is not to involve quarterly tax returns—the Minister was commendably clear about that *ex post facto*, after hares started running and people started getting worried—there is a twofold problem. First—this was referred to by my hon. Friend the Member for Nottingham East—will quarterly updates be a precursor to quarterly tax returns and a kind of PAYE for the self-employed and small businesses? Secondly, will there be short-termism, which affects very large companies now and bedevils British manufacturing? Footsie companies have to make quarterly reports and so on to the stock exchange, but if this system comes in, it has the potential to drive SMEs towards short-termism, and generally there has been cross-party consensus that that has not been good for our economy. It might have been good for a few arbitrageurs and people like that, but it is not good overall.

To finish, I ask the Minister where he thinks we are going beyond quarterly updates, if at all. What the Government said in their response to the petition was either contradictory or a harbinger of where they want to take this:

“At the March 2015 Budget the government committed to transform the tax system by introducing simple, secure and personalised digital tax accounts, removing the need for annual tax returns.”

So that we are all clear, I will repeat that last bit again: “removing the need for annual tax returns.”

If that is what the Government are talking about in secure and personalised digital tax accounts, is that what they have in mind for businesses—to remove the need for annual tax returns? That may be a coherent policy, but I am not aware that they have announced it and it would be the kind of very big change to which my hon. Friend the Member for Nottingham East referred. Will the Minister therefore say a little more about where he thinks the Government are, or are not, going with digitalisation?

7.12 pm

**The Financial Secretary to the Treasury (Mr David Gauke):** It is a great pleasure to serve under your chairmanship, Mr Hanson. I thank all Members who participated in the debate. I was struck by its measured tone and the many sensible inquiries made. I hope to respond to as many of them as possible.

[Mr David Gauke]

Before I do that, may I add to those words said by my hon. Friend the Member for Hertsmere (Oliver Dowden) my own words of tribute to Lord Parkinson and of condolence to his family, following the announcement of his death today? I was fortunate enough to meet Cecil Parkinson a number of times in my years as a Member of Parliament and I was struck by his warmth and generosity of spirit. He will be greatly missed by both Houses of Parliament.

We have had a useful and helpful debate in which many points were raised. I am grateful for the opportunity to dispel some of the myths that I think exist with regard to the policy and to provide greater clarity where I can. This is an important policy and it is important that we get it right for small businesses. I would particularly like to thank the Minister for Small Business, Industry and Enterprise, my right hon. Friend the Member for Broxtowe (Anna Soubry), who was present for much of the debate.

I would also like to thank all those who took the time to respond to the petition. I hope that as many people engage in the consultations on the reforms that HMRC will launch later this year. The Government have always been on the side of businesses that help to create long-term, sustainable economic growth. That is why we have lowered the rate of corporation tax, increased the investment allowance and helped our companies expand into new markets. We believe in competitive tax, simple tax, and tax that is paid.

Before I say a few words about what is changing and why, I would like to make clear what “Making tax digital” is not and address some of the concerns raised by businesses. First, to respond to the point made by my hon. Friend the Member for Hertsmere at the beginning of the debate some hours ago, this transformation does not—I repeat “not”—mean four tax returns a year, but, by 2020, most businesses will be keeping track of their tax affairs digitally, updating HMRC at least quarterly via their digital tax account.

Quarterly updates will not involve the complexity of a full tax return, where the business, or its agent, has to gather together and manually input data on to an electronic or paper form and then perform various calculations. Instead, updates will be generated from digital records and, in most cases, little or no further entry of information will be needed. It will be much quicker, easier and far less burdensome than the current process. The agony of the annual tax return will be a thing of the past.

**Sammy Wilson:** If the information required will not be the detail required in the end-of-year tax return, what value will there be in the calculations made? If the aim is to give certainty to taxpayers about what they are likely to owe but the information is not substantial enough to work that out, what value does it have? How will that enable people to keep account of their tax affairs, as the Minister described it?

**Mr Gauke:** That is a fair question. The hon. Gentleman raised that point in his remarks and there is a distinction between the nature of the information provided. Whereas a full return can be complex, the update will be based on business records that are already being recorded.

There will be one process for both business and tax purposes, which will involve a summary of income and expenses.

The hon. Gentleman asks what is the use of the data and how will they be helpful. First, keeping records digitally will reduce error, partly because that will be done on a more timely basis. Secondly, the data will allow HMRC to focus its attention on the small minority of small businesses that are evading their taxes, and not on those who are trying to get it right. One must also bear it in mind that the software will help taxpayers identify any errors in the information they provide. One of the key benefits permitted by a more digital approach is that errors can be spotted earlier by the taxpayers themselves.

I reassure the House that HMRC does not intend to increase interventions on the basis of quarterly updates. On the contrary: HMRC is seeking to reduce error at source and so reduce the need for interventions. It is the case that by keeping records in real time instead of processing paperwork at the year end, businesses are less likely to lose receipts or make basic accounting errors.

I confirm that the proposal applies to large businesses—it is not exclusively for smaller businesses. On whether the software will work, let me point out that there are already six free products on the market and we expect there to be more as small software firms innovate to meet business needs. Such firms are clearly keen to engage and produce new products and services—we see that in the growth of apps—and already 30,000 small businesses have downloaded free record-keeping apps suited to all varieties of devices, whether tablets or smartphones.

One point that came up repeatedly and which was made by the hon. Member for East Lothian (George Kerevan) was that we are rushing this through. Let me reassure him and others that the Major Projects Authority has examined the plans and that it views them as deliverable. However, neither the Treasury nor HMRC are complacent, and we do understand that there are challenges, and I will pick up on some of them. However, it is worth noting that this is a five-year roll-out. We are engaging in substantial consultation this year. The piloting and testing of the technology and the various processes will then follow.

Phone calls were mentioned on a number of occasions. I said in the main Chamber earlier this afternoon that HMRC's performance in January, which is traditionally a busy month, because of the self-assessment deadline, has been at a very high level. The last number I saw, which was for last week, suggested that 89% of calls were being answered and that the average waiting time is four minutes, which, it would be fair to say, is better than the historic norm for HMRC.

It is worth pointing out that the overall £1.3 billion package of investment for HMRC will allow more of its customers—not just businesses, but individuals—to go online, thus reducing calls. In addition, HMRC gets many calls about information that will in future appear in taxpayers' digital accounts. For example, people call to find out their reference number or to chase a refund, and digital accounts will take out a large number of those calls. As I said, call centre performance is now also much improved.

My hon. Friend the Member for South Ribble (Seema Kennedy) raised the issue of sanctions. We will consult on the sanctions that will be appropriate in a digital environment. Penalties and other sanctions will not be the same as those that apply now to end-of-year returns. We will want the new process to bed in before we turn on any sanctions. There is no plan to penalise those who try to comply. I point hon. Members to HMRC's record on the introduction of real-time information. There was a careful and measured approach to penalising people, and only deliberate non-compliance resulted in sanctions while the system was being introduced.

A couple of hon. Members asked whether quarterly updates will be required to take account of accounting adjustments for stock and work in progress, which are currently made only once a year. Detailed issues such as the allocation of capital allowances and the counting of stock levels will be addressed through consultation. I stress that all allowances, deductions and reliefs that are currently annual will remain so. Of course, for the many businesses that use cash accounting, that is much less of an issue, but I recognise that it is an issue for some businesses. Again, for issues such as work in progress, we are not requiring information quarterly.

Concerns were raised about payment. No decision has yet been made about changing payment dates. In December, alongside the "Making tax digital" road map, we published a discussion paper on options to simplify the payment of taxes. An initial consultation will take place shortly, with a further, full consultation to take place later this year.

My hon. Friend the Member for Morecambe and Lunesdale (David Morris), who does so much for the self-employed in the role he plays for the Government, raised the issue of payments following quarterly updates. Again, I stress that no decision has yet been made about changing payment dates.

Questions about how the changes will affect seasonal businesses will be addressed through this year's consultation. Businesses trading seasonally may be due a tax refund in-year. If they update HMRC more frequently than they do now, that will allow HMRC to assess them for such a refund, so there may be a financial benefit for them. Let me also stress that the quarterly update will be based on actual information, not forecasts. I hope that that provides some reassurance.

In terms of implementation, I reassure hon. Members that we will carry out extensive testing. Roll-out to businesses will take place when the process and the design are known to work.

I touched on cash accounting earlier. About 2 million businesses operate on a cash basis and do not need to account for work in progress, stock and so on. For others, updates will provide an increasingly accurate picture through the year. However, direct taxes will remain annual taxes, so some adjustments will need to be made at the end of the year. That should, however, be less of a task than the traditional annual tax return, because much of the information will already have been pulled together.

**Chris Leslie:** I am trying to envisage what the Minister is discussing, because there is still quite a lot here that is open to consultation. Data on income and expenses would be supplied through these quarterly updates, but we might not necessarily be able to get rid of the annual

return, which might still be necessary because of tax reliefs and so forth. *[Interruption.]* Yes, people could be doing these things five times a year—there would be one big final return and these updates along the way. Are we getting rid of the annual tax return or not?

**Mr Gauke:** The traditional annual tax return, we can get rid of. What I am saying is that, rather than starting largely from scratch and pulling all the information together, businesses that need to make adjustments at the end of the year will have already done much of that work. Now, as I say, the tax system remains an annual system, and one needs to be able to look at the year as a whole for things such as capital allowances. However, it is worth bearing in mind that the capital expenditure of the vast majority—something like 98%—of businesses would fall within the annual investment allowance of £200,000, so that is not necessarily too much of an issue for them. However, I understand the point about work in progress.

The hon. Gentleman is absolutely right to make the point that there is still quite a lot to consult on. Sometimes, I fear that we are criticised both for rushing things, charging in and not listening and for things being a bit vague because we are still consulting on them, and there is a certain mutually exclusive element to those criticisms. However, the sense of direction is clear, and it is right that we consult on the details.

**Rob Marris:** May I gently tell the Minister that the problem, rightly or wrongly, is that it has not been clear to many observers what the Government have been consulting on?

**Mr Gauke:** I think the information has always been out there, but we are where we are, and I am grateful to have an opportunity to set out where we are consulting. If the hon. Gentleman likes, I can set out some of the communication that has already been done. There are issues we are consulting on, but I believe that the direction is absolutely right.

The hon. Member for Livingston (Hannah Bardell) asked about the cost of the proposal. The hon. Member for Wolverhampton South West (Rob Marris) asked about the cost to business and the publication of an impact assessment. As with any other tax measure, a detailed assessment of the impact on administrative burdens will be published alongside draft legislation, and that is expected to be in December 2016. That assessment will be informed by prior consultation of affected businesses. HMRC anticipates producing an initial draft impact assessment alongside the formal consultation process, which starts in the spring.

**Sammy Wilson:** Will the Minister give way?

**Mr Gauke:** I will, although I was about to respond to one of the hon. Gentleman's points. Let us see whether it is the same one.

**Sammy Wilson:** Perhaps it is this very point. The Minister has told us the kind of information that will be required in the quarterly returns and the calculations that will be done. Will that give taxpayers an indication at the end of each quarter of what tax HMRC expects from them, and will it have to be paid quarterly?

**Mr Gauke:** As I said a moment ago, we are looking at the issue of payments, which I appreciate is a potentially vexed one. We are not rushing into that. We are consulting on it, but it is not part of the proposal announced at the autumn statement. The new arrangement will provide more information. Indeed, one benefit is that it will give a better indication to businesses of what tax they owe when it is due. That will be an advantage to businesses, which I think they will appreciate. However, we have not made any decisions on payments.

The hon. Member for East Antrim (Sammy Wilson) and other hon. Members raised the subject of broadband. I will come back to the issue of people who cannot make use of digital, but I want to respond on broadband, as it is a key point. Through the Government's £1.7 billion investment programme, we are on track to deliver superfast broadband to 95% of premises by 2017. The Prime Minister announced at the end of last year that we are looking to implement an updated broadband universal service obligation for those not covered by the superfast plans. Industry are also set to roll out 4G mobile connectivity to 98% of UK premises well ahead of the 2017 obligation, through Ofcom's regulatory spectrum licensing conditions.

In every walk of life, people are embracing the digital revolution. From shopping for groceries to making a GP appointment online or paying invoices at any time of day or night, millions of us benefit from digital services daily. Businesses, too, are harnessing the opportunities of the digital age to transform fundamentally their operations and the services they provide, with customers reaping the benefits. It is only right that the Government keep pace with the world around us. That is why we are seeking to transform HMRC into one of the most digitally advanced tax administrations in the world. "Making tax digital" is at the heart of those plans. At the spending review, the Chancellor announced a £1.3 billion investment in HMRC to make that vision a reality. That will see the end of the annual tax return and, in its place, the introduction of simple, secure and personalised digital tax accounts for businesses and individuals.

Importantly, the changes will deliver what businesses and individuals have told us they need. In particular, many businesses have said they want more certainty about their tax bill and do not want to wait until the end of the year, or often longer, to find out how much they have to pay. Businesses have also said they want tax returns to be more integrated into the way they run their business, rather than something done separately and many months later. The use of digital tools—accounting software or smartphone apps—will, for the first time, create that desired integration.

Businesses will be able to see in their digital account what each update means for their tax position as the year goes by. That will also make it easier for businesses to understand how much tax they owe, giving them far more certainty about their tax position and helping them to budget, invest and grow. Beyond helping businesses to get their taxes right, making tax digital will also help them to improve and develop their business. Targeted guidance and alerts will make them aware of relevant entitlements and reliefs or wider Government services to support business growth.

Apart from the modernisation of business practices, there is another important prize that we cannot ignore. Each year, around £6.5 billion of tax goes unpaid because

of mistakes made by small businesses when preparing and filling in their tax returns. These reforms will improve the quality of record-keeping, reducing the likelihood of mistakes and contributing £920 million in additional revenue to the Exchequer by 2020, then £600 million a year thereafter. The alternative would be to stick to a system where taxpayers take out 18-month-old records, stare at them for a while as they try to figure out what they were doing then and tentatively use them to fill in a lengthy HMRC form, or drop on to their accountant's desk a large carrier bag of records—

**Rob Marris:** Or a shoe box.

**Mr Gauke:**—or, indeed, a shoe box, and bear the expense of having the accountant do the job. The taxpayer then pays their final tax bill on money made up to 21 months previously. It is a system designed for a world of paper and bookkeeping, in the literal sense, and it is not tenable in the 21st century.

I do not, however, underestimate the scale of changes that making tax digital represents for businesses and their agents, in particular the transition to digital record-keeping. I also make no apologies for the scale of our ambition. With the Government and local authorities investing £1.7 billion to bring superfast broadband to over 95% of the UK by 2017, these changes are possible. As I said, the Prime Minister has announced that we are looking to implement an updated broadband universal service obligation for those not covered by the superfast plans. Equally, I acknowledge the concerns raised about the pace of the reforms. Similar concerns were raised about online filing and real-time information. However, HMRC's impressive track record in implementing those changes speaks for itself. Working with interested parties, we can match that success.

Some have suggested that the reforms should be introduced on a voluntary basis, rather than requiring businesses to make the change. A voluntary approach would cost the same but deliver only a fraction of the benefits for business and the Exchequer. In the current fiscal environment, without the additional revenue generated by closing the tax gap, we could not have provided the £1.3 billion investment required to transform services for all taxpayers.

Some have said that it is overly ambitious to rely on digital as the primary channel. The fact is that we are going with the grain of the way small businesses are already moving. The benefits of digitisation are readily accepted by the majority of small and medium-sized organisations. While there has been plenty of debate—a lot of it online—about the challenges, I am heartened to see that many businesses and their agents are already forging ahead. Already, 2 million small and medium-sized businesses are using software for their payroll and VAT.

I am, however, equally focused on ensuring there is support for those who need it. The Government have already said they will ensure that free software products are available to businesses with the most straightforward tax affairs. Some—a very small minority—will be unable to adopt digital tools due to geography, personal disability or other circumstances. In those cases, help will be provided. There is no question of forcing those who genuinely cannot go digital to do so. We will consult with business and representative bodies to understand

fully who cannot get online and what support they need, and we will ensure we provide alternatives, such as telephone filing.

We want the reforms to provide the maximum benefit for business and the UK. We are already talking to a wide range of businesses, agents, software developers and professional bodies, and a wide-ranging consultation exercise will start in the spring. We are introducing the reforms gradually and not phasing them in fully until 2020 because we know how important it is to give taxpayers time to adapt. We are using volunteers to stress-test new services, so that we can be confident the new services work before they are rolled out.

If we get this right, the benefits will be considerable. We will reduce burdens on business, reduce the tax gap and bring tax administration well and truly into the digital age. These important changes will boost economic growth, so I urge hon. Members to support our reforms to make tax digital.

7.38 pm

**Oliver Dowden:** Thank you for your chairmanship, Mr Hanson. I will wind up very briefly indeed. I was reminded by Scottish Members that it is Burns night, so I shall not detain people for much longer at all.

I thank all hon. Members for their contributions. We have particularly benefited from the experience of those who are involved in small business, including my hon. Friends the Members for South Ribble (Seema Kennedy),

for Morecambe and Lunesdale (David Morris) and for High Peak (Andrew Bingham). I was particularly struck by what was said by the hon. Member for Hove (Peter Kyle), who gave such a passionate defence of entrepreneurship. I think he managed to convince the hon. Member for Nottingham East (Chris Leslie), but I wish him good luck with the wider leadership of the Labour party; we will see how he gets on with that. I also thank the hon. Member for East Antrim (Sammy Wilson) for his very passionate speech.

Finally, I thank the Minister for his response. I had the pleasure of hearing him speak in the House this afternoon about Google's tax affairs. He rushed straight to this debate and has distinguished himself in both. I am grateful to him for his explicit reassurance that the plans do not amount to quarterly tax returns, for his commitment to further consultation and for the fact that the Government are listening. Certainly, from my perspective, I will scrutinise the plans carefully as they continue to be rolled out, and I am sure that all Members will do so. We agree with the overall direction, but we are very keen to make sure that this is implemented properly.

*Question put and agreed to.*

*Resolved,*

That this House has considered e-petition 115895 relating to tax reporting for small businesses and the self-employed.

7.40 pm

*Sitting adjourned.*



# Westminster Hall

Tuesday 26 January 2016

[MR GEORGE HOWARTH *in the Chair*]

## Onshore Oil and Gas

9.30 am

**Kevin Hollinrake** (Thirsk and Malton) (Con): I beg to move,

That this House has considered the potential role of UK manufacturing in development of onshore oil and gas.

It is a pleasure to serve under your chairmanship, Mr Howarth. Shale gas exploration is a key issue in my constituency. Exploration licences have been granted to five operators in Thirsk and Malton, covering the vast majority of my patch. I receive dozens of letters and emails about fracking every week and I care passionately that, if it goes ahead, it is to the great advantage, not disadvantage, of my constituents.

As a local man, I understand why so many local residents worry that the peace and tranquillity of North Yorkshire, including the stunning North York moors, will be disturbed, and why they feel that their lives may never be the same again. I do not believe that that will be the case. As long as fracking is conducted in a balanced and measured way, the advantages for our local and national economies far outweigh the disadvantages.

**David Simpson** (Upper Bann) (DUP): I congratulate the hon. Gentleman on obtaining this important debate. On his point about constituents who have concerns, how do we bring people along and convince them that there is no issue? What job of work needs to be done?

**Kevin Hollinrake**: I thank the hon. Gentleman for his intervention. That is a key issue, which I will come to later on in my speech.

The environmental reasons for moving from coal to gas are compelling. Global carbon dioxide emissions will be found to have declined in 2015, principally owing to reduced coal use in China and the US, and the Intergovernmental Panel on Climate Change and the US Environmental Protection Agency both credit the majority of the US reduction directly to the move from coal to shale. The World Health Organisation recently declared a state of emergency on air quality in many countries. It estimates that the cost of air pollution to the EU alone is a staggering £1 trillion and the human cost is even more dramatic: in 2010, about 600,000 premature deaths in the European region were caused by air pollution.

According to a report by the Health and Environment Alliance, coal-fired power stations are responsible for the following effects on UK citizens: 1,600 premature deaths; 68,000 additional days of medication; and 363,000 working days lost. Diesel cars and coal-fired power stations must become things of the past.

Geopolitically, domestically produced shale can help us develop a more effective foreign policy. Despite growing turmoil in the middle east, UK energy prices are falling in the markets, at the fuel stations and for our domestic energy. Traders can clearly see that the west is developing

independent sources of energy and the British Geological Survey estimated that 10% of the predicted UK reserves could meet our gas energy needs for 40 years.

As with North sea oil and gas, fracking could lead to a new industrial supply chain. In 2014, 375,000 people benefited from employment and tax revenues of £2.1 billion resulted from the North sea oil and gas industry. Reports by the Institute of Directors and Ernst and Young indicate that shale gas could provide 64,000 jobs and £33 billion of domestic investment. Domestic is the most important word. This opportunity could spawn tens of thousands of jobs, and good jobs, too.

In my constituency, we have many world-class engineering businesses and a first-class training organisation called Derwent Training Association, which specialises in training top-quality light and heavy electronic and electrical engineers. Such businesses can be the innovators of the future, taking the industry forward and making it cleaner and more efficient. For example, it is possible to convert methane to hydrogen—a CO<sub>2</sub>-free fossil fuel—and the University of Strathclyde has established the UK centre for hydraulic fracturing to develop quieter, more energy-efficient equipment.

Shale would offer significant opportunities for many UK industries. It is estimated that it would require 12,000 km of steel, worth £2.3 billion. Recycling of waste water by domestic businesses would also be required and that would be a £4.1 billion opportunity. Other opportunities include rig building and environmental monitoring. Our chemicals industry could also be a big winner by capitalising on cheaper natural gas liquids often found alongside shale deposits.

If the UK could demonstrate the success and environmental credentials of shale gas, we could export our knowledge, skills and technologies to other countries in Europe and further afield, just as we did with conventional exploration. We must not repeat the mistakes of offshore wind, where we are the market leader in generation but lack any significant supply chain.

In the future, power generation will be centralised, cars and home heating—probably using air source heat pumps—will be electric and battery storage will be commonplace. Some people will argue that a new fossil fuel is a backward step that will prevent the energy industry from innovating. I disagree. Yes, renewables should be part of the future, but subsidies will only hold back their efficacy. I think that we should have reduced subsidies more progressively, as has happened in the US, but the Government had little choice given the wild and unmanaged overspend overseen—or probably not seen at all—by the previous Secretary of State.

Let us think of the technology sector. Deep Blue is the computer best known for defeating world chess champion Garry Kasparov on 11 May 1997, but a modern smartphone is 30 times more powerful than Deep Blue and made without Government intervention or subsidy. Should not the Government simply set the parameters for CO<sub>2</sub> emissions and air quality and then let industry deliver the solutions? Is that not a better solution than paying homeowners unsustainable amounts of money to put solar panels on their roofs?

Of course, we can contemplate welcoming a new industry only if it is compatible with daily life in North Yorkshire. Last autumn, I paid a visit at my own expense to Pennsylvania to speak to local people, the

[Kevin Hollinrake]

US regulators, academics, protestors and operators about the impacts of the shale gas industry on the economy, the community and the environment. I did not see significant and widespread industrialisation of rural areas, but we do need to learn from early regulatory failures and carefully plan for the industry's cumulative impacts.

We need a single regulator to make sure that there is a clear line of accountability. We need independent regulation and monitoring at every stage and, crucially, a rolling five-year local plan to co-ordinate activities. We need a local plan for fracking, covering a five-year roll-out and detailed solutions for key concerns. We also need traffic plans for the movement of heavy industrial equipment. Heavy industrial plant connected with shale gas, such as compressor stations and refineries, needs to be located in areas used to hosting industrial chemical sites.

We need minimum distances to settlements and schools and minimum distances between sites to prevent the industrialisation that many people are concerned about. We also need to consider the impact on other important parts of our local economies and, of course, the visual impact on our countryside, so we need buffer zones around our national parks and areas of outstanding natural beauty.

In an age of computer-generated imagery and simulated time-lapse photography, we can and must paint the picture for the public on how we can carry out fracking safely and discreetly, or risk years of delays owing to public concern. The effects on the economy and on job creation locally in Pennsylvania were positive, and I met various supply-chain businesses that were clearly thriving.

We must look at the whole picture. We cannot afford to ignore this opportunity. Under this Government, the economy is doing well and unemployment has come down, but we would benefit from having a clean, low-cost, low-carbon, home-grown energy source that supports domestic businesses, creates local, well-paid jobs and makes our economy and our nation strong by generating energy for generations to come.

9.40 am

**Angela Smith** (Penistone and Stocksbridge) (Lab): As always, it is a pleasure to serve under your chairmanship, Mr Howarth. I congratulate the hon. Member for Thirsk and Malton (Kevin Hollinrake) on securing this important debate on the role that manufacturing can play in the unconventional gas extraction industry.

This is not really a debate about whether the UK should develop a shale gas capability. The House has rightly focused on the need for a robust regulatory framework for such an industry, and it will no doubt continue to debate such important issues, but this morning's debate is much more pragmatic. The question before us is clear: if the shale gas industry is going to develop within the clear regulatory framework agreed by the House, how do we best ensure that UK manufacturing can exploit to the maximum the supply-chain opportunities made available by that nascent industry? That pragmatic point is what is important to people up and down the country who have traditionally depended on manufacturing jobs to maintain their prosperity, living standards and

family life. At its heart, this is about a debate that understands the importance of manufacturing to the UK economy.

In the US, which has had a shale gas industry for some time, one of the biggest winners has been the chemicals industry. Shale gas production in the US has seen feedstock costs reduce significantly, giving the chemicals sector a major competitive advantage over manufacturers in the EU and Asia. Shale gas ethane from the US is much cheaper than that from the EU, which is produced from naphtha, a refined form of crude oil. Cheaper energy, combined with cheaper feedstock, has kick-started investment in the US chemicals industry, attracting \$138 billion of investment so far and funding 225 new projects.

In the UK, the chemicals industry is already a major exporter, with about £25 billion of exports. Yearly, it adds almost £9 billion to the UK's GDP, as well as underpinning much of the manufacturing sector, including steel. In terms of competition, the chemicals sector could benefit greatly from a new source of domestic feedstock. It would benefit from lower costs and, importantly, from shorter, more secure supply lines.

There should also be opportunities for many UK-based manufacturers in other sectors to supply an emerging shale gas industry. A report by Ernst and Young estimates that more than 39,000 indirect jobs could be created by UK shale gas extraction. It also suggests that the total spend involved in bringing UK shale wells into production would be £33 billion by 2032, which would include £17 billion on specialised equipment, such as high-pressure pumps and mixers. I note with interest that EEF has said that, although the majority of pumps are currently manufactured outside the UK, with some assembly done here, there is significant potential to increase UK production. However, if UK manufacturing is to benefit, it will be necessary to build the case for investment in those things, and that is my first ask to the Minister.

This is, however, not just about pumps; it is also about the sand that will be required for the fracking process. That will come from existing quarries and could generate a £2 billion spend in the UK from 2016 to 2032. This is also about the cement, for which there could be a nearly £1 billion market, and that cement could come from the UK's four cement manufacturers. We cannot afford to dismiss that potential.

For me, as a south Yorkshire MP, however, the most exciting prospect lies in the opportunities the shale gas industry could create for steel manufacturing. Steel is in crisis. A global slump in demand, contractions in the oil and gas industry and the dumping of cheap, subsidised steel on global markets by the Chinese have combined with high energy costs and unsustainable business rates to create a debilitating sense of volatility in the industry. I acknowledge entirely that the industry must respond positively to the challenges it faces, but if UK steel is to develop a positive way out of its difficulties, it needs Government support.

**Tom Blenkinsop** (Middlesbrough South and East Cleveland) (Lab): My hon. Friend is making a good case in relation to the UK steel industry, but the shale industry could help other integrated industrial sectors in the wider economy to develop, and one of those is carbon capture and storage. In a world where fossil fuels are getting cheaper, we should be using pots of



funds originally used for renewables for CCS, and the Government should review their decision to get rid of it. In addition, non-conventional gas such as syngas, which comes from coal gasification—there are still tons of coal in the Durham coalfield under the North sea—could be less than 50% of the price of conventional gas. Those two pillars could lead to an industrial renaissance in some areas.

**Angela Smith:** I completely agree with my hon. Friend on both those points. On CCS, it is difficult for the Government to make progress on gaining public acceptance for the shale gas industry, and part of the argument against the industry has always been the emissions and the problem of using fossil fuels into the foreseeable future. CCS is one of the key ways we can deal with that issue and that argument. If there is to be a long-term future for any fossil fuel, the Government must think again about their abandonment of CCS technology.

We need to understand that the nascent shale gas industry offers one of those rare opportunities to create new demand for steel—something we badly need at the moment—and a new sense of hope that there is a positive future for one of our foundation industries. As United Kingdom Onshore Oil and Gas points out, the crisis that the industry faces will not be solved just by dealing with issues relating to energy and business rates, important though those issues are. It needs to be addressed by supporting UK steel to play a bigger role in manufacturing supply chains domestically and globally. This is about the Government supporting the development of a wider range of steel capabilities, by building the business case for the development of a UK shale gas supply chain.

What we do not need, as the hon. Member for Thirsk and Malton said, is a repeat of what has happened with the UK's offshore wind industry, where we have missed opportunities to build a robust supply chain, despite our strength in the wind energy market. This time, the Government can get things right by working with industry and by supporting the building of a business case for developing shale gas. They can encourage confidence among investors and supply-chain companies and prevent the industry from meeting the fate that has befallen the green energy sector.

Steel's opportunities as part of the shale gas supply chain focus on two main capabilities. First, as was pointed out earlier, the shale gas industry could need more than 12,000 km of high-quality steel casing, costing £2.3 billion. It could also need 50 drilling rigs, which would cost £1.6 billion to manufacture. So how do we make sure that we make the best of British, in meeting that potential demand? I suggest that we need first to identify the best means of making the UK contribution to the rigging requirements of the shale gas industry. That may or may not mean the domestic manufacturing of the rig components; but at the very least there is great potential for exploiting domestically the need to upgrade rig components to UK standards and to provide ancillary equipment. According to EEF, that market could be worth £1.2 billion. That is a good, practical, pragmatic way forward, which the Government could help to deliver.

As to the steel casing, the problem is, of course, that the UK manufactures welded tubing—not the seamless tubing required by the industry. UKOOG points out,

however, that a significant amount of work is required on seamless pipes before they are ready to be used by the shale gas industry and that that could and should be done in the UK. That position is supported by EEF. I would prefer it if the necessary investment could be made to give a UK home to such a manufacturing capability once again; but, however we look at the issue, the Government have a role to play in supporting the steel industry to exploit the opportunities available and thereby to secure a better future for itself.

The Government need to support the establishment of the business case for all aspects of the shale gas supply chain, with particular urgency in relation to the steel aspects of that supply chain. As UKOOG points out,

“We are at the start of the shale journey and the steel industry needs help now.”

UKOOG has pledged to work with the Department for Business, Innovation and Skills to see whether any support can be given. That is incredibly helpful. What we want from the Minister today is a commitment to ensuring that that offer of collaboration from an industry that in a sense is new to the UK—shale gas extraction is new—is taken up enthusiastically by the Government; we want it to be translated into a supply chain strategy that guarantees that the best of British will lie at the heart of a successful, safe and environmentally sustainable British shale gas industry.

9.52 pm

**Graham Evans (Weaver Vale) (Con):** It is a pleasure, as always, to serve under your chairmanship, Mr Howarth. I congratulate my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) on securing this important debate. It is a pleasure to follow the hon. Member for Penistone and Stocksbridge (Angela Smith), who, in a campaigning speech, made some powerful points on behalf of her constituency and in favour of well-paid jobs and the future of the steel industry in south Yorkshire.

I am the chair of the chemical industry all-party group and co-chair of the energy-intensive industries all-party group. The UK chemical and pharmaceutical industries have a strong record as manufacturing's No. 1 export earner. However, the fact that they are energy-intensive industries that compete globally means that their export success is critically dependent on secure and competitively priced energy supplies.

The chemical industry uses energy supplies both as fuel and as a raw material to make the basic chemicals that provide key building blocks for almost every sector of manufacturing and the wider economy. UK energy supplies are becoming uncompetitive and less secure. Supplies of North sea gas for use as raw materials and fuel are diminishing, and there is increased reliance on less secure supplies of imported gas. Our onshore oil and gas reserves offer an unrivalled opportunity to secure our energy supply for the future, crucially lessening our dependence on foreign energy markets while also creating tens of thousands of high-skill, high-wage jobs and generating billions in tax revenues.

The political realities in Russia and Ukraine, as well as parts of the middle east, show in no uncertain terms the increasing importance of energy security in the coming years. We cannot afford to be complacent. It is estimated that fracking has offered the US and Canada approximately 100 years of gas security, and it has

[Graham Evans]

presented an opportunity to generate electricity with half the carbon dioxide emissions of coal. Our shale reserves offer a stepping stone in our transition to a low-carbon future, especially the move from coal. Fracking can undoubtedly provide us with a legitimate, cleaner means of gradually bridging the gap between fossil fuels and renewable energy. Our energy security and the reduction of CO<sub>2</sub> emissions are critical considerations when we think about fracking as part of a broad energy mix, but I firmly believe that scientific and engineering evidence should be front and centre.

The safety and security of people, their homes and their businesses are paramount to any discussion. As I have said in the past, I cannot and will not support anything that may pose a risk to the health, safety and wellbeing of local residents, the natural environment, homes or businesses. Perhaps that is an area in which the Government need to do more to convince the great British public. I recently held two public meetings, in Frodsham and Helsby, where there is currently fracking exploration. I invited representatives of the Environment Agency, Public Health England and the Health and Safety Executive, together with a local property surveyor, representatives of Ineos with more than 50 years' experience in the industry, and a rather sceptical professor.

The meetings were particularly well attended. It is interesting that the public bodies are relatively poor at getting points across. They are there to reassure the public, but they are reluctant public speakers. They are reluctant to engage face to face with members of the public, who have legitimate reasons to be concerned. People may have been told that their property will not be worth as much, that it may be susceptible to subsidence, or that their health may be at risk. There are many such stories—I regard them as scare stories, but they are based on what is said by powerful lobby groups such as Frack Free Dee, which point to what has happened in Australia and America in the past.

**Kevin Hollinrake:** I had a similar experience at a public meeting in my constituency. All the regulators were on a panel there, and it was clear that some questions and answers fell between the cracks. Does my hon. Friend accept that a single regulator with overall responsibility for the industry would improve public confidence?

**Graham Evans:** My hon. Friend makes a powerful point, and I agree. The three agencies involved are the Environment Agency, Public Health England and the Health and Safety Executive, and they go together as a threesome. If the Environment Agency says it cannot or will not attend, Public Health England and the HSE do not turn up. They go as a triple act. The people involved must of course be skilled in what their agency does, but I point out to the Minister that that should include being skilled in public speaking. That means speaking to the public in plain language, not jargon. People's concerns are legitimate, but I also believe that there is evidence available to reassure the public. I am sorry to say that it is a struggle. We politicians are used to knocking on doors and being eye to eye, face to face, with the public, so we can argue and explain complicated issues to our constituents. However, the public agencies need to raise their game and stop using jargon.

**Kevin Brennan** (Cardiff West) (Lab): The hon. Gentleman is making a compelling point. There was a day, obviously, when civil servants of that type did not engage at all with the public. Did he consider inviting a Minister to explain things, given that Ministers are responsible for policy and have the skills he is talking about?

**Graham Evans:** No, I did not consider inviting a Minister. It was a Friday night in the north-west of England, on a wild, windy and wet night. I would not expect my right hon. and hon. Friends to support me. We constituency MPs are perfectly placed. We are experienced enough, and we know the public and the area. I chaired the meeting, and I believe it is the role of the MP to do that, and to reflect all the concerns that exist. The public agencies are there to reassure the public, because not all members of the public believe what politicians say, but I also had independent people there. There was an independent professor there, who was a sceptic, but also a local businessman who was an expert in property values, and representatives of Ineos, a good local employer and well known chemical company.

Those public meetings were a great success. Despite the suggestion of the hon. Member for Cardiff West (Kevin Brennan), I would not expect a Minister to be at such meetings, but I would expect the public agencies to be there. My hon. Friend the Member for Thirsk and Malton made a good point, and we should have the expertise there to reassure the public. We are asked for guarantees; we cannot guarantee anything, but the whole point of the Environment Agency and Public Health England is to hold Government, the contractors and the companies to account.

I regard this as a first-world problem. We are a great manufacturing nation, and we need to keep it that way for high-wage jobs. When I became an MP in 2010 we had a wind farm application on Frodsham marshes, which went ahead. We also had four applications for energy from waste sites, otherwise known as incinerators, surrounding Weaver Vale. Two of those have planning permission, one is in operation and one is currently being built. Energy is clearly a thing of the 21st century in a constituency such as mine, which is part of Cheshire. Cheshire is regarded as a rural county, but it has expertise in engineering and chemicals.

The potential benefits of additional high-skill, high-wage engineering and manufacturing jobs and the increased security of our energy supply are too important to neglect. Hydraulic fracturing is an established technology and has been used in the oil and gas industries for many decades. The UK has more than 60 years' experience of regulating the onshore and offshore oil and gas industry and is a world leader in the field. I believe that if the best engineering practices are used alongside a robust inspection system, fracking can be carried out safely in our constituencies. Engineering and chemical industries are a vital part of the northern powerhouse, especially if we want to ensure a high-wage, low-tax, low-welfare economy in the north-west of England.

10.1 am

**Stuart Blair Donaldson** (West Aberdeenshire and Kincardine) (SNP): It is a pleasure to serve under your chairmanship, Mr Howarth. I congratulate the hon.

Member for Thirsk and Malton (Kevin Hollinrake) on securing the debate. I read about his visit to Pennsylvania with great interest.

Onshore oil and gas operations use rigs, casing, pipework and other components in the drilling and stabilisation of wells. Those terms will be familiar to many of my constituents in West Aberdeenshire and Kincardine, and to many people throughout the north-east of Scotland who work in the offshore oil and gas industry. Indeed, unconventional oil and gas extraction already takes places to some extent in the North sea.

Furthermore, Scotland has a long history of unconventional onshore extraction. James “Paraffin” Young, who lived in my constituency in Durriss for a time, was extracting shale oil in West Lothian as far back as the 1850s. At one time the industry employed 4,000 men, but the availability of cheaper forms of oil meant that it died out. I understand that concerns about the environment and the impact on public health were not taken as seriously in the 19th century as they are today, but the impact of unconventional oil and gas on our environment, communities and economy needs to be fully understood. That is why, on 28 January 2015, the Scottish Government introduced a moratorium on onshore unconventional oil and gas, including hydraulic fracturing. The Government also announced a programme of research into the issues surrounding it, as well as a full public consultation.

The moratorium will allow time for careful examination of the issues and proper engagement with the public in considering them. The comprehensive programme of research includes projects to investigate possible climate change impacts; a full public health impact assessment; further work to strengthen planning guidance; further tightening of environmental regulation; research on transport impacts; seismic monitoring research; consideration of decommissioning and aftercare; and economic impact research.

People who live near places where there could be onshore oil and gas extraction are rightly concerned about the potential impacts—other Members have mentioned that and given good advice on why local people may not need to be so concerned. That is why the Scottish National party-led Scottish Government are taking a pragmatic, responsible and evidence-based approach to the development of onshore oil and gas.

10.3 am

**Neil Parish** (Tiverton and Honiton) (Con): It is a pleasure to speak under your chairmanship, Mr Howarth. I thank my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) for securing the debate. He is quite a brave man—I can stand up and support fracking because it largely does not affect my constituency, but when fracking does affect a Member’s constituency, supporting it is a much braver thing to do. He made a measured speech, as did my hon. Friend the Member for Weaver Vale (Graham Evans). We have to ensure that the public understand what we want to do, because they want to be reassured that it will be safe.

I have made the point before in this Chamber that we sometimes miss a trick in this country. I spent 10 years in the European Parliament—do not blame me for everything that happened in Europe over that period. In France, for example, when they build nuclear power

stations they ensure there are houses, roads, infrastructure and leisure facilities. I am not saying we can do all of that with the fracking industry, but we can make the industry more beneficial for local residents. That is what we need to do, because at the moment we are not really selling fracking very well. That is the trouble; we need to sell it.

**Tom Blenkinsop:** Carbon emissions are obviously a big issue surrounding shale or any form of fossil fuel extraction. We have to treat CO<sub>2</sub> as not only a waste product but a potential by-product, because the chemical industry already uses it as feedstock for a lot of different things, including agriculture, the bottling industry, the canning industry and the food preparation industry in general. It is the purest form of CO<sub>2</sub> when it comes through those energy-intensives. We need to educate people about the benefits of fossil fuels, the CO<sub>2</sub> from which can be sequestered and used again, thereby reducing the emissions that they create.

**Neil Parish:** The hon. Gentleman makes a good point, but we have to ensure that the people who will be living around the mouths of the wells, where the shale gas comes up to the surface, feel that there is a direct benefit to them. It is good to appeal to the greater good, but it is also good to appeal to those who will see the fracking most. That is the particular point I am making.

**Angela Smith:** Does the hon. Gentleman acknowledge that there are already plans on the table to return to local communities some of the investment and profit from the shale gas industry—something like 6% of the value of the gas extracted?

**Neil Parish:** I think there are such plans. There are various ideas, such as sovereign funds, but again, we need to explain to the local residents that they will get that money. One problem in the past with many such schemes has been that the money has not filtered down to the local people who have to live right next to the entrance to a shale gas resource. That is what I want to see.

We need to ensure that we explain the situation to local people and that they know there will be something in it for them—I know that may sound basic—and that they are doing something for the greater good. I will go on to talk about industry, but the hon. Member for Middlesbrough South and East Cleveland (Tom Blenkinsop) made a really good point: fossil fuel extraction is necessary. We need only take the agricultural industry, in which natural gas creates ammonium nitrate, to see that it is hugely necessary.

My hon. Friend the Member for Thirsk and Malton made a point about having a single regulator, which is a good idea. It is about reassuring the public. The fracking will take place far underground and there is little or no chance of any problems with groundwater supply, but people are talking about those things. Those who are against fracking make much of them, so they need to be reassured. We must ensure that someone goes to the areas in question and presents the case strongly, so that people feel reassured about the safety of fracking. People can always cite problems in certain parts of the world, which makes it doubly important that we reassure people.

**Tom Blenkinsop:** The hon. Gentleman is being generous with his time. I want to back up what he is saying. He is a fellow North York Moors MP, where we have the Boulby potash mine in the national park. The mine goes more than 1 mile underground and 2 miles out under the North sea. Although it does not use the same technology, it goes through the same strata that the shale and gas industry will go through and is completely controlled. When large developments such as that occur, there is initially big uproar and upheaval, but the mine now employs more than 1,000 people. Although it is sadly letting people go, without it, the community would not have benefited from the well-paid jobs and solid employment they have reaped over the past 30 or 40 years.

**Neil Parish:** The hon. Gentleman raises an interesting point. I became very much involved with potash, because it is important in growing crops. We have such a massive amount of potash that we can probably produce enough not only for this country but for virtually the whole world. As he says, everybody has to be reassured that the processes can work together.

I am really heartened by this morning's debate, given what I was expecting—perhaps I am tempting fate, as Members may yet come in with the opposite view. I often think that when we are talking about shale gas, it is easier to support those who are protesting against it. They make an awful lot of noise and have a fair point to make, but they get almost undue attention, and I think we have to be realistic about the potential for shale gas and the resource that we have.

To pick up on a point that my hon. Friend the Member for Weaver Vale made, we are potentially very reliant on gas from Russia, given that it may well come through Europe to Britain. We also import an awful lot of frozen gas from the middle east by tanker through Milford Haven. All those routes are susceptible to problems, and we will need a lot of gas in future. As we reduce our carbon emissions, there will still be a great need for gas. I think about 40% of our heating in this country comes from gas, and when people have gas in their homes, they expect to be able to turn on the gas boiler or gas fire. It would be wrong of people on all sides of the political debate not to allow shale gas to be got out of the ground, although we have to make sure that the controls are there, that we can do it safely, and that local communities feel that they get huge benefits from it.

We will continue to need gas as we decarbonise, particularly for heating and manufacturing. If we are not able to extract shale gas, the UK will have to import. In 2014 the UK imported 48% of its gas needs, and in 2030, without shale gas, it will import three quarters. Shale gas is still in its exploration phase, and if production is successful, it could vastly reduce gas imports. National Grid projects that it could meet about 40% of UK gas demand by 2030, but we need to get the process up and running if we are ever to hit that figure. We have to make shale gas extraction much more acceptable to local people, and we need to have a single regulator.

Additionally, shale gas extraction has the potential to create more than 64,000 jobs, which would not only help our long-term economic plan but ensure energy stability, which, with our ever-growing population, is a matter of increasing concern. Furthermore, the shale gas industry could help to revitalise our struggling steel

industry. If shale gas extraction were to take off in the UK, the industry could need more than 12,000 km of quality steel casing, which would cost in the region of £2.3 billion. I have looked into that, and it is interesting that the type of pipes that are needed are not manufactured in this country. If we were to go into shale gas in a big way, we could invest in the steel industry to get it back up and running.

**Tom Blenkinsop:** The two tube mills in Britain are in Corby and Hartlepool, and they could easily be adapted to produce non-welded tubing. Of course, there is also a very good site in Teesside that is no longer being used. Again, that site could be adapted to provide non-welded tubing if virgin steel were produced once again there.

**Neil Parish:** I agree with the hon. Gentleman, because a way of supporting our steel industry would be to make sure that we produced British steel that went into the British shale gas industry. We would also be certain that the steel pipes that we produced were of great quality. We should be able to reassure the general public about the quality of that steel piping, so it could be a win-win situation.

In the US, having abundant cheap shale gas has helped to attract \$138 billion of investment in the chemical industry, which is funding something like 225 new projects. The US has also brought a huge amount of its manufacturing back to that country because of its supply of shale gas. I do not believe the UK has quite the resource that the US has, but it will make a significant difference.

This has been a good debate, with many ideas being raised that I hope the Minister will take on board. My final point is to repeat what I said at the beginning: we have to make sure that the plans are acceptable to local people and benefit them. We have to bring out into public exactly what safety measures are being put in place, and we have to make that argument clearly in public meetings. We should ensure that we bring shale gas out of the ground in this country, to create better energy security in the future.

10.16 am

**David Mowat (Warrington South) (Con):** I congratulate my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) for leading the charge on this. It seems that the key word in this debate is “manufacturing”, and it is good to have a discussion that focuses on that. I thought that the hon. Member for Penistone and Stocksbridge (Angela Smith), in particular, made an extremely good speech, not only about the shale industry and manufacturing in that area, but the impact on manufacturing generally. It is very hard to have a march of the makers when we have higher electricity and feedstock costs, and generally a higher cost environment than our competitors, particularly those on the eastern seaboard of the US. Those points were well made.

I support the shale industry, which I have spoken about in the past. I completely agree that the concerns of local MPs—I have a fracking site in my constituency—need to be listened to. The industry needs to be well regulated and safe. I will come on to—what did we hear?—the “pragmatic and responsible” position apparently taken by the SNP.

I completely support the need for good regulation and local involvement, but I also have to say that sadly, in my view, the shale industry in the UK is not going to take off with the current prices of oil and gas. At \$28 a barrel, the US shale industry is closing down and it has much more significant economies of scale than we have—the cost is something like \$50 or \$60 a barrel over there, and the gas price is linked. There will have to be closures. Frankly, in Aberdeen, we are seeing the impact of \$28 a barrel. That is only just starting to hit Aberdeen, because \$28 is higher than the operating cost in the North sea, let alone development and exploration.

I will put that caveat to one side and turn to the manufacturing potential of the industry—I hope I am wrong, however, and that perhaps prices will increase. We do not know.

**Angela Smith:** I thank the hon. Gentleman for his kind comments. Is it not also the case that the shale gas industry is much more fluid, dynamic and has much lower start-up costs than the oil industry, for instance, and that, in the long term, shale gas probably has a better future?

**David Mowat:** All that is true—and it is much more tactical, quicker and goes on from one to another. It does not have the big up-front development costs of, for example, North sea platforms. That is true, but it is also true that the wells do not last as long. The fact is that in the US, the shale industry is a \$50-a-barrel industry, and at \$28 dollars, that industry is in trouble. That is the whole strategy that the Saudis are taking and is what they are trying to achieve. They are going to be successful unless other things make them stop.

The title of the debate, however, is “Onshore Oil and Gas”—not shale. I say that because it is worth remembering that we have an onshore oil and gas industry. We have drilling and have had it for the past 30 years in places such as the New Forest, without the level of controversy that appears to surround this industry.

Other Members have talked about this, but let us examine briefly what has happened in the US shale industry. The industry has reduced the cost of gas by two thirds and has been converting—unfortunately, this also might stop—liquefied natural gas import ports to become LNG export ports. Equally important, the US has met any climate change target that anyone has given it. It did not sign up to Kyoto, but it would have met it by miles because of the displacement of coal by gas in its carbon emissions.

I want the House fully to understand that if the world were capable of taking out all coal and replacing it with gas, which is a big ask, it would be equivalent to increasing the amount of renewables in the world by a factor of six. That would be real progress in emissions. When political parties talk about carbon emissions—we heard about that earlier—without giving cognisance to that fact, it is frankly disingenuous at best.

**Kirsty Blackman** (Aberdeen North) (SNP): On emissions and greenhouse gas, it is relevant to think about methane emissions when natural gas is used instead of coal. We need to consider that, and not just the carbon emissions.

**David Mowat:** That is a strong point and I agree with it. It is extremely important that, as in the US, there are no methane emissions. We have seen over and again in

places such as Pennsylvania that methane is not emitted and that some of the scare stories are not true. I am sure that when the Scottish Government conduct their pragmatic and responsible review of the industry they will find that out for themselves.

In the US—I will not repeat my points—there are two elements in what cheap energy can do in manufacturing. The US has created around 200,000 jobs in that industry but, more important, the estimate is 1 million jobs in the onshoring chemicals industry in the US eastern seaboard. The transformation is extraordinary. It is re-shoring industry from Asia, China, Europe and, frankly, the UK.

Organisations make marginal decisions—this is not about closing Teesside and moving it to the US. When it comes to the marginal decision of where to open the next production unit, it will not be in Grangemouth, Teesside or Runcorn, but in Pennsylvania or Cleveland because that is where energy prices and feedstock prices are so competitive that more money can be made. We need to be cognisant of that. We sometimes talk in this House as though it is a new industry, but it is not.

The question arises—it is a fair one—of whether that applies to the UK. I have heard it said many times that things are different in the UK. It is true that we have a smaller manufacturing base and a much smaller chemicals industry, so perhaps it will not be so dramatic. People sometimes say, “Well, US gas prices have reduced by 70%, but that can’t happen here because we are on a European grid.” Generally speaking, when there is more of a commodity, the price falls. It is true that we have a European gas price and a European hub, but we had a global market for oil and look at what shale eventually did to the oil price. We are still living with that.

**Tom Blenkinsop:** I take on board what the hon. Gentleman is saying about a sheikhs versus shale fight, but the reduction in general fossil fuel prices, because of the online, downstream effect of renewables in the last 10 years, has also had an effect on driving down fossil fuel prices. The future of shale could be very beneficial to energy intensives because of cost, which is at least 50% cheaper than conventional gas. In addition, most of those industrial sites in Britain are located close to where those feedstocks are found.

**David Mowat:** I meant to say at the start that with current prices where they are, I do not think we will see a massive upkick in the UK’s shale industry. I think that will happen where shale is available near a chemicals site—INEOS in Runcorn and in Grangemouth is an example—because the costs and economics are different.

**Tom Blenkinsop:** Rather than seeing shale as a means by which to reduce consumer prices for heating boilers, for example, we should also have an industrial strategy that targets the use of shale gas for cheap energy-friendly intensives because that would be a cheap benefit.

**David Mowat:** My point was more about feedstock. I have no problem with an industrial strategy along those lines, although I make the point gently that the million jobs that were created on the eastern seaboard of the US were the result not so much of industrial strategy, but of a massively cheaper economic model and business case and all that goes with that. We need to learn from that.

[David Mowat]

The Chairman of the Select Committee on Environment, Food and Rural Affairs, my hon. Friend the Member for Tiverton and Honiton (Neil Parish), made a number of points about the fact that we are running out of gas. This is not principally a discussion about whether we should have gas versus renewables. It is gas versus coal, as I said earlier, in environmental terms. Gas production is now 70% lower than five years ago and we are importing it from Qatar and principally from Norway, but increasingly from Russia. Centrica has a contract with Gazprom and around 10% of our gas will come from Russia by 2020. We need to understand that and be comfortable with the implications.

**Alex Cunningham** (Stockton North) (Lab): I am sorry I was not here for the start of the debate. The hon. Gentleman has talked a lot about the proximity of supply and forward gas production over the years. Will he talk a bit about coal gasification, which could be so important and is so close to Teesside and the north-east, for our energy-intensive industries?

**David Mowat:** I am not sure whether that was a request for me to talk about coal gasification. I will not because I have been talking for 10 minutes, but I agree that it is a complex market and an opportunity for Teesside. Our country's industry base in Teesside is extremely important to all constituents there, and I completely agree with that.

On Wednesday, I had dinner with the head of Ernst and Young in the UK and I said that one thing that annoys me about parliamentary debates is that we quote reports from people like Ernst and Young as though they are some sort of gospel. We all say, "That's what they say, so it is true and I will go with that." It said in its recent report that it estimates that 64,000 jobs will be created in the shale industry alone, 6,000 direct and the rest in the supply chain, steel and so on. I return to the US experience where more jobs were created in the industries that benefited from the lower feedstocks than in the direct industry—the chemicals industry and so on.

**Angela Smith:** I thank the hon. Gentleman for making that important point. Does he recognise that the steel industry unions are one of the biggest supporters of the shale gas industry in the US?

**David Mowat:** I think the steel industry unions are right, as are the chemicals and aluminium industry unions. The US, unlike the UK, still has an aluminium industry, principally because energy prices there allow it to happen.

**Neil Parish:** The US has reduced its gas price hugely to attract the industry. When we extract shale gas, will we reduce our gas price or will we keep it the same? That is an interesting point because, if we are to encourage the industry properly I suspect we will have to reduce our gas price.

**David Mowat:** Gas prices are set by the market. We have a spot price for gas which is set in the European gas market. People have made the point that the European price will not decline in the same way as in the US. That

may be true, but I make the point again that they could have said that about oil and shale oil. We have seen what has happened there. Clearly, the more there is of something, all other things being equal, the more the price falls. Fuel poverty is not the subject of this debate, but many people are living in fuel poverty in our country and we should all be keen to have lower energy prices.

Before I close, I want to pick up on the pragmatic and responsible points made by the Scottish National party. All of us as Members of Parliament have a leadership role in our communities. We heard my hon. Friend the Member for Thirsk and Malton exercising his leadership role. Of course he faces pressures in terms of the environment of the Yorkshire dales, but he also understands that we need jobs in our country and we need to create wealth. Importing gas at scale from Qatar, Russia and Norway takes jobs away from our country and has an impact on industries in Cleveland and so on. That is the exercise of leadership. "Leadership" is an important word, and all of us in this place need to exercise leadership. Saying that we are going to have a moratorium on this activity because that is responsible and pragmatic when the reality is that this industry has been going for 10 years and can go to Pennsylvania, like my hon. Friend did, and have a look—it can do all of that—is what I would describe as negative leadership, and it is populist politics because there is a body of people out there who are receptive to that; and that is not what any of us were elected to this place to do.

**Mr George Howarth (in the Chair):** We have approximately 30 minutes left. That should be adequate time for the three Front Benchers, but I caution them that the hon. Member for Thirsk and Malton (Kevin Hollinrake), who moved the motion, has said that he would like a few minutes to sum up at the end.

10.30 am

**Kirsty Blackman** (Aberdeen North) (SNP): It is an honour to serve under your chairmanship, Mr Howarth. I thank the hon. Member for Thirsk and Malton (Kevin Hollinrake) for bringing this debate to the House; that is very much appreciated. I am delighted to follow the hon. Member for Warrington South (David Mowat), because he picked up on a few points from the SNP and this is a good time to discuss those. I am also pleased that my hon. Friend the Member for West Aberdeenshire and Kincardine (Stuart Blair Donaldson) said some of what I was planning to say, because that means that I can get through my speech a bit faster.

My hon. Friend laid out the SNP position. We are looking at a comprehensive programme of research, and the consultation is due to end in spring 2017. Mary Church, head of campaigns for Friends of the Earth Scotland, said:

"This framework for reviewing shale gas fracking and coalbed methane looks like a well designed process, over a sensible timescale...undertaking a thorough review of unconventional gas cannot be rushed."

If we are to exercise leadership and take the public along with us on this issue, a comprehensive review and a moratorium in the meantime is a sensible approach.

**Graham Evans:** The hon. Lady quotes Friends of the Earth. Is that the same Friends of the Earth that distributes misleading information to the general public by direct mail?

**Kirsty Blackman:** I have never received any misleading information from Friends of the Earth, so I cannot answer that point.

I want to make a few points about fracking. I do not understand what the hurry is. As the hon. Member for Warrington South mentioned, the gas price is pretty low at this point. The risks are not that well known yet. Fracking has been undertaken on an industrial scale really only since the very late 1990s and early 2000s. It does not have a body of evidence behind it. In terms of the rush to do this, the UK Government are trying to paint this as a gas versus coal debate—looking at our energy needs in terms of gas versus coal—but we have been shouting about other things. We have been making the case for things such as renewables and putting them front and centre. I do not think that this is a gas versus coal debate, no matter how much the UK Government try to paint it as such.

**Angela Smith:** For the record, the term “fracking” is not that helpful to the debate, but surely the key point of today’s debate is the importance to the future of UK manufacturing of giving this industry the support that it needs to get going. On that basis, there is surely a sense of urgency around all this. UK manufacturing needs new industries and new activity in order to grow.

**Kirsty Blackman:** I appreciate that point and I will come on to manufacturing; I just wanted to answer first a few of the points that had been brought up throughout the debate. “Fracking” is the term that my constituents use and the term that is recognised throughout the UK. That is why I was using it.

It has been mentioned a lot that we should ensure that controls are in place and there is proper regulation. The Scottish Government’s point of view and the direction that we are taking is that we want to prove the safety first and, if we do decide to do this, ensure that the controls are in place after that.

**Kevin Hollinrake:** During the moratorium, what evidence has been collated about the safety or otherwise of shale gas?

**Kirsty Blackman:** We are still in the process of researching this. The research does not finish until later this year, and then in 2017 the public consultation will finish, so we are not at the point in time at which we will be publishing the evidence. I think that that is reasonable. It is reasonable to look at the research properly before we bring it all together—

**Tom Blenkinsop:** Will the hon. Lady give way?

**Kirsty Blackman:** Not now. I want to make some progress because I do not have long.

I want to talk briefly about carbon capture and storage, which is very important for reducing carbon emissions; that is not just about moving from coal to gas. I have mentioned already the issue in relation to methane emissions. I understand that there is some evidence that methane emissions are relatively low, but I would like to see the body of evidence brought together in a report on unconventional oil and gas.

I also want to talk briefly about the supply chain and the benefits in that respect. I represent Aberdeen, where we have been feeling the effects of the oil crash for much

longer than a few weeks or months. For the past year, contractors have been finding it very difficult to get jobs and redundancies have been being made. In terms of the supply chain and supporting jobs in the UK, particularly in manufacturing around the supply chain, renewables would be very helpful. Also helpful would be looking at supporting the oil industry as it is now. I understand that the unconventional onshore oil and gas industry would bring jobs, but we need to protect the jobs that people currently have and are currently losing.

**Tom Blenkinsop:** I thank the hon. Lady for giving way; she is being generous with her time. The argument that I have certainly tried to make is that to have the industry that provides the solutions for renewables, which we still need to keep pushing hard for, we need the cheaper energy in order to retain the industry—so that we onshore that industry. For a steelworks to go forward and development to become cheaper and more efficient, it needs cheaper energy; and it is only the steel industry that provides the slab that is then rolled into tubes for monopiles that go into wind turbines, for example. It is the only onshore solution and it needs that cheaper energy.

**Kirsty Blackman:** I appreciate that. I am not sure how much the onshore oil and gas industry will affect the price of energy. I did not know a huge amount about the chemicals industry and things like that; a point was made about feed. However, we do have the lowest oil price for a long time, and natural gas is at a 10-year low as well, so energy prices should be cheaper as things stand, without the need for fracking.

**Tom Blenkinsop** *rose*—

**Angela Smith** *rose*—

**Kirsty Blackman:** I do not want to give way again.

I am concerned about the rush to fracking. The UK Government will not get a major tax take from it, because of the current position with the prices. We should not be rushing to do it. In terms of my constituency and protecting jobs in the north-east of Scotland, we need to be looking at supporting the conventional, established offshore oil and gas industry, as well as supporting renewables. The Government need to rethink their renewables obligation changes.

10.38 am

**Kevin Brennan** (Cardiff West) (Lab): We have had a very interesting debate. I have certainly learned a lot by listening to contributions from hon. Members on both sides of the Chamber. I thank everyone for that and congratulate the hon. Member for Thirsk and Malton (Kevin Hollinrake) on securing the debate. He told us that fracking—I am sorry to use that term—was a big issue in his constituency. Nevertheless, he made the case in relation to clean air, strategic interests of our economy, the industrial supply chain and jobs, including in the steel industry, tax revenues and exports. He slightly deprecated Government intervention in the economy, I think, by giving examples of economic progress where that had not happened. Then he outlined a whole series of Government interventions that he thought were necessary for this industry to work appropriately in the context of

[Kevin Brennan]

his constituency, so I think that there is a balance to be struck in relation to what the Government's role is in developing a new industry of this kind.

**Kevin Hollinrake:** The deprecation that I expressed was more about providing short-term subsidies that are then withdrawn, rather than thinking long term. The interventions that I suggest are long-term interventions that would control and regulate the industry.

**Kevin Brennan:** I understand that, although I think that there is a case to be made for saying that some of the subsidies that the Government have withdrawn could have been planned in a longer term way. We will leave that point, however, because it is not the subject of our debate.

I praise my hon. Friend the Member for Penistone and Stocksbridge (Angela Smith), as other hon. Members have done, for her speech and for campaigning assiduously, particularly on behalf of the steel industry and her constituents. She put the case very well. Whatever we may think about the industry, the House has taken a decision, although it may not be the one that we wanted. There are clearly opportunities for British manufacturing, so we have to take a pragmatic approach and plan accordingly. We need a strategic approach to ensure that UK plc and jobs in the UK benefit to the greatest extent possible from the development of the industry. My hon. Friend outlined the potential for the UK chemicals industry and for manufacturing in general. She made some good points about the pumps that would be required for the industry, about sand and cement and about the steel industry. I congratulate her on her contribution.

The hon. Member for Weaver Vale (Graham Evans) described a public meeting in his constituency. I understand the difficulty of getting the message across. Energy generation is one of the great “wicked issues” of politics. We all know the rule in politics: everybody wants cheap, plentiful, clean energy at the push of a button, but nobody wants it to be produced anywhere near to where they live. Those two things, as we all know, are incompatible. We are required to wrestle with such wicked issues every day as constituency MPs, Ministers and leaders in our community and across our country. The hon. Gentleman was quite right to point that out.

I believe that Ministers might have a more direct role than the hon. Gentleman seems to think in taking the message to the public. That is part of Ministers' responsibility, and they should not duck away from taking on difficult issues. In my experience, when Ministers take such responsibility, in the longer term they produce results for the Government in question—not that it is my duty to give them advice on how to win elections. I certainly think that Ministers have a direct role, although I appreciate that the Minister might not wish to spend his Friday nights in the way in which the hon. Gentleman described.

The hon. Member for West Aberdeenshire and Kincardine (Stuart Blair Donaldson) gave us an interesting insight, in his brief contribution, into the fact that the industry had its place in the 19th century. Shale was exploited in his constituency in the 19th century, so it is not a new concept.

The hon. Member for Tiverton and Honiton (Neil Parish) told us about his experience in Europe, and told us not to blame him for the bad things that have gone on there. Yesterday, other hon. Members and I attended a dinner with the aerospace industries. Since the start of the European collaboration that is Airbus, the European share of the commercial airline market has gone from 18% of the world market to 50%. It was made absolutely clear to us last night that that would not have happened without European co-operation and our membership of the European Union, so it is not all bad.

The hon. Gentleman described his friend the hon. Member for Thirsk and Malton as brave, and I am sure that he is. I am sure he would be equally brave if his majority were 456 rather than 19,456. He is quite right that it is always tough to have to wrestle with concerns from one's own constituents.

The hon. Member for Warrington South (David Mowat) made, as ever, an informative and expert speech. He pointed out—this is the elephant in the debate—that the current wholesale price makes it substantially more difficult for the industry to get going than might otherwise be the case. He made a well-informed and interesting speech, in which he pointed out the potential for other industries.

We had a speech from the SNP spokesperson, the hon. Member for Aberdeen North (Kirsty Blackman), who laid out her party's position. I wish my hon. Friend the Member for Middlesbrough South and East Cleveland (Tom Blenkinsop) had made a speech. He made many interventions, all of which were interesting and, as ever, informative. We slightly missed out, but he did give us the benefit of his interventions.

It is my responsibility to set out our position as a party. We have already laid out the conditions that we wanted to see in place before the industry developed further, to ensure the implementation of the protections that hon. Members have expressed concern about. I will not go into great detail on that, because we have not got time. Given that the UK will rely on gas, on any estimate, until at least the 2030s and possibly beyond that—we are very reliant on imported gas from Norway and Qatar, as was pointed out during the debate—we support exploratory drilling, but it must not be at any cost. We made that clear in the amendments we tabled last year to the Infrastructure Bill. Despite conceding some of those points during the debate, the Government have somewhat reneged on them since the general election. We laid out a large number of conditions that we thought were necessary before exploratory drilling could go ahead. I will not list them now, because of the time, but they are well established on the record. That remains our party's policy.

We have criticised the Government for allowing communities to decide whether they want onshore wind farms but not extending the same community involvement to this industry. There are questions about the appropriate level of local concern over a strategic industry of this kind. In relation to onshore wind, the Government have rather undermined their argument about the industry by the position that they have taken. I will not press any further on that point.

The development of this industry offers great opportunities for manufacturing industry in this country. One might call it “manufacturing”, as some have done. The Government must acknowledge that unless



they bring forward an active industrial strategy, those opportunities will not be realised. We have heard about opportunities that have been missed with other industries, including offshore wind, because of a failure to understand and exploit the supply chain opportunities of a developing industry. There is a great danger that the same thing will happen in relation to this industry as it develops, unless there is an active industrial strategy. That must be driven by the Government being prepared to pull every lever at their disposal and bring all the appropriate parties together in the same room, as the previous Government did, for example, with the creation of the Automotive Council. In fairness, that was carried on beyond 2010 and is still in existence. It has brought tremendous benefit to UK manufacturing by getting industry and interested parties together and encouraging them to understand that there is a commonality of need, even where people are in competition with each other, for the sector.

**Tom Blenkinsop:** On the subject of an integrated industrial strategy, the comments of the hon. Member for Warrington South (David Mowat) about the east coast of America are quite interesting. The Obama Administration underwrote a lot of those projects with stimulus funding, which is part and parcel of the Obama Administration's industrial strategy.

**Kevin Brennan:** On this side of the Atlantic, we tend to think that the USA is a laissez-faire society, but when we go there and see the reality of policies, not only at federal level but at state level, we soon find out that the picture is very different from our assumptions. Next time, I hope that my hon. Friend will prepare a speech, because we will not let him intervene so many times, no matter how interesting his contributions are. We look forward to hearing from the Minister about what he will do to make sure that the Government pull every possible lever.

**Mr George Howarth (in the Chair):** Order. Before I call the Minister, I advise him not to take the Opposition spokesman's suggestion of addressing us, as Queen Victoria accused Gladstone of doing to her, as though we were a public meeting.

10.48 am

**The Minister for Skills (Nick Boles):** It is a pleasure to serve under your chairmanship, Mr Howarth. I congratulate my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) on securing the debate. I had the advantage, or perhaps the disadvantage, of arriving in the Chamber this morning almost wholly ignorant on the subject. This Chamber, at its best, is the best university seminar in the world, and I will leave after an hour and a half a lot more knowledgeable on the subject.

Particularly important and welcome is how constructive and responsible the debate has been. Not a single contribution has been out-and-out anti-unconventional onshore oil and gas drilling. Concerns have been expressed and different approaches by different Governments in the country have been outlined, but nobody has suggested that onshore drilling does not potentially have a role to play in our future.

Interestingly, the focus—especially from Conservative Members—has been on the role of the Government and their various agencies in helping people to cope

with change, the unexpected, and the things that baffle and worry them. I congratulate all my hon. Friends on the role they take as Members of Parliament in bringing people together, securing the contributions of relevant experts and helping to lead their communities. The hon. Member for Cardiff West (Kevin Brennan) observed the scale of the victory of my hon. Friend the Member for Thirsk and Malton in the last election, but I am sure that he would be as brave in leading his community wherever he was elected and with however few votes over his nearest opponent.

The suggestion of a combined regulator is interesting. There might be a more practical approach than merging regulators, which would be pretty complicated. I will ask Ministers—I suspect it will be those in the Department of Energy and Climate Change rather than the Department for Business, Innovation and Skills, but it might be a combination of the two—why all three agencies have to send people to meetings. I will ask whether it is possible to have people who, despite being employed by the Environment Agency or the HSE, can speak to all the different aspects, rather than, as my hon. Friend the Member for Weaver Vale (Graham Evans) pointed out, the agencies having to travel in packs. That seems slightly inefficient and suggests that there is not a joined-up view and that things can get lost in the cracks.

The Government's policy on shale is that it can make a significant contribution to energy security, environmental protection and economic growth if it is managed carefully and regulated responsibly. Both Government and Opposition Members have mentioned the desire to arrive at just that balance, between recognising the opportunity and dealing with the risks and legitimate concerns.

On energy security, my hon. Friend the Member for Tiverton and Honiton (Neil Parish) mentioned that we currently import more than 50% of our gas, and my hon. Friend the Member for Warrington South (David Mowat) pointed out that by 2020, 10% will come from Russia. In the 2020s, based on current projections without the development of domestic sources of onshore gas, we will import more than 70% of our gas needs. Many Members have made the point that gas will always be a major part of our energy mix—or if not always, at least for the foreseeable decades. It is therefore important that we have a secure supply of it, ideally from domestic sources.

**Alex Cunningham:** I am pleased that the Minister has expanded his knowledge this morning. Does he plan to become equally knowledgeable about coal gasification? He could become an advocate for that part of the energy mix as well.

**Nick Boles:** The hon. Gentleman tempts me. No doubt if he secures a similar debate on that subject, I will have that opportunity. I am sure he is right that we can help to reinforce the competitive advantage of our existing chemical and steel industries, and others, through all sorts of innovative ways of securing energy supplies that are more environmentally sensitive than previous ones.

On the vital question of environmental protection, my hon. Friend the Member for Warrington South made the powerful point that, if all the world's coal were replaced by gas, it would contribute the equivalent of a sixfold multiplication of the world's renewables

[Nick Boles]

industries. Gas is a fossil fuel and, in the long run, we all hope not to be reliant on fossil fuels. Nevertheless, the transition from coal to gas is probably the most dramatic thing we can do to enable us to cut carbon emissions and prevent further climate change. That is why the Government are so keen to see the development of shale gas in the UK. There are substantial reserves, which will assist us in achieving our environmental objectives and providing economic security.

**Kirsty Blackman:** What about the possibility of supporting offshore oil and gas companies to extract gas from more difficult high-pressure, high-temperature wells, for instance, rather than putting the efforts into shale gas?

**Nick Boles:** In this constructive and responsible debate, I do not want to enter into partisan criticism. The hon. Lady and the hon. Member for West Aberdeenshire and Kincardine (Stuart Blair Donaldson) represent seats in Aberdeenshire, which, of all places in the United Kingdom, has a great understanding of and reliance on the oil and gas industries. It was extraordinary that they did not mention the Scottish election that is coming up in the spring, as that was perhaps one consideration that informed the timetable of the SNP's no doubt responsible and serious moratorium on the development of the industry.

It was extraordinary that the hon. Member for Aberdeen North (Kirsty Blackman) said that the industry has not been in existence for very long and therefore we do not know whether it is safe, when she also mentioned that it started in a serious way in the 1990s. I wish that the 1990s were not as long ago as they are, but they are 20-odd years ago. The failures of the previous Government mean that we have lost a huge opportunity by being slow. We do not want to continue that irresponsibility.

I thought the most interesting part of the debate was the discussion about the vital interplay between the potential of unconventional oil and gas and coal gasification, and the competitiveness of industries that are fundamental to the UK's prosperity and employment in the north-east and elsewhere, which face a challenging time. We have heard, in interventions by the hon. Member for Middlesbrough South and East Cleveland (Tom Blenkinsop) and in the excellent speech by the hon.

Member for Penistone and Stocksbridge (Angela Smith), about the dramatic effect that access to much cheaper and more local gas supplies has had on the chemical industry in the United States, and how vital it could be here. We have also heard about the opportunity that it would create for our hard-pressed steel industry if it were able to supply the dramatic needs estimated in the Ernst and Young report—£2.4 billion of steel tubing, and drilling rigs worth an estimated £1.65 billion. If the steel industry were able to take part in that and the chemical industry were able to benefit from the cheaper costs, we could benefit dramatically. Thanks to my hon. Friend the Member for Thirsk and Malton, we have heard a powerful case for a responsible, regulated and measured approach, but not for a moratorium. I congratulate him on securing the debate.

10.58 am

**Kevin Hollinrake:** Once again, it is a pleasure to serve under your chairmanship, Mr Howarth. I apologise for my initial lack of knowledge about protocol. I am grateful to Government and Opposition Members for the constructive way in which the debate has been dealt with. I am also grateful to the Minister. I quite understand that onshore oil and gas is not his normal brief, but skills and industry is, and we have heard compelling cases from Members on both sides of the House about the opportunities for the steel, chemical and engineering industries. There are huge opportunities for jobs for young people, which would give them a chance in life as young engineers. I welcome the recent announcement by the Secretary of State for Education that schools will be required to direct young people to engineering as well as to university, which will be key.

We need clear regulation. People have concerns about who they would go to if something went wrong—would it be the Environment Agency or the Health and Safety Executive? Having a single regulator, or a lead regulator, would deal with some of those concerns. We also need a clear, well articulated plan. The shadow Minister mentioned my majority. That is a clear case in point. We need to ensure that Members of all parties—whatever their majorities—are willing to support onshore drilling on the basis that it is the right thing for the UK and a real opportunity for UK manufacturing. It is incumbent on the Government to clearly illustrate how that can be done in a way that eases local people's concerns.

*Motion lapsed (Standing Order No. 10(6)).*

## Child Poverty

11 am

**Peter Dowd** (Bootle) (Lab): I beg to move,  
That this House has considered levels of child poverty.

I am pleased to serve under your oversight, Mr Howarth.

“Even if we are not destitute, we still experience poverty if we cannot afford things that society regards as essential. The fact that we do not suffer the conditions of a hundred years ago is irrelevant... So poverty is relative—and those who pretend otherwise are wrong.”

I start by agreeing with the Prime Minister, who hit the nail on the head when he said that in his 2006 Scarman lecture. Consideration of the levels of child poverty is a matter of huge significance. A reasonable definition of poverty proposed by the Joseph Rowntree Foundation is “when a person’s resources are not enough to meet their basic needs.”

In other words, being able to enjoy the activities of normal daily living is important. The Prime Minister agreed with that in practical terms.

I do not want our consideration to turn into a political football, but given the political choices that the Government have made in this policy area, it would be almost impossible not to stray on to that pitch. I take it as read that, at some point or other, a Government Member will mention the apparent mess in which Labour left the country; how the Government have got the country back on track and saved the day but that there is still much to do; how the country needs to fix the roof while the sun shines; how we have to live within our means; and, of course, every other cliché to which Ministers can lay their tongues. Unlike the world economic crisis of 2008, which was clearly and wholly the fault of the last Labour Government, even I acknowledge that the current international economic uncertainty has little to do with Government policies, but that cannot be an excuse or an alibi for the Government to shirk from ensuring that child poverty does not increase.

**Nick Thomas-Symonds** (Torfaen) (Lab): It is a pleasure to serve under your chairmanship, Mr Howarth. Does my hon. Friend share my concern about what the Social Mobility and Child Poverty Commission said just before Christmas:

“It has long been obvious that the existing child poverty targets are not going to be met. In fact they will be missed by a country mile”?

Does he agree that that is a damning indictment of the Government’s policies?

**Peter Dowd:** It is a damning indictment. If just one organisation was saying that, perhaps we could bypass it, but organisation after organisation is identifying that as a cause of concern. Somewhat topically, if the Government can exempt the most powerful of commercial institutions from paying their due taxes or can slope away from challenging the practices of bankers, who are the real culprits in the economic chaos of 2008, surely they can protect our children from the worst effects of those who seem unable or unwilling to pay decent wages.

The existence of any level of child poverty in one of the world’s wealthiest countries should be a source of deep concern to everyone in this room, but it should also be a source of shame that the levels of child

poverty in this country are high and rising. I have many friends who either were or are teachers or health and social care professionals—they work or have worked to make the lives of children better, easier and gentler—but such professionals have a hard task. They have spent much of their careers seeing the number of children in poverty beginning to drop. For example, poverty reduced dramatically between 1998 and 2011, when 1.1 million children were lifted out of poverty, but that has changed over the past few years, as my hon. Friend said. Austerity has taken its toll, particularly on those who can least afford it. Figures from the Department for Work and Pensions indicate that, since 2010, child poverty has, at best, flatlined. Meanwhile, the number of children in absolute poverty has risen by half a million since 2010. That is 100,000 children every year, more than 8,000 children a month, almost 2,000 children every week or, put another way, 300 children a day for five years—year in, year out—which cannot be right.

Let us not beat about the bush. The unspoken question on many minds is whether that poverty is due to the fecklessness of parents. Well, I think not in most cases. More than two thirds of children affected by poverty live in households where at least one member is in work. God knows what type of work permits and enables such poverty, but they are, none the less, in work. End Child Poverty, an organisation considering such issues, is particularly concerned about the rising poverty in working families. As the Joseph Rowntree Foundation report, “A UK without Poverty,” noted,

“Too often, public debate talks about ‘the poor’ as if they were a separate group of people with a completely different way of life.”

**Imran Hussain** (Bradford East) (Lab): It is a pleasure to serve under your chairmanship, Mr Howarth. Does my hon. Friend agree that low-wage, low-skill economies lead to an increase in child poverty? In my constituency, Bradford East, we have an absolute child poverty rate of 28.6%, compared with a national average of 18.2%, which is unacceptable. Does he agree that one solution is not this rhetoric of more employment, which the Government keep telling us, but to provide high-skill, high-wage jobs, so that families cannot just survive but live properly and children are brought out of poverty?

**Peter Dowd:** I agree with my hon. Friend, and I will come back to that in a moment.

**Nick Thomas-Symonds:** I am grateful to my hon. Friend for giving way again. He is making an important speech on an important topic, and I congratulate him on securing this debate. He has mentioned poverty suffered by people who are in work. Does he agree that the cuts that the Government are introducing to the work allowance of universal credit from April 2016 will make that situation worse? Perhaps that explains the enormous turnout of Tory Back Benchers to support the Minister today.

**Peter Dowd:** I agree with my hon. Friend. I spoke earlier about Members in the room being deeply concerned about poverty, but obviously not that many Government Members are concerned.

I will finish the quote from the Joseph Rowntree Foundation report:

“In reality almost anyone can experience poverty—over half of the population spent at least one year in relative income poverty between 1991 and 2003.”

[Peter Dowd]

Even if we accept that fecklessness is a factor, it is only part of the picture, and not a very big part. It becomes another alibi for doing little about the problem. Blaming poor people for being poor, even when they are working hard, is unconscionable. Shakespeare is always a good source for thought:

“And, being rich, my virtue then shall be,

To say there is no vice, but beggary.”

My late mother was a war widow. She died at the age of 95 and had been a widow for 50 years. Her mother was a war widow and a war mother—she died at the age of 106 and had been a widow for 67 years. Much, if not most, of their time was spent in relative poverty, with poverty for their children, too. Was that right? As the youngest, I feel that I was lucky, but luck should have nothing to do with it. That cannot be right.

The country’s economic structure plays a significant part in poverty. For example, the Government are still not concentrating on the effects of the productivity gap, which accounts for billions of pounds in lost GDP. My hon. Friend the Member for Bradford East (Imran Hussain) raised that issue earlier. Output per worker remains 2% below the pre-crisis levels of 2008, whereas in the rest of the G7, it is 5% higher. *The Economist* has said:

“The French could take Friday off and still produce more than Britons do in a week.”

In an article in *MoneyWeek* last year, Simon Wilson indicated:

“Bank of England calculations suggest if productivity had kept pace with the pre-2008 trend, the UK population might on average be 17% better off than it is today.”

Rather than pointing the finger at the poor, the Government should get that same finger out and address that driver of poverty.

**Jo Cox** (Batley and Spen) (Lab): I have statistics similar those of to my hon. Friend the Member for Bradford East (Imran Hussain). In my constituency, one third of all children, 33%, live in poverty, which is heartbreaking and shocking for the many hard-working families there. Does my hon. Friend the Member for Bootle (Peter Dowd) welcome the major defeat in the Lords last night of the Government’s attempt to abolish income-related child poverty targets, and does he agree that it is simply not credible to tackle child poverty without acknowledging the worst issue, a lack of money? For the Government to attempt to abolish that target is simply reprehensible.

**Peter Dowd:** I agree with my hon. Friend, but I think a pattern is beginning to develop with this Government: they redefine everything when it does not suit them. So, for example, affordable housing now means a house costing £400,000 or £500,000. Everything is redefined to suit the Government’s agenda.

**Patricia Gibson** (North Ayrshire and Arran) (SNP): To follow on from the point made by the hon. Member for Batley and Spen (Jo Cox), is the hon. Gentleman as concerned as child poverty charities are by the Government’s attempt to redefine child poverty? It is important to publish annual figures on income-related child poverty,

if for no other reason than the long-term impact of such poverty on health, development, educational outcomes and life chances.

**Peter Dowd:** The hon. Lady makes an important point. As I said earlier, even the Prime Minister accepts that there is relative poverty, and all the jiggery-pokery with definitions is not going to make that untrue.

**Liz McInnes** (Heywood and Middleton) (Lab): Is my hon. Friend aware that the Child Poverty Action Group has stated that it costs £29 billion a year to respond to the issues caused by child poverty? CPAG says that it is a false economy to drive up child poverty and that this Government should be considering measures to drive it down.

**Peter Dowd:** My hon. Friend is absolutely right. She has stolen my thunder—I will refer to that figure later—but she makes an absolutely valid point.

The Government’s January 2014 evidence review of the drivers of poverty found that a lack of sufficient income from parental employment, not just worklessness, is the most important obstacle to getting children out of poverty. Of course, to pick up on what my hon. Friend said, the Government say that a high-skilled, high-wage economy will lift family incomes—ergo, poverty will fade away. In the world where many of my constituents live, it does not quite work like that. I am afraid that even combined with increased personal tax allowances, the increase in the minimum wage, or whatever the Government want to call it—another redefinition—does not go far enough to alleviate child poverty to any substantial degree.

There can be no doubt that child poverty is rising and that it has an effect on educational outcomes, health outcomes and job prospects in the longer term. Independent projections from the Institute for Fiscal Studies indicate that, as has been mentioned, child poverty is beginning to rise. Research by End Child Poverty identified that 4.1 million families and 7.7 million children have been affected by below-inflation rises in both child benefit and child tax credit over the past few years. Interestingly, poverty of aspiration by the Government in policy terms begets financial poverty, because it restricts the use of the very tools that could tackle the drivers of poverty.

In my constituency, child poverty in one ward has reached 40%. Across the constituency, it is around 30%. In other words, almost 7,000 children in my constituency live in poverty. That cannot be right. Remembering the point I made earlier about the number of children in working families who still live in poverty, youth unemployment hovers between 8% and 9% and adult unemployment at about 7%. The median wage is £470, below the national median level of £520 and the regional level of £480. What message is that sending to our children: “Start your life in poverty; get a job on low wages; and you’ll still be in poverty—and so, in turn, will your children.”? It is hardly the most encouraging of straplines for young people.

In 2015, £7 million in early intervention funding was allocated to Sefton Council, in whose area my constituency sits. That is a reduction of £10 million since 2010 in early intervention, the very thing we should be getting

to grips with. How can that funding cut help alleviate child poverty? Problem debt in Bootle is £12.5 million. The Children's Society suggests:

"Too often, when families are struggling with repayments, the response from creditors is unhelpful...a breathing space scheme" would give

"struggling families an extended period of protection from default charges, mounting interest, collections and enforcement action", enabling them to seek advice and preventing them from falling deeper into the debt trap. That is a practical suggestion.

I believe that my constituency is not an outlier in statistical terms; it is typical of many areas, both rural and urban. It is lazy to suggest that people are shirkers. Levels of child poverty in this country are dreadful. They are a blot on the integrity of our society. The Government cannot solve all the problems, nor does anyone expect them to, but poverty costs money. As my hon. Friend the Member for Heywood and Middleton (Liz McInnes) said earlier, the cost to the UK of poverty is reckoned by one assessment at about £29 billion pounds: almost £6 billion in lost tax, £15 billion for extra spending on services to deal with the consequences of poverty and £8.5 billion in lost earnings to individuals. What a waste! Surely, even forgetting the human stories and experiences behind those figures, the statistics and costs are enough to make any Government reconsider their strategy for dealing with the child poverty that our country faces.

As Nelson Mandela said, standing just yards away from here while he addressed Parliament,

"poverty is not natural. It is man-made, and it can be overcome and eradicated by the actions of human beings."

I have managed to agree with the Prime Minister and Nelson Mandela in one fell swoop, which does not happen very often.

11.17 am

**The Minister for Employment (Priti Patel):** It is a pleasure to serve under your chairmanship, Mr Howarth. I thank the hon. Member for Bootle (Peter Dowd) for securing this debate. I agree completely with him that child poverty is an incredibly important issue, and that child poverty levels are too high in this country. Indeed, he and I discussed the indicator and its importance to addressing child poverty while discussing the Welfare Reform and Work Bill in Committee not long ago.

The issue is of immense importance. The hon. Gentleman referred to my right hon. Friend the Prime Minister in his remarks. Tackling child poverty is close to the Prime Minister's heart, and it is at the heart of this Government's agenda. We have committed to eliminating child poverty and to improving the life chances of children up and down the country. They are the future of this country. It is also important to recognise, as the hon. Gentleman has done, that poverty is not natural. At the same time, it should not be defined by arbitrary measures. We must look at the actual causes of poverty and how we as responsible Government and parliamentarians use policy levers to create the right solutions to address the actual causes of poverty.

**Nick Thomas-Symonds:** Does the Minister agree with what the Social Mobility and Child Poverty Commission said just before Christmas? It said that

"it is not credible to try to improve the life chances of the poor without acknowledging the most obvious symptom of poverty, lack of money."

Will she take this opportunity to confirm that in defining child poverty, the Government will take into account income, as well as their defeat on this matter in the House of Lords last night?

**Priti Patel:** I recognise the defeat that took place in the House of Lords last night. It is a perfectly normal part of the parliamentary process. On income measures, we will continue to use the number of households below average income. On the point about the Social Mobility and Child Poverty Commission, the SMCP itself is clear that the current approach focuses on dealing with symptoms and not the underlying causes of child poverty. Of course, that is exactly the purpose of this Government.

In fact, we debated this issue very extensively during the passage of the Welfare Reform and Work Bill. We are focusing on the root causes rather than symptoms. It is also important to say that we are seeking to prioritise the areas that will make the biggest difference and help to transform the lives of children.

**Nick Thomas-Symonds:** Will the Minister simply confirm something? Does she agree that lack of money is an obvious measure of poverty—yes or no?

**Priti Patel:** Income is a significant part of this issue, but there are many other causes as well. Through the Welfare Reform and Work Bill, we are focusing on certain factors, because all the evidence tells us that the factors that have the biggest impact on child poverty and our children's life chances, and consequently they become the real drivers, are focus on education, educational attainment and work, because they make the biggest difference to disadvantaged children, both now and in the future.

In particular, with the new life chances strategy we are focused, as I have already said, on tackling the root causes. The Prime Minister has already outlined that strategy, which sets out a comprehensive plan to fight aspects of disadvantage and extend opportunity. However, we should also recognise that many of those in poverty have to confront a range of challenges and issues, such as drug addiction, alcoholism and health issues, including poor mental health. It is important that we use the right public policy levers to bring the support together to deliver the right services and mechanisms for those households.

The strategy will include a wider set of non-statutory measures on the root causes of child poverty, including family breakdown, the problem of debt, and drug and alcohol addiction. These measures will sit alongside the life chances measures in the Welfare Reform and Work Bill. This spring in particular will present an opportunity to examine the details and to consider how we start to address these deep-rooted social problems, and how we can work collectively—by using public policy and the delivery mechanisms that we have in all our communities—to focus on how we can support children and transform their lives.

**Jo Cox:** I thank the Minister for giving way. I just want to push her a little bit on whether she will now accept the defeat last night and listen to a range of

[Jo Cox]

experts, the Social Mobility and Child Poverty Commission, and the public, who feel that the Government should report annually on income-related aspects of child poverty. While I acknowledge that child poverty is a complex issue, the income dimension is such a key part of it that it is not credible to ignore it.

**Priti Patel:** The Bill is going through the right process of scrutiny now in the Lords, as it already has in the Commons. Of course, we will consider all responses when it comes to considering the next steps in particular. That is the right and proper parliamentary process and of course all legislation goes through it.

Once again, however, I must emphasise that there is no silver bullet for this situation; there is no way in which child poverty can be just addressed overnight. A range of areas need to be looked at and, as I have said, tackling the root causes is a fundamental step in the right direction.

**Nick Thomas-Symonds:** The Minister is being very generous in giving way. Does she accept that trying to change the definition of child poverty simply confirms what the Social Mobility and Child Poverty Commission has said about missing the existing targets by a country mile? Are the Government not just trying to change the definition because they will miss the targets?

**Priti Patel:** I completely reject that assertion for many reasons, and I do not have the time now to have the full debates that we had in Committee; please forgive me, Mr Howarth.

This process is not about moving goalposts or changing definitions; it is about making a fundamental review of the approach that we take. I will not be tempted by the hon. Member for Bootle, who basically said that I would inevitably regale Members with what happened under Labour. However, this process is a fundamental shift in the strategy and the approach that are being taken. The approach is a holistic one, looking at the root causes and recognising that we have to address, for example, the number of workless households and the causes of worklessness, and ask why households have been workless in the past, and recognising that having work in households changes the future outcome for children and of course redefines child poverty and what it means to households.

We should also recognise in this debate that work plays a very important role in addressing the issue of poverty, including child poverty, because we know that work is the best route out of poverty. Evidence has shown that nearly three quarters of poor workless families who have found employment have escaped poverty. So these are some of the crucial underlying factors that we have to address, and of course work—

**Liz McInnes:** Will the Minister give way?

**Priti Patel:** I will give way just one more time, because there are other points that I want to make.

**Liz McInnes:** I thank the Minister and I will ask a brief question. If work is the route out of poverty, can she explain why two thirds of those who are defined as being in child poverty are in working households?

**Priti Patel:** We should also recognise that evidence shows that the highest poverty exit rate—75%—was for children living in families who went from part-time to full-time employment. Of course, as the economy grows, and through the introduction of the new national living wage as well, we will see those households benefiting much more when it comes to income in particular.

Regarding the hon. Member for Bootle's own constituency, the latest figures show that the number of children living in households that receive out-of-work benefits fell by 7% between May 2013 and May 2014. Of course, we are seeing that trend develop by providing more employment opportunities, by recognising that, of course, work is the best route out of poverty, and by finding the right employment to support those families in particular to gain employment.

**Imran Hussain:** I accept that work assists with removing child poverty. Nevertheless, while the Government talk about mass employment and this road to economic recovery, in my constituency of Bradford East many of the jobs are zero-hours contracts, part-time work and poorly paid work. That does not assist my constituents and it certainly does not go towards eradicating child poverty in my constituency.

**Priti Patel:** There is good news in the economy and not all the jobs in the hon. Gentleman's constituency will be part-time, low-paid or zero-hours, so he has made a sweeping generalisation. However, regarding his point about low-skill, low-wage work, he is right; that is a wider issue in the economy that we must tackle. Tackling it is based on getting a higher skill country and economy, which can only be achieved by our being competitive as an economy and by investing in education, which is exactly what this Government are doing, and by focusing on education as a key factor in transforming the outcomes and lives of children in particular. Educational attainment is the biggest single factor in ensuring that poor children do not end up as poor adults and get stuck in that cycle of dependency and that cycle of low wages and low skills.

We all know that good English and maths are important. There are plenty of studies—hundreds of them, and international studies as well as national ones—that recognise that those subjects are key aspects in improving children's future life chances. Focusing on educational standards and having a new, vigorous curriculum are part of this Government's commitment. However, educational attainment is also important. In areas of deprivation, turning around schools that unfortunately have been focused on low standards and low outcomes, and ensuring that we have more good and outstanding schools, particularly in areas of deprivation, including wards, is important, and we would all support that.

Hon. Members have obviously touched on measures in the Welfare Reform and Work Bill, but once again we must look at the changes that we are introducing, particularly regarding welfare. This process is not about individuals and using some of the terms that have been used: I think that the language that the hon. Member for Bootle used about shirking should not be used at all.

In the minute or so that I have left, it is important for me to emphasise that part of these reforms is focusing on the support that we can provide to individuals; not

only cash payments but support to help people to get into work. That is exactly what the Welfare Reform and Work Bill is about.

I want to reassure the House about our focus when it comes to eliminating child poverty. The Government and this Prime Minister have been very clear about that. Our focus is on work and education, on a commitment to improving the life chances of all children and—importantly—on tackling the root causes of child poverty.

*Question put and agreed to.*

11.28 am

*Sitting suspended.*

## Further Education Colleges (North-east)

[SIR EDWARD LEIGH *in the Chair*]

2.30 pm

**Helen Goodman** (Bishop Auckland) (Lab): I beg to move,

That this House has considered further education colleges in the North East.

It is a great pleasure to serve under your chairmanship, Sir Edward. I requested the debate after a meeting that north-east MPs had with the further education colleges in our region. We believe that the quality of education that young people get in FE colleges is central, not just to them and to their life chances and futures, but to the economy in our region, and we therefore have a number of questions to put to the Minister, which I hope he is able to answer.

The economic needs of the north-east are clear. We have the largest proportion of our economy in manufacturing, and it is very good manufacturing. We are the only region outside London to have a balance of payments surplus, because we are extremely successful exporters, and we want to build on that platform.

In preparation for the debate, I contacted the North East chamber of commerce, because it does fantastic work in our region, and it alerted us to where the skills needs and shortages are at the moment. It told me that according to the Office for National Statistics the proportion of adults in the north-east qualified to national vocational qualification level 4 was 7% below the national average; meanwhile the North East local enterprise partnership's strategic economic plan highlights that by 2020 a staggering 120,000 more jobs will need a level 4 qualification.

The latest quarterly economic survey conducted by the chamber of commerce found that 71% of businesses in the service sector and 83% in the manufacturing sector were experiencing difficulties in recruiting staff, and the UK Commission for Employment and Skills' employer skills survey reports that 18% of employers face a skills gap—the largest of any English region.

We know that there will be an increase in demand for skilled workers in contact centres, warehousing, manufacturing, construction, customer service, sales and food production and that it will be compounded by the demographic changes that our region faces. We know that 3,500 construction jobs will be created each year between now and the next general election, but we also know that the total population growth in the north-east is less than a third of the national average. We know that many people with skills are retiring—in engineering, the average age of welding machine operators is 50. The skills shortages are completely predictable, and it is absolutely straightforward and simple for us to know that, even to continue as we are, we need to train more people. That is why we are extremely concerned by the prospect of reviews that destabilise and threaten the FE colleges.

The FE colleges in the north-east are much better than those in the rest of the country. According to Ofsted, 95% of them are either good or outstanding, compared with a national average of 79%. Consequently, they are educating 200,000 young people. Bishop Auckland College is absolutely typical of the colleges in our

[Helen Goodman]

region. It teaches technology subjects, such as construction, along with skills that are needed in the automotive industry, which are even more important now that we have not only Nissan but the new Hitachi plant in Newton Aycliffe. Also, everyone knows we need more skilled workers in childcare and in health and social care, and the college provides courses in those skills, too. It has approximately 900 full-time students and the number of apprenticeships has gone up to almost 1,000.

I am sorry to say that the policies that this Government implemented in the last Parliament and also seem to be proposing now give Bishop Auckland College the feeling that it is being destabilised. What are the Government's policies? The first thing they did was to cut the education maintenance allowance. The Minister, when he went to Winchester, Oxford and Harvard, might not have needed the support of an education maintenance allowance, but many of my constituents do.

According to National Audit Office figures, there have been real-terms cuts in the sector of 27% since 2010, and although the funding settlement announced by the Chancellor before Christmas was flat in cash terms, it represents another 10% real-terms cut, and I ask the Minister why that is. Why does he believe that it is okay to spend £9,000 per student on university tuition, but only £3,000 per student in FE? That is not a sign of a country that takes its technical skills base seriously, and I urge him to look at the experience on the other side of the North sea—at what is happening in Germany—and say, “We were lagging behind in this area 120 years ago and we are still lagging behind.” Alison Wolf found that in her nationwide survey.

I also ask why the Minister has instituted area-based reviews. Obviously, if there are failing FE colleges in some part of the country, he can review them all he likes, but that is not the situation in our region. The hon. Member for Berwick-upon-Tweed (Mrs Trevelyan) smiles and nods, because she knows I am not making a political point. I am making a point about the quality of education in the north-east. When the Minister made the announcement about the reviews, he said that he did not want any arbitrary boundaries, but we have arbitrary boundaries. The Tees valley review is under way, but the north-east one has not yet started, yet constituents of mine are educated both in Darlington and Stockton and in Bishop Auckland and Durham. That seems very arbitrary to us. What will the Minister do to resolve different possible upshots from the reviews? We have been told that there is slippage, so we would like to know when he expects the north-east review to take place.

When the Minister announced the reviews, he said that he expected policy options to include rationalising the curriculum and considering opportunities for specialisation, merger, collaboration and closure. Improving the curriculum is always a good idea, as is collaboration, but closure is unacceptable and particularly problematic in a rural area.

The average distance travelled by the 16 to 18-year-olds who go to Bishop Auckland College in my constituency is 8 miles each way each day, and for those over the age of 19, it is 14 miles. If the college was closed and they had to go to Darlington and Durham, some of those young people would have journeys of 28 miles. It is not

just the time and distance that are the problem; it is the cost. The bus fare from Barnard Castle to Darlington is £7 return—a £35-a-week bill—and for a young person living in Cockfield and going to Durham the cost would be £11 a day, or £55 a week. Those amounts are simply unaffordable. The Minister must know, notwithstanding his own wholly different educational and personal experience, that that would put some young people off doing what was best for them and for the country. Their whole future life possibilities will be limited by extortionate fares and excessive travel times.

When the Minister announced the reviews, he also said that any changes should be funded by the local enterprise partnerships and the local authorities. I was absolutely astounded by what he meant by that. Durham County Council is having to undertake cuts of 40% between 2010 and 2020. Against that massive reduction in the available resources, I simply cannot see how the council can be expected to take on new responsibilities for financing FE.

As I said earlier, Bishop Auckland College is facilitating 1,200 apprenticeships. In fact, I have an apprentice in my office—my third apprentice—and I have had extremely good experiences with them. They have improved the efficiency of the office no end. When I talk to the college, it says that the key logjam in increasing the number of good-quality apprenticeships is not what goes on in the colleges, but finding the placements with the employers.

I was interested to hear the questions that the chamber of commerce had about the apprenticeship levy. The first point it asked me to raise was whether the Minister intends to wrap up the apprenticeship arrangements under the Construction Industry Training Board with the apprenticeship levy. The construction industry has a good scheme that is working well. Everyone is happy with it. Rather than asking for it to be closed down and for the industry to get involved in something new, would it not just be simpler to let the industry carry on doing something that works well and to exempt it from the new arrangements? If it ain't broke, don't fix it.

The second point that the chamber of commerce made was that its members want longer-term funding, with agreements of at least two years to tie in with the fact that apprenticeships last for two to four years. That point was reiterated by the colleges. On numerous occasions in recent years, decisions about funding have been taken after they had begun to recruit for the following academic year, because the academic year and the financial year do not coincide. They are calling for three-year settlements. That proposal seems perfectly sensible, and I would like the Minister to consider it.

The thing that is really unclear is how the levy will be distributed. Which sectors will receive the money, and how will the Minister ensure that it reaches small and medium-sized enterprises? As the chamber of commerce pointed out, it is important that we prioritise current skills shortages and future skills shortages that we can predict from economic forecasts and how the regional economy is training. It also said—this seems completely reasonable—that we should prioritise those employers who already have a good training record.

The colleges and the employers are united in wanting a good inspection regime. It could continue to be Ofsted, but that good regime is vital to maintain the quality and, with that, the confidence that people have in apprentices. A recent survey for the UK Commission



for Employment and Skills found that 18% of employers in the north-east offer apprenticeships and 37% of employers wish or intend to do so. That is the highest level in the entire country. They are showing their commitment, and they, the colleges and we wish to see that matched by the Government with resources and stable frameworks for policy and delivery.

2.44 pm

**Mr Kevan Jones** (North Durham) (Lab): It is a pleasure to serve under your chairmanship, Sir Edward. I begin by congratulating my hon. Friend the Member for Bishop Auckland (Helen Goodman) on securing this debate. She outlined what is self-evident to many of us in the north-east: we have a good network of further education colleges.

I do not have a further education college in my constituency. My learners access Derwentside College in Consett and New College Durham. They also travel further afield to Newcastle and Sunderland and to other colleges in the region. As my hon. Friend outlined, some go to Darlington and Teesside. The colleges are an asset to our region. It is clear to anyone who speaks to or visits any of them that they are not inward-looking institutions—they are dynamic and forward-thinking. Derwentside College has a good liaison with local engineering companies, both large and small. It not only engages in recognising and understanding what further training is needed, but actively takes part in encouraging young people and adult learners to think of a career in engineering.

New College is an outward-looking institution that sponsors two academies: one in Stanley in my constituency and one in Consett, which is in the constituency of my hon. Friend the Member for North West Durham (Pat Glass). That initiative was spearheaded by John Widdowson, who is the chief executive of the college. He is working well to build the link between the school sector and the FE sector. He is giving great opportunities in Stanley to many young people. In addition, New College has 200 international students from across the world who come to study there.

I had the privilege last year of visiting Newcastle College's new railway engineering academy. That initiative came from the college, which recognised that there is a skills shortage in the rail sector. It is now providing well-qualified people for jobs—in some cases, those jobs are highly paid—in the rail sector. That college is taking the initiative. In the north-east, we have colleges that are not just allowing the world to pass them by; they are taking the initiative to understand what the business community and their local communities require.

**Andy McDonald** (Middlesbrough) (Lab): While my hon. Friend is acknowledging some of the work across the region, will he pay tribute to Middlesbrough College's work on its remarkable new science, technology, engineering and maths centre? That was launched recently, very much with the involvement of local employers, the manufacturing base and the supply chain.

**Mr Jones:** Yes, I will. It is a good example of how local colleges are taking the lead, not by just putting on courses that they hope people will come to, but by working with employers to ensure that the courses they offer are needed by young people and adult learners

and by local businesses. This might be an old-fashioned thing, but in our region, the colleges and the education sector are raising awareness that careers in engineering and manufacturing are a way forward and not a thing of the past.

**Chi Onwurah** (Newcastle upon Tyne Central) (Lab): My hon. Friend raises an important point: further education colleges in the north-east already work together and are forward-looking. Newcastle College is engaging with new industries, such as the aeronautical industry and the energy industries. Does he share my concern that the area-based reviews may take the focus away from what is best for our industry and our young people? Too much time may be spent focusing on how to respond to the review. I would like to see more work on adult education in the north-east, particularly given the cuts to local services.

**Mr Jones:** I agree with my hon. Friend, because one of the important points is collaboration between colleges. Looking back, one of the problems in the further education sector was where we had competition between different colleges. That network of working together, which provides opportunities for young people and adult learners, is important. Speak to anyone in the industry and they will say that the 16-year-old leaving school today is unlikely to be in the same job when they retire at 65 or 67 or whatever the retirement age will be when they come to retire. They will need constant on-the-job training and will need to re-access the education system, so the further education sector is vital.

I chaired a meeting last night at an event organised by the Industry and Parliament Trust to talk about the aerospace sector, which has huge potential for growth not only in engineering skills, but in the soft skills of process management and other areas as well. All our colleges, certainly in Durham, are encouraging not only engineering apprentices, who are vital, but the growth sector of tourism in the north-east. I know that Houghall college and also Northumberland deal with land skills and agriculture, which people might think are industries of the past, but they are very important to rural communities in the north-east, and certainly the tourism sector is a growth area across the north-east.

I understand that the Government will want to tackle bad performance, and I support that. If a college or any institution is failing its learners, it needs to be dealt with, but I am not sure how the review will fit in with the rest of the education system. For example, I have already mentioned New College's sponsorship of two academies, because it saw a clear need to link back into education. The sector is not separate from the rest of the education system, so I want to know how local schools and suchlike will be involved in the process.

My hon. Friend the Member for Bishop Auckland mentioned travel, which is a stark issue in my area and many rural areas. Many young people have to travel quite long distances to access courses. It might be easy in large cities such as London or Birmingham where there is a choice of providers close together, but in my constituency and in hers—for example, in Northumberland—people have to travel long distances, so the issue is not just about the number of colleges, but where they are. I totally agree with her that the abolition of the education maintenance allowance had a huge effect on young people's ability to access courses.

**Ian Lavery** (Wansbeck) (Lab): Does my hon. Friend recognise the problems in Northumberland? Northumberland College in my constituency is 60 miles from the Scottish border and 20 miles from the nearest fantastic city of Newcastle. Northumberland College has got fantastic results with 1,000 apprentices and £2.5 million invested in a new STEM centre. We have got fantastic results like we have never had before and a good rating by Ofsted. If there is any reduction in financing, or rationalisation, mergers or closures, does my hon. Friend agree that Northumberland could not be a part of that?

**Mr Jones:** I agree, but that is where the problem lies. I sympathise with the Minister. Having been a Minister myself, I accept that civil servants sometimes look at things through a London—not even a south-east—prism and think that if something is not happening in London or the south-east, it cannot be happening elsewhere. The idea that my hon. Friend has an outstanding college in Northumberland is perhaps something that they cannot comprehend. Any changes need to be right. One size will not fit all. We have a dynamic group of colleges. The issue is not about competition. That would be a retrograde step back to the bad old days when people were literally competing. That is not a good use of resources and not good for the learners themselves.

Another aspect that is important for the further education sector is to raise aspirations. If we are going to get people into engineering or hospitality and tourism, one thing that the north-east needs more than anything—the further education sector has a key part to play—is to raise aspirations. Sadly, in my own constituency, and in other constituencies as well, we have the problem of—it is a horrible word—NEET: not in education, employment or training. It is difficult to find out the numbers. There are individuals now who are not included in any statistics anywhere. They are not in the education statistics; they are not claiming benefits; and they do menial, part-time, casual work. That is okay while they are young, but they are missing out on the opportunities to get the qualifications that they need for the future, and in many cases they put themselves at great risk working on building sites or in conditions with no health and safety provision or any care for those individuals. Those are the people we need to reach. Sometimes, when the school system has failed them, the further education sector is a good way to access them.

I want to address two other points and how other Departments' policies impact on the further education sector. Just outside my constituency, in the City of Durham constituency, is Finchale Training College. It was set up in 1943 for the rehabilitation and retraining of ex-servicemen. It does fantastic work with veterans who have mental health problems and physical disabilities. It has a long tradition of retraining them and getting them ready for work. It has also done other training work in the wider further education sector. It was a residential college until 2015 when the Government changed the rules in a move away from residential colleges, and we can argue the pros and cons of that.

In September 2015, the Department for Work and Pensions introduced the specialist employment service to help individuals who need extra help because of disabilities or other training needs. They would have gone into the residential system, but are now—I think

positively—in the community. The system set up to deal with this is not only bureaucratic, but it has a detrimental effect on colleges such as Finchale. Contracts were issued nationally and large organisations such as the Shaw Trust, Remploy and others got the contracts. They have sub-partners and Finchale is a sub-partner for the Shaw Trust. The pathway for the people who need extra help into the system is via the disability employment advisers in local jobcentres. There are only two full-time disability employment advisers in the entire north-east; the rest are part time, and there is a problem. Access is gained through a computer-based system. On the first working day of each month, a number of places and contracts are put out. The employment advisers then have to match people to those.

In theory, there is a regional cap, so there should be 18 for the region, but that does not work in practice. So Finchale, which would have expected 70 students over the last period, has only got two, because as soon as a jobcentre in Croydon or south Wales logs on and gets in early, it can upload all its applicants to fill the places. So the idea that Finchale will access learners from south Wales or Croydon is not the case. There are an estimated 200 people in the north-east who need help.

**Sir Edward Leigh (in the Chair):** Order. The hon. Gentleman is giving an excellent speech, but he has gone on now for 15 minutes. Several people want to speak, and I want to get everybody in, so can he now bring his remarks to a close?

**Mr Jones:** Will the Minister ask his Department for Work and Pensions colleagues to change the system? The system needs to have a regional cap and to allow for people at least to access it, because at the moment it is having a detrimental effect on colleges such as Finchale.

Finally, I would like to hear the Minister's thoughts on regional devolution. We are told that post-16 further education will be devolved to the new regional body, whatever that will be. Will he guarantee that, if that happens, any cash will be ring-fenced or immune from cuts? When the public health budgets were devolved to local government, the first thing to happen was that they were top-sliced. One of my fears, I think rightly, is that the devolution agenda being pushed by the Government is more about devolving responsibility—without the cash to go with it—and then the blame when the new local authorities have to make the cuts. I am interested to know the Minister's thinking.

We have world-leading colleges and further education institutions in the north-east. The Minister needs to work with them and not to try and implant in the north-east some blueprint that might look nice on his civil servants' spreadsheets. If something is not broken, why try and fix it?

**Sir Edward Leigh (in the Chair):** We have a number of people wishing to speak. Please keep your speeches down to less than six minutes.

3.1 pm

**Mr Iain Wright** (Hartlepool) (Lab): It is a pleasure to serve under your chairmanship, Sir Edward. I thank my hon. Friend the Member for Bishop Auckland (Helen Goodman) for securing the debate.

Further education colleges in the north-east are important engines of economic growth and prosperity in our local communities, as well as significant drivers of social mobility. By 2022 the Tees valley will require 127,000 jobs in key sectors, but only 278,300 people out of a working-age population of 417,000 are in employment. The skills mismatch is incredibly important, and FE colleges can fill the gap.

Hartlepool, for a relatively small town, has a remarkably diverse range of post-16 provision. We have a sixth-form college, Cleveland College of Art and Design, and two schools with a sixth form. Hartlepool College of Further Education is the biggest provider of apprenticeships in the Tees valley and the second biggest provider in the north-east for 16-to-18 apprenticeships. It has a fully functioning aircraft hangar, with two jets and a helicopter, and we have real skills, expertise and quality in STEM. The college's apprenticeship success rate was 86.4%, when the national rate was 70.3%.

As my hon. Friends have indicated, there are concerns that the Government's reforms are pushing FE colleges to adopt significant changes in their business models, which will put their viability at risk.

**Alex Cunningham** (Stockton North) (Lab): I am grateful to my hon. Friend and neighbour for giving way. Yesterday in Education questions the Minister dismissed my concerns about the cost of area reviews, which I am led to believe could result in millions of pounds of extra banking fees being incurred as loan agreements are ended and new ones created. Does my hon. Friend agree that any real financial benefit to colleges might be lost unless the Government step in and decide what will happen with those additional costs?

**Mr Wright:** My hon. Friend makes a fair point, but I would go further, because I worry about the area-based review in the Tees valley. May I ask the Minister why the review includes FE and sixth-form colleges, but not school sixth forms, 16-to-19 free schools or university technical colleges? If a comprehensive review of post-16 provision in an area is being undertaken, why include only certain providers? The 10 FE colleges in the Tees valley subject to the review account for only about 60% of provision, so how can a proper evaluation take place? The process seems opaque, and no one has been able to demonstrate to me clear and transparent criteria for how the area-based review is being conducted. Will he use this opportunity to do so this afternoon?

Furthermore, given that colleges are autonomous organisations, it is difficult to see how any conclusions of the review can be implemented unless the Government starve colleges of funding until they agree to the conclusions. Will the Minister respond to that point and confirm that colleges in the north-east that refuse to accept the findings will not experience disproportionately harsh cuts to their funding?

The Government's key objective in skills policy is the target of 3 million apprenticeships by 2020. The apprenticeship levy has been proposed as a means to ensure that firms pay for training. I appreciate that core funding for 16 to 19-year-olds and adult skills will be maintained in cash, if not real, terms as a result of the spending review. However, the Minister knows that there remains acute pressure on college budgets. The Skills Funding Agency has suggested that about 70 colleges throughout the country could be deemed financially inadequate by the end of 2015-16.

A devastating impact on FE colleges in the north-east is possible. Will the Minister reassure the House, without referring to specific institutions—doing so might undermine confidence—that colleges in the region will have suitable resources? Will he explain how he anticipates that the combination of his main priority, apprenticeship expansion, with other FE college activities will complement one another, rather than the former being seen as a substitute or alternative for the latter?

I mentioned that FE colleges in the north-east are drivers of social mobility. For people in the north-east in their 20, 30s or 40s who have been made redundant—sorrowfully, we have had far too much of that in the north-east recently—or who may not have worked hard at school but now want to put their lives back on track, and yet are not in a position to take on an apprenticeship place, how does the Minister anticipate that FE colleges will be able to provide them with the necessary basic skills to make something of their lives?

I turn to the apprenticeship levy and, in particular, something that the Minister said when giving evidence to the Sub-Committee on Education, Skills and the Economy yesterday. About 2% of firms in England will be liable for the levy, and the Tees valley figure is broadly comparable to the national proportion—2.2% of our employers are large firms. In Committee I asked the Minister whether the Government position was that the levy will be a ring-fenced fund to be drawn on only by levy payers to fund apprentice training. The Minister said that large firms would have “first dibs” on the money raised from the levy.

That response prompts a number of questions. If that is the case, how will the 98% of smaller firms receive funding for apprenticeship training through the levy if they are waiting for scraps from the table? Will firms be able to carry the levy forward to subsequent financial years, so that if a large firm does not want to draw on it in year one, it will have that possibility in year two? Again, how will that help smaller firms? How will the system help FE colleges provide suitable financial planning? Will the “first dibs” approach be allocated on a national, regional or sub-regional basis—will it be large firms only in the Tees valley, or only in Hartlepool? How will the levy work?

As the Minister understands, the considerable uncertainty is undermining the ability of colleges in the north-east to plan and to provide their existing excellent further education provision. I hope that further detail will be provided this afternoon, so that colleges can get on with the job of ensuring that we can transform our regional economy and that people's lives in the north-east are made better.

**Sir Edward Leigh (in the Chair):** Congratulations—on the nail at six minutes. I call Anne-Marie Trevelyan.

3.7 pm

**Mrs Anne-Marie Trevelyan** (Berwick-upon-Tweed) (Con): Thank you, Sir Edward. I will do my best, although I am less practised than my colleagues.

Northumberland is one of our largest counties geographically, covering more than 2,000 square miles, but with a population of only 320,000. More than 50% of the population live in the small south-east corner of the country, where our excellent Northumberland

[Mrs Anne-Marie Trevelyan]

College is situated, in the constituency of the hon. Member for Wansbeck (Ian Lavery). For students in the Hexham or Berwick constituencies, the travel times and distances from local towns such as Alnwick, Hexham, Haltwhistle or Berwick are enormous. From Berwick the journey is more than 50 miles each way. The need for an excellent college to offer courses that the local school cannot is vital.

Northumberland College, under the fantastic leadership of Marcus Clinton, ably supported by a brave and determined board of governors, aims to provide a world-leading college for our students. A network of highly specialist centres is being built to provide a regional centre of excellence for hospitality, for tourism and for land-based training. A technology park, a STEM centre and a wind hub in conjunction with the Port of Blyth are also being created. Northumberland College wants to ensure that every student can access the training that they need in their chosen field, but my constituents face a challenge in even getting to the college.

Since our Labour county council stopped funding post-16 transport some years ago, the college has had to pick up the bill so that no student is lost. It is vital that there is stronger careers advice in our high schools, and that the sixth forms and colleges work together. Unlike in other parts of the country, in rural north Northumberland the pressure on schools is not too many pupils but too few. The schools are therefore keen to persuade their pupils to stay on for A-levels to help their cash flow, even though the college might be the better choice for a pupil. I ask the Minister, as the hon. Member for Hartlepool (Mr Wright) did, why the area review is not looking at provision in sixth forms as well as colleges and encompassing the whole post-16 sector. It is a small sector in Northumberland, but vital if we are to make the best use of resources and get the best for our students and for the future economic benefit of Northumberland.

A student who wants to specialise in construction, engineering or IT in our new STEM centre, or in land-based studies, which are so important to rural Northumberland, may be better off going to Northumberland College than remaining in a school setting, but that will be a problem as long as the battle for funds is an issue. Our college could not do more on rationalisation and working with local businesses to build apprenticeship programmes, but sparsely populated communities present real challenges, which I hope the area review and the Minister will shortly consider closely.

On apprenticeships, I, like the hon. Member for Hartlepool, would like the Minister to clarify how SMEs, which are the lifeblood of Northumberland—we do not have any large companies, and every company is an SME—will access levy funding to help them take on apprentices. We are struggling to get clarity on that, and I would appreciate having the Minister's guidance so that we and every SME that wants to be part of the apprenticeship programme can get our heads around the issue.

As the only college in our county, Northumberland College welcomes the recent moves to stabilise funding over the coming period, to introduce 19-plus loans and to support apprenticeship funding—my point about SMEs notwithstanding—and it is keen to discuss that with the Minister. It also welcomes the increase in

funding for those studying the land-based industries, and I hope Northumberland will continue to lead the way on innovative and modern thinking about farming practices. Those funding streams are allowing Northumberland College, at Kirkley Hall, near Ponteland—and, soon, I hope, at a satellite campus near Berwick, if we can persuade a local farmer to take on a bunch of students—to maintain a really specialist resource that is important for our agricultural county and for the whole north-east region. I look forward to hearing shortly from the Minister about how we can get some real clarity on that and the other issues I have raised.

3.11 pm

**Jenny Chapman** (Darlington) (Lab): It is a pleasure to serve under your chairmanship, Sir Edward. I congratulate my hon. Friend the Member for Bishop Auckland (Helen Goodman) on securing this important debate, and I am grateful for the opportunity to contribute.

I am not opposed in principle to area reviews, and it is right to assess from time to time the post-16 education on offer to young people and adults in any locality. We need to do that now because resources are scarce and colleges have been under immense pressure—more than they have ever been—in the past five years.

As a result of the environment the Government have created in recent years, I have seen some quite sharp practices taking place between colleges. In my area, we have the ludicrous situation that students have been enticed by offers of free travel to study at colleges further from home, when they could just as easily have studied the same courses in their home towns. That is not a sensible use of public money. Colleges are incorporated, but they are funded by the state, and taxpayers would expect such practices to be discouraged. My fear is that area review actually encourages such a lack of co-ordination and collaboration and that, once colleges agree whatever they agree with the area review team, the situation will deteriorate. I want to know what area review will do to cement collaboration between colleges.

I am all for student choice. I have no objection at all to Darlington students travelling further afield to access courses that are not on offer in the town or that are offered to a higher standard elsewhere. In fact, I would encourage that, and a small number of students from my area travel to Hartlepool to study on the courses mentioned by my hon. Friend the Member for Hartlepool (Mr Wright). I am pleased that they do that, and it is great that they can, but the lamentable state of public transport in the Tees valley is becoming an ever bigger obstacle to that happening more often. However, I do not like the gimmicky enticement of students who have not had the benefit of independent, well-informed advice about what is best for them.

College funding mechanisms certainly need to be looked at. Currently, colleges can do well as long as they can attract enough students on to their courses and keep them there, but they are not held to account adequately for the destinations of course leavers. Colleges operate in a market, but that market does not work sufficiently well for students.

My hon. Friend the Member for Hartlepool was absolutely right to refer to social mobility. There is a lack of quality advice and guidance for young people.

Students are therefore not savvy consumers able to shape the market in the way that I am sure the Minister would wish. The Social Mobility and Child Poverty Commission put it well:

“There is a jungle of qualifications, courses and institutions which students find hard to penetrate. Quality is variable and there is little or no visibility about outcomes. Nor is the system working as well as it should for the economy with skills shortages in precisely those areas—construction, technical and scientific skills—that vocational education is supposed to supply.”

In the north-east, we have seen thousands of older potential students lose their jobs in the public sector—and now in steel, too. How will area review take account of the needs of older learners? I ask that because I looked at what happened in Scotland, which undertook an area review—indeed, I was expecting a Member from Scotland to be here. The number of colleges in Scotland fell from 37 to 20. At the same time, there was a reduction of 48% in the number of part-time students and of 41% in the number of students aged 25 or over. That is deeply concerning to those of us from the north-east, given the job losses I referred to.

**Chi Onwurah:** My hon. Friend makes an important point about adult education and the capacity of our further education colleges to meet a growing demand for which there is less support. As the chair of the all-party group on adult education, I hope that the Minister will be able to give us some reassurance that the destruction of adult education will not continue.

**Jenny Chapman:** My hon. Friend makes an important point. The review could do serious damage if we are not mindful of the impact on older learners, given the experience north of the border.

One of the real problems is the confusion about courses, funding streams and where courses lead. A UCAS-style website could be created for vocational education, so that any learner can see for themselves what progression they are likely to undergo and what employment and earnings opportunities they are likely to have, as a consequence of choosing any course.

It would be remiss of me not to refer to my two local colleges—Darlington College, which is ably led by Kate Roe, and Queen Elizabeth Sixth Form College, which is led by Tim Fisher. The heads of both colleges are fantastic individuals, but they are both grappling like mad with how on earth to take their colleges forward, given the context that we are likely to see. Colleges in Darlington are really struggling with what Darlington needs to look like in the 21st century. What should the course mix look like? Who are the students of the future? What will they want? What will the skills needs be not just in our local area, but in the region, in the country and internationally? I want students in Darlington to get the same opportunities as students in the Minister's constituency, because that is not the case now. That is what we are meant to be aiming for. Those are the right questions for my colleges to be asking, and the Government should be focused on helping them to find answers.

Many of our colleges collaborate well, but there are too many examples of competition. I fear that the area review process will cement that counterproductive behaviour between colleges. As well as three-year funding security, colleges need external leadership. Unless we cement in some form of governance change—I do not know whether

that should be done through city deals or some other means, but we do need strategic leadership on a wider scale—and force colleges to accept a direction that builds in employers' needs, it is inevitable, given the likely future funding context and the competition for students, that different institutions will embark on wasteful enterprises and use novelty gimmicks to remain viable. That is in nobody's interests: it is bad for the economy, bad for taxpayers and, worst of all, bad for our students, who need well-informed advice that is given without prejudice and based on a sound knowledge of the jobs market.

I am afraid that so far area review has been conducted away from the gaze of students and parents, and away from employers. That has to change. The colleges are our colleges. They are vital local employers and community resources, and they undertake a vital task. We all feel great ownership of our colleges and do not want that to be lost. As I have said, I am open to change, as are my colleges, but the Minister needs to understand that the rationale for that change must have the students' best interests at heart.

3.20 pm

**Catherine McKinnell** (Newcastle upon Tyne North) (Lab): I commend my hon. Friend the Member for Bishop Auckland (Helen Goodman) on securing the debate, given the vital role played by further education in our region, which my hon. Friends have amply set out. I am pleased to have the opportunity to contribute, because on Friday I met the new principal of Newcastle College, Tony Lewin, at the college's aviation academy, which is based at Newcastle international airport in my constituency and ably led by former RAF engineer Tim Jacklin.

The aviation academy is just one of a wide range of world-class facilities at Newcastle College, including the energy, chefs, construction, healthcare, lifestyle and performance academies, as well as the rail academy, which has already been mentioned. I like to think of the aviation academy as one of the college's flagship operations, not only because it is in my constituency but because the facilities offered to learners are second to none. Students come from across the north of England to undertake FE courses in areas such as airport operations, cabin crew operations, aeronautical engineering, aviation operations and aerospace engineering. Some of them go on to take a foundation degree in aeronautical engineering or even an honours degree in aircraft engineering, operated in partnership with Kingston University.

Many of the courses are run in conjunction with high-profile names from the aviation industry, including Jet2 and Swissport, ensuring that the academy is delivering the skills that industry needs. Indeed, such are the facilities—including the academy's very own fully functional Boeing 737, and workshops kitted out with latest hydraulics, landing gear, pneumatics and electrical and electronic equipment—that people come from across the world to undertake the courses. Current students come from as far afield as Mozambique, Namibia and the Maldives.

Of course, all that is being provided at a time of great uncertainty for the FE sector, which has too often been afforded very limited time to plan properly or strategically, as a result of budget cuts imposed by the Government over recent months and years at unacceptably short

[Catherine McKinnell]

notice. I will not repeat all that has been said in the debate—my hon. Friend the Member for North Durham (Mr Jones) made a powerful case for the innovative approach taken by north-east colleges, as did other hon. Members—but it is worth reflecting on the open letter sent to the Prime Minister ahead of last year's spending review by 128 FE colleges across the country that stated:

“Late and unexpectedly large reductions in annual funding allocations...make it increasingly difficult to plan ahead with any certainty. Significant funding cuts for the 2015-16 academic year were announced in March 2015 with a further round of cuts announced in July. The cuts applied immediately from 1 August 2015. The uncertainty this creates means colleges cannot invest in their staff, effectively plan their curriculum, and meet the needs of the local economy and communities which they serve. It has become almost impossible to plan ahead and work meaningfully with other agencies and partners who rely on us to deliver their education, training and skills requirements.”

That is a serious concern for any part of the country, but surely more so for the north-east, which continues to have the highest rate of unemployment anywhere in the country by some margin.

Of course, one of the key ways in which the north-east FE sector is supporting our regional economy is through apprenticeships. Indeed, the proportion of the north-eastern colleges' adult education budget used for apprenticeships is higher—at 41%—than in any other region. I welcome any growth in the number of high-quality, meaningful apprenticeships because, as hon. Members may recall, one of the first things I did after being elected to this place in 2010 was to introduce a Bill to make better use of our public procurement system to deliver apprenticeship places. It was therefore with a wry smile that I read the Cabinet Office's new procurement policy note, published in August last year, which clearly states that

“central Government procurement contracts with a full life value of over £10 million and a duration of over 12 months should be used to support skills development and delivery of the apprenticeship commitment”—

particularly as I was told again and again by coalition Ministers that what I wanted could not possibly be done because of EU law.

Yet there is further uncertainty for colleges, among others, about apprenticeships. Newcastle College wants to take an active role in the delivery of apprenticeships through the new apprenticeship levy. However, despite the Government's proposal for the levy to be operational from April 2017, in just one year's time, the college is concerned about the continued lack of detail on how the initiative will work in practice. One can see why the scheme will be attractive to large firms, which can offset their apprenticeship costs against their levy payment; and, of course, the Government claim that only 2% of firms—those with an annual wage bill of more than £3 million—will have to pay the levy in the first place. So, as my hon. Friend the Member for Hartlepool (Mr Wright) asked, what about those smaller firms who will not pay the levy? How will they access funding for the programme, and will they be able to do so in a way that is not mired in bureaucracy that will put them off? After all, such businesses currently deliver more than 90% of apprenticeships in the country, yet *FE Week* reported 11 days ago that the Department for Business, Innovation and Skills just cannot clarify the issue.

Other questions remain, including how Ministers will ensure that, instead of a race to the bottom, the new system will create a race for quality apprenticeships—quantity over quality is a big risk—what will happen to potential apprentices who cannot be matched with an employer; what happens to the funding for apprentices where a firm terminates an apprenticeship part-way through; and how the Government will prevent a dip in apprenticeship numbers while firms wait to see how the new plans pan out.

For colleges such as Newcastle, for SMEs and, most importantly, for should-be apprentices across the country, I implore the Minister to make the details of the scheme available without delay, so that colleges and businesses have the lead-in time to plan properly for the changes ahead.

3.27 pm

**Mr Gordon Marsden** (Blackpool South) (Lab): The story of the area reviews is one of a belated and, to be blunt, over-hasty response by the Government to a developing crisis that they should have seen coming over a period of time. I congratulate everyone who has spoken, including the hon. Member for Berwick-upon-Tweed (Mrs Trevelyan). All the contributions were strong and compelling arguments for the vital importance of FE in the north-east. I particularly congratulate my hon. Friend the Member for Bishop Auckland (Helen Goodman) on securing the debate in the first place.

Some of the common themes that have come out of the process have been about the nature of the north-east's excellence, and the need not to jeopardise that in any way—not just the good manufacturing base, but also the service centre. It is not only for young people that that is important. In view of some of the statistics, such as that the average age of welders is 50, retraining and reskilling older people is crucial. I hope that the Minister did not miss the fact that virtually everyone who has spoken is worried about the unintended—I assume they are unintended—consequences of the over-hasty and rushed process I have referred to.

**Ian Lavery:** Is it not time that we cut to the chase? We have discussed Newcastle College, Northumberland College, Hartlepool College of Further Education, Bishop Auckland College, and colleges in Darlington, Durham and Teesside, among many others. All of them provide a brilliant education service to the people in their area. The reality is that we are here because we are extremely concerned that the area-based review will mean rationalisation or merger, which could both mean closure—or that it will simply mean closure. We are really concerned. We want some guarantees from the Minister that that will not happen in an area where the provision is much needed.

**Mr Marsden:** My hon. Friend repeats the eloquence that he and colleagues have displayed throughout the debate. Indeed, the questions he puts are essential, because what we have seen from the Government has been a continual process of cuts to funding both in-year and outside of it. An important point was made earlier about the inability to adjust in such a period of time. There has also been a lack of promotional budget for traineeships; cuts in the adult skills budgets, where the Government are still trying to find £360 million of

efficiencies and savings; and the scrapping of the education maintenance allowance to which many colleagues have referred.

I am afraid that that theme continues, with the scrapping of higher education maintenance grants for some of the most disadvantaged students, which are crucial to many colleges in the north-east. I have looked at figures that show that will affect 380 students at Cleveland College of Art and Design, 377 at New College Durham and more than 50 at Bishop Auckland College—that is not to mention those at Northumberland, Tyne Metropolitan, Newcastle College and Newcastle Sixth Form College. Therefore a large number of colleges will be affected.

While all of that is going on, we have seen the Minister and the Government set timescales for the area reviews at unrealistic levels. The arbitrary nature of the way in which the reviews are being carried out does not point to a happy outcome, which is why in December the Public Accounts Committee expressed its concern that that will not deliver a more robust and sustainable further education sector. It said that

“The departments appear to see the national programme of area-based reviews, which they announced in July 2015, as a fix-all solution to the sector’s problems. But the reviews have the potential to be haphazard”.

That is rather understating it. On the basis of what we have seen and heard so far today, the words “bull” and “china shop” come to mind.

Colleges across the north-east have done great work to support not just young people, but older people in gaining skills and we have heard how vital they are to the sub-regional economy. That is why we cannot afford to see the Government’s area reviews damaging the link between colleges and businesses or the many decent networks of colleges and schools in the area. As I said to *The Times Educational Supplement* in October,

“FE is all about getting students”—

especially local people—

“into work in the local economy.”

However, the area reviews risk undoing all that hard work. In view of the potential for combined authorities in the north-east that may wish to take on skills, education and training powers, over-centralised, Whitehall-led area decisions taken now could hamper their ability to do so effectively. That is particularly the case for adult skills and community learning budgets, which are the ones most likely to be devolved under any combined authority umbrella settlement.

Reports from the many parties that have run reviews have raised concerns that there is no clear process for making difficult decisions. My hon. Friend the Member for Scunthorpe (Nic Dakin), who is a former FE principal, expressed that view to *FE Week* in October. The steering groups look unwieldy and the reviews do not have to involve all post-16 providers. I am also concerned that groups of 25 are far too large. I would like the Minister to respond to those points.

We know that there are issues of financial inadequacy. The National Audit Office’s report shows that 29 colleges were inadequate in 2013 and that will rise to about 70 in 2015-16. That is a consequence of the many errors and failures of the previous Government, which have been continued by this Government. For many people, the idea that we have one law for sixth-forms and FE colleges and another for schools, academies and free

school sixth-forms who are not participating in the process or affected by it, beggars belief. If the reviews were about the quality of teaching and maximising FE colleges’ apprenticeships and outreach in the community, surely they should include all education and training providers. That point was made by Susan Pember, who was a distinguished civil servant in the Minister’s Department until not so long ago. As Martin Doel from the Association of Colleges and others have said, it is illogical that the process should continue without them.

All of the concerns raised have been highlighted in our discussion and it is imperative, as we have heard, that the local geography and economic conditions are taken into account in such reviews. In the north-east, as my hon. Friend the Member for Bishop Auckland demonstrated, the changes may be very harmful to the social fabric and social mobility of young people.

It is interesting that when the ideas for mergers and so on came to the Minister’s distinguished predecessor as Minister for Skills, the right hon. Member for South Holland and The Deepings (Mr Hayes), I am led to believe that he quietly shooed them away. He did that for a good reason, because he represents a rural constituency and therefore he knew well what some of the problems would be. The area reviews look set to force shotgun marriages on many colleges, with closures and mergers being put ahead of geography and economic sense.

It is also a pity, as my hon. Friends have said, that there has not been a broader role for learners, trade unions and the whole range of people affected by the changes. The National Union of Students has taken its own initiative and convened roundtables to mirror some of the reviews. An early report from its area review in the Tees Valley says:

“The travel infrastructure across Tees Valley needs to be improved significantly, particularly if learners are expected to travel further. At the moment, many colleges have to put on buses to enable students to come to college. With funding cuts and potential for a wider catchment of learners, this is not a sustainable model.”

It also mentioned an issue that we have not touched on today:

“We have significant concerns about the future of student support services, such as counselling, pastoral care and childcare, which are vital for widening access... and a commitment to ongoing support for disabled students... with physical and learning disabilities.”

My hon. Friend the Member for Stockton North (Alex Cunningham) mentioned the potential costs. Although the Minister said yesterday that he did not want such things to happen, we all know about the law of unintended consequences, so I hope that, if he does not answer that point today, he will write specifically to hon. Members to explain who will pay.

The truth of the matter is that all of the colleges we have heard about play a crucial role in partnering with businesses to provide the training and skills needed for the future in the north-east. We have seen that in the examples given and I could list many more, but I do not wish to add to those amply provided by my colleagues. We need to see the potential skills shortages and careers advice issue addressed, because they are crucial to sustaining those colleges. I was interested to see the recent Newcastle City Council taskforce report, which criticised standards as being inconsistent.

The experience of careers advice and training falls short not just in the north-east but across the country, yet the Government have continued their cuts, restricting

[Mr Marsden]

the support it is possible to give young people. Just yesterday in the Chamber, the Secretary of State had no answer to my question on the adequacy of limited funding and volunteers for a national careers service and the area reviews may do little to help and plenty to hinder promoting FE in careers advice.

Critically, we cannot afford to let talented and skilled young people, and older ones, fall by the wayside because their colleges have closed and the funding is not there to develop the skills needed to boost regional and sub-regional economies. The Government's area reviews, as they stand at the moment, are littered with problems and miss key components—they are simply a cost-cutting exercise. As we have heard, FE in the north-east is vital to improving the regional economy, so the Government must ensure that closures, mergers and cost-cuttings do not take place and do not destabilise the balance between education and work and that students do not lose the opportunity to go to a college near them. Otherwise, the Minister is in danger of presiding over a series of dysfunctional Rubik's cube processes, which could do permanent damage to local economies and learners' life chances in the north-east and elsewhere.

3.39 pm

**The Minister for Skills (Nick Boles):** It is a great pleasure to serve under your chairmanship, Sir Edward. I congratulate and, indeed, thank the hon. Member for Bishop Auckland (Helen Goodman) for securing the debate because I hope that it gives me an opportunity to reassure her on a number of points.

The hon. Lady said that the process of area reviews is destabilising colleges in the north-east. What destabilises colleges is not only the north-east but across the country is the Labour party holding an Opposition day debate in advance of the spending review and declaring that further education budgets will be cut by between 25% and 40%. Of course, what we actually saw in the spending review was a protection in flat cash terms of both the adult and community learning budgets and the funding rate for 16 to 19-year-olds—something that nobody in the college sector, the Opposition or anywhere else had predicted.

What also destabilises is hearing a series of speeches—with a few honourable exceptions, which I will come back to—from Members in which they wave appalling prospects of forced closures and people having to trudge hundreds of miles through the snow to get to a course, when absolutely nothing could be further from the truth and when they have literally no evidence at all for any of the fears they are trying to awake.

There are two approaches to opposition. The first is the approach that was admirably modelled by the hon. Members for Darlington (Jenny Chapman) and for Newcastle upon Tyne North (Catherine McKinnell), who said that she, in principle, could support the idea of an area review if it was genuinely intended to create stronger institutions that would be better able to supply the skills training required to meet the region's skills needs. We also heard constructive suggestions from the hon. Member for Newcastle upon Tyne Central (Chi Onwurah), who has now left. However, I would say to the other Opposition Members that it does nothing at all for their colleges or the students who they claim to

represent to terrify them into thinking that the Government are somehow slashing budgets when we are not or closing institutions when there is no proposal to do so.

**Mr Marsden** *rose*—

**Helen Goodman:** Will the Minister give way?

**Nick Boles:** No, I am not going to give way. I am going to move on—[*Interruption.*]

**Sir Edward Leigh (in the Chair):** Order. The Minister has intimated that he is not giving way, and I am afraid we have to listen to him quietly. It may be difficult, but Members must calm down.

**Nick Boles:** Hon. Members have asked a great many questions, and I want to try to answer as many as I can.

First, as well as seeming to think that my own educational background was a subject of interest for the debate, the hon. Member for Bishop Auckland suggested that I have no understanding of rural areas and the issues they face. I point out to her and the hon. Member for Blackpool South (Mr Marsden) that the constituency of South Holland and The Deepings neighbours—indeed, borders—my own. Your constituency, Sir Edward, also does. I, too, have a very rural constituency. I, too, have a constituency in which there are three towns that are more than 20 miles apart, so I entirely understand the issues. I am afraid that in Lincolnshire, fine and wonderful county though it is, we probably do not have much better public transport between towns than in the north-east, so to suggest that I have somehow brought an urban or south-east view to area reviews is ludicrous.

Secondly, the whole point about area reviews is that they are locally based. They are run locally, with local colleges taking these decisions. We of course accept that for the lower level of training in particular—level 1, 2 and 3 training—it is simply impossible to expect people to travel significant distances if we want them to continue in education. We do want them to continue in education, so we will absolutely not be looking to do that.

Opposition Members might want to ask themselves why the great and much admired Newcastle College is able to do so well. One reason is that it is big. In a single year, it secures £38 million of grant funding from the Skills Funding Agency alone, whereas many other colleges in the north-east receive £2 million, £3 million, £4 million or £5 million. “Merger” does not necessarily mean the closure of sites. In fact, what makes the closure of a site much more likely is a small, financially challenged institution that simply cannot cope with the overhead costs of running a college for very low volumes of training—

**Mr Kevan Jones** *rose*—

**Alex Cunningham:** Will the Minister give way?

**Nick Boles:** I will not give way. I am answering all Opposition Members' questions—[*Interruption.*]

**Sir Edward Leigh (in the Chair):** Order.

**Nick Boles:** I will now move on to funding. With many of the Opposition Members here today having participated in that Opposition day debate in which they frightened their constituents and mine with the prospect of a 25% to 40% cut, I hoped that I might hear



one word of welcome for the fact that the Chancellor was able to guarantee that the adult and community learning budget will be protected in flat cash terms throughout the spending review period—that is, until 2019-20—and that the 16-to-19 funding rate will also remain flat at £4,000 until 2019-20. Opposition Members predicted a 25% to 40% cut. We, through managing the economy responsibly, have secured funding stability, which I know their colleges welcome.

The hon. Member for Hartlepool (Mr Wright), as always, asked some important and serious follow-up questions, with the slight advantage of having quizzed me yesterday for an hour and a half. I will try to answer them, though they are not directly on the theme of area reviews. The change in the nature of apprenticeship funding is, of course, a critical element in looking at the future of any college's finances. I hope that he will welcome, endorse and help to go out and spread this message. Currently, across the country, colleges secure only 30% of all the funding for apprenticeship training. The rest—two thirds—goes to private training providers. We all believe that private training providers have an important role to play, and none of us wants to fix the market for colleges, but I hope that he and other hon. Members will join me in urging colleges to set themselves the ambition of winning two thirds of that funding.

Colleges are incredibly well placed to provide training for apprenticeships, as many colleges in the north-east already do. It will be a significantly expanding budget. The apprenticeship levy, about which the hon. Gentleman has some understandable concerns, will increase apprenticeship funding in England to £2.6 billion by the end of this Parliament. Between 2010 and 2020, apprenticeship funding in this country will have doubled. What other education budget will have doubled in that period? That is a dramatic shift. Colleges are fantastically well placed to take advantage of that funding, and I hope that we can work together to ensure that more of them secure it.

The hon. Member for Bishop Auckland asked an important question about the interaction between the new apprenticeship levy and the Construction Industry Training Board levy. She is right to say that the CITB has the support of the industry, but she is perhaps a little over-generous to say that the scheme is not broke. The reality is that our construction industry yet again has gone straight from feast to famine and suddenly finds that it does not have the skills it needs, so something is not quite working in the provision of skilled labour. I am sure that that is as true in her constituency as it is elsewhere in the country.

We have made very clear to the industry and, indeed, to the CITB that it will be for the industry to decide how it wants to combine the two levies. It may well be possible to devise a solution whereby one levy is effectively netted off against the other, so that no individual levy payer pays twice but we continue to provide support. The CITB levy, as the hon. Lady will be well aware, will cover more employers than the apprenticeship levy. She has my commitment that we will work with the industry to ensure the two levies work well alongside each other.

A question was asked about the devolution settlements and whether the funding that might be devolved will be ring-fenced. Hon. Members will be aware that we have already devolved capital funding to local enterprise partnerships in relation to skills. That funding is not

ring-fenced; it goes into the single capital pot that the partnerships have. I hope that Members will be reassured to know that even as adult skills funding starts to be devolved to areas that have secured devolution deals, local authorities in those areas will still be subject to the same statutory requirements to provide certain skills for free to certain members of the population. Local authorities might not have a ring-fenced budget, but they absolutely will have a statutory duty to meet that provision, as they do in relation to social services and all sorts of other services. I am sure that hon. Members will know from their own experience that local authorities take such statutory duties very seriously indeed.

The hon. Member for Darlington raised an interesting point and was the only person really to get into what she called the jungle of qualifications. I agree with her; it is often a baffling sea to any 16-year-old who comes in, seeking a set of courses to take them to a career. I hope that she will welcome and contribute to the review being conducted by a former Labour Minister, Lord Sainsbury. He is looking into constructing slightly clearer and more directive routes for technical and professional education, so that from the age of 16, young people are given a clear sense of what will actually take them into a job.

Finally, I come back to area reviews, which are the real subject of the debate. It is very important to understand and underline that colleges are independent institutions. We simply do not have the power, nor do we want to have the power, to tell them to merge, close or do any such thing. That is why—

**Several hon. Members rose—**

**Nick Boles:** I am not going to give way when I am in the middle of explaining something. That is why, of course, we have set up these reviews as being locally based and driven by the colleges. Of course, there is input from the Skills Funding Agency, because there is a great deal of expertise and because the Skills Funding Agency and the Education Funding Agency are the major sources of their financing. Frankly, however, many colleges—not least Newcastle College—also get a lot of funding independently, and quite right, too. They get it from business and do not need to look to the Government to tell them what their future is. We have invited all these colleges to work together and come up with a solution that will make them all more robust and more sustainable. It seems extraordinary to me that Opposition Members do not believe that any change could be positive.

**Several hon. Members rose—**

**Nick Boles:** Opposition Members just simply assume that every potential change is a threat and is somehow going to close a vital—

**Mr Marsden:** On a point of order, Sir Edward. You will observe that we have a considerable amount of time for the Minister to answer interventions, but he has refused to take any. Is it in order for him to do so, or is it just simply impolite not to?

**Sir Edward Leigh (in the Chair):** It is certainly in order for him to decide whether to take interventions. Whether it is polite or impolite is for others to judge.

**Nick Boles:** Thank you very much, Sir Edward, for confirming my understanding of Standing Orders. I just want to conclude by reassuring hon. Members—*[Interruption.]* I just want to conclude my argument by reassuring hon. Members that area reviews are not top-down impositions. They are not going to come up—

**Mr Kevan Jones:** On a point of order, Sir Edward. I have never seen a Minister fail to accept any interventions. When time is not on a Minister's side, it is fair not to, but we have eight minutes left and he has refused to have any Opposition Members challenge him on anything he has said, which is absolutely outrageous.

**Sir Edward Leigh (in the Chair):** Well, that is not a point of order, but there we are.

**Nick Boles:** I hoped that Opposition Members would understand that, when I said that I wanted to conclude my argument, that was slightly different from saying that I wanted to conclude my speech. I will be happy to take some interventions when I have concluded the argument that area reviews are not going to be centrally imposed solutions. They are locally generated solutions that will provide a prospect for every college—about which Opposition Members have spoken in such glowing terms—to do an even better job in the future of providing vital technical skills to their young people.

I will start, if I may, by taking an intervention from the hon. Member for Bishop Auckland, given that she secured the debate, and I am happy to use the rest of the time to take further interventions.

**Sir Edward Leigh (in the Chair):** I was going to call the hon. Lady to wind up at the end if she wants to, so does she want to let others come in first?

**Helen Goodman:** Okay, I will wind up afterwards.

**Nick Boles:** In which case, I am happy to give way to the hon. Member for Stockton North (Alex Cunningham).

**Alex Cunningham:** The Minister has not addressed the issue that I raised with him yesterday, which has been raised again today, about the banking fees that merging colleges will ultimately face as a result of any mergers that take place. They will run into millions of pounds across the country. What action will he take either to influence the banks or to ensure that those costs do not lie at the doors of colleges and that they get the benefit of any mergers that go ahead?

**Nick Boles:** I am glad that the hon. Gentleman has asked the question again. He is right, of course, that sometimes when there are changes to banking arrangements, fees arise, but those will be visible and transparent, and a college will only undertake an operation that might trigger those fees if it considers that, overall, doing so is in its interest. He will be aware that the Chancellor made it clear in the spending review process that there will be a facility to provide transitional funding for the implementation of area reviews. We will have access to that facility if we need it to support, for instance, a merger or some other arrangement; but ultimately, we will only support such a merger or arrangement if the

colleges believe that it is worth doing, even if there are some transitional transaction fees. I hope that helps a little.

**Mr Kevan Jones:** I am glad that, despite the Minister's arrogance, he has been shamed into accepting interventions. He is trying to portray the north-east colleges as somehow stuck in the mud and not wanting to change. I assure him, however, that he could not meet a more dynamic set of leaders who actually want change. I want to ask him specifically about the point I raised on the specialist employment service. Although I accept that that is a Department for Work and Pensions responsibility, will he assure me that he will raise it with his colleagues at the DWP?

**Nick Boles:** Of course, I am very happy to raise that with DWP colleagues; I regularly meet the Minister for Employment and actually I will meet the Under-Secretary of State for Disabled People soon. May I just make it clear on the record that at no time have I suggested that colleges in the north-east are stick-in-the-muds? Indeed, I have singled out several as exemplar colleges. I absolutely have said that some Labour Members who have spoken in the debate seem to be stick-in-the-muds and attached to defending existing arrangements, and I happy to repeat that claim.

**Mr Jones:** What the Minister is highlighting is that it seems as though he has made up his mind what he wants: he thinks big is beautiful. He rightly argues, as I said in my contribution, that Newcastle College is a good, forward-looking institution, but he clearly wants large colleges with satellites. That is not what local colleges in the region want; they want to co-operate with one another, so I am sorry, but he is being disingenuous if he is suggesting that he has somehow not made his mind up even before he started this review.

**Sir Edward Leigh (in the Chair):** Order. Will the Minister give Helen Goodman a couple of minutes to wind up, please?

**Nick Boles:** Of course I will. I just want to give any other hon. Member the opportunity to intervene, Sir Edward. They seem to be very keen to intervene—but perhaps less keen now.

3.57 pm

**Helen Goodman:** First, the Minister began his remarks by suggesting that some of us who spoke in this debate were scaremongering and that we had no evidence to suggest that options coming out of the reviews might include the closure of institutions. That is not the case. It was his document, "Reviewing post-16 education and training institutions: guidance on area reviews"—published on 8 September 2015, when he was the Minister—that floated that option. That is what people have noticed.

Secondly, the Minister knows perfectly well—he is an extremely well-informed man—that flat cash means real-terms cuts. That is what we have pointed out.

Thirdly, I asked the Minister why he thought it was right that the capitation was lowest in FE, as compared with universities and, of course, with sixth-form colleges. If this country is going to continue to develop a high level of technical expertise and manufacturing, we need

to put more money into this kind of education, which needs small groups and high-quality equipment to teach these young people.

*Question put and agreed to.*

*Resolved,*

That this House has considered further education colleges in the North East.

3.59 pm

*Sitting suspended.*

## Merseyside Fire and Rescue Service

[MR PHILIP HOLLOBONE *in the Chair*]

4.30 pm

**Margaret Greenwood** (Wirral West) (Lab): I beg to move,

That this House has considered the funding of Merseyside Fire and Rescue Service.

*Sitting suspended for Divisions in the House.*

5 pm

*On resuming—*

**Margaret Greenwood:** It is an honour to serve under your chairmanship, Mr Hollobone, and I am so pleased to have secured this debate this afternoon on the future of Merseyside fire and rescue service.

I begin by congratulating Merseyside fire and rescue service on its response to the floods right across the north of England this winter. It was able to provide that response because it makes such a positive contribution to national resilience, and I think we would all agree that we would like to see that contribution continue.

Merseyside fire and rescue service has been at the receiving end of severe cuts from central Government since 2011 and it faces further damaging cuts under the current Government. The cuts have led to fire station closures, a reduction in the number of fire engines and the loss of firefighter posts. The situation is a serious one and so I would like to describe these cuts in some detail today.

We all rely on the emergency services to be there should we need them. The work of firefighters is heroic. They enter burning buildings to rescue people who are in extreme peril, and who are terrified, exhausted or unconscious. That is the work that our firefighters do. They are brave people who put their own lives at risk to save the lives of others and I am sure that the Minister himself understands that, because of course he was himself once a firefighter. Firefighters are highly valued public servants.

In Merseyside during 2014-15, there were 582 rescues from all incidents; a rescue was carried out by Merseyside firefighters once every 15 hours. Their value cannot be in doubt. So it is important that we do what we can to ensure that firefighters can carry out their work in as safe an environment as possible. That is the very least that we owe them.

**Mrs Louise Ellman** (Liverpool, Riverside) (Lab/Co-op): I congratulate my hon. Friend on securing this very important debate. Does she share my concern that by 2020 there could be a cut of around 41% in the number of Merseyside firefighters in this vital emergency service?

**Margaret Greenwood:** I thank my hon. Friend for making that really important point, which I will return to. She is absolutely right. A cut of 41% in any workforce would add stress, but in an environment such as firefighting the resulting stress would be an unacceptable one to place upon firefighters.

[Margaret Greenwood]

With these points in mind, I will set out the scale of the cuts that the service has suffered since 2011 and their impact. I will then turn to the further cuts that were announced in December last year by the Government, and their implications, and I will ask the Minister to consider what all this means for Merseyside fire and rescue service.

Looking at the cuts from 2011-12 to 2015-16, we see that Merseyside fire and rescue service had a total cut from central Government of 32%, which is a huge and damaging cut. Like other metropolitan authorities, Merseyside relies to a much greater degree on its central Government grant than do county combined authorities such as Buckinghamshire. In 2010-11, Merseyside received 63% of its funding from its Government grant. Clearly, when the Government grant is cut, Merseyside receives a disproportionate cut in overall funding.

From 2011-12 to 2015-16, the cuts resulted in Merseyside fire and rescue service having to make £26 million worth of savings. What that meant on the ground is that we have lost nearly 300 firefighters, which is a cut of 31%; we have lost nearly 150 support staff, fire prevention and protection staff, and management staff, which is a cut of 35%; and we have had a 21% cut in our control staff, whose numbers are down from 42 to 33.

Cuts from central Government have also led to cuts in the number of fire engines on Merseyside, and in this respect the numbers are staggering. Back in 2011, we had 42 fire engines; we now have just 28, which is a cut of 33%. That cut has also led to a cut in the number of fire stations. On Merseyside, we are losing four fire stations as we go down from 26 to 22, which is a cut of 15%.

In my constituency of Wirral West, we currently have two fire stations—one at Upton and the other at West Kirby. Both are due to close and my constituents will no longer have their own fire stations but instead will be reliant on fire engines arriving from a neighbouring constituency. That will lead to longer response times, particularly into West Kirby and Hoylake, which are important urban centres. I am extremely concerned about this situation. Merseyside's chief fire officer, Dan Stephens, has described the closure of those two stations, to be replaced by one station at Saughall Massie, as "the least worst option". Clearly, that is not a ringing endorsement. The situation is far from ideal.

The loss of firefighters, fire engines and fire stations has led to an increase in response times across Merseyside over the five-year period from 2011 to 2016. Most notably, the response times of the second fire engine to attend incidents have increased by up to three minutes. That is worrying, because the crew of the first fire engine to arrive at an incident have to assess whether to carry out a search for people or to tackle the blaze. The arrival of the second fire engine is crucial, because with two crews the service can both tackle the blaze and carry out search and rescue. The Minister knows that minutes cost lives in a fire and that any increase in response times increases the risk of loss of life.

**Ian Lavery** (Wansbeck) (Lab): The number of fire deaths is often misrepresented, but the facts and figures with regard to Merseyside are that in 2011-12 there were five fire deaths; in the year 2014-15, there was a

doubling of that number to 10; and the indications are that the number could even treble in the next year or so. Does my hon. Friend share my deep concerns about this situation?

**Margaret Greenwood:** I thank my hon. Friend for that really important point, because of course someone might say that five is a small number—of course, every life matters—but when we see a trend such as that one it is significant. We also have to consider the wider trauma that is suffered, because of course one person who dies in a fire may have many relatives and children, and so the trauma is not just restricted to that one person. This is a very serious situation.

In addition to the increased risks to the public that we are seeing, we must also bear in mind what these cuts mean to the fire crews themselves. When a firefighter is committed to an incident wearing breathing apparatus, the length of time that they spend dealing with that incident and the activity that they undertake will have a bearing on the length of time they will need to recover away from the area of danger before they can be recommitted. Each time a firefighter wears breathing apparatus at an incident, the potential risk that they face increases, because of the amount of time they are exposed to hazards and the physical efforts of repeated use of breathing apparatus.

The speed at which other fire appliances arrive to provide additional crew in breathing apparatus is crucial to reducing the risk to firefighters and to providing an effective firefighting response. Dan Stephens, the chief fire officer of Merseyside fire and rescue service, has given his view of the impacts of the cuts so far. He says, "The reduction of appliance numbers resulting from the cuts to the Merseyside fire and rescue authority budget have increased response times for the first and subsequent appliances to life-risk incidents. The reduction in appliances has also impacted on the number of crews that can be released for risk-critical training and exercises on any given shift. The organisational capacity to undertake community safety interventions such as home fire safety checks has also been significantly reduced." It is important that we take notice of the chief fire officer's analysis of the situation that the cuts have given rise to.

**Mr George Howarth** (Knowsley) (Lab): I am very grateful to my hon. Friend both for her good fortune in securing this debate and for the powerful way in which she is making her case. Does she agree that given the weight of the problem that she has described, it would be appropriate for the Government to treat the fire and rescue service in the same way that they have treated the police, which is to say there should be no further cuts to the fire and rescue service?

**Margaret Greenwood:** I thank my right hon. Friend for that excellent point, and I absolutely agree with it.

As though all that has happened from 2011-12 to 2015-16 was not enough, there are more cuts to come. The future funding settlement announced as part of the local government funding settlement at the end of last year—on 17 December—has left Merseyside fire and rescue service facing a 41.3% cash reduction in the revenue support grant, which is the grant from central Government, over the period from 2016-17 to 2019-20. That equates to approximately a 50% reduction in real

terms. Once business rates are added, Merseyside fire and rescue service will see a cut in cash terms of 16%, or between 22% and 25% in real terms if we take inflation into account. Of course, we have to remember that those cuts are on top of the cuts that the service has already suffered, meaning total cuts of £11 million over the four years. The cuts that are coming our way are likely to lead to the loss of another 10 fire engines, taking the number down from 28 to 18, and the loss of another four or more fire stations.

The overall impact of the cuts delivered and planned for by the coalition Government and the current Government, between April 2011 and March 2020, will be a 41% reduction in the number of firefighters—a loss of about 400—a 46% reduction in the number of support, fire prevention and management staff, to just under 200, and a 21% cut in control staff, bringing their number down from 42 to 33. We can also expect to see the number of fire engines reduced from 42 to 18—a 43% cut.

**Mrs Ellman:** My hon. Friend is generous in giving way again. Does she agree that it is of great credit to Merseyside fire and rescue service that it has maintained such high standards in the face of the cuts? It would be absolutely wrong for the Government to continue their course of action in the knowledge that there would be a calamity in due course.

**Margaret Greenwood:** My hon. Friend makes an excellent point. She is absolutely right that it behoves the Government to take the situation extremely seriously.

The combined numbers for the loss of fire stations mean that we would be down from 26 to 18—a 31% cut. The numbers are shocking, and the scale of the cuts dramatic. Frankly, I find it unbelievable that it is possible to cut the number of firefighters by 41% with no increased risk of loss of life.

**Steve Rotheram** (Liverpool, Walton) (Lab): My hon. Friend paints a bleak picture of the impact of the cuts. In many ways, Merseyside fire and rescue service is a victim of its own success. It undertook to carry out preventive measures pre-2010, and that had a massive impact on the number of incidents to which it was called out. Last year, fire deaths on Merseyside doubled, but the low point in 2010 was because of those measures. Does my hon. Friend fear that the loss of 300 firefighter posts will have devastating consequences for firefighters' ability to address the rising number of fire deaths on Merseyside?

**Margaret Greenwood:** I agree with my hon. Friend's excellent point.

We have already mentioned the increased response times that are so critical when it comes to saving life. Independent consultants Greenstreet Berman suggest that by 2020, should the cuts go ahead, slower response times nationally will mean up to 41 additional deaths at dwelling fires, up to 91 additional deaths at road traffic collisions, up to 57 additional deaths at water incidents and 212 additional deaths at special service incidents. A significant increase in loss of life is predicted, so we must consider too what cuts in staffing on that scale will mean for those left working in the service. Anyone working in an environment that involves teamwork

knows full well that the loss of 40% of staff would put pressure on those remaining.

As well as considering the impact on the service's ability to respond to fires, we must also bear in mind the other essential work that the fire service carries out. In 2015, the Government published the latest edition of the national risk register of civil emergencies, which is the unclassified version of the national risk assessment. The register covers a range of civil emergencies that threaten serious damage to our welfare, the environment and security. A striking number of those threats are matters dealt with by the fire and rescue service, for example terrorist attacks, coastal and inland flooding, storms and gales, low temperatures and heavy snow, heatwaves and severe wild fires, pandemic influenza and other disease outbreaks, major industrial and transport accidents, and public disorder, such as during the civil disturbances of 2011. We must remember that a Government's first duty is to protect its citizens, and the coalition failed in that duty in 2011, with the riots that took place in London. I happened to be in London at the time, and it was very frightening to be there.

Firefighters in Merseyside continually plan, prepare and train for those kinds of emergencies. Some of the risks posed by such events have increased in recent years, and with climate change many of the risks are likely to increase in the foreseeable future. The Government's own analysis of flooding incidents responded to by fire and rescue services across England in 2014-15 shows a 15% decrease in the number of such incidents, but I think that we would all agree that this winter we have seen just how important fire and rescue services are in flood incidents, and we have all powerfully been made aware of how unpredictable extreme weather events can be. Merseyside fire and rescue service has supported every major flood event over the past 10 years.

We have to remember too the risk of terrorism. Terrorist incidents are, of course, by their nature unpredictable, but Merseyside fire and rescue must be able to respond to them. For example, it provided a terrorist firearms attack team for the NATO summit in Cardiff.

Other events are highly uncertain and difficult to quantify, and it is impossible to plan for multiple events. Everyone assumes that the fire and rescue service is prepared, equipped and staffed to meet every challenge. The Government's planning for such risks assumes that sufficient firefighters are available to tackle the emergencies, and that the fire and rescue service in Merseyside is resilient in the face of such threats.

I want to talk a little about the drop in the number of fire incidents. Some have tried to argue that the drop justifies the reduced spending on fire and rescue services. That might have once been the case, but after receiving deep cuts in 2011, Merseyside fire and rescue service should not face any more. The latest round of cuts will adversely affect the service's ability to carry out crucial fire prevention work in the community, which is particularly important when one considers the age profile of the local population, as in my constituency, for example. Older people suffering from memory loss, mobility issues, sight and hearing loss, and dementia increase the risk of domestic fires. The prevention work carried out by Merseyside fire and rescue service is as important today as it has ever been.

[Margaret Greenwood]

The increase in the number of road traffic incidents, to which the fire service across England has had to respond, should also be borne in mind. The coalition's cuts to Merseyside fire and rescue service have damaged the service's ability to respond to fire and a range of other incidents, many of them life-threatening. The cuts announced before Christmas will make matters far worse. The loss of 41% of firefighters, 46% of support, prevention, protection and management staff, and 21% of control staff will put an unacceptable strain on the remaining staff and affect response times. Cuts on that scale could also lead to loss of life.

I have looked but have been unable to find mention in the Conservative party manifesto that the Government intended to make dramatic cuts to essential life-saving services. I welcome a correction from the Minister if I am wrong. I very much doubt that the public will support this level of cuts or that they would be forgiving of such detriment to the service over time.

**Mr George Howarth:** My hon. Friend will be aware that Dan Stephens, the chief fire officer, said today that he believes that there is no capacity to absorb any further cuts. He also said that the situation is exacerbated by our low tax base and that

“the cuts we have sustained to date”

mean that the

“bulk of future savings”

will have

“to come from response”.

Is that not the case in a nutshell? My hon. Friend has described all the consequences—that more people will be at risk, more firefighters will be at risk, more people will lose their lives, more people will be injured and more properties will be destroyed or badly damaged.

**Margaret Greenwood:** My right hon. Friend makes an excellent point. Increasing response times is not an option if we take risk management seriously.

In the spending review, on 25 November, the Chancellor made great play of the fact that there would be no cuts in the police budget and that there would be real-terms protection for police funding. He said:

“The police protect us, and we are going to protect the police.”—*[Official Report, 25 November 2015; Vol. 602, c. 1373.]*

On closer inspection, the pledge does not look quite as watertight as it did when it was first made, but the U-turn does prompt the question: why are the Government not going to protect firefighters? Moving the responsibility for the fire service from the Department for Communities and Local Government to the Home Office offers the Minister an opportunity to pause, reconsider and drop the cuts, and I urge him to do so.

**Mr Philip Hollobone (in the Chair):** I will call the Front Benchers at 5.38 pm. They will have 10 minutes each, and Margaret Greenwood will then have two minutes at the end to sum up the debate. We have got between now and 5.38 pm for other contributions. I have two names on the list in front of me—I am happy to take others—of which the first is Conor McGinn.

5.19 pm

**Conor McGinn (St Helens North) (Lab):** It is a pleasure to serve under your chairmanship, Mr Hollobone. I am grateful to my hon. Friend the Member for Wirral West (Margaret Greenwood) for enabling us to have this important debate. She spoke passionately and outlined in some detail the severe difficulties facing Merseyside fire and rescue service and the fears that its staff, public representatives and the people of Merseyside have for its future. I agree with everything that she said, so I will restrict most of my brief remarks to the impact on my constituency.

Let me say at the outset that I deeply regret the situation that Merseyside fire and rescue service finds itself in as a result of the huge cuts to its budget, which have meant that it has had to reduce significantly the number of firefighters, appliances and stations across the region. I pay tribute to the fire authority and senior management in the service for how they have tried to mitigate the worst effects. I also commend the regional and national leadership of the Fire Brigades Union for how they have worked constructively to protect and defend their members, but also for how they have laid the blame where it truly lies, which is at the feet of this Conservative Government.

Following a consultation last year, it seems likely that St Helens fire station in my constituency will close. Eccleston station, in the constituency of St Helens South and Whiston, will suffer the same fate, with a new station being built to serve an area previously covered by two. This merger, as it has been called, is a bitter blow to those who work at the stations, and there are expected to be 22 job losses. It will also have a hugely negative impact on the local community, who value the station, their firefighters and the prevention and safety work done out of what is colloquially known as Parr station. More fundamentally, it raises questions about the impact on public safety, given the statistics that have already been quoted in this debate—notably the rise in response times and the increase in the number of fatalities across Merseyside, which is above the national average. It is currently proposed that the second fire engine at the new station will be crewed by whole-time retained firefighters, and there are concerns about the potential impact that will have on the already bad response times, especially at periods of high demand.

I am very fond of the Minister, but there is a pattern here. Over the past five years, £20 million has been taken from Merseyside fire and rescue authority, with a further £6.3 million to be found this financial year. My local council in St Helens will have had its budget halved by 2020. A planned new police station in Newton-le-Willows is now unlikely to be built, and St Helens courthouse is under threat of closure. The Tory Government call that savings. I call it theft. They are taking from the people of St Helens, Merseyside and the north-west of England what is rightfully theirs: their public services.

**Steve Rotheram:** My hon. Friend makes a powerful point on the cumulative impact not just of the cuts to the Merseyside fire and rescue service, but of the cuts to local authorities in our area. Does he agree that it is a targeted ideology of the Government to hit the poorest areas hardest? Unfortunately, Liverpool City Council has had a 52% cut, which is disproportionate to the cuts in other areas, such as Witney in Oxfordshire, which is the Prime Minister's seat.

**Conor McGinn:** It certainly seems that way. Public services are not optional; they belong to the people of this country and the people of St Helens, Merseyside and the north-west of England. Those public services have been paid for by their taxes, built by their hands and staffed by their hard work. Firefighters and their families represent all that is best about our public services and communities. The Opposition will stand by them, as they have so often stood by us.

5.24 pm

**Liz McInnes** (Heywood and Middleton) (Lab): It is a pleasure to serve under your chairmanship, Mr Hollobone. I thank my hon. Friend the Member for Wirral West (Margaret Greenwood) for securing this important debate. She is right to highlight the cuts to Merseyside fire and rescue service and to the six metropolitan fire and rescue authorities in general. They have borne the brunt of budgetary reductions between 2010-11 and 2015-16. My constituency is served by the Greater Manchester fire and rescue authority, which like its metropolitan sister in Merseyside is facing massive cuts that cannot mean anything other than a drastic reduction in its services. Following the local government settlement, Greater Manchester fire and rescue authority will have to cut £15.8 million from its budget by 2020, with a massive £12.6 million reduction in the first two years alone.

Today the Government announced greater collaboration with the other emergency services, but Greater Manchester already has numerous collaborative projects, which include a national flagship station at Irlam that includes police, fire and ambulance, and the development of the UK's first safe and well assessments, which focus on health and crime prevention as well as fire safety and prevention. It is the first fire and rescue service in the UK to have all front-line firefighters and resources responding to cardiac arrests on behalf of the local ambulance service. It is also building a joint fire and ambulance station in Wigan; providing offices to Greater Manchester police in Stockport, Stalybridge and Mossley; launching the community risk intervention team to support Greater Manchester police and health services; opening prevention hubs with Greater Manchester police and Salford City Council to support troubled families; and developing and delivering joint realistic multi-agency public disorder training.

The Government announced joint working with the police with a lot of fanfare, but I put it to the Minister that it is already going on. A further cut of £15.8 million will undoubtedly have an impact on the projects I have just outlined and will serve to limit the type of joint working that the Greater Manchester fire and rescue service has done so successfully with the police and other agencies. That is surely a retrograde step, given today's announcement.

Since 2009-10, Greater Manchester fire and rescue authority has saved £28 million, which amounts to a 25% reduction in budget. Similarly to Merseyside fire and rescue service, that has been achieved through cutting the numbers of firefighters; cutting support staff and senior management; revisions to firefighter shifts and crewing arrangements; increased collaboration with other services, as I have already outlined; and improved procurement, among many other savings. With those steps already taken, a further cut of £15.8 million will require an unacceptable reduction in the fire and

rescue cover that the service can provide. The scale of the new cuts will require the loss of a further 312 firefighter posts and the reduction of night-time cover from 56 fire engines to 33, meaning that Bury, Stockport and Trafford will have only one engine that is immediately available. The cuts will reduce front-line firefighters to 1,000 by 2019. In 1996, the authority had more than 2,000 firefighters. Fewer firefighters means fewer crewed-up fire engines being immediately available. As other Members have outlined, the consequence is that it will take longer to get to incidents and fires will spread more extensively.

Greater Manchester fire service has delivered more than 425,000 home visits and reduced fires by 42% over the past six years, but the trend of reduced incidents is now levelling off and in some places reversing. Between July and September last year, special service calls, such as road traffic collisions and flood responses, rose by 28% compared with the same period in the previous year. The numbers of non-domestic fires, accidental house fires and fire casualties have also increased. Further cuts will have an impact on preventive work, resulting in increased risk, more fires and more casualties.

On Boxing day last year, two thirds of Greater Manchester fire and rescue service's available resources were deployed to provide flood rescue response across the county. Firefighters rescued nearly 1,000 people in less than 24 hours. Future incidents of that size will leave large parts of Greater Manchester with no fire and rescue cover. The Fire and Rescue Services Act 2004 does not place a statutory duty on fire services to respond to flooding, and Greater Manchester fire and rescue service will be unable to maintain its current levels of response to flooding following a further £15.8 million in cuts.

Greater Manchester fire and rescue service is one of the most innovative brigades in the country. As we go forward into a devolved administration in Manchester, our communities should have the power to decide the type of fire and rescue service that they need. Cost-benefit analysis shows that for every £1 invested in firefighter provision in Greater Manchester, £18 is returned in benefits to the local economy—a contribution of £1.27 billion in 2014 alone. I urge the Government to take note of those figures and ask themselves whether further cuts to our fire and rescue services are a false economy. If the answer is yes, which I believe it is, the Government must think again before they put short-term financial savings ahead of public safety.

5.31 pm

**Peter Dowd** (Bootle) (Lab): I am pleased to speak under your stewardship, Mr Hollobone, and I congratulate my hon. Friend the Member for Wirral West (Margaret Greenwood) on securing this important debate.

As a former chair of Merseyside fire and rescue service, I feel I have a little knowledge—some would say very little knowledge—of the area that it serves. As a former Fire Minister, my right hon. Friend the Member for Knowsley (Mr Howarth) also shares significant knowledge of the service. The headquarters of the fire service is in my Bootle constituency. I visited the service HQ only a few weeks ago, and I am pleased to say that there is a jointly located command and control centre, shared with the police. That was an initiative taken and implemented without Government diktat, so Merseyside

[Peter Dowd]

is already ahead of the curve in that regard. Discussions have also taken place to one degree or another with the ambulance service over the potential relocation of its control centre within the Merseyside fire service.

The service has excellent partnership arrangements with the police and local authorities, and, over the years, has developed excellent relations with community groups, voluntary organisations and the faith sector. It is no easy task to go out and make contact day in and day out to build up relationships with those organisations, and they respond constructively and positively.

Merseyside fire and rescue service can truly claim to be an integrated partner within the various communities that go to make up Merseyside. In addition, its relationships with the business community are absolutely second to none. Put simply, Merseyside has an excellent service that has a record of being proactive—in that, too, it is second to none. Over the years it has not only responded in the physical sense to actual fires, but has been responsive in ensuring that prevention has been at the top of its agenda. That takes time, determination and both financial and human resources, which are incrementally disappearing.

Merseyside fire and rescue service has risen to the financial challenge, albeit an unfair one, that the Government have set it over the past five years. Merseyside is a diverse community. It has a major river running through it, with two strategic road tunnels running beneath. It has major dock estates on both sides of the river and a burgeoning cruise terminal, with a major expansion of the Seaforth dock under way. It has an airport, two universities and major regional, national and international hospitals of repute within its care. It has two excellent football teams, in addition to Liverpool FC. It also has Aintree racecourse, which hosts one of the largest horse-racing events in the world. Meanwhile, Merseyside fire and rescue service has brought down the number of fires over the years with an innovative fire prevention strategy. The number of deaths and injuries have gone down to remarkably low levels, and that excellent record is in jeopardy. There is no doubt about that at all. It has done all that without kicking up a fuss and under great financial pressure, but that can go on only for so long without having serious effects on the resilience of the service.

The six metropolitan authorities, out of a total of 46 services, accounted for 57% of the budgetary reduction in the service as a whole between 2011 and 2013. Little is changing under the Government's proposals; in fact, it is getting worse. During the same period, Merseyside fire and rescue service's budget was cut by 13%—one of the highest cuts, and double the average—while others received increases. That is simply not fair and not equitable, and it is on top of all other the major cuts to local government services across the region over the past few years, which my right hon. and hon. Friends have mentioned. Put simply, that financial inequity is wrong, particularly when lives and livelihoods are at risk. The Government really have to think again.

5.36 pm

**Lyn Brown** (West Ham) (Lab): As we have heard, and as the figures that I have show, the Merseyside service faces a 41% cut in the support it will get from the

Government over the next five years. It is calculated that that means it is likely to shrivel from 962 firefighters in 2011 to 564 in 2020, almost halving its firefighting workforce. Fire engines have been depleted from 42 to 28—it is possible that another 10 engines are to go—and four of Merseyside's 26 stations have closed, with another eight under threat. It is a really dramatic cut in front-line services by anybody's measures.

My hon. Friend the Member for Wirral West (Margaret Greenwood) made an excellent speech, supported by the other Merseyside MPs. She was absolutely right to bring the subject to the House's attention and to seek to get the Government to understand, even at this very late stage, just what these cuts mean to our constituencies and constituents. It is not just Merseyside—other fire services have been hit hard, with a 15.6% reduction in the cash budgets of metropolitan services and a reduction of 5.9% for non-metropolitan services. As the National Audit Office has said:

“Spending power has fallen most in areas assessed by the Department as having highest levels of...need.”

There are likely to be more incidents in areas of the highest need, as the Minister knows only too well. It is in the cities—in poorer metropolitan areas just like Merseyside—that fires are most likely to happen and to cause the most damage. Spending forecasts show that the trend is likely to continue. According to the House of Commons Library, metropolitan services are going to lose more spending power than combined county services, which means that services such as Merseyside's will continue to face the toughest cash squeeze. Where is the risk-based allocation that used to inform Government spending on fire services?

Since 2010, our fire and rescue service has had to deal with year-on-year cuts totalling an estimated £236 million—about 22.5% of its overall Government funding—and a further 8.8% this year alone. That has led to real reductions on the frontline. We have 5,000 fewer firefighters in England than we had in 2010. I travelled around the country earlier this year—I was the shadow Fire Minister prior to the election—and I talked to people at both metropolitan and non-metropolitan services. Some of them told me that their services would not be viable in the future. Those words chilled me, as they should chill the Minister.

Those who see logic in slashing fire budgets seem to believe that as there are now fewer fires it is safe to have a depleted fire service, but that argument is utterly specious. It completely disregards other important services that firefighters provide in key areas such as flood fighting, terrorism and others that we have heard about today. As my hon. Friend the Member for Wirral West said, a key factor in the smaller number of fires is the 670,000 home fire safety checks that the fire service carries out every year. Since 2004, when the checks began in earnest, the proportion of homes with fire alarms has increased from 74% to 88%. Those checks save lives as well as preventing fires—double the number of fatalities happen when a fire occurs in a building without a smoke alarm. To cut the fire service because the number of fire incidents has been reduced successfully, saving lives in the process, would be like cutting the number of mammograms because the number of deaths from breast cancer is going down. It is complete madness.

We should therefore be in no doubt that the cuts faced by services such as Merseyside will put the public at greater risk. Indeed, as we heard earlier, the independent



consultants Greenstreet Berman suggest that by 2020, slower response times nationally—they are now at their worst level for 20 years—could lead to more than 100 additional deaths a year. The cuts may well lead to the Government failing in their first duty: to keep the public safe.

Fire deaths in Merseyside have already increased over the past five years of cuts. I know we are dealing with small numbers at the local level, so I do not want to talk about percentages because they can be totally misleading, but the trend concerns me deeply, as it should concern the Minister.

The funding cuts faced by the Merseyside fire service and other beleaguered services are all the more difficult to manage because the Government have consistently shown little or no leadership on the future of fire services. Now, however, after a long period of inertia, the Government are suggesting a patchwork, top-down reorganisation. They are effectively proposing to put fire services under police and crime commissioners, or to place the police on the boards of fire services to be part of their management. They are also suggesting a single employer.

There is real concern that all that will mean that the fire service becomes subsidiary to the police and ceases to be a statutory service in its own right, and that the fire service will be the one to see the reductions in budget and staffing—no longer two equal services working side by side for the public good, but one subordinate to another. Where PCCs take over, what guarantees do the public have that fire budgets will be maintained? Merseyside has a right to ask for that, and for an unequivocal assurance from the Minister that this top-down proposal will not be used to introduce privatisation.

The reorganisation is, I assume, to save money. Why, oh why did the Minister not look to Wales or Scotland to work out how a reorganisation could be done to save money and yet protect the frontline? Was it simply a “not invented here” reaction, or something more nefarious? As the shadow Fire Minister before the election, I thought hard about what an incoming Labour Government could do to save money, in Merseyside and elsewhere, and protect the frontline. I consulted experts, and they told me that there were only three ways to work within the Tory-Liberal Democrat spending plans: merge the service into one; volunteerise the whole service; or privatise it. Which of those options is today’s announcement moving us towards—a service staffed completely by volunteers or a privatised service?

As the Minister knows, firefighters run into danger when the rest of us are running away. They are professional and work with determination and expertise to protect us all from the most appalling risks. They should be valued and listened to, not ignored. The Minister knows that better than anyone, and I urge him to take stock of the funding on Merseyside and in all the other areas of the country that are struggling to make massive reductions.

The Minister must respond to the impressive and passionate case that Merseyside MPs have made today about fire service funding, and not fob them off with some fairy tale about reorganisation providing more money for the frontline. Budget reductions and his suggestions for mergers with the PCCs put him in danger of creating a Cinderella service. That fairy tale ended happily, but today, sadly, I see no Prince Charming on the horizon.

**Mr Philip Hollobone (in the Chair):** I call Prince Charming.

5.45 pm

**The Minister for Policing, Crime and Criminal Justice (Mike Penning):** It is, as everyone has said, Mr Hollobone, a pleasure to serve under your chairmanship yet again.

I welcome the shadow Minister, the hon. Member for West Ham (Lyn Brown), to her role. I thought we had got rid of each other after the psychoactive substances debate, but here we are again. I do not know which of us feels sorrier. This is the first time that she has attacked me, which is probably a sign of the future, but we can still be friends outside the Chamber.

Colleagues from Merseyside are present today and I understand what they have said, although I do not understand or recognise some of the figures that have been used. I will come to those in a moment.

I congratulate the hon. Member for Wirral West (Margaret Greenwood) on securing the debate and on making all these colleagues come out of the main Chamber for this debate, which is obviously important. I will answer as many of the points as possible. Naturally, if I cannot answer them all, I will write to colleagues. Actually, I want to write to colleagues from throughout the area—to colleagues who are not present as well—to clarify some of the figures, because I just do not recognise some of them. If I am wrong, I will obviously make that clear later and apologise, but let me give an example. The shadow Minister talked about core spending power between now and 2020, and a 41% cut was alluded to. Actually, it is 3.4% and a reduction of £2.1 million. There is obviously a discrepancy between the figures that my officials have produced for me and the figures that have been used in the debate.

One thing that slightly surprised me was this. The local authority is concerned and obviously has lobbied extensively, yet my notes tell me that Merseyside had the opportunity formally to respond to the local government financial settlement if it was concerned about the funding cuts, but it did not do so, so it did not take part in the consultation. I might be wrong, but those are the notes I have. I would think that if there were concerns, they would have been expressed.

**Steve Rotheram:** Will the Minister give way?

**Mike Penning:** I will make a tiny bit of progress and then give way.

I am very conscious that a former Minister and a former chair of the Merseyside fire and rescue service are present. I pay tribute to the hon. Member for Bootle (Peter Dowd), because he went through an enormously difficult time in reforming the Merseyside service. I know that that was not an easy thing for him to do, so I pay tribute to him for the work that he and his board did.

For a short period, I was a fireman in the fire and rescue service in Essex, and I was the branch representative of the Fire Brigades Union for a very short period—until we fell out—and so no one is more conscious than I am of the work that our firefighters do on a daily basis. A lot of it is not seen by the public, even though the public expect them to do it. I am very conscious, having been to Lancashire, of the work that is done through mutual

[*Mike Penning*]

aid agreements. I saw help come across those borders—there were no borders and no lines on maps; firefighters just went across to help in the way that they should have. Firefighters from my constituency in Hertfordshire were also in the north-west, assisting with high-velocity pumps. A lot needs to be learnt from the type of flooding and rescue work that was done. The Prime Minister has already announced a review of not only how we protect the public better from flooding, but how we respond and where the facilities should be.

It is also important that we acknowledge the changes that have taken place in the structure of the fire service, certainly since I joined in '82, as well as what has happened over the past few years. I pay tribute to the Fire Brigades Union, which in my time, would never have agreed to some of the changes that have taken place, especially in the manning of stations. However, practicalities relating to the modernisation of the service meant that when I was in Lancashire only the other day, all the whole-time station staff I met were what I would call day-manning staff. Other crews come down at night and are on call. It seems to be working really well there. It was first piloted, I think, in Woodham Ferrers in Essex, back in the '80s. When I was there, we went to day-manning stations. It is about a different sort of facility, looking at what the requirements are and when staff can come in.

**Mr George Howarth** *rose*—

**Mike Penning:** I give way to the former Minister.

**Mr Howarth:** I am grateful to the Minister. I join him in paying tribute to the FBU for the concessions that it has been willing to make, but does he not recognise that, because it has already made those concessions, the scope for any further reductions is inevitably much smaller?

**Mike Penning:** In some respects, I agree with the right hon. Gentleman. We have come some way, but I do not think that anyone would say that we have fully come through. For instance, the figure I have for the number of retained firefighters in Merseyside is 25, which is very low. That may be because we are looking at day-manning stations among other things, but the use of retained firefighters is how it is done in many parts of the country. Sadly, that is not the case in London, where there are no retained firefighters, which I find strange. We need to continue to look at that.

I do not have the full figures for Manchester, because the debate is about Merseyside fire and rescue service, so I will have to write to the hon. Member for Heywood and Middleton (*Liz McInnes*). My officials were scurrying away behind me to ensure that I had some details, but it is probably better if I write to her. I will say again that I do not recognise some of the figures on the amount of losses. We can all throw figures around, but let us get down to the facts.

Colleagues have talked about the small but significant increase in deaths in Merseyside, and that needs to be addressed. The statistics are always difficult: one death is too many, and one of the first things I said when I took over this responsibility just over three weeks ago was, “Yes, we have reduced deaths nationally enormously, but hundreds of people still die in fires and we need to get that figure down even more.” With the

fire service in Merseyside and my specialist teams, I will personally look and ask for analysis as to why that figure has moved.

A couple of comments are very important. I am brand-new into the job. I was a firefighter, but that was a long time ago and the service has changed enormously since then. The one thing that has not changed is that, while we go in one direction, the fire service and other emergency services are going in the other direction, so it is right that we continue to pay tribute to fire services across the country and acknowledge the work that they do and that there have been many changes. In the debate, I was listening carefully about who is manning what and where.

Some colleagues said that their fire station may not open—I refer in particular to the hon. Member for St Helens North (*Conor McGinn*). It might well open if it were a fire and police station. It is difficult to convert a police station into a fire station because the big red trucks do not get into the foyer so well, but we can plan constructively in the community. I always use the analogy that a church is not about buildings; it is about people coming together, and that is what we are talking about with the emergency services.

The reforms we announced today based on the consultation are not top-down but an attempt to move further forward. As chief fire officer Paul Hancock said today, there is a general warmth towards them in the service. This is not about taking one force, putting it under another and undermining it—as a former firefighter, why would I do that? I am trying to ensure that those on the front line have the opportunities and finances there and that we do not waste money in silos with headquarters here and there when they could come together. Why is it that in any part of the country the fire and police headquarters are not in the same building? Why are human resources and procurement not done together?

Since I took over responsibility for the fire service, I have published information on the 43 police authorities in which I listed about 20 average products that they buy for front-line operational use, so that the public can see how much each PCC and chief constable is spending on that equipment. The variation is enormous. For instance, on a type of approved body armour, there was a £300 difference between one piece of kit and another. On batons, the figure was about £80. I intend to do similarly for the fire service. I am not telling anyone that they should go to a specific organisation to buy their equipment, but I think the public should know what is being spent and how it is being spent. In vehicle procurement, the fire service should be part of the e-auctions process to ensure that taxpayers' money is spent correctly.

**Mrs Ellman:** Will the Minister give way?

**Mike Penning:** I will give way in a second, but I want to make a tiny bit of progress.

The equipment has changed dramatically from when I was in the fire service. We need to look carefully at the equipment we have for the 21st century. For instance, when I was in Lancashire, six fire appliances were sadly damaged due to the flood. Their crews watched the Army vehicles go through. Squaddies will drive through anything, but their vehicles are adapted to go through it, whereas six of the fire appliances got trapped in the

water, went off the road straight away and were quite seriously damaged. The engines were damaged as well. We need to look at the manufacturers to make sure we have the right equipment.

**Steve Rotheram:** In case there is any confusion, Merseyside fire and rescue service submitted a response to the consultation on behalf of and jointly with other metropolitan authorities; I want to clarify that point. My hon. Friend the Member for Bootle (Peter Dowd) may well be mistaken and myopic in his choice of football team, but he was absolutely right on the statistics we used, which were provided by Merseyside fire and rescue service itself. He was there, along with a number of other Merseyside MPs, when the Leader of the Opposition visited the joint control centre that the Government are pushing in Bootle. The chair of Merseyside fire and rescue service, Councillor Dave Hanratty, has asked me to extend the same invitation to the Minister. The chief gave out that information, and he is very careful about being absolutely non-political and impartial, so the Minister can come along and get the briefing for himself.

**Mike Penning:** I will come. I have been to Merseyside many times in my ministerial role, not least when I announced the decision to open the cruise terminal in Liverpool, which was opposed by many areas in the south of England. I know Merseyside very well, and I will come as soon as my diary allows.

I would never say that anybody has intentionally used a figure that is not correct. Of course, everybody thinks that the figures they use are correct. All I have said is that the information I have is slightly different. It may be a question of semantics—who knows? Let us get the facts right, and then we will know.

The biggest thing I want to make sure I get across to the House is that I am new and I have an open mind. The Prime Minister has put me here for a reason, and it is obviously a logical reason. The role of Fire Minister is back in the Home Office where it was when I was a firefighter in the '80s, interestingly, and it is logical that the emergency services are together. I will look carefully at why Merseyside has seen this slight but significant increase in deaths. It is very important we look at that and find out what has been going on.

5.57 pm

**Margaret Greenwood:** I thank the Minister for his response and his proposition to look carefully into the increase in deaths; that is welcome. However, I have to say that I find his response on the business of figures somewhat baffling, because all the figures I have presented to him have come from Merseyside fire and rescue

service. I wonder why he has not challenged the figures I have come up with of £26 million in cuts during the coalition and a further £11 million cuts to come. It does not matter whether we talk in percentages; those are huge cuts and that is a vast amount of money. Talking about merging HR functions and so forth is all well and good, but it does not really go to the nub of the issue. This is all about saving money, and that is the issue we are so concerned about.

**Peter Dowd:** In 2010-11, Merseyside received 63% of its funding from Government grants, so any cut in Government grant has a disproportionate effect. Does my hon. Friend agree that the Minister would do well to look at that particular element in his assessments?

**Margaret Greenwood:** My hon. Friend makes an excellent point. Of course, not all areas of the country receive that level of grant, but to us it is massively important. These cuts are real, and they are being felt already. We have already lost 300 firefighters. I am losing all the fire stations in my constituency. These cuts have not been magicked out of a small percentage; they are real cuts we are seeing.

I commend the Minister for paying tribute to the way in which the FBU has responded to modernisation, but I wonder what more he wants. The FBU has gone a long way to meet the cuts dealt to it already. As my right hon. Friend the Member for Knowsley (Mr Howarth) said, with the fire services having made those concessions and responded so valiantly to the scale of the cuts last time, there is nothing left to cut without detriment to services.

Finally, I would like to welcome the Minister to come to Merseyside and urge him to look at the figures very closely indeed.

**Mike Penning:** I will look at them before I come.

**Margaret Greenwood:** I therefore urge the Minister to consider the possibility of dropping the cuts. If the cuts are of the scale that we have presented today, which I believe they are, there is a strong case for cutting them. Merseyside deserves a fire service that it can rely on and that is well funded, well resourced and does not put its firefighters at risk.

*Question put and agreed to.*

*Resolved,*

That this House has considered the funding of Merseyside Fire and Rescue Service.

6 pm

*Sitting adjourned.*



# Westminster Hall

Wednesday 27 January 2016

[MR DAVID CRAUSBY *in the Chair*]

## Disabled People: Support

9.30 am

**Neil Coyle** (Bermondsey and Old Southwark) (Lab): I beg to move,

That this House has considered the changes to funding of support for disabled people.

I thank you, Mr Crausby, for chairing this important debate, and I thank everyone for attending. I also thank all the organisations—especially the Disability Benefits Consortium—that have briefed MPs on today's debate. *[Interruption.]* I also thank whoever is phoning.

The debate is important. The disadvantage experienced by disabled people is well evidenced. They are twice as likely as other people to live in poverty. The percentage of working-age disabled people in employment has dropped in recent years. Even in work, disabled people are worse off than non-disabled people. According to the Equality and Human Rights Commission, disabled men in work face an 11% pay gap, while disabled women face a 22% pay gap.

Disabled people also experience higher routine costs of living. The Scope-facilitated Extra Costs Commission, which began its work in 2014, has set out in detail the hundreds of pounds that many disabled people spend every week as a direct result of living with certain health conditions and impairments. Sadly, Government policies—particularly since 2010—have made things far worse for disabled people and caused them greater difficulty.

As to my personal background on this issue, my mum has schizophrenia, and that contributed to my work choices—I worked for the Disability Rights Commission, the National Centre for Independent Living and Disability Alliance UK among others. The issue is also very relevant to my constituency, because we have a higher incidence of certain mental health conditions, and about 12,500 disabled people—about one in nine of my constituents—live in Bermondsey and Old Southwark, according to the Library. The issue should, however, matter to everyone, because we should facilitate a society in which anyone can contribute, to the maximum of their potential. Sadly, however, that possibility is being undermined.

The debate's timing is useful. Tomorrow is the last day of the Government's consultation on the future of personal independence payments. Fears about disabled people losing work as a direct result of the introduction of personal independence payments are beginning to be realised. Over the weekend, the *Daily Mirror* covered the case of Denise Haddon which is yet another example of a disabled person who uses a Motability vehicle for work, but who could see that vehicle withdrawn, with them being forced out of work as a direct result of Government policy.

Today, colleagues in the House of Lords—certainly, Labour colleagues—will also be pushing amendments on the work-related activity group cuts in the Welfare Reform and Work Bill, which will affect half a million disabled people. This afternoon, we will have an Opposition

day debate on supported housing, in which we will call for an exemption for such housing from housing benefit cuts. This debate is therefore very timely.

The Government have their priorities wrong. They keep coming back to disabled people and undermining support, rather than focusing on areas where there is more potential. Just this week, for example, we saw the Google fiasco, which demonstrates yet again that we are not all in this together and that there is a significant imbalance in whom the Government choose to squeeze more out of.

What is worse, the Government suggest that their measures are about supporting disabled people into work or about providing more support to those who need it most. If they believe that any group of disabled people has definitely benefited more as a direct result of any policy since 2010, I would welcome the Minister providing evidence to back that up.

On work, 53% of working-age disabled people were in work in 2010, but the figure is now under 50%. The Library has pointed out that, of the 320,000 disabled people on employment and support allowance referred to the Work programme since 2011, only 16% got a job. Although 43% of those on Work Choice—a more specialised programme—could be supported into work, which is of benefit, the Government have announced that the two schemes will be merged in 2017. It would be useful to have a stronger indication from the Minister whether we will see a levelling up or a levelling down of the support provided to disabled people. Will we see a return to more specialised, localised support, with smaller suppliers who are better able to provide the dedicated support that many disabled people need? We saw good schemes under things such as the future jobs fund and the working neighbourhoods fund, which were more localised and specialised, but which were unable to compete following the changes introduced in 2010.

**Mr Gregory Campbell** (East Londonderry) (DUP): I congratulate the hon. Gentleman on securing the debate. Does he agree that the issue is sometimes ensuring that training makes the right skills available for disabled people? Many disabled people want to get into work, but they are prevented from doing so by the inability to access the very skills they need to get into the workplace.

**Neil Coyle:** I completely agree that that training needs to be there. It would be useful to hear from the Minister how whatever new programme is put in place in 2017 will make training and dedicated, specialised support available.

Another thing we have seen is that the number of disability employment advisers, who have specialist knowledge, has dropped by 20% since 2010. There is now less than one adviser per 600 disabled people who are meant to be supported, so we are heading in the wrong direction.

People have been in touch with me about the Access to Work programme. For anyone who is unfamiliar with it, it is a specialised programme that helps disabled people to retain or attain work. The Department for Work and Pensions used to accept—it seems to shy away from accepting this know—that, for every pound spent on Access to Work, about £1.48 was returned through things such as national insurance contributions and income tax. However, fewer disabled people are now supported under Access to Work than in 2009-10—the

[Neil Coyle]

figure has dropped from just over 37,000 to 36,700. That needs addressing, and it would be welcome if the Minister told us whether there will be more targeted support under Access to Work to increase those numbers.

In 2014, the Government said they were expanding Access to Work to include work placements acquired by the individual disabled person. I have asked questions about that and received no information to show whether the Government are actually delivering on that. In 2011, the Government said that they accepted all the recommendations of the Sayce review, including those on Access to Work. Perhaps we could have an update on how they are taking forward the review's retention and promotion aspects. In the 2015 spending review, the Government announced that Access to Work funding would support 25,000 additional disabled people by providing IT help, but we have no information on what that means or how it will be rolled out in practice. It would be useful to hear more about that significant target.

The Down's Syndrome Association has been in touch and has provided briefing for the debate to highlight its WorkFit programme. The association says the programme has supported 75 individuals with Down's syndrome into work, but that only three have met the stringent eligibility criteria for Access to Work. The association feels that that needs to change, and it is keen to hear from the Minister whether the Government will take forward its recommendations.

I want to raise the issue of assessments and accessible information. I have a constituent called Norma who lives in Walworth. Her daughter, who is about 50, has learning disabilities and a visual impairment, and she is deaf. The DWP has been contacting Norma to press for her daughter to be assessed, and Norma feels that her daughter is being told she should be working, even though she cannot leave her home without support. Norma feels she is under considerable pressure. I will write to the Minister about this specific example after the debate, and I will encourage him to explain why Norma and her daughter feel they are under such pressure from the DWP.

Disabled people have also been in touch with significant concerns about universal credit. Some projections suggest that universal credit will be about 1,000 years in delivery, so perhaps some of the fears are unnecessary, as we will not be here. However, it appears that the Government have scrapped the limited capability for work element before any disabled person has been able to access it, which will leave 116,000 working disabled people £40 a week worse off. Once again, the idea that the Government want to support people into work is undermined by their policies. Citizens Advice has also highlighted in a report that in-work single disabled people will be worse off because of the scrapping of the severe disability premium, which will leave almost 250,000 disabled people worse off by between £28 and £58 a week. The Children's Society has pointed out that, under universal credit, 100,000 disabled children could also lose £28 a week. I ask the Minister what message that sends to those disabled people.

Employment and support allowance is also a significant concern for many of my constituents, 5,630 of whom receive it. The Government recently announced that a cut of £1.4 billion will affect disabled people in the

work-related activity group; that is £30 a week for half a million disabled people. DWP statistics show who those people are. They include a quarter of a million people with learning disabilities, autism or significant mental health problems. Again, I ask the Minister why those specific people were chosen for that measure. What are the Government seeking to achieve by targeting such a disadvantaged and vulnerable group?

An example given to me by Parkinson's UK shows something of the challenge that disabled people have in accepting that the Government agenda is genuine. In a written answer to a question by my hon. Friend the Member for Birmingham, Hall Green (Mr Godsiff) on Monday, the Minister for Employment revealed that since 2008, when ESA was introduced, 200 people with Parkinson's in the work-related activity group were assessed and given a medical prognosis by the DWP that they would not be able to return to work for at least two years, or longer. The Department is telling people whom it has assessed as unable to work for two years that they will be receiving £1,500 less per year to get them back into work within that period. I hope that the Minister will comment on that. I hope, too, that he will answer the suggestion raised elsewhere that there will be no change for those already in the work-related activity group. Does that include those whose circumstances change, and those who undergo repeat assessments?

The change to ESA follows previous changes, including the time limiting of some support, which has left 280,000 disabled people with no out-of-work benefit. Some have very low incomes, and it is most unfortunate that the Government have managed to pick that group for an increase in poverty. I would welcome a comment from the Minister about that.

I want briefly to cover sanctions. In its briefing, the Child Poverty Action Group highlighted the fact that some sanctions mean that 100% of a person's financial support goes. Those sanctions can last up to three years, under the increasingly automated system introduced by the previous Government. [Interruption.] I am glad that some Members find that funny. I find that very strange. Would the hon. Gentleman like to intervene?

**Paul Maynard** (Blackpool North and Cleveleys) (Con): No, because I am about to make a speech, but I thank the hon. Gentleman for the offer.

**Neil Coyle:** The hon. Gentleman is welcome. Perhaps I will enjoy his contribution as much as he appears to be enjoying mine.

The concern that I have about sanctions is the growing number of disabled people who experience them; 70,000 sanctions have been imposed on ESA claimants between December 2012 and June 2015 alone. The Select Committee on Work and Pensions highlighted the fact that safeguards may not always work effectively. My question for the Minister is: if he believes the system is adequate, how has he responded to the Committee's recommendations, and when will the Department publish its own findings of a review of sanctions? Furthermore, as sanctions and benefit changes are specifically mentioned in some people's suicide notes, how does the Department support Jobcentre Plus staff and other agencies in handling suicidal claimants and those who raise the matter of suicide in meetings with Government officials?

Disability living allowance and personal independence payments are a growing concern for many disabled people. In Bermondsey and Old Southwark, 3,600 working-age disabled people will be affected by the abolition of DLA and hundreds more children will be affected as they reach the age of 16. The DWP has revealed that 607,000 disabled people will lose help with the abolition of DLA. That struck me as quite odd, given that a former Minister for Disabled People accused charities of scaremongering, such as when the Disability Action Alliance suggested that half a million disabled people would be affected. Now that the Government have revealed that the figure will be 607,000, perhaps Ministers should apologise to the charities they accused. Instead, the Government attacks charities' ability to challenge the Government agenda, which is most unfortunate.

The Disability Benefits Consortium, among others, recommended that there should be better trials of the new assessment process. The DWP chose to ignore that advice; then the National Audit Office reported that the early operational performance of PIP was poor, and the Public Accounts Committee suggested that early delivery was "nothing short of a fiasco".

What assessment is the Minister making and what monitoring is the Department undertaking of those changes and how they are affecting disabled people's ability to work, in the context of the stories about Denise Haddon and others? What is the impact of the changes on NHS demand, for example? It would also be useful to have an update on the backlog of PIP assessments. Citizens Advice reported in August that PIP has now overtaken ESA as the most complained-about benefit system.

I want briefly to focus on the bedroom tax. The DWP acknowledges that two out of three people affected by the bedroom tax are disabled people. That is 440,000 disabled people. Assuming that average amount is £14 per week since the introduction of the bedroom tax, by the time it reaches its third birthday at the end of April, it will amount to a disability tax of almost £1 billion. Disabled people are also affected by issues such as the freezing of benefit of uprating. Even for those on ESA, the value of the uprating for the vast majority of their benefits is lower than the rises in their energy bills or transport costs, for example.

On housing, I have been contacted by John, who is pleased about this debate and the one this afternoon. He says that he lives in supported housing, which he relies on to live independently. He says that he has "lived securely, independently and safely in a social housing wheelchair designated flat provided by Habinteg for 27 years and this is now potentially under threat."

Many of his neighbours have considerably greater needs and are equally threatened. He finds the threat alone destabilising, let alone what could happen if the changes go through as the Government intend. He believes that the Government's plans will stem the supply of wheelchair-accessible housing, particularly as there is already a shortfall in the availability of genuinely accessible housing. Has the Minister undertaken any impact assessment of how that specific change will affect the supply of accessible housing over time, given that we have an ageing population and growing demand for wheelchair-accessible homes?

On social care, a recent report from the Royal National Institute of Blind People and Age UK suggested that more than 12,000 blind and partially sighted people over 65 lost access to social care between 2009 and 2013.

That is more than a third of those who were previously getting support. The role of the Under-Secretary of State for Disabled People should not just be to act as an apologist for the DWP. It should be cross-Government. I am intrigued to know what monitoring the Minister is undertaking with colleagues at the Department for Communities and Local Government, or the Department of Health, about where those disabled people go next if they lose social care. For example, is there a rise in demand for NHS services? Reductions in support for disabled people inevitably mean an increase in the demand for informal carers, who, without adequate support, can go on to experience health conditions and impairments of their own. There has been a rise in the number of children providing support for disabled parents and grandparents, which is a risk to their own long-term prospects if they do not receive sufficient support.

The independent living fund is being abolished. Its 18,000 users are very nervous about what happens next. It would be useful to have an indication from the Minister about how the people who lose it will be monitored, to see where they go next, given that the Association of Directors of Adult Social Services estimates that social care has lost £3.5 billion in funding since 2010. Many councils are losing about 28% of their budget but are spending about a third of their entire budget on social care. Councils cannot pick up the loss; they cannot step in and fill that gap.

I am sure that the Minister will want to mention the better care fund. My understanding of that fund is that it will only support new services, so those losing independent living fund support may not qualify for help. Scope, Mencap, Leonard Cheshire Disability and the National Autistic Society have estimated that one in six care users have fallen out of the system since 2008, and a further 36,000 working-age disabled people could lose access under the latest cuts as a result of the autumn statement. Will the Minister comment on what that loss could mean for other Government services?

Not only have social security and social care services been undermined by changes since 2010, but changes to a whole range of services used and needed by disabled people have had a negative impact. For example, there are 3,000 fewer nurses and hundreds fewer doctors in mental healthcare than in 2010. In my borough, we have therefore seen a rise in crisis treatment—that is, a rise in the number of people with mental health problems arriving at A&E, rather than having the right support further upstream.

In education, we have seen changes to the disabled students' allowance. Randstad provided a briefing for this debate in which it highlights its concerns about both the changes to DSA and the regulatory change to how provision is administered. It quotes its survey of disabled students, which found that almost 28% of disabled students would not have attended university if DSA had not been available. Another third said they were unsure whether they would have attended university. The survey also found that more than three quarters of disabled students said that attending university as a disabled student was more expensive, with 42% saying they were more likely to drop out as a result of losing DSA. Furthermore, 87% of students said they were concerned that not completing their studies would impact on their future employment prospects. Will the Minister try to demonstrate that the Government are taking a

[Neil Coyle]

long-term approach and looking at what DSA changes might mean in lowering income for disabled people and lowering tax contributions to the Government in the longer term?

Even on legal aid, the Government have acknowledged that changes to funding have the potential to discriminate against disabled people unduly. That is borne out in the case summaries since the changes. In 2011-12, there were 7,676 disability discrimination-related cases. That has fallen to 3,106 cases—less than half—in the last year stats were available. That collapse is not due to discrimination ending, though it would be useful if that were so. The Government's concern should be that, without disabled people receiving the right support, the Government will not meet their commendable target to cut the employment gap for disabled people.

I suspect that the Minister will mention in his contribution the £50 billion a year spent on disabled people. The Resolution Foundation estimates that disabled people have lost more than £28 billion in support under a range of funding changes since 2010. If the Minister were to use that figure, he would therefore acknowledge that the Government have cut resources by about one third. That is not a record I would trumpet. It would be welcome if that figure were broken down into the different pots of support it covers. My concern is that it includes social care funding, without taking into account the charges that many disabled people pay to use social services, so it is not representative.

I want to conclude with a reference to the UN Committee on the Rights of Persons with Disabilities inquiry into the rights of people with disabilities in the UK, which should report next year. Investigations by the committee are confidential, and the process, extent and scope of the inquiry are unknown, but it is widely believed that it will consider policies introduced by the coalition Government since 2010 in relation to welfare and social security benefits and, in particular, their compatibility with articles 19 and 28 of the convention on the rights of persons with disabilities, which cover their rights to live independently and to enjoy an adequate standard of living.

The UK is the first country in the world to be investigated by the UN in relation to that convention. We have moved from being at the forefront of disability rights, respect and inclusion globally to being the first state in the world under investigation for rolling back disabled people's rights and undermining their equal citizenship. I simply end by asking the Minister this: can he genuinely be proud of that position for the UK?

**Mr David Crausby (in the Chair):** I intend to call the three Front-Bench Members starting at 10.30 am. If they could give Mr Coyle an opportunity to sum up briefly at the end, I would appreciate it. I do not intend to impose a time limit, but if Members could self-regulate, that would be best.

9.54 am

**Paul Maynard** (Blackpool North and Cleveleys) (Con): It is a pleasure to serve under your chairmanship, Mr Crausby. I congratulate the hon. Member for Bermondsey and Old Southwark (Neil Coyle) on his wide-ranging speech and obvious knowledge of the issues concerned.

I have learned in my time in the House that it is often best not to attack an individual Member before they have stood up to speak, just in case that Member might actually intend to be helpful to the cause. At least the hon. Gentleman has saved me that dilemma, in a sense. I learned another lesson today, which is never to have stray thoughts during any parliamentary debate. I was not expecting to be here today—I was due to have a meeting at 10 o'clock, which got cancelled. I had an ironic thought about why it had been cancelled and the chance that I happened to be here, but if the hon. Gentleman in any way took offence at me making an audible noise, I apologise.

Since the hon. Gentleman thought I was referring to sanctions, let us talk about that for a few minutes. Sanctions are a particular concern in my constituency. I was fortunate to serve with the shadow Minister, the hon. Member for Oldham East and Saddleworth (Debbie Abrahams), on the Select Committee on Work and Pensions, where we looked into sanctions. Indeed, I tabled amendments to our Committee's report that went beyond anything even the shadow Minister felt able to table.

The hon. Member for Bermondsey and Old Southwark mentioned suicide notes citing sanctions. I remain a firm supporter of the idea that where there is any question of the benefits system playing a role in any untoward event, there should be a body—similar in scope to the Independent Police Complaints Commission, perhaps—that looks at the individual's entire journey, from the first day they engaged with any Government Department to the end of their life, to establish what went wrong and where. Often, the fact that people experience a sanction is the end of a process of being poorly served by the benefits system, not the start of a process. I was pleased to see that mentioned in the final report.

I also gently make the point to the hon. Gentleman that much of what the Government brought forward in response to our Committee's report far exceeded my reasonable expectation. I am sure it did not satisfy the shadow Minister, because she and I rarely agreed in our time on that Committee, but it went beyond what I reasonably expected the Government to deliver, so I welcome that.

The other interesting lesson I have drawn today, in addition to how I should keep a straight face during debates, is what happens when I walk past an annunciator. Walking past an annunciator yesterday, I saw that the short title of today's debate was, "Support for disabled people," and I thought, "Gosh! That's very wide, isn't it? That could almost cover anything at all." I see today, however, that the title is actually, "Changes to funding of support for disabled people."

An interesting observation we can make here is that support can never just be financial. One frustration I have found in my six years in this place is that when we discuss disability, we often start from a financial perspective. Most of the critique is about the amount of money going left, right and centre. I do not dispute for a moment that without a stable financial base of support for disabled people and a well run benefits system giving support to those who need it most, anything else is simply window-dressing. We always need to look at the wider picture of disability: support needs to be about more than just the amount of money we happen to give someone in some



way. The Minister's role has to be far more than administering our benefits system. Indeed, the hon. Member for Bermondsey and Old Southwark pointed out that the Minister's role has to be cross-governmental; it cannot just be located within DWP.

The hon. Gentleman rightly mentioned the Government's welcome commitment to halve the disability employment gap. I said in this place just over a week ago that the Conservative party was the only party to make that commitment. We get a lot of credit from the various component parts of the Disability Benefits Consortium for making that commitment. They want to see it evidenced in policy, and I accept that entirely. I know how hard the Minister is working on the Disability Confident campaign, which may be nebulous in its concept and hard to measure but is fundamental to changing the nature of the debate. Once again, it is about not only the amount of money that the state gives but the amount of money that individuals themselves can obtain through employment, and the benefits that will flow from that.

We need to take other aspects of funding of support for disabled people into account as well. Given the hon. Gentleman's professional background before he came into the House, I am sure that he is aware of Scope's Extra Costs Commission, which reported just before the last election. The commission looked at the issue of the "purple pound", as we like to call it now, and why we often talk about the poverty premium as a disability premium, too. It is a cost that people face.

Although disability living allowance and the personal independence payment are there to cover extra costs faced by disabled people, very often they cannot cover all of them. Scope rightly tried to look at how we can not only increase PIP, but decrease the extra costs. Why is it so hard for charities to perform collective energy price switching on behalf of many of their members and supporters? Why has there never been a Competition and Markets Authority investigation into why aids and appliances seem to have over-inflated prices, compared with the cost of producing them? The commission produced a thick, voluminous report, full of very challenging ideas, many of which can be taken hold of not only by Government but by the market. The hon. Gentleman talked about the Minister having a more wide-ranging role, and that is the sort of thing I envisage.

The hon. Gentleman was right to draw attention to the current controversy over employment and support allowance and the work-related activity group, and I do not disagree that it is a difficult area for Government. His speech was a bit of a Christmas tree of briefings from all the different charities within the DBC, many of which I have met too. They seem to have great unanimity on what the Government are doing wrong, but when it comes to solutions and what we should do instead, I have found great differences in what they are suggesting. Each charity seems to have its own answer about what should be done, even though their analysis appears to have a degree of commonality.

I certainly see a specific problem in my constituency. People may not pass or get the result that they want from their work capability assessment. They may then not accept the judgment and might even reject participation in the ongoing process, but what they do not feel able to do is transition on to jobseeker's allowance, whereby they might get different, more appropriate levels of help that might get them back into work. They get stuck in a

no man's land, because of the financial jeopardy of losing money as they transition on to jobseeker's allowance. I accept that removing that financial gap is not the answer for every single person, but it is an honest attempt, in my view, to solve what I see as a real problem in my constituency.

In the longer term, however, I urge the Government to look at ESA as a whole. To me, it is now one of the last in the suite of disability benefits that was conceived when we saw disability mainly as a physical manifestation. Nowadays, we know about the interaction between mental health and physical health, and I think that benefits now—particularly PIP—are doing much more to look at how mental health comes into the picture.

I think that ESA needs more than just tinkering with; it needs substantial reform, because two people with an identical degenerative condition might be at the same stage in their prognosis but might be responding to that undoubtedly terrible news in very different ways. One might have a positive get-up-and-go approach and the other might be totally bowled over by it and unable to cope. Both responses are perfectly legitimate, but they have a major impact on how that person engages in the workplace. The benefit system has to be able to accommodate both those outcomes, without judging them in any way, shape or form. At the moment, I am not convinced that ESA is able to do that. That is why I would argue for a much more fundamental reform. As with other reviews of both WCA and PIP tests, for which we have the annual review, I feel that all we are seeing is more and more people being placed in the support group, almost as a default doctrine. I do not think that would fulfil the Government's policy objective in the medium term.

I realise that we are trying to keep speeches brief, so I will try to do so. The hon. Gentleman mentioned Access to Work. We are always right to keep pressing the Government about how they are spending Access to Work money, which is a really important pot of money. The fact that there is no cap on it means that I would always argue for more ways to spend it, and he identified a few. I am very keen to see apprenticeships and pre-work situations being brought into the programme's remit. Many people find, for example, that when they leave university they cannot access the help they need to demonstrate that they can do a job, so that they can get credibility with an employer and get the job offer. Bringing that process to a pre-appointment stage might give employers slightly more confidence that the person they want to employ can be employed and supported in the job. I continue to urge that we do far more to use Access to Work to keep people in work. I know that the Minister is doing more on that issue, but I think more could still be done.

The hon. Gentleman talked about IT. In my understanding, that relates mainly to some of the more mental health-focused interventions that Access to Work is now involved in. There has been, if I recall correctly, a 200% increase in the number of people benefiting from mental health interventions. Given the current levels of demand, I suspect that that needs to be 2,000%, but it is a good start none the less.

Finally, when it comes to financial support for disabled people—if we take that as the title of the debate—there is always room for continuous improvement in the delivery of benefits. I cannot think of a single suite of

[Paul Maynard]

benefits that the Work and Pensions Committee could look at and not find recommendations on how it could be improved. I live in a constituency that is perhaps a bit similar to the hon. Gentleman's, with a very high level of transience in the population. Many people do not have addresses that are stable from month to month. The methods of communication are often not suited to those highly vulnerable people, who are often facing addiction challenges of one sort or another. There are always ways of improving how we deliver the benefits necessary to support the most vulnerable, so the Minister's role will always be about continuous improvement, but it cannot just be about managing a benefit system, because financial support has to come in numerous ways. Part of that financial support is considering what else the Government can do to lower the extra costs across the community—it is not just about how we give people more money to meet those extra costs. Both are important, and we need to give more attention to how we meet some of the extra costs through non-benefit means as well.

My speech was not short enough, but it was an attempt at being short, Mr Crausby.

**Several hon. Members** *rose*—

**Mr David Crausby (in the Chair):** Order. If Members can keep their contributions to around seven minutes, they should all get in.

10.7 am

**Barbara Keeley (Worsley and Eccles South) (Lab):** It is a pleasure to speak in this debate with you as our Chair, Mr Crausby. I congratulate my hon. Friend the Member for Bermondsey and Old Southwark (Neil Coyle) on securing this important debate and on the excellent way in which he opened it.

I want to touch on the impact that the Government's policies and proposals are having and are likely to have not only on disabled people, but on their family carers. The toxic combination of cuts to local authority budgets and changes to support are having a significant negative impact on disabled people and on their carers. My hon. Friend gave an excellent analysis of many of those impacts.

Social care is widely seen to be in crisis. The most recent survey by the Association of Directors of Adult Social Services reported that 400,000 fewer people are receiving social care services than in 2009-10. Of those who are still supported, a significant number are now getting less care. Most directors expect that still fewer people will get access to services over the next two years.

There have been five years of funding reductions, totalling £4.6 billion and representing nearly one third of real-terms net budgets for local authorities. This year, adult social care budgets will reduce by a further half a billion pounds in cash terms. Taking the growth in numbers of older and disabled people into account, an additional £1.1 billion would be needed to provide just the same level of service as last year. Before the Minister tells us that the Government are putting £3.5 billion back into social care in future years, I should tell him that I see the Government's funding plans for social care as risky, uncertain and late.

Proposed increases to the better care fund are risky, because they are so back-loaded. They do not reach £1.5 billion until 2019, but as I said, demand is growing each year before then and we have already lost £4.6 billion. Funding from the social care precept is uncertain; it can only raise £1.6 billion by 2019-20 if every single council decides to raise council tax by the maximum possible, and they may not do so. However, adult social care is in crisis now and there have been significant cuts since 2010. Local authorities are not helped by Government funding that is too little and that comes too late.

Two months ago, the High Court ruled that the benefit cap unfairly discriminates against disabled people and their carers. I am glad that the Government are finally conforming to the Court's ruling and exempting full-time carers from the benefit cap. However, other changes to social security are still in the pipeline and are causing serious concern for carers. The Government have announced consultation on the possible devolution of attendance allowance to local authorities in England and Wales. I know that Carers UK is deeply concerned about that announcement.

Attendance allowance is an important source of financial support for older people with care needs. It is a gateway benefit entitling the carer to claim carer's allowance. Currently 295,000 people receive carer's allowance or other financial support because they are caring for somebody who is receiving attendance allowance. There are deep concerns that the Government's proposals will mean further delays and variations in people receiving these essential benefits. Local authorities, such as mine, Salford City Council, are still under severe financial pressure due to budget cuts. Salford has had to cut its budget for adult social care by £15 million since 2010.

Without ring-fencing, it is feared that the funding for attendance allowance will be absorbed into local authority social care budgets and then start to be subject to ongoing cuts. It is unclear whether local authorities will be allowed to change the eligibility criteria and level of payment for attendance allowance. If they are given that flexibility, it could lead to eligible carers losing the right to receive their carer's allowance.

I am sure we all accept that carers provide the bulk of the social care in this country and save the state billions of pounds. If carers are unable to claim carer's allowance they may be unable to continue caring and be forced back to work, putting pressure on local NHS and care services. Will the Minister say what steps are planned to ensure that the availability of attendance allowance and the eligibility criteria for it will be protected from local variations? It would be helpful if he told us whether he has assessed how many carers would lose access to carer's allowance as a result of the proposed changes to personal independence payment eligibility. I will come to that.

The proposals to alter the aids and appliances eligibility criteria for PIP may also mean that fewer disabled people will receive the support they need. Currently, 35% of people who are ill or disabled qualify for PIP solely through the aids and appliances descriptors. As PIP is also a gateway benefit for carer's allowance, any move to restrict PIP eligibility will have a significant impact for carers. I understand that the evidence base for the proposed reforms to PIP is based on an analysis of only 105 claimants when over 611,000 people are claiming PIP. That seems to be an absurd evidence base. The PIP

assessment cannot encompass the complexity and fluctuating nature of many health conditions, such as multiple sclerosis and Parkinson's disease.

The Government's rushed consultation on the changes will close on 29 January. Disability and carer's charities have said that all five of the Government's proposed changes would restrict access to PIP and therefore carer's allowance. Cutting PIP further is likely to put disabled people and their carers at risk. There are currently more than 7 million carers in the UK and hundreds of thousands of them may be hit by the Government's proposed changes to support for disabled people. In a submission to the Government, Carers Trust has said:

"Failing to support carers means failing to protect and secure the longevity of our health and social care system."

Continued underfunding of social care will undermine plans for the NHS and the integration of health and social care. The key point is that it will also damage the health of carers, many of whom—Carers UK reports—are already reaching breaking point.

10.13 am

**Jim Shannon** (Strangford) (DUP): It is a pleasure to participate in this debate, Mr Crausby. It was also a pleasure to hear the hon. Member for Bermondsey and Old Southwark (Neil Coyle) setting out clearly what many of us feel about the system that, with great respect, fails the people who need it most. That is what I feel and, in fairness, I believe that it is what everyone in the House feels.

The hon. Gentleman mentioned a number of charities and I will not give a roll-call of them, but they have also contacted me. More than 30, including Mencap, Macmillan Cancer Support, Parkinson's UK, RNIB, the MS Society UK and Mind, have written to the Minister outlining their deep concerns at the cuts in support for disabled people. This is not the first time we have discussed this matter in Westminster Hall. A debate not long ago was initiated by the hon. Member for Blackpool North and Cleveleys (Paul Maynard).

A poll by Populus on behalf of charities found that 71% of people think cuts to welfare will make the UK a worse place for disabled people to live. How will the Government address that? The Minister is always gracious in his responses and I know he will provide some answers and information. Just 6% of people thought the Welfare Reform and Work Bill would make the UK a better place for disabled people. In other words, 94% did not think that. Whatever people say about statistics, that cannot be ignored—94% of people are not satisfied or convinced.

We all know there needs to be an effort to make public finances sounder and that we must be careful with the budget for which the House, particularly the Government, is responsible. All Departments are being made to tighten their belts, but it is clear that public opinion sees these latest reforms as an attack on some of the most vulnerable people in our society. I judge society by its attitude to those who are less well off. My duty in the House is to help vulnerable people to manage better and that is also the Government's responsibility.

Despite great services, such as the Access to Work programme, the proportion of people with a learning disability in paid employment has remained stubbornly low and, according to Mencap, which represents people

with learning difficulties, seems immune to economic factors. That is worrying for us all. Indeed, the proportion of learning-disabled people known to social services in paid employment fell from 7% in 2012-13 to 6.8% in 2013-14, so there has been a fall. Perhaps the Minister will give us some idea of how the Government will respond to that and how they will directly address the issue.

The majority of people with a learning disability can and want to work, so let us encourage them and give them the opportunity. The figures are stark when the national employment rate of 76% is compared with an overall disability employment rate of just below 50%. In the Conservative party's manifesto, the Government pledged to halve the disability employment gap. I am sure the Minister will say how the Government are trying to meet that manifesto commitment. Welcome moves have been made to realise that commitment, but the facts show that more needs to be done and more action needs to be taken.

In Northern Ireland, we have a scheme to help to reduce the disability employment gap. In addition to the Access to Work programme, Workable (NI) is delivered by a range of providers contracted by the Department for Employment and Learning. The matter is devolved. These organisations have extensive experience of meeting the vocational needs of people with disabilities. Using them is a great way of advancing social enterprise and supporting the sector. Sometimes, it is necessary to innovate, to be different and to think outside the box. The Minister is aware of our scheme and what we do, so I respectfully ask whether the Government are considering it for the mainland. If they are, it would be good news. Perhaps the Government will look at how the devolved Administrations are working to assist disabled people into work and at the solutions to the long-term problem that can be shared across the United Kingdom's institutions of government.

On the face of it, these changes look completely contradictory to the Government's manifesto promise and are seen not as a genuine attempt to put more disabled people who can work into work, but as an ideologically driven policy. The Minister will give us statistics, which I am keen to hear, but the cuts are at risk of doing the exact opposite of what they are designed to do. Disabled people already find it much harder to get and keep jobs and to access employment compared with non-disabled people. Their chances will be even less if they are unable to pay telephone or broadband bills, or afford smart clothes and transport to interviews or the jobcentre. Those are all necessities for job searching and they will be even harder to afford when the cuts have been made. When someone goes for an interview, presentation is so important. Employers know that, as do MPs who see people who come to us for jobs.

Some £640 million will be saved by 2020-21, but should we really be targeting vulnerable groups to make savings in public finances? It is already hard enough for ESA recipients to survive on £5,300 a year. Expecting new claimants to be more likely to find work on £3,800 is, with respect, nonsensical. In addition to these cuts, Department for Work and Pensions data show that between 2011 and 2015 the number of jobcentres employing a full-time advisor to help disabled people fell by over 60% from 226 to just 90, with reductions in every recorded year. The reduction in jobcentre disability advisers

[Jim Shannon]

is surely contradictory to the Government's commitment to reduce the disability employment gap. The effects of those cuts to services need to be closely monitored to ensure that they are not having an adverse effect on the efforts to reduce disability unemployment.

I will conclude, Mr Crausby, because I am conscious of what you said about keeping contributions to seven minutes. The Government need to look again at the proposals and ask whether this is really the right approach to getting more disabled people back into work, especially when such a plethora of stakeholders are making it clear that the proposals will have the opposite effect to what is intended. That is the opinion of those who are at the coalface and know what is happening; they have concerns. We want the number of disabled people in work to increase, but cutting ESA will only make it harder for disabled people who can work, to find work; and ultimately all the savings will be hindered by the increased payment of benefits when disabled people who want to work simply cannot afford to go on the job hunt itself.

10.20 am

**Mary Glindon** (North Tyneside) (Lab): It is a great honour to speak under your chairmanship, Mr Crausby. I congratulate my hon. Friend the Member for Bermondsey and Old Southwark (Neil Coyle) on securing the debate. I agree with the sentiment that he expressed in his excellent speech with regard to the UN investigation and I agree with my right hon. Friend the leader of the Labour party, who, at Prime Minister's questions on 21 October last year, said that it was very sad that the UK was being investigated by the UN Committee on the Rights of Persons with Disabilities. However, judging by the speeches this morning and from disabled people's accounts of their experiences, it is little surprise that we are in this state.

I am pleased to say that I am a member of the all-party parliamentary group for muscular dystrophy. I would like to highlight how the Government's reforms have affected people who suffer from muscular dystrophy and other muscle-wasting conditions. It is worth bearing in mind that such conditions are serious and progressive; they range from mild to severe disability and even result in premature death. Nationally, more than 70,000 people are affected. That is one in every 1,000 people in our constituencies.

The charity Muscular Dystrophy UK, which works with and for people with muscle-wasting conditions, has called for the Government to abolish the spare room subsidy, which we all know as the bedroom tax, because of its devastating impact on those who are struggling financially while facing the challenges of living with a long-term disability. For many people in that situation, extra space is essential for vital home adaptations and to store equipment, but only those who have been designated as needing 24-hour care and assistance from an overnight carer from outside the family are exempt. That means that many disabled people, who fall outside the exemption, are forced to pay the bedroom tax even though they need the extra bedroom to store essential equipment because of their condition. For many, finding that extra payment from a limited budget is a cause of great stress in their already challenging existence.

A number of those living with muscle-wasting conditions rely on Motability vehicles so that they can live independently and have a quality of life beyond the confines of their home. However, the Government's decision to replace the DLA's 50-metre rule with a 20-metre rule under PIP means that those who do not meet the criteria will not access the enhanced mobility rate and could lose their mobility schemes. Although Motability has devised a scheme offering a lump sum to people who joined prior to PIP being rolled out, it is offering only three "free" weeks to accommodate the mandatory reconsideration and appeal. That means that people will have only a seven-week period to resolve the issue if they feel that they have been inappropriately reassessed, but the reality is that in most cases that will take a lot longer. I ask the Minister what steps the Government will take to support those people whose appeal takes longer than the allocated seven weeks.

Muscular Dystrophy UK has been given many examples showing an alarming lack of knowledge among those carrying out assessments for PIP. For example, one woman, who has a long-term and progressive neuromuscular condition, was told that she might "get better". Sadly, the organisation has found numerous examples showing that people are being treated with a lack of dignity and respect.

The organisation has also found that there are issues with the provision of employment and support allowance. Those have already been outlined by hon. Members. There seems to be a significant lack of understanding of the nature of neuromuscular conditions when cases involve a refusal to award ESA due to the misconception that with physiotherapy and/or other treatments, the condition can improve; it simply cannot.

Most worrying to Muscular Dystrophy UK is the cut of £30 a week for new claimants in the ESA work-related activity group, as it takes away the support that people with progressive and disabling muscle-wasting conditions need in order to look for and secure work.

The total effect of the cuts will seriously affect the ability of disabled people to live independently and play a part in society. Moreover, the cuts will lead to more pressure on health and social care budgets as those with complex needs deteriorate more rapidly without the correct support. The concerns raised by Muscular Dystrophy UK are based on the real experiences of people with neuromuscular conditions, so I hope that my hon. Friend the Member for Bermondsey and Old Southwark will not mind if I take this opportunity to ask the Minister whether he will meet some of those people and Muscular Dystrophy UK to discuss their concerns in person and in more detail.

10.26 am

**Dr Eilidh Whiteford** (Banff and Buchan) (SNP): As ever, it is a pleasure to serve under your chairmanship, Mr Crausby. I congratulate the hon. Member for Bermondsey and Old Southwark (Neil Coyle) on bringing the debate to the House. As he said, it is timely not only because of the debate in the House of Lords later today, but because of yesterday's developments regarding carer's allowance. Indeed, as we have been sitting here in the debate this morning, the Court of Appeal has ruled that the bedroom tax is discriminatory. These things all stack up. They show that the Government's approach to support, including financial support, for disabled people is completely wrong.

**Barbara Keeley:** I had not heard the news that the hon. Lady has just announced, and I am delighted to hear it. I introduced a ten-minute rule Bill to exempt carers from the bedroom tax, but Government Members shamefully spoke against it.

**Dr Whiteford:** I thank the hon. Lady for making that point. She has a very strong track record of standing up for carers.

Disabled people and those with long-term health problems have faced huge upheaval and uncertainty during the past few years as the austerity measures have kicked in. For many, the changes to social security have already left them significantly worse off and living in precarious and reduced circumstances.

A couple of weeks ago, I was privileged to meet some of the disabled people who came to Parliament as part of the lobby organised by the Disability Benefits Consortium. I pay tribute to it and the other organisations that brief us on the real experiences of disabled people. We need to listen to them, because their experience should inform policy far more than it does at the moment.

As I mentioned, we are having this debate on the day when the Lords will vote on aspects of the Welfare Reform and Work Bill. There has been speculation that the Government may well face another defeat, on the cuts to employment and support allowance that were mentioned earlier. I moved amendments to the Bill on Report, which I am pleased to say were supported by Opposition parties, that would have removed those changes. They are deeply regressive and punitive on people whose disabilities are so severe that even under the very flawed work capability assessment, they have been found unfit for work.

I would be among the first to acknowledge the shortcomings of the work-related activity group classification. It has not been helpful or effective for anyone, and I echo the wider point made by the hon. Member for Blackpool North and Cleveleys (Paul Maynard) about the ESA process. However, the key point in our debate today is that people placed in the WRAG are people who are not currently fit for work. There is a wealth of evidence that piling financial or moral pressure on people when they are recovering from illness or living with long-term health conditions does not motivate them to get better any faster; it actually makes them more ill. Living in poverty while too unwell to work simply compounds the challenges that sick and disabled people already face and slows their recovery.

We get to the heart of the matter when we look back at the original announcement. Last summer, during his Budget statement, the Chancellor said that ESA was supposed to end what he termed

“some of the perverse incentives in the old incapacity benefit, but instead it has introduced new ones.”—[*Official Report*, 8 July 2015; Vol. 598, c. 333.]

Quite seriously, that is what he said. He seems to think that ESA creates incentives for people to be disabled or sick. It is the Chancellor’s thinking that is perverse, because there is absolutely no incentive for any person to live with the limitations, the pain, the social insecurity and the material disadvantage of disability. If the Chancellor thinks that £102 a week of ESA creates an incentive, he must be wired to the moon.

Research published by the Disability Benefits Consortium for an earlier stage of the Welfare Reform and Work Bill showed that 70% of the disabled people surveyed by the consortium believed that further cuts to ESA would cause their health to suffer. Other hon. Members have alluded to that. The word “further” is most telling, because we need to understand the context of the cut in the work-related activity component. As others have said, it comes on the back of the Welfare Reform Act 2012, which allowed for the transition from disability living allowance to personal independence payment, cutting the budget for support for disabled people by £1.5 billion a year and significantly raising the bar on who can receive support.

Let us not forget that the bedroom tax was also a direct assault on the incomes of disabled people. Even when the legislation was going through Parliament, the DWP’s impact assessment showed that two thirds of the households that would be affected were home to someone with a disability. In Scotland the impact was magnified, and eight of 10 households affected were home to a disabled person. I am glad that the courts have ruled that the policy is discriminatory, as has been said all along and as hon. Members stated repeatedly in the House at the time. When we talk about the latest cuts, we must remember that the people who are being sanctioned are disproportionately affected by disability. We really should not need courts to determine those things when we have the evidence before our eyes.

We must take cognisance of the fact that the new measures come at a time when disabled people are already struggling on reduced incomes—and they are really struggling. The hon. Member for North Tyneside (Mary Glendon) laid out in some detail just some of the practical ways in which that manifests itself. The Disability Benefits Consortium research revealed that 57% of respondents had found that the amount of ESA that they currently received did not cover the extra costs of living with disability, and, as a consequence, many experienced difficulties in paying for essentials like food, extra heating and the extra transport costs that they may incur.

I want to touch briefly on the parliamentary review, “Halving The Gap?” led by Lord Low, Baroness Meacher and Baroness Grey-Thompson, which makes valuable recommendations. The report notes that some 500,000 people with physical or learning disabilities, mental health problems or autism are currently assessed as being unfit for work. I want to emphasise that that is the reality. People in the work-related activity group have been assessed as not fit for work, even under the stringent criteria of the work capability assessment, and slashing their incomes by £30 a week is only punitive. It cannot make them better more quickly. It will not incentivise them back to work. It will only make them poorer. For some, it will damage their health. The Government say that they want to halve the disability employment gap, but the policy is still without substance. We are still waiting for a strategy, and I hope that the Minister will bring forward more substantial proposals.

The barriers that disabled people face in accessing and sustaining employment are real, so concrete support through the social security system is vital. Often, it is financial support that people need. The difficulty is the Government’s track record; they have had to be dragged through legal processes to force them to make changes.

[Dr Eilidh Whiteford]

Last time we debated the matter, I raised the High Court ruling that the DWP had unlawfully discriminated against disabled people on the issue of carers and the benefit cap, as the hon. Member for Worsley and Eccles South (Barbara Keeley) mentioned. Yesterday's Government U-turn was not announced in a parliamentary statement; it was sneaked out on Twitter. That is an interesting way to do things.

It is sad that it has taken a legal challenge for the Tories to accept the damage that their obsession with austerity, and their willingness to put disabled people on the frontline of austerity cuts, is inflicting on disabled people. Disabled people should not have to fight through the courts for recognition of their rights, and we should not need a High Court judge or a Court of Appeal judge to determine that the benefit cap and the bedroom tax discriminate against those people. I am glad that the Government have been forced into retreat on the matter, but I hope that they will now take far more seriously the disproportionate impact that their cuts are having on disabled people, who are already disadvantaged.

The inquiry by the UN Committee on the Rights of Persons with Disabilities is a real indictment of the Government's approach to supporting disabled people. I reiterate the point that the hon. Member for Bermondsey and Old Southwark made in opening the debate: the UK is the first country to be investigated by the UN in relation to the convention. The Prime Minister has tried to dismiss the investigation by saying that

"when you look at these investigations you find that they are not necessarily all they are originally cracked up to be."—[*Official Report*, 21 October 2015; Vol. 950, c. 600.]

It is completely and utterly shameful for the UK Government not to take the matter more seriously. The UK is being investigated on the world stage for "grave and systematic violations of the Convention", and the Government need to learn some humility.

The hon. Member for Strangford (Jim Shannon) raised some devolved matters from a Northern Ireland perspective. In Scotland, we have made serious efforts to distance ourselves from the UK Government's shameless and regressive approach. We have tried to insulate the most disadvantaged people from the worst aspects of austerity cuts by establishing the welfare fund and the Scottish independent living fund, and by mitigating the bedroom tax in full. No one is complacent about the impact that income cuts and sanctions are having on sick and disabled people, however, and there is a lot more that we all need to do.

The UK Government, first and foremost, need to start listening to disabled people and taking their views on board. They seem to want to bulldoze through cuts to ESA. I strongly urge them to learn from the High Court judgment, the Court of Appeal judgment and the UN, and to think again.

10.36 am

**Debbie Abrahams** (Oldham East and Saddleworth) (Lab): It is lovely to see you in the Chair again, Mr Crausby. I congratulate my hon. Friend the Member for Bermondsey and Old Southwark (Neil Coyle) on securing the debate and making an excellent, comprehensive and thorough speech. I will recap some of the points that he made.

Since 2010, 13 policy measures in the Welfare Reform Act 2012 have reduced financial support for 3.7 million people to the tune of £23.8 billion. I will not go through the list, but it is extensive, and it is there for people to read at their leisure. On top of that, as has been said, the closure of the independent living fund and the transfer of responsibility to local authorities have caused immense distress to many families of people with the most extreme disabilities. Because not all local authorities have chosen to ring-fence that funding, those people have experienced a cut of £1.2 billion.

**Dr Lisa Cameron** (East Kilbride, Strathaven and Lesmahagow) (SNP): Does the hon. Lady agree that we are not just talking about dealing with stress? The cuts are also likely to exacerbate any mental health difficulties that disabled people may have, leading them to feel hopeless and depressed, and, in some cases, leading to self-harm and suicidality.

**Debbie Abrahams**: The hon. Lady makes a good point. One of the woeful things about the measures has been the Government's lack of assessment of their impact on poverty, on disability and on any other health conditions that disabled people experience. That is a real indictment of the Government.

I return to the cuts to social care. We know from the Association of Directors of Adult Social Services that £3.6 billion has been cut from social care, and that figure is likely to increase to £4.3 billion by 2020. That has led to a reduction in the amount of state-funded support for older and disabled people. In 2014, 500,000 fewer people were able to access social care support, and 12% fewer older and disabled people were able to get essential home adaptations through the disabled facilities grant.

Mencap has identified a whole range of issues with health services provisions for people with learning disabilities. Only 49% of trusts have a full-time learning-disabled nurse. In addition to the cuts to social security and to health and social care, there have been cuts to access to justice, 42% cuts to the access to transport funding that enables people with mobility issues to get out and about, and cuts—described as a "ticking time bomb"—to funding for training teachers who provide mental health support to school pupils. It goes on and on. My hon. Friend the Member for Bermondsey and Old Southwark mentioned the cuts in the disabled students allowances. That is a looming threat.

Hon. Members have mentioned other cuts that are on the horizon, particularly as a result of the Welfare Reform and Work Bill, which is currently in the Lords. The cuts to the ESA WRAG were mentioned. In effect, there will be cuts of £30 a week for people in that group—people who have been found not fit for work, including 5,000 people with progressive conditions such as Parkinson's and MS, and people with cancer. A survey conducted by the charity Macmillan Cancer Support found that one in 10 cancer patients would struggle to pay their rent or mortgage if ESA were cut. The woeful impact assessment has not assessed the impact of poverty on disabled people and the effects on their health conditions, but we know that half a million people will be affected by the cuts of £640 million in addition to the £23.8 billion I mentioned previously. Of 11 million disabled people, more than 5 million live in poverty. The cuts will exacerbate their plight, as 80% of people who live in poverty do so as a direct result of their disability.

The ESA WRAG cut is just one of the cuts facing disabled people. There is also the freeze in social security support over the next four years. My hon. Friend the Member for Bermondsey and Old Southwark mentioned the cut to universal credit, which will affect disabled people. Liverpool Economics estimates that it will cause an average loss of £2,000 a year to each disabled person.

Friday's closure of the consultation on PIP has been mentioned. A result of that consultation will definitely be another cut, based on a review of 105 of the 611,121 current PIP claimants. That is all in the context of a Tory manifesto that included a pledge not to cut disability benefits. I can only assume that the consultation is the result of the Government getting a little bit anxious that more people will qualify for PIP, because the 105 claimants included in the review were all awarded the daily living component as they would benefit from aids and appliances. I am reminded of a statement made by the Institute for Fiscal Studies just after the spending review:

"The OBR has significantly reduced its forecast of savings from disability benefit reforms—in particular the move from disability living allowance to personal independence payment. This is familiar. Year after year expected savings from this reform go down. In fact this change in forecast would have ensured that the welfare cap in 2020-21 would have been breached."

That is on top of everything else.

A UN committee has been investigating the UK for breaches of the UN convention on the rights of persons with disabilities, to which we are a signatory. That is an indictment of our record. The Government's mantra for disabled people of working age is that work holds the key, but we have heard about the lack of support that has been provided with the Work programme, Access to Work and Disability Confident.

My final remark is that my hon. Friend the Member for Bermondsey and Old Southwark is absolutely right: this is down to Government choices. The Government have tried—and I say tried—to regenerate the economy on the back of the poor and disabled. Instead of denigrating social security, we should value it. Like our NHS, the social security system is based on the principles of inclusion, support and security for all, ensuring all of us dignity in the basics of life should any one of us become ill or disabled, or fall on hard times. The Government need to remember that that is the case and stop their attacks on disabled people.

10.45 am

**The Parliamentary Under-Secretary of State for Disabled People (Justin Tomlinson):** It is a pleasure to serve under your chairmanship, Mr Crausby. I pay tribute to the hon. Member for Bermondsey and Old Southwark (Neil Coyle) for calling the debate. He is a formidable campaigner with a wealth of experience having been the head of policy at the National Centre for Independent Living, the director of policy at the Disability Alliance and the director of policy and campaigns at Disability Rights UK. His speech demonstrated a genuine and wide-ranging knowledge. I am grateful for the huge range of issues that have been raised. I will do my very best, in a limited time, to cover as many of them as possible and I will keep going until I run out of time. I pay tribute to all the other speakers who contributed to what was mostly a proactive and constructive debate in which genuine concerns were raised and suggestions made about how we can continue to make improvements.

My hon. Friend the Member for Blackpool North and Cleveleys (Paul Maynard) once again demonstrated his huge wealth of experience, setting out practical solutions, particularly regarding apprenticeships. His point was timely as I am due to meet the relevant Minister from the Department for Business, Innovation and Skills to discuss that issue. I hope that my hon. Friend will be kind enough to join me in that meeting as I would like to push the subject.

The hon. Member for Worsley and Eccles South (Barbara Keeley) asked whether PIP recognises fluctuating health conditions. I feel that it does better than the DLA. The trained assessors are better at picking up on those conditions compared with the former DLA assessment. The main thrust of her speech concentrated on social care and attendance allowance. I understand that as I spent 10 years as an elected borough councillor, but I support the principle of localising the decisions. As a country, we have agreed that we will continue to devolve more responsibilities, particularly to Scotland, but I trust our English authorities to have the same responsibilities and opportunities. We have introduced the better care fund, the social care precept and the Health and Social Care (Safety and Quality) Act 2015.

**Barbara Keeley:** There is a fear about variations and carers losing their eligibility because some councils are so cash-strapped. The difference is very unfair. Even the social care precept will be different, as authorities can raise different amounts. It is an unfair and varied field now.

**Justin Tomlinson:** I understand, and we introduced the Health and Social Care (Safety and Quality) Act to set those standards. To be fair, this issue could be a debate in itself and I am conscious that there were so many other points that I need to come to. I am happy to discuss the matter further.

The hon. Member for Strangford (Jim Shannon) was right to highlight the fact that more needs to be done. He is a vociferous speaker; I have never taken part in a debate in which he has not contributed. He is right to challenge and is always proactive in making suggestions, particularly regarding learning disabilities. The proportion of people with learning disabilities in paid employment is typically 6% to 8% regardless of whether the economy is on the up or the down. It is the one stubborn area with which Government after Government have struggled and wrestled to try to make genuine progress. I am interested to hear more about the scheme in Northern Ireland that the hon. Gentleman talked about, and I would be keen to meet him to discuss that further.

I have had a good meeting with the hon. Member for North Tyneside (Mary Glendon) previously. I would be happy to meet with the group she described to discuss those issues further. We are taking action on the time it takes for appeals to be considered. First, the mandatory reconsideration process comes in before the independent appeal and picks up the majority of those cases in which new information has come forward and a mistake has been made. We continue to work on how we can access better information because, more often than not, decisions are changed when new information comes to light. To get that earlier would be beneficial for all. On the point about accessible housing, the discretionary housing payment funds will be increased over this Parliament by £800 million. I think everyone would welcome that.

[Justin Tomlinson]

To the hon. Member for Banff and Buchan (Dr Whiteford), to be fair, external groups, cross-party MPs, Lords, stakeholders and charities do get to influence policies. I spend a lot of my time meeting those groups. Her speech contained a lot of criticism. There are opportunities to make changes. We are reforming ESA through the Work and Health programme and the White Paper. Sometimes, it is good to suggest things that could work, rather than just saying which things are wrong. I reassure her that we do not announce things through Twitter. In the modern world, some people would welcome our doing so, but this week's announcement about carers and the benefit cap was not made through Twitter. Lord Freud made the announcement in Parliament on Monday during the passage of the Welfare Reform and Work Bill. I hope that provides some reassurance.

I will address as many of the points that have been made as I can. First, on unemployment, we all welcome the Prime Minister's pledge that we will halve the disability employment gap. Some 339,000 more people with disabilities have been in work over the past two years, which is a good start, but we still have a long way to go. There is a real-terms funding increase in spending to help people with health conditions and disabilities to return to and remain in work. There is support throughout the system, and we are multi-skilling our coaches to ensure that they are all aware how to support people with disabilities. There will be opportunities to make improvements through the White Paper.

The point about smaller, localised, flexible options is important. I get to make many good visits, and I have seen local solutions meeting market needs to create and train the skills where the jobs are. I made an enjoyable visit before Christmas to Foxes Academy, where I was corrected on my inability to cut carrots—it was the hotel featured on Channel 5. Early this week, I visited Ignition, a local brewery that employs people with learning disabilities, where it is socially acceptable to sample the goods at 11 am.

We have introduced the Fit for Work service particularly to focus on helping people remain in work. It is a lot easier to help people remain than to help them back into work. The current figure for Access to Work is 36,760, with four years of growth. It is a demand-led scheme, but a funding increase for an extra 25,000 places has been confirmed, which is significant. We are actively considering the best ways to do that. We have an open mind, and I welcome any suggestions, but obviously greater promotion is key, particularly to smaller businesses where the scheme would be particularly helpful in removing barriers. Specialist employment support has doubled the job outcomes of residential training colleges, which is good progress.

We constantly evaluate PIP, and we work with external stakeholders, charities and users to look at ways we can continue to improve PIP. The waiting time for assessments has reduced by more than three quarters since June 2014. We are now at five weeks for an assessment, and 11 weeks median end-to-end for the process. It is fair to say that the launch of PIP was not good. The reviews highlighted that, and my predecessors will have spent a lot of time in Westminster Hall and in the other Chamber discussing it, but PIP has been in a settled state for quite some time.

**Debbie Abrahams:** Will the Minister confirm whether that will mean a cut to PIP for people?

**Justin Tomlinson:** Will the hon. Lady repeat that last bit?

**Debbie Abrahams:** After the consultation, will PIP be protected, or will people see a loss in their PIP allowance?

**Justin Tomlinson:** The consultation is just completing, and we will analyse what people have had to say. We were right to do that following the Paul Gray review. He highlighted the issue following court judgments. On an earlier point, rather than waiting for the courts to continue to drag it through, it is right and proper that we have a thorough look at it, but I do not want to pre-empt any consultation. We are continuing to look to improve the PIP process, and I look forward to reading the hon. Lady's comments, assuming that she has fed into that consultation.

Only 16% of DLA claimants secured the highest rate, and the figure is now 22.5% under PIP. As a specific example of an area of disability where people have benefited from the changes, 22% of those with a mental health condition would get the highest rate of DLA, but now 68% of mental health claimants are on enhanced PIP.

**Neil Coyle:** But that is not someone getting more support but someone qualifying for exactly the same support that existed previously under DLA, a system that actually cost less to run.

**Justin Tomlinson:** My point is that only 22% of those with mental health conditions would have qualified, and now the figure is at 68%, so more people with a mental health condition are qualifying for the enhanced rate. That is one example, and there are others.

We are in the process of the full roll-out, taking the 1.7 million DLA claimants over to PIP, but please be assured that that is being done in a controlled, measured and timely manner that learns the lessons of the reviews. We are doing the roll-out in a manner that meets the available capacity so as not to repeat the mistakes of when PIP was first launched. The disabled facilities grant currently funds about 40,000 house adaptations a year, and I am delighted that funding is due to increase by 79% next year from £220 million to £394 million.

A number of Members talked about working across the Government, which is a big part of my role. I meet not only Ministers but Opposition Members and Lords stakeholders. I make lots of visits, which is a part of my role that I very much enjoy. My door is always open, and I have met a number of speakers here today.

Some 16,900 have transferred from the independent living fund, of whom 91% already had some form of their care provided by the local authority. The funding was transferred in full. The protection was underwritten by the Care Act 2014. The Department for Work and Pensions, the Department of Health, the Department for Communities and Local Government and the Treasury are keeping a close eye on that as it progresses. I understand the importance of the issue, on which we have had many debates.

We must not forget that ESA WRAG was not a golden solution; it had been criticised by all parties for a long time. Only 1% of claimants a month were coming off that benefit into work. No Government ever invented



could have spun that as anything other than failing the people it was meant to serve. Those already receiving ESA will see no cash loss. Anyone whose capacity to work is limited by severe work-limiting health conditions and disabilities will continue to remain in that support group. Existing claimants who undergo a work capability reassessment after April 2017 and are placed in, or remain in, the WRAG will continue to receive that additional rate.

The Government have invested an extra £1.25 billion in mental health support, and in our area we are doing a series of pilots on group work, telephone support, face to face, online and inside jobcentres to look seriously at how we can do that and scale it across the country to help people as quickly as possible, which is clearly the key. On the disabled students allowance, we recognise that progress has been made since the Equality Acts. Universities, like all public sector bodies, have a duty to comply with the law. We should not be paying for things that they should be doing and are underwritten by law. I have had a number of meetings on that, and I will continue to keep a close eye on it.

Finally, on accessible information, the Royal National Institute of Blind People rightly challenged me because it felt that the Government were inconsistent in how they presented information. It is important that my Department leads on that, as well as pushing the rest of the Government, so I set up a taskforce that includes the RNIB and a number of organisations and people with a wealth of experience who will work through how we communicate our information. I understand that, when people are looking to use services and claim benefits, we need to make their journey as easy and as helpful as possible, and I am delighted that so many organisations are supporting that valuable work.

It is a pleasure to have responded to this helpful debate, which is a credit to the hon. Member for Bermondsey and Old Southwark.

10.57 am

**Neil Coyle:** It is a pleasure to serve under your chairmanship, Mr Crausby. I thank everyone who has contributed to this debate. The Minister seems to have left most of my questions unanswered, particularly on unemployment—there was just some indication there.

I share the concern of the hon. Member for Strangford (Jim Shannon) that, although we welcome the commitment to halve the gap, there is a reverse-Ronseal approach coming from the Government. The approach is not doing what it says on the tin. The number of people supported by Access to Work, for example, seems to be heading the wrong way.

On DSA and universities needing to do more, it goes back to the point raised by the hon. Member for Banff and Buchan (Dr Whiteford) and my hon. Friend the Member for Oldham East and Saddleworth (Debbie Abrahams). Look at the court case today: the Government do not do what they are meant to do on impact assessing or following their own Equality Act obligations. That from the Department that is directly responsible for representing disabled people and much of central Government disability policy. The Government are not doing enough, and to try to pass responsibility on to universities when the Government are failing to uphold their own responsibilities is crude.

I thank my hon. Friend the Member for Worsley and Eccles South (Barbara Keeley) for her contribution. I completely share her concern about the Government's risky, uncertain and late approach, and I thank her for all her work with Carers UK, which is based in my constituency. I consider her an honorary constituent simply because of the amount of time she spends with Carers UK.

The hon. Member for Blackpool North and Cleveleys (Paul Maynard) mentioned funding, but the Government still do not seem to co-ordinate a longer-term approach to planning. What happens when disabled people lose support and end up making increased demands on the NHS? He made lots of points about the extra costs of disability and then seemed to suggest, in some kind of sick joke, that disabled people in the work-related activity group of ESA should get JSA, which would be a considerable reduction in financial payment, because it might incentivise them into work sooner when we know they have health issues. That is a completely unacceptable approach, and sadly that is what we see time and again from a Government whose priorities are upside down—tax is not collected where it should be, and they keep coming back to disabled people for more.

*Motion lapsed (Standing Order No. 10(6)).*

## Business Transactions: Cash Retentions

11 am

**David Simpson** (Upper Bann) (DUP): I beg to move,

That this House has considered cash retentions in business transactions.

As I lead off in this debate, I will say first that I know that some of my own party colleagues and others have indicated that they want to make some form of intervention. Time is limited, so I will try to keep my points to a minimum to allow as many people in as possible, Mr Crausby, if that is okay with you. If it is not possible, I hope that anyone who does not manage to get in will please accept my apologies.

Let me start with this point: cash retentions, specifically in the construction industry, are currently responsible for £30 million of moneys being held back from small firms. Normal guidelines state that cash retentions are calculated at around 5% of the amount certified as due to the contractor. I must add that this 5% is very often the firm's profit margin.

By and large, the lead contractor will get paid in instalments throughout the term of a contract, as very often there is a large turnover on specific jobs. This has been normal practice for many years. However, we then must turn our focus to the issue of subcontractors and fair payment practices.

**Jim Shannon** (Strangford) (DUP): This is a massive issue and it is good to see the Minister for Small Business, Industry and Enterprise in her place; I hope that she will give a very positive response to the debate. Just today, the news back home in Northern Ireland is that the Groceries Code Adjudicator has found Tesco guilty of holding back moneys and of delaying invoice processing as well. At long last, we have an adjudicator that has teeth. It is just a pity that the legislative power to impose fines was not used, because the inquiry into this case started before it existed. Does my hon. Friend agree that at long last the adjudicator can make companies pay?

**David Simpson:** Yes, I agree entirely with my hon. Friend. We have raised this issue of the Groceries Code Adjudicator in the Environment, Food and Rural Affairs Committee as well. It is good to see some power coming into this area, so that the larger companies can pay this money.

I mentioned subcontractors and fair payment practices. This area is where we begin to see major difficulties and cash-flow problems for companies. I can report in this debate today that £40 million worth of cash retentions were lost by small firms in 2015.

**Debbie Abrahams** (Oldham East and Saddleworth) (Lab): I congratulate the hon. Gentleman on securing this debate. Was he as disappointed as I was last year when the Government failed to act on this issue and did not implement my amendment to the Small Business, Enterprise and Employment Act 2015, which was specifically about cash retentions? And does he hope that the Minister and the Government will listen as the Enterprise Bill goes to the House, which is another opportunity for this issue to be addressed?

**David Simpson:** I agree that that was disappointing, and I will touch on it further in my remarks later. I think we have a listening ear from this Minister, but we will see when she responds to the debate.

**Bill Esterson** (Sefton Central) (Lab): I congratulate the hon. Gentleman on securing this debate. He mentioned subcontractors. May I quote to him a subcontractor in my constituency—Steve Murray, the managing director of W T Jenkins? He told me:

“Cash retention is harming our sector and our company in particular. We have to wait far too long for the retentions, if we receive them at all. We have lost a lot of revenue over the last five years due to many companies going into administration and taking our monies with them.”

On Monday in his office, Mr Murray showed me a shelf full of files about firms that owe him money, in some cases for more than eight, nine or even 10 years.

**David Simpson:** Again, I agree with the hon. Member. I could do exactly the same thing in my constituency and I am sure that other Members could do the same in their constituencies. This situation is unacceptable and we will address it as we go through the debate.

**Ms Margaret Ritchie** (South Down) (SDLP) *rose*—

**David Simpson:** I will give way to the hon. Lady; I will never be forgiven if I do not.

**Ms Ritchie:** I thank the hon. Gentleman for giving way and I congratulate him on securing this debate. Does he agree that although the Government are now undertaking a cost-benefit analysis of the retention system with the express aim of eliminating these retentions by 2025, there is a need for a statutory retention deposit scheme, which could be brought in through the Enterprise Bill and which would be similar to the tenancy deposit scheme as a means of protection?

**David Simpson:** I think the hon. Lady has seen my speech.

**Jim Shannon:** She wrote it. [*Laughter.*]

**David Simpson:** We will deal with that as well—great minds think alike.

The figure that is reported is some £40 million, which is horrendous. Small companies come to the stage where they are forced to write off money they are owed, because the cost of recouping it would be far greater than the sum itself and therefore it is futile for them to try to recoup it.

The Government have been very vocal in leading the business community to look forward and they have encouraged businesses on sustained growth and productivity, which is a good thing. I know that the Minister has done that; she is very pro-business. I have been approached by firms in my constituency, and I know that this is a UK-wide problem. The firms in my constituency say they are on their knees, largely due to the retention of moneys they cannot recover from larger contractors that have already been paid for the job they have done.

A firm in my constituency reported to me only last week that it has had to wait up to four years for retention money when contractual agreements state that 12 months is the limit. They have categorically stated that this situation hinders their plans for growth. In the majority of these cases, the contractor has already been paid but holds on to these moneys to counteract discounts.

A significant employer in Northern Ireland forced a loss of £10 million to a large number of subcontractors and suppliers when it went into insolvency. While that big company faced the headlines, many of the small contractors were simply unable to sustain their business; they simply had to bow down and close their doors, which resulted in significant job losses.

**Alan Brown** (Kilmarnock and Loudoun) (SNP): I congratulate the hon. Gentleman on securing this debate; he has made some good points. On that point about cash flow, I am a civil engineer and have worked in the construction industry, so I am well aware of the effects that cash-flow problems can have on small firms.

Is the hon. Gentleman aware that the Scottish Government are currently trialling in the area of public procurement the operation of project bank accounts, which are underpinned by legal trust status? The system allows payments to be made into a project bank account, where the money is legally protected for subcontractors, so they actually get their money quicker. Of course, that system can be used to manage retentions as well, completely eliminating the cash-flow problem. Does he agree that the Minister should perhaps consider that system and speak to the Scottish Government about that trial?

**David Simpson:** I thank the hon. Member for that intervention and his point certainly has validity; it is worth looking at, to see whether something could be done in that field to try to resolve this issue for small companies.

I know that the Government are pro-business; the Democratic Unionist party and other Northern Ireland parties have seen our economy in Northern Ireland grow. It is the role of Government, MPs and other politicians to create the circumstances for businesses to develop. I speak as a businessperson myself—my business interests are set out in the Register of Members' Financial Interests—and it has taken my company 36 years to get to where it is today. Government have played their part in that, but this issue of cash retentions goes right to the core of small businesses.

**Jim Shannon:** I thank my hon. Friend for giving way again. I know that he and the hon. Member for South Down (Ms Ritchie) have been involved in the Patton Group issue. When the Patton Group became insolvent, almost £10 million in cash retention was lost. Does he agree that the reintroduction of the aggregates levy scheme and the exemptions within that scheme would enable and help cash flow?

**David Simpson:** I think so, yes. I will touch on that later. My hon. Friend mentioned a company that I referred to earlier, although not by name. It was a major blow for subcontractors in Northern Ireland. In 2012, poor payment practices were discussed in the Northern Ireland Assembly, and my hon. Friend the Member for East Antrim (Sammy Wilson), who was the then Minister of Finance and Personnel, was questioned on why Government should intervene. His answer was:

“The reason that it is so important is that the businesses at the receiving end of this unacceptable practice are, more often than not, small and medium-sized enterprises...on which we are depending to help rebuild our economy.”

That is not just the economy of Northern Ireland, but the economy of the whole United Kingdom.

**Alison Thewliss** (Glasgow Central) (SNP): I thank the hon. Gentleman for securing this important debate. Does he agree with the points that SELECT, which is the Scottish electrical contractors association, raised with me? If companies are ending up propping up larger businesses, they have less money to invest in education, training and innovation within their own business.

**David Simpson:** That is right, and that is exactly the problem. The issue needs to be addressed. Speaking from Northern Ireland's point of view, it has been a major obstacle to small and medium-sized companies moving forward. To add to that, those SMEs have no protection against cash retentions. Banks do not consider unprotected retentions as sufficient security for lending purposes, and that is a major problem for SMEs. Even though that money is on the books, the banks will not let them use it as security for overdraft facilities. In addition, and perhaps most alarming of all, public bodies and large companies are using millions of pounds of small firms' retentions to boost working capital. That is happening with a lot of the major supermarket chains. They are using the money that they hold back to move their companies forward, to buy premises and to buy land. That has been the story for some considerable time. That is not just speculation; it is happening in today's society while the Government are reviewing the matter but have not yet agreed to legislate, and we need to see that legislation.

My next comment is on a somewhat disappointing matter. In 2015, the Under-Secretary of State for Business, Innovation and Skills, Baroness Neville-Rolfe, acknowledged the problem and said:

“issues with retentions go to the heart of the industry's business models...low levels of capitalisation mean that the industry is heavily reliant on cash flow.”—[*Official Report, House of Lords*, 3 March 2015; Vol. 760, c. 127-28.]

In addition, she said that the Government had no plans to legislate to tackle the issue. That point was raised earlier, and I again emphasise that the Government need to look at that.

While the sector is delighted that the Government recognise that there is a problem—they are to be supported in their efforts to eliminate cash retentions by 2025—and I very much welcome their long overdue review of the retentions system, we need to see some action.

**Ms Ritchie:** I thank the hon. Gentleman for giving way again. He is making a compelling case for the elimination of cash retentions. Would he agree with me that the situation, particularly in Northern Ireland, for those involved in the construction industry was compounded when the aggregates levy credit scheme was withdrawn? That was remedied in the European Commission and the European Court of Justice some months ago, but the British Aggregates Association is now taking a further case against the Commission ruling. That could plunge our industry into further peril and financial difficulties.

**David Simpson:** That is an excellent point, and we have been lobbied on that over the past days and weeks. That case could have a devastating impact on the construction industry in Northern Ireland, so it will be fought tooth and nail. We hope that the Government will support people in that.

[David Simpson]

It is not enough for the Government to talk about removing retentions by 2025; we need to see some form of legislation to stop retentions. We cannot sit back and ignore a potential loss of £360 million over the next nine years, as calculated by the loss of £40 million in 2015, while the Government work towards elimination but have no plans to legislate. That is grossly unfair and frankly hugely debilitating to the construction sector and the UK economy.

There has been huge interest in the debate. I am sure that many Members, like me, have been briefed by the Specialist Engineering Contractors Group, which has been the voice for SMEs on this poor payment practice. Like many here today, I recognise that cash retentions work in theory. They were originally established as a protection against any defects that might have been left when a job was finished or left unfinished. These days, since all contractors have to go through a lengthy pre-qualification process to be able to take on any job, there should no longer be any need for retentions to be withheld. However—this is quite embarrassing for the UK—we still have not legislated to have retention moneys placed in safe keeping. France, Germany, America and Australia are already leading the way and have put in place effective processes to secure the money, should the larger contractors go into insolvency or adopt poor payment practices when releasing the finance to their subcontractors.

**Gavin Robinson** (Belfast East) (DUP): My hon. Friend is being very generous with his time. Does he believe that there is a parallel with the legal industry, where a solicitor can exercise a lien over something of importance until the contract is concluded, whether that is deeds, money or cash? That is regulated by the Law Society. Lessons could be learned from the regularised and legislated procedure of a solicitor's lien.

**David Simpson:** That question could only come from a barrister, but my hon. Friend is right. There is a role for that. As MPs, we all have companies that come to our offices or that we go and visit. Time and again, retentions are the issue that is raised, and some companies and subcontractors are begging us to try to resolve it.

I listened carefully to what the hon. Member for Kilmarnock and Loudoun (Alan Brown) said, and there is an option to look at that, but as the hon. Member for South Down (Ms Ritchie) said, we already have a suitable model in place under the Housing Act 2004 with the tenancy deposit schemes. Deposits paid in connection with shorthold tenancies must be placed in a Government-authorised deposit scheme. Similarly, retention moneys could be placed in a secure deposit account, as already happens in many other countries. That option is there, so perhaps the Government could look at that to try to ease the burden.

The Government and the Minister know that the construction industry in particular has gone through a devastating time. That is perhaps not so much the case in London and the big cities on the mainland—I think there was something like 12% or 13% growth last year in the City of London alone—but the regions of the United Kingdom have found it difficult to try to get the construction industry moving again. Money is being held back and banks will not take retentions as guarantees. The industry is struggling with cash flow.

I will finish now because I am excited to hear what the Minister is going to say to us, but I must ask the Government why they would object to developing a model for the funds that would allow our SMEs, which I and other Members often champion in our constituencies, to be the backbone of our growing economy. We need protection against poor payment practices and the misuse of SME funds, because it is their money.

11.20 am

**The Minister for Small Business, Industry and Enterprise (Anna Soubry):** It is a pleasure to serve under your chairmanship, Mr Crausby. I pay tribute to the hon. Member for Upper Bann (David Simpson) not only on securing the debate but on the powerful speech that he made. There have been many interventions, and powerful points and arguments have been made.

This has been a good debate, although it has not been a real debate, because we have not heard anybody who does not agree that there are strong and powerful arguments for taking action on the problem of cash retentions. Hon. Members are probably getting the drift of the fact that in some ways, they are banging at an open door with this Minister. I absolutely understand the arguments about the need for reform, including the powerful arguments this morning.

I want to mention someone who came to see me, Mr Simon Bingham, who is head of one of the small businesses that the hon. Member for Upper Bann referred to. Mr Bingham's business is just 100 metres over the constituency border in the seat next to mine, which is held by the hon. Member for Ashfield (Gloria De Piero), so strictly speaking he should have gone to her, but he came my way because I made an error, and we had a great conversation. He has a company called Caunton Engineering Ltd. He also chairs the contracts committee of the British Constructional Steelwork Association, and he gave me the real-life evidence that the hon. Member for Upper Bann referred to, because he lives in the real world with the outdated way of doing things that we have heard about.

There are good reasons and arguments for having some sort of retention. I do not think any of us disagree with that. We know about snagging, and the faults that exist, and things that have not been done properly that come to light only six months after the completion of work on a contract, or even later. There needs to be provision so that such things can be rectified. As the hon. Gentleman and, I suspect, the hon. Member for Oldham East and Saddleworth (Debbie Abrahams) know, in major construction projects, such as the recent tram project in my constituency, problems occur and we need a device to make sure the job is properly done and finished.

Equally, we know from our experiences that in the case of large housing developments, bonds are put in place at the beginning of the process, before the first sod is turned, to ensure that if the developer or builder gets into difficulty, funds will be available to make sure that the roads are properly finished. I have an example in my constituency, which I will not bore hon. Members with, but bonds are specifically put in place at the insistence of local authorities so that roads are completed and all the other work is done, and so that money is available in the event of somebody going under or some other catastrophe happening.

I cannot understand why a similar scheme cannot be operated in the construction industry. That sounds like good news, but I may be about to disappoint hon. Members. I fervently ask hon. Members not to seek to amend the Enterprise Bill, only because we have launched a review. I am grateful to Andrew Wolstenholme, the chief executive of Crossrail, who absolutely understands the problem and has agreed to oversee the review. It will be an extensive review that will take evidence and look at evidence, but its work will not be completed until the end of this year, when its recommendations will go out for further consultation. I accept that it could be said that that is an inordinate length of time, but I promise that I will look at the time that we have currently given to that review, because there is a growing feeling among all parties that we really need to get on and sort it out.

**Debbie Abrahams:** The review seems like good news. I am sure the SEC Group and others who, like me, have been campaigning on this issue for five years will see it as good news. However, promises have been made in the past, and there will be concerns that this will be seen as yet another prevarication to address the issue.

**Anna Soubry:** It could never be said that this Government would prevaricate in any way or seek to knock things into the long grass.

**Jim Shannon:** The Minister would never do that.

**Anna Soubry:** Never. I can absolutely assure the hon. Lady that I take the issue very seriously and know that we need to make progress. There are reasons why we would want some sort of retention, but not in a way that is onerous, particularly for small businesses. As I said earlier, Simon Bingham came to see me and gave me real-life examples of how some of the bigger companies effectively use retentions for their cash flow. The money can sit with them for year after year, and the small business takes a serious hit.

**David Simpson:** I accept what the Minister is saying, and it will be of some comfort to some companies. However, she will surely agree that large companies should not be allowed to hold on to money and use it to their own advantage to build their own businesses while small companies suffer.

**Anna Soubry:** I absolutely agree with the hon. Gentleman. What happened yesterday with the Groceries Code

Adjudicator has already been mentioned. I am grateful for the comments of the hon. Member for Strangford (Jim Shannon) on that. It was a very important day to see the Groceries Code Adjudicator not holding back, not pulling any punches, and absolutely making it clear that Tesco had flagrantly breached the groceries code in a way that was completely unacceptable. That will have consequences for Tesco, although it will not be subject to a fine because the provisions have only just come in. I pay tribute to the Groceries Code Adjudicator. Bigger companies have got to learn and understand that none of us will tolerate their not playing fairly and properly, especially in relation to smaller businesses.

Our definition of smaller businesses, which is accepted by everybody, is any company that employs fewer than 250 people, so they can be quite large small businesses, not just sole traders who might employ one or two people. My officials are keen for me to say that the Government tell various agencies that when they handle taxpayers' money, they must follow guidance and not engage in poor practices. It is not mandatory, but we provide subtle hints and nudges. Apparently the Highways Agency does a good job, but not everybody does, so there is much more work to be done. I undertake to take the matter forward with my officials to see whether we can make progress.

Good points have been well made today. Such practices must be brought into 2016. We must make sure we do the best thing by our small businesses.

**David Simpson:** We can all sympathise with the companies in their difficulties with banks and so on, but sympathy does not get the job done. That is what the companies tell me when I meet them. I can go on to the next case or deal with another constituency issue, but they want action. I am grateful for what the Minister has said thus far, and I trust that the Government will deliver on it.

**Anna Soubry:** I could not have put it better. I will definitely see what progress we can make. I am happy to continue to work with the hon. Gentleman and with the hon. Member for Oldham East and Saddleworth to try to sort this out once and for all and as soon as possible.

*Question put and agreed to.*

11.29 am

*Sitting suspended.*

## Syrian Refugees: Resettlement

[MR JAMES GRAY *in the Chair*]

2.30 pm

**Helen Whately** (Faversham and Mid Kent) (Con): I beg to move,

That this House has considered the resettlement of Syrian refugees.

It is a pleasure to serve under your chairmanship, Mr Gray. I thank the Minister and all hon. Members for their attendance to discuss this subject, which seems particularly fitting on Holocaust Memorial Day.

I am told that Syrian refugees arriving in Britain are asking three questions in particular: when can I learn English; when can I work; and when can my child go to school? A family who arrived in Kent in December already has an answer to the third of those questions. Their six-year-old daughter has now been at school in Ashford for four days. She proudly says that she has made a friend and learned how to write “dog” and “cat”. Her parents only wish that her sister could be at school, too, but her sister died last year in a refugee camp of a lung infection.

**Damian Green** (Ashford) (Con): I am sorry to intervene so early in my hon. Friend’s speech, but she mentioned Ashford, so this is an appropriate time to ask her to join me in welcoming the courageous and correct initiative of Ashford Borough Council, which was so early in saying that it will provide accommodation for 250 Syrian families over the next five years, and its success in beginning to integrate them into British society.

**Helen Whately**: Ashford is one of several councils I have spoken to and the effort, commitment and even enthusiasm it is putting into welcoming refugees are inspiring. It is at the forefront of that effort.

**Ian Austin** (Dudley North) (Lab): This is different, but I have a list of asylum seekers in receipt of section 95 support who have been in the country for longer than the Syrian refugees arriving now. As far as I can see, under the previous regime, Ashford provides a home to only one asylum seeker. Other boroughs in the country provide homes for more than 1,000. Why does the hon. Lady think that places such as Ashford and her own local authorities are stepping up to the plate now, but have not been prepared to do so in the past?

**Helen Whately**: I hope we can explore many questions in the debate, such as how well we are doing at resettling not only Syrian refugees now, but asylum seekers who are already in the country, many of whom are in Kent. I will come on to the question of unaccompanied asylum-seeking children already in Kent, and perhaps the hon. Gentleman will address his own point if he makes a speech.

I was speaking of the family who arrived in Ashford. Theirs is only one story. Throughout our history, Britain has offered a safe haven to vulnerable people, from the French Huguenots in the 18th century, to the Kindertransport or the Ugandan Asians in the 1970s and now to the 20,000 Syrians, but recently we have heard about asylum seekers being made to wear wristbands

or their doors being painted red, which is a reminder that, however well-intentioned we may be, we do not always get things right. That is why I asked for the debate.

After all the focus, particularly last year, on the number of refugees whom we should accept—people are still calling for more—it is time to talk about the practicalities of resettling our 20,000 refugees, to ensure that we are doing a good job with them. Have those who have already arrived settled in well? Are the children in school? Are the adults learning English? Are they in decent accommodation? How have they been received by their host communities? Are we on track to take 20,000? Will we manage that, or might we overshoot?

I look forward to hearing answers from the Minister and to hearing from colleagues, especially as I am sure that several of you represent constituencies that are taking refugees. If your constituency is not taking many, you might be able to encourage them to step up and take some more.

**Mr James Gray (in the Chair)**: Order. Whether my constituency does or does not, I am not taking part in the debate.

**Helen Whately**: Thank you for reminding me, Mr Gray. I will do my best to use the right language.

**Mark Field** (Cities of London and Westminster) (Con): I accept that the debate today is about the resettlement of Syrian refugees here in the UK, but does my hon. Friend agree that we should also use our substantial Department for International Development influence and clout to get large multinational corporations establishing free zones to ensure that significant numbers of refugees in Lebanon and Jordan have opportunities to work there, so that they may stay in the region, although that may well be for months and years, and then to return to Syria, rather than coming to Europe?

**Helen Whately**: My right hon. Friend makes an important point. I have visited a refugee camp in Turkey and one of the things that struck me was people’s frustration that they could not work, which was one of the reasons why they wanted to leave the camps. Exploring work opportunities for people in the region is important, yes.

Having visited that camp in Turkey, as well as the migrant camp in Calais some time ago, I felt that humanitarian instinct, “Wouldn’t it be wonderful if we could take in more refugees?” However, I feel strongly that there is no point bringing people away from the middle east, across Europe and far from their homes, their extended family and their friends, to a different culture and a very different climate in the UK unless we can offer them something better than the life they were leading in those countries in the region.

**Mike Kane** (Wythenshawe and Sale East) (Lab): The hon. Lady is being generous with her time. On Thursday I, too, visited the jungle camp, with Secours Catholique who said that up to 300 people there in Calais probably have leave to remain in the UK but are trying to get here illegally because they do not know their legal rights. The Government are not providing enough access to lawyers or legal advice to get such people back into a country where they have leave to remain.

**Helen Whately:** I am sympathetic to what the hon. Gentleman says and I have seen the desperation of the people in Calais. It is important that those who might have a right to live in the UK should be helped to explore the possibilities, but on the detail of the right way to do so, which is complicated, I will defer to the Minister.

Those whom we are bringing to this country through the resettlement scheme are among the most vulnerable—for example, they may have specialist medical needs or have suffered from religious or sexual persecution. We have a particular responsibility to get resettlement right for those vulnerable people. Only when we are confident that we are doing that should we have the conversation about whether to increase the number of refugees we are taking.

One thousand refugees were resettled in this country before Christmas, and we are due to take about 4,000 more this year. The Government, in my view rightly, have said that they will not impose refugees on any area, because that would be unlikely to result in a good experience for the refugees and possibly lead to resentment locally. The councils I have spoken to have welcomed the fact that it therefore feels as though it is their choice how many refugees they take. Those that have been quick to offer to house refugees feel proud to be at the forefront of the effort.

In the absence of centralised distribution, however, there is great uncertainty about where the refugees will go and how the 20,000 target will be met. Perhaps the Minister will tell us whether enough local councils have come forward and offered enough places for the coming year. Is the accommodation secured? Is this a commitment or an aspiration to accommodate the refugees? Are there enough places in the pipeline for us to achieve the 20,000 over the five-year period?

My constituency covers two boroughs, Swale and Maidstone. Swale Borough Council has committed to take two families a year. It previously resettled two Afghan interpreters, learning in the process about the pitfalls of placing migrants in a small, rural village in Kent. Maidstone Borough Council plans over the five years to take six single men, because of its shortage of family accommodation.

Councils tell me the settlement of about £8,500 per person is reasonable, if not generous, but some have told me that they are worried about what happens should the refugees move, as they are free to do. The funding follows the refugees, but what if the council has commissioned services or taken out leases, so its incurred costs will continue? Also, the funding for subsequent years decreases. Refugees are likely to cost less as they settle in, get work—I hope—and are more independent, but the worry among some councils is that future funding might not be sufficient. Will the Minister clarify how councils can ensure the necessary funding?

**Imran Hussain** (Bradford East) (Lab): It is a pleasure to serve under your chairmanship, Mr Gray, and I am grateful to the hon. Lady for giving way. She makes some persuasive points about local councils. In my constituency and in the broader district of Bradford, under the previous gateway settlement programme, we housed many Syrian refugees who have made a positive contribution to the fabric of the district. On the cost to councils and the concerns that they have, many councils, including Bradford, are really suffering as a result of the

Government's cuts and they are rightly concerned because they are often left to pick up the tab. I ask the hon. Lady to reinforce that point, which perhaps the Minister can answer and give some clarification on as well.

**Helen Whately:** The wider question of Government funding for local councils is probably beyond the scope of the debate.

**Mr James Gray (in the Chair):** It most certainly is.

**Helen Whately:** Thank you, Mr Gray. I welcome the hon. Gentleman's reference to the gateway scheme, which is highly spoken of both in this country and around the world as a good example of how to resettle refugees. We can use that experience to ensure that we do a good job with the Syrian refugees and this scheme.

On housing refugees, in the south-east, where my constituency is, the shortage of housing is a particular problem. Even though we are talking about small numbers of refugees—just a few families a year—many of my constituents wait years for social housing, private rents are high and only a limited stock of private rental housing can be paid for with housing benefit. However, the lesson from some councils is not to be deterred by those barriers. Councils should ask themselves and their communities not “Can we accommodate refugees?” but “How can we accommodate them?”

Kingston upon Thames is encouraging people who have empty properties, such as those who have elderly relatives in care, to rent them out to Syrian families, which has led to several homes becoming available. In Ashford and in Tunbridge Wells, some landlords and Churches have offered accommodation specifically for Syrian refugees. Those councils are finding properties that are not in the letting market rather than having Syrians compete for scarce market properties. In Faversham, in my constituency, Sir Bob Geldof has offered to put up three Syrian families in his home.

To secure a future in Britain, refugees need to work. In a refugee camp in Turkey, I saw for myself the frustration and demoralisation of refugees who are unable to work. It is therefore important that Syrian refugees are settled in areas where there are jobs so that they can work and there is no resentment that they are competing with British people for scarce jobs.

**Mark Field:** This is more of an issue for the Minister, but, given my hon. Friend's experience on the ground, no doubt she will have a view. Given the acute crisis in the camps, which, I fear, are now a big recruiting base for extremism, is there any case for accelerating the process and having more migrants, provided that local authorities can cope, or is 20,000 over the next five years on a progressive basis the right way forward?

**Helen Whately:** My right hon. Friend makes an important point. I, too, heard about connections between camps and people going back to Syria to fight to get an income. I would be keen to hear from the Minister about accelerating the scheme and whether we could front-load or bring more people more quickly, but that must be done in the context of making sure that we are doing a good job with those we are bringing here. To ensure that we do the job well, it is important that the scheme where councils volunteer to take people continues and that councils do not have numbers imposed on them.

[Helen Whately]

On jobs and qualifications, there are many examples over the years of people who have come here from places such as Afghanistan, where they were skilled professionals such as dentists, engineers, teachers and even doctors, but they find that their qualifications are not recognised in this country. They therefore find themselves doing other jobs and not making full use of those qualifications. I understand that it takes about two years to get a foreign qualification recognised in the UK, so will my hon. Friend the Minister tell us whether it is possible to expedite the process to get international and Syrian qualifications recognised in the UK? Obviously, there must be a requirement for appropriate language skills; it is clearly important that people speak English as well as having professional skills.

Some hon. Members are calling on the Government to take in around 3,000 more child refugees. That sounds like a wonderful thing to do. In Kent, however, already about 1,400 unaccompanied asylum-seeking children and care leavers are being looked after by the county council, so services in Kent are under immense strain and foster homes are completely full. We have limited school places.

In November, the Government called on other local authorities to volunteer to take in some of the unaccompanied asylum-seeking children; but unfortunately, few have done so. Offers have materialised for just 35 of the young people. Kent has therefore welcomed an amendment to the Immigration Bill, which is currently going through Parliament, to make it possible to compel local authorities to accept young asylum-seeking children. While it would be a good thing to take in more refugee children and it should be considered seriously, I ask Members who are urging the Government to do that to urge their local councils to ensure, if possible, that they to step up and take their fair share of the young asylum-seeking children and minors we have in the country at the moment. We have got to do a good job by the ones who are here before we start taking in more.

We must not overlook the challenges of integration. There are cultural barriers, but because integration is a two-way process, there is also an opportunity to harness the good will of the British people. We have seen an enormous upsurge in people who want to help, which was triggered particularly by the pictures of what is going on in Europe and the image of the child on the beach last summer.

Communities have seized on the arrival of refugees as an opportunity to do something practical. I heard about a teacher in Tunbridge Wells who has given up their time to teach English to a recently arrived refugee. In Ashford, council staff started their own fund for refugees and donated toys to be given to children. The challenge, however, can be in channelling such offers, and some charities and councils have struggled to co-ordinate enormous numbers of volunteers, so I wonder whether some businesses might be able to help with match-making technology and in other ways or whether the Government could facilitate that, given that this is a problem throughout the country.

Our experiences show that if councils and communities embrace the refugee programme, it could be an incredibly positive experience. People in places such as Ashford and Kingston, and not least their councils, feel a real sense of pride in what they are doing. It is easy to think

of reasons not to take refugees and to think about the barriers, but it is much better to think of ways to overcome those barriers, especially when the numbers are so small. If each of the UK's 391 local authorities took just 51 individuals over the five years—that is about 10 families each—we would achieve the 20,000 target, and some are already planning to take five times that number.

Councils should be bold and take this opportunity to do the right thing. Those who are reluctant and cautious may be surprised by the support that they would receive from voters.

**Mr Gregory Campbell** (East Londonderry) (DUP): I congratulate the hon. Lady on securing the debate. She is talking with some pride about the many people who want to be of assistance in this unprecedented crisis, but does she agree that while some countries in the middle east are inundated with migrants, some nation states have not done anything to help? If we could see some of those nation states helping, that would certainly help people in the UK feel that everyone was putting their shoulder to the wheel to try to address this unprecedented humanitarian crisis.

**Helen Whately:** The hon. Gentleman makes an important point. We all—the whole of Europe and of the middle east—need to be seen to be doing our part. Some countries have been particularly criticised for not taking more refugees. I have heard, for instance, Saudi Arabia's name come up. I am aware of countries that are taking refugees but not making such a noise about it. Some of this may be a question of communication, with countries taking refugees but not calling them refugees and giving them resident status. Those refugees are being integrated, and they have family members with them. In some areas, the process is just not so visible. There is no question but that the countries in the region around Syria are taking enormous numbers of refugees and putting a lot of resource into supporting them.

The Government should take on the role of facilitating the sharing of expertise on taking in refugees. We have lots of expertise, but some areas may be taking refugees for the first time and will be doing their very best but might not know what the risks are. I would like to see the Government ensuring that we do the best we can across the country and providing more ongoing transparency about how well the resettlement programme is going. Mistakes can and almost inevitably will be made. There is a risk that the generous funding—it is a substantial amount of money—might not be spent in the best possible way. Any mistakes should be quickly identified and addressed, to ensure they are not repeated elsewhere.

My final questions for the Minister are as follows. What is being done to help councils to access people or organisations with the expertise to help them with the resettlement programme? How are the Government enabling the sharing of that expertise and information on what is already known about how to resettle refugees effectively? How are the Government monitoring the resettlement programme to identify how well it is going, to pick up any problems as they emerge and to celebrate the successes?

I want to emphasise that final point: we should celebrate success. We should feel proud that Britain is the second largest donor to refugees in and around Syria, where the British pound goes much further than



it does here in the UK. We should feel proud that we are giving thousands of the most vulnerable refugees a chance of a new life in Britain. Kofi Annan recently told “Newsnight” that Britain’s “effective and smooth” approach is the right one. We should celebrate the councils and communities that are stepping up to take refugees and the charities and the volunteers who are helping, while encouraging all those who are reluctant or sceptical to support this thoughtful strategy. Britain rightly has a reputation as a compassionate country of opportunity that welcomes people from around the world. Some have doubted us recently, but we should make that a reality for 20,000 Syrians.

**Several hon. Members** *rose*—

**Mr James Gray (in the Chair):** Before I call the next speaker, it is perhaps worth pointing out that a number of Members are trying to catch my eye. While I am not keen on formal time limits, I would have thought five minutes is about right for most speeches, out of courtesy to one another.

2.52 pm

**Keith Vaz (Leicester East) (Lab):** It is a pleasure to serve under your chairmanship, Mr Gray, and a great pleasure to follow the hon. Member for Faversham and Mid Kent (Helen Whately). She made an excellent speech, and I can happily say that I agree with everything she said. She has brought this important and serious topic to the House not only because we should be proud of what Britain has done but also because there are problems ahead that we need to address. The people of Kent and her local council need to be congratulated on what they have done.

I want to do something pretty rare: get up and congratulate a Home Office Minister on his performance. This could be the end of his career, but I want to commend the Under-Secretary of State for Refugees, the hon. Member for Watford (Richard Harrington), for the work he has done in this area and for overseeing the one immigration target that the Government have actually managed to reach—certainly in the eight years that I have been Chairman of the Select Committee on Home Affairs. That target was the Prime Minister’s pledge, made in a full and open way, to ensure we have 1,000 Syrian refugees resettled in Britain by Christmas. The Minister did it, and he should be commended for doing so. Because of that success, our Committee will be pressing him even harder to ensure he delivers on the rest of the Prime Minister’s pledge.

We need to be conscious that this is not a crisis on its own. It is part of the most difficult crisis the European Union faces: the migration crisis. It is not going to get easier; it is going to get much worse. As we saw at the meeting in Brussels yesterday of EU Home Affairs Ministers, the crisis is dividing Europe and showing the fault lines that exist. There is a challenge to ensure that the overall refugee crisis and the migration crisis affecting the EU are seen in a much wider context than just what is happening in Syria.

All European countries need to be commended for the way in which they have singled out those from Syria in need of a fast-track service, which at the moment is being provided by the United Kingdom but not necessarily by other EU countries. When the Minister responds, I hope he will tell us more about what is happening on the

deal made with Turkey. The European Union has pledged €3 billion to Turkey in order to ask it to provide better and greater assistance to those who have landed within its area.

Of course we need to do what we promised to do and take in the numbers that the Prime Minister mentioned. However, we also need to ensure that good allies such as Turkey and good members of the EU such as Greece are doing their bit to ensure that when Syrian refugees arrive in the EU, they are treated well. Indeed, if Turkey fulfils the promise it made to the leaders of the EU, it will be able to take EU funds and provide the kind of assistance that a number of hon. Members have said it should provide. The Minister will be aware that the way to solve the Syrian crisis is through the political situation in Syria. Unless we deal with that, and unless we have a stable Government in Syria, we will not see an end to a crisis that is clearly engulfing the European Union.

I have just three further points to make within your informal time limit, Mr Gray. The first is about the big and open offer made by a number of residents of the United Kingdom—including, I should say, my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper) and the Archbishop of Canterbury—to provide assistance and shelter for Syrian refugees who are coming over. The hon. Member for Faversham and Mid Kent said that Mr Geldof—or Sir Bob, as he is now known—has offered sanctuary to some Syrian refugees. I cannot quite understand why the Government still have not acted on such offers from the British people.

In the Minister’s eloquent evidence to my Select Committee, he said that the Archbishop of Canterbury should, in effect, contact Lambeth Council if he had an offer of support. I can just imagine the archbishop on the phone to Lambeth Council, waiting to go through its automated system, finally getting through to some caseworker in the housing department and saying, “This is the Archbishop of Canterbury on the phone. The Minister for Syrian refugees has suggested I should ring and offer some of the rooms I have at Lambeth Palace. Could you tell me what to do?” I imagine the phone would probably be put down or the call transferred to another section of Lambeth Council—maybe the health department. We need something more concrete. Big offers have been made by the British people. Let us take those up.

The hon. Member for Enfield, Southgate (Mr Burrowes) and I were present at the Home Affairs Committee’s session yesterday when we heard from G4S, one of the Government’s providers of asylum accommodation, which I know is different from what is provided for Syrian refugees. G4S said that the number of asylum seekers in this country for whom it has to find accommodation has gone up from 9,000 to 17,000 in the space of just three years.

The pressure on council housing, and indeed the private rented sector, is now enormous. It will be extremely difficult to find available housing for those who are coming over. We need to be very serious about the issue of housing, because we do not want Syrian refugees to be placed in the same position as some asylum seekers in Middlesbrough were. Our Select Committee looked at that very subject yesterday, because we have enormous concerns about how asylum seekers were being housed there.

[Keith Vaz]

My final point relates to regular information. In the Minister's celebrated appearance before our Committee, I asked him—he keeps reminding me of this—seven times to tell us how many Syrian refugees had arrived. He batted the question away like a great cricketer at the crease, faced by a number of fast-coming balls. He said he was not prepared to give a running commentary on the numbers who had come in and that we had to wait for the statistics that are published on a quarterly basis. He told everyone that except, of course, the Prime Minister, who decided not to wait till the publication of the quarterly statistics, but to tell the House of Commons first, in the last questions session before Christmas, to give us all a warm glow and a feeling of happiness that the Minister had reached his target. We think we should have regular information, and not just about the numbers who come in. We do not need to wait for the quarterly statistics, and we need to include information about inclusion, as the hon. Member for Faversham and Mid Kent said.

When the Ugandan Asians came to Leicester and enriched that city and places such as Watford, where the Minister comes from, and other constituencies represented by Members here, we were able to include them in the mainstream of our country's activities. Some of the Syrian refugees will want to go back to Syria when the country is stable and returns to prosperity, there is no doubt about that. Some will want to stay and be part of our country and live here for the rest of their lives. It is important to include the diaspora—there are many people of Syrian origin who have lived in this country for many years—in a formal or informal resettlement board, because Whitehall does not know best about these issues.

Thirty years on from when the Ugandan Asians arrived in Leicester, they are now an integral part of this country—indeed, some have even been elected to the House of Commons—and they have shown themselves to be model citizens. Let us use that example of what Britain does best, provide asylum to those who need asylum and include those people in the mainstream of our public life.

3.1 pm

**Mr David Burrowes** (Enfield, Southgate) (Con): It is a great pleasure to take part in this debate, Mr Gray. I congratulate my hon. Friend the Member for Faversham and Mid Kent (Helen Whately) on her speech, which was so comprehensive that what she said about the practical elements of resettlement does not need to be repeated. I will therefore take a wider view, although it will permeate through to the practicalities of providing the dignity that we all want to provide for those seeking refuge.

It is right that we are debating this issue on Holocaust Memorial Day, the theme of which is not to stand by when genocide is taking place. We have to say what it is: although we are responding to a humanitarian crisis, which is referred to as a migration crisis, we are also responding to genocide. It is important to say that, because the Yazidis and the Christians have been victims of genocide. It is important to say that—indeed, I call on the Government to say it properly and not to wait for international courts to say it—because there are

implications of doing that, not least for resettlement. When we are resettling victims of genocide, calling it that will have a profound impact and a long-term effect, so we need to do that.

Part of what we are remembering today is those who did not stand by; those who stood up and took notice. The Minister knows about those individuals, families and communities all too well. They are very much part of his legacy and family history, and his motivation for the great work that he is doing is the heroes who did not stand by and who rallied individuals, families and communities. That led to refuge being found from the Nazis for thousands of individuals. That motivation must permeate all the way through what we are doing in our response.

I welcome the fact that the Prime Minister extended the relocation programme in September in response to cross-party calls, which had gone on for some time, to welcome more refugees. This is an issue of numbers—although politicians and the media can get stuck on that side of the issue, we do need to hold the Minister to account on the numbers, because of the pledge that was made. I welcome what the right hon. Member for Leicester East (Keith Vaz), the Chairman of the Home Affairs Committee, on which I am proud to serve, said about holding the Minister and the Government to account.

However, there is also the fundamental issue of human dignity. In many ways, I see the number of 20,000 as a minimum. We need to be ready to have that flexibility, and to respond to people's vulnerability in this tragic situation. We need human dignity both in the assessment stage—the Minister is working hard to get the assessment right to ensure that the most vulnerable refugees can make their way into this country—and all the way down the line to when people are received into our constituencies.

Sadly, that contrasts with the reports that we examined yesterday of the painted doors that identified asylum seekers. We have no truck with that in the way that we do things—it is not the British way or the decent way. On the Home Affairs Committee yesterday, we were concerned that the company involved, G4S, said that it did not know about that because there had been no complaints from asylum seekers. That is not the right response. Such companies should respond properly and responsibly, as a matter of human dignity. They should not wait for some complaints process to be activated. We must ensure that we deal with the people seeking refuge with care and attention, based on human dignity, not on whether they are agitated.

I welcome the Government's primary response of providing international aid of well over £1.1 billion. That is important, because it is tackling the issue as everyone in non-governmental organisations says we need to tackle it—at its root and by ensuring that we support the regions. The World Food Programme has made it clear that the lack of humanitarian assistance for Syrian refugees and the barriers to securing legal access to livelihoods—my right hon. Friend the Member for Cities of London and Westminster (Mark Field) picked up on that point—are directly linked to the increase in flow of those fleeing to Europe. We must focus on that.

I welcome the leadership of the Secretary of State for International Development and her conference, "Supporting Syria and the Region", which will take place shortly. It is important to identify particularly vulnerable groups—

women, children and young people—and ensure that other countries step up to the plate and provide aid. I am concerned that religious minorities are not included in the invitation list and are not recognised, and they are some of the most vulnerable groups. When we are looking at who is the most vulnerable—I understand that the resettlement and relocation programme is based on that—we should ensure that we do not ignore some of the most vulnerable groups.

The Select Committee on International Development, which is chaired by my predecessor in my constituency, the hon. Member for Liverpool, West Derby (Stephen Twigg), produced an excellent report. It identified, as NGOs have, that the lesbian, gay, bisexual, transgender and intersex community, religious minorities and children are the most vulnerable and are discriminated against, whether in access to healthcare, in not being able to return to their country of origin, or particularly in not being able to go into camps.

Ninety per cent. of Syrian refugees are not from camps. As the Minister has said in response to questions from me and others, it is not just about having a programme of relocation from camps. Most of the most vulnerable refugees are outside the camps—indeed, the relocation programme includes relocating from outside camps. The problem is registration. Many people, particularly from religious communities—particularly Christians, it has to be said—will not go to the camps, because they fear double persecution there. They do not want to come out into the limelight. They seek refuge through churches and other communities and are dispersed. They are not being registered, and we need to recognise that they, among others, are the most vulnerable groups. We need to ensure that the relocation programme involves Christians as well.

We must also respond to the wider calls relating to unaccompanied minors. The Committee heard horrific statistics from an Italian parliamentarian yesterday—that 4,000 unaccompanied minors were lost in 2014, which has gone up to 6,000 now. They risk exploitation, and it is not just a Syrian issue. It involves young Eritreans who are being trafficked. We must tackle the issue well, given our leadership on modern slavery, and ensure that we do not stand by, whether as a Government, as parliamentarians or individually. I very much welcome us taking practical action through this debate.

3.8 pm

**Ronnie Cowan** (Inverclyde) (SNP): I am grateful to the hon. Member for Faversham and Mid Kent (Helen Whately) for securing a debate that will no doubt be followed closely by the many individuals and organisations around the UK who hold a relevant interest in this subject. I am particularly grateful to the hon. Lady, because I believe the debate today is an important opportunity for all Members to reflect on the process of resettling the Syrian refugees who will now be calling the UK home.

I also welcome the chance to discuss some of the measures being undertaken in my constituency of Inverclyde, and I hope we are able to share examples of best practice from all our local areas. I am aware that in some instances, there is a wide variation in the approach being taken to resettlement and we can improve the process by resolving the problems that have been identified as the first group of Syrian refugees are welcomed into our communities.

I am pleased to put on record that due to the efforts of the Scottish Government and Inverclyde council the resettlement program in my constituency has been an overall success. Inverclyde Council's previous experience in participating in the Afghan resettlement scheme has been invaluable in taking forward the practicalities of the Syrian resettlement. In that programme, Afghans fleeing persecution, including former British Army interpreters, have found a new home in Inverclyde. One Afghan couple was so delighted that their most recent child had been born in Scotland that they insisted on giving it a Scottish name—it may be the first Scots-Afghan baby born in my constituency.

Inverclyde Council has made an initial commitment to support 10 Syrian families over the five-year life of the vulnerable persons relocation scheme. Periodic reviews of the process will help to determine whether the council can make a further commitment to take more.

The first two families arrived in November 2015, and a third family arrived shortly afterwards. On arriving in Scotland, they were met at the airport by council staff and transported to Inverclyde, where they temporarily stayed in a hotel, before moving to permanent accommodation. Housing was provided by locally registered social landlords, and the three families now live within walking distance of each other. In placing the families in accommodation, the local authority felt that it was best to cluster them together, but not to concentrate them too much. That allows them to live within a comfortable distance of each other, but it also ensures that they can integrate more effectively with their neighbours.

Inverclyde Council has assisted the families by helping them to establish bank accounts and by registering them with local GPs and dental practices. I am pleased to report that, throughout the entire settlement process, there have been no major incidents or problems, and the Syrian families continue to settle into their new community.

**Helen Whately:** The hon. Gentleman is doing exactly what I had hoped: he is bringing up examples of how well things are working practically. He mentioned his council clustering people, but not putting them too close together, and that is exactly the kind of good practice I have heard about in other places. I thank him for bringing up that detail.

**Ronnie Cowan:** I thank the hon. Lady.

I am proud of the people of Inverclyde, who have shown such generosity in offering clothing, food, cash and their time to support their new neighbours.

Despite the warm welcome offered by local residents and the range of services available from Inverclyde Council, however, challenges remain for the incoming Syrian families. Most notably, refugees may experience difficulties in seeking work, because of language difficulties or because their professional qualifications are not recognised in the UK. Furthermore, if refugees have been victims of torture, we must ensure that local authorities continue to have the necessary physical and mental health support services to enable them to settle and thrive.

I would like to turn briefly to the issue of asylum seeker dispersal areas. The UK Government have asked local authorities in Scotland whether they would like to become dispersal areas for incoming asylum seekers.

[Ronnie Cowan]

That is pertinent to the debate, because many of those fleeing Syria will have to make a claim for asylum before possibly being granted refugee status in the UK. As one of the few local authorities with a declining population, Inverclyde would usually give serious consideration to becoming a dispersal area, because that would be an opportunity to bring a younger population into our community.

The UK Government are, however, making their request without a commitment to provide funding to cover the cost of the additional support services that would be required. A properly thought-out and fully funded package of funding would likely see a number of Scottish councils willing to become dispersal areas, but authorities will be reluctant to risk the success they have already achieved in resettling Syrian refugees by taking on the many challenges of becoming an asylum seeker dispersal area without the required funding support. I hope the UK Government will consider those concerns as they move ahead with plans to establish more asylum seeker dispersal areas in Scotland.

In closing, I reiterate my thanks to the hon. Member for Faversham and Mid Kent for securing the debate. I hope we will continue this discussion outside the Chamber over the next five years. In doing so, we will ensure that the resettlement program continues to build on the successes we have already achieved.

3.13 pm

**Ian Austin** (Dudley North) (Lab): It is a great pleasure to serve under your chairmanship, Mr Gray. I congratulate the hon. Member for Faversham and Mid Kent (Helen Whately) on securing the debate.

In April 1939, a 10-year-old Jewish refugee from a small industrial town called Ostrava in what was then Czechoslovakia was put on a train by his mum and teenage sisters. He was the only member of his family allowed to leave, and it was the last time he would see the other members of his family, because they were murdered in the holocaust. He grew up to become the youngest grammar school headmaster in the country, and he was honoured with an MBE for his charitable work and his services to education. He adopted four children, of whom I am the second. I therefore know all about how Britain has welcomed refugees and about the benefits that they have brought to our communities and our country.

In January 1939, Kurt Flossman, a 14-year-old German refugee arrived at Dudley's grammar school. His father had died in 1937, and he travelled all the way across Europe on his own. Students at the school clubbed together to raise the £50 a year in fees and expenses that he needed to go to their school, and local firms sponsored his clothes. Stories such as that show how Dudley has always worked to welcome those in need and to build a tolerant community.

Over the years, Dudley has welcomed refugees from all sorts of conflicts all around the world, including from Vietnam in the 1960s, and, later, from Uganda and Kosovo. No one can say that we are not doing our bit now in Dudley and the black country; in fact there are as many asylum seekers in the black country as there are in the south-west, the south-east and the east of England put together. Although people in Dudley are

proud of Britain's history of providing a safe haven for the victims of fascism and persecution, it cannot be right that Dudley supports nearly half as many asylum seekers as the entire south-east.

Refugees are overwhelmingly concentrated in poor communities in the north and the midlands. Birmingham and Liverpool provide a home for 1,400 asylum seekers each, while Rochdale, Manchester and Bolton have more than 900 apiece.

**Mike Kane:** My hon. Friend makes a powerful case that draws on his own personal testimony. The problem with the resettlement programme thus far has been that it has involved a private sector contract with Serco, under which asylum seekers are flown into Manchester airport in my constituency, put up for a number of nights and then dispersed around the conurbation, going overwhelmingly to Bolton and Rochdale, in Greater Manchester, which has more asylum seekers than the whole of the south put together, and without any redress to any of the councils for the services that are affected. Does my hon. Friend agree that we must do better?

**Ian Austin:** My hon. Friend is completely right. The central point I want to make today is that, when the Government embark on their new programme, they must learn from the mistakes they made in the past when housing people who came to this country to seek asylum.

My hon. Friend mentioned Bolton and Rochdale. There are also 850 asylum seekers in Leicester, 800 in Nottingham and 750 in Middlesbrough. Bradford, Derby, Leeds, Newcastle, Oldham, Stockton, Wigan and Coventry each have 500 or 600.

Meanwhile, much wealthier, much posher communities in the south have turned their backs on the world's poorest and most vulnerable. Local authorities represented by the Prime Minister, the Secretaries of State for Defence and for Communities and Local Government and seven other Cabinet Ministers have not opened their doors to a single asylum seeker. There are just 380 asylum seekers in all the seats covered by all the local authorities represented by all the Cabinet—fewer than in individual local authorities such as Sandwell or Wolverhampton. The local authorities of Swale and Maidstone, which are represented by the hon. Member for Faversham and Mid Kent, who called the debate, have housed just three asylum seekers between them. Watford has housed 15. Camden has housed 21. Islington houses just 34, while Hackney houses only 38, and Oxford houses just 12.

Dudley has pledged to step up and to house Syrian refugees coming to this country, but if the 20,000 Syrian refugees are housed around the country in the same way as those who currently seek asylum are, the north-west will have almost 5,000 and the west midlands will have almost 3,000, while the south-east, the south-west and the east of England will house just 1,200 between them.

I would therefore like the Minister to recognise that the impact of our response to this crisis should be spread much more evenly across the country. The hon. Lady said her local authority had pledged to take six asylum seekers, but if every local authority across the country was prepared to share the work equally, they would each take about 50 or 60 over the next five years.

The way people have been dispersed and then concentrated in localised areas can put pressure on public services such as housing, schools and the NHS, which are already under great strain. That is also unfair on the refugees themselves, who are moved to communities without sufficient Government support and then left waiting for years for their applications to be processed. That is the result of what can only be described as a shambles in the Departments responsible.

In parts of the country such as London, these issues are balanced by the presence of wealthy migrants. It might come as a surprise to hon. Members taking part in the debate, however, to learn that we do not get many millionaire American bankers, German City traders or French hedge fund managers moving to areas such as the black country. Will the Minister therefore examine how the economic benefits that migration brings to some parts of Britain can be used to reduce the pressure elsewhere on schools, housing and other public services, and to improve local infrastructure and public services in places such as the black country? Could he also consider how unspent EU structural funds that the Government are not drawing down could be used in areas such as the black country that face the greatest pressures on public services, to employ the extra primary school teachers or GPs needed so that we can more easily accommodate people in need from around the world?

People in Dudley will rise to the challenge and play a full part in welcoming those fleeing persecution abroad, just as we have in the past; but it is about time people elsewhere did the same.

3.20 pm

**Gavin Newlands** (Paisley and Renfrewshire North) (SNP): I congratulate the hon. Member for Faversham and Mid Kent (Helen Whately) on securing this important debate. It has been four months since I wrote to the Prime Minister, along with many others, to urge him to respond to the escalating refugee crisis affecting mainland Europe. When he and his Government finally woke up, their response was modest and insufficient. By committing themselves to resettling only 20,000 Syrian refugees—a far smaller number than the EU, the United Nations High Commissioner for Refugees, many in Parliament, the Scottish Government and the country demanded—the Government may have damaged our humanitarian reputation overseas.

The Government have rigidly stuck by that decision, but whereas their response was lethargic, our communities responded rather differently. I am immensely proud that my constituents welcomed the refugees with open arms. People in Paisley and Renfrewshire collected donations, opened shops, travelled to Calais and did anything and everything in their power to help those in need. The first refugees arrived in my constituency in November, landing at Glasgow airport. It may have been an all-too-typical cold and wet night, but the response that our new friends received would have shown them the warmth of Scotland—and the UK. Our new Syrian friends are living in local authority areas throughout Scotland and well over 3,000 individuals have signed up to help them resettle, through the “Scotland Welcomes Refugees” website.

My local town of Paisley has helped to resettle 50 refugees, and it appears that they have met the traditional warm welcome that I would expect from

Paisley “buddies”. The *Sunday Herald* asked one of the new families whether they were happy in Paisley. They responded:

“It feels like we never left our families back in Syria because of the warm welcome we received in Scotland. We are among our families again.”

It should be noted that a lot of work has been done to ensure the smooth resettlement of our new Syrian neighbours. My office is part of a working group in Renfrewshire, which came together to ensure that the refugees’ arrival, introduction to, and integration with, Renfrewshire was as smooth as possible. That all-party and cross-sector group is attended by religious leaders, council officers, elected members from all levels of government and other important local stakeholders, and we have all worked to make sure that our new Paisley “buddies” settle into the area as smoothly as possible.

Renfrewshire has been opening its doors, but in turn our Syrian neighbours have opened theirs. They have been sharing Syrian food and culture with local people. They have appreciated the beauty of Scotland and we too appreciate their humility and hope. Despite all they have suffered, which is more than any of us can imagine, they look ahead to a new life, making plans—

**Ian Austin:** I was just flicking through the figures. It is fantastic to hear how well the Syrian refugees have been welcomed—absolutely brilliant, and I am delighted to hear it—but why has North Lanarkshire not housed a single section 95 asylum seeker over the past few years? The other local authority that the hon. Gentleman mentioned was Renfrewshire, which housed just two.

**Gavin Newlands:** That is not the subject of the debate today, but the hon. Gentleman is treading a well-worn path.

**Mr Burrowes:** There was a person in my constituency wanting to be accommodated under section 95 in Enfield, but he was unable to do that. He was directed to be housed not in Enfield but in Cardiff, in an area where the Government have a programme of section 95 support. Therefore he is being provided with support in the community, and voluntarily, in Enfield. Perhaps that will throw the figures given by the hon. Member for Dudley North (Ian Austin) into sharp relief. There is a need to ensure that there is shared responsibility; but, unfortunately, authorities that want to open their doors as has been suggested may not be able to, because of the particular section 95 programme.

**Gavin Newlands:** I thank the hon. Gentleman for that intervention.

**Ian Austin** *rose*—

**Gavin Newlands:** I feel I am getting between a relationship, here.

**Ian Austin:** I am very grateful. I just want to point out that a number of people currently housed and seeking asylum in Dudley, from local authorities in north London, were sent there by those local authorities, which are paying for their care but prefer housing them in cheaper accommodation in the midlands to looking after them in north London. Perhaps the hon. Member for Enfield, Southgate (Mr Burrowes) should discuss that with the local authorities.

**Gavin Newlands:** I think the hon. Gentleman has made his point. Obviously, that is not really the issue that is being debated today.

Overwhelmingly, the families who have come to Renfrewshire have met a warm response; however, there is still a small vocal section of the population who are not so welcoming. My local paper, the *Paisley Daily Express*, ran a story with the headline “Shame on You”, which highlighted, exposed and shamed locals who posted nasty and bigoted messages on social media. I salute my local paper for shooting down those bigots and racists, but the story is a reminder that there still exists a section of the population that we have not won over.

The Government have committed to resettling only 20,000 refugees, compared with Germany’s 800,000. That rather larger “bunch of migrants” is 4,000% more than the UK’s. The question we should now all be asking ourselves is “What’s next?” What do we do next to help those still caught up and affected by the crisis? First, we need to reassess whether accepting 20,000 Syrian refugees is the limit of our compassion, capability and capacity. I argued at the time that we should be doing more to help play our part in this crisis, and I support Citizens UK in its call for a target of 50,000 rather than 20,000. The families and children fleeing conflict never asked for war, and it is important that we do all that we can to help them. That is why I would echo the calls made by Melanie Ward of the International Rescue Committee, who said:

“It cannot be argued that accepting 4,000 Syrian refugees per year—or around six per parliamentary constituency—is our fair share of the millions who have fled Syria—this is more the case now than ever before”.

**Mike Kane:** To house 50,000 refugees requires massive local government resources; yet the Scottish National party Government in Edinburgh is cutting Glasgow’s budget—it is the mainstay of asylum seeker reception in Scotland—by £130 million a year. How can the hon. Gentleman justify calling for 50,000 refugees while the council’s budget is being cut by that much?

**Gavin Newlands:** The Syrian refugees are obviously funded from central Government. The Scottish Government is funded by Westminster Government, so unfortunately—

**Mike Kane:** So it is everybody else’s fault.

**Gavin Newlands:** It is everybody else’s fault. The powers that are going to flow through the Scotland Bill are not yet there.

**Mr James Gray (in the Chair):** Order. I think the debate has lost some of its direction, format and balance. Perhaps the hon. Gentleman might like to address himself to the topic we are debating.

**Gavin Newlands:** I will gladly go back to the topic in hand—thanks very much.

As well as reassessing the 20,000 target, the UK Government have to look at the funding of local authorities that are housing refugee families. I have spoken with the leader of Renfrewshire Council, who has confirmed that, although there is an indication that there may be funding allocated for years 2 to 5, that, and the level of

any future funding, are still to be confirmed. Will the Minister give Renfrewshire Council that guarantee and, if so, let it know to what level the funding will be allocated?

Let us debate this issue but let us also follow up our debate with meaningful action. We have a proud humanitarian tradition in this country. However, with the UK now taking more formal and direct military intervention in Syria, we have an onus and responsibility to take more Syrian families, who are now fleeing not only Daesh and Assad but bombs dropped from American, Saudi, French, Australian, Turkish, Jordanian and British bombers. As we are now very much one of the push factors involved in the mass migration, we owe it to those in flight to offer refuge for a lot more than 20,000.

3.27 pm

**Jim Shannon (Strangford) (DUP):** I congratulate the hon. Member for Faversham and Mid Kent (Helen Whately) on bringing this matter forward for debate. It is an important issue that cannot be ignored. Everyone has an opinion on it and it is nearly impossible to avoid it. The migrant crisis was one of the defining issues of 2015, because it affected everyone. Whether it is the negative consequences in Cologne or the success stories of relocated refugees settling into their new society, it is a major issue that will take some time to resolve. At the extremes in the UK are those who say we can take no more, and those who say, “Open the door wide.” Somewhere in between we must get a balance, and I think, in fairness, the Government have grasped that to an extent.

More than 13.5 million Syrians need help, of whom 6.5 million are internally displaced, and 4.2 million Syrians have fled abroad, mostly to neighbouring countries in the region. The hon. Member for Enfield, Southgate (Mr Burrowes) spoke of the plight of persecuted Christians, and 600,000 Christians have been displaced in Syria. They went all over the place. Many were given the ultimatum: convert or die. To continue to practise their religious beliefs, they had to leave. We cannot ignore those issues.

Many of those who fled were traumatised, as well, so it is about not just finding a new home but living with the horrors that they have experienced. The Minister has done extremely well, and the Prime Minister has given his commitment. The Government clearly have an objective of addressing the issues, and British DFID funding is very effective.

Syrian nationals were only the fourth largest group of asylum applicants in the year ending September 2015. We need to be careful about the migrant crisis, because it is clear that some illegal immigrants set on purely economic migration are capitalising on the plight of Syrian refugees. Figures from the UNHCR show that about 60% of migrants arriving in the bloc countries are now economic migrants. Slightly more than 10% of Syrians who have fled the conflict have sought protection in Europe, and some 681,700 asylum applications were made between April 2011 and October 2015. I am not a pro-European—you will know that, Mr Gray, as will other hon. Members—but the European Commission has given each resettled Syrian refugee some €6,000, and money can be drawn down. In reality, the numbers that we have are only the tip of the iceberg, and thousands more people are making their way through Europe undocumented.

Regardless of the approach we take, we need to ensure that refugees are processed correctly to give genuine refugees the dignity they deserve and to root out potential criminal elements or security threats, which have clearly happened. Northern Ireland has offered free English lessons, a move that is sure to help vulnerable people to settle and to integrate into their host society. Some 1,000 refugees crossed to Northern Ireland just last year. Those lessons will make life easier for everyone by helping refugees to integrate and offsetting any social or cultural tensions that may arise. They will cost some £20,000 a year and will be a long-term investment, ensuring translation services and covering other expenses associated with providing services to those who cannot speak English, to help integration into Ulster and Northern Irish society. Those who want to learn Ulster Scots can do so, but it is most important that they learn English. Some may want to learn Irish also. The lessons will apply only to refugees and not to economic migrants, a move that will ensure that only those in real need will benefit from lessons at a cost to the public purse. Illegal economic migrants cannot take advantage of the generosity being offered to refugees.

Many churches and charities have been involved, as hon. Members have said. Whenever there is a crisis, people come together and those who can help do help. Churches in Northern Ireland have risen to the challenge, as have charities.

Sweden and other countries have provided social instruction classes, particularly on how to treat women, because it is important to address such issues. Those classes have been successful in helping to educate refugees about how to behave appropriately in western society. We could learn from that innovative approach, which would go some way to improving integration and ensuring we do not have another Cologne.

We have all seen the distressing images of people drowning while desperately trying to cross the Mediterranean. One would have a heart of stone not to have been moved by some of things we have seen. However, the European Commission's chief spokesman has admitted that the majority of people moving across Europe are in fact economic migrants. We need to ensure that only those in genuine need can avail themselves of services such as the English lessons in Northern Ireland, and that we discourage those who are not in such desperate need from making the perilous and often fatal journey to Europe.

We must address the migration issue in Syria—we cannot address it only here. We are reactive, but we need to be proactive in Syria. The issue will not go away, and as we start to welcome more and more refugees into the United Kingdom the innovative approaches in Northern Ireland that I have mentioned should be shared and discussed in Scotland and across the United Kingdom's political institutions, to ensure that the resettling and integration of refugees is as efficient and smooth as possible.

**Ian Austin:** Will the hon. Gentleman give way?

**Jim Shannon:** I think you will want me to finish, Mr Gray, as many Members want to speak, but I give way to the hon. Member for Dudley North (Ian Austin).

**Ian Austin:** Does the hon. Gentleman agree that British military action in Syria is confined to bombing oil fields, disrupting ISIS and helping to bring the

conflict to a conclusion? It is unlikely to result in a wave of more refugees arriving on our shores, as the hon. Member for Paisley and Renfrewshire North (Gavin Newlands) suggested a moment ago.

**Jim Shannon:** I thank the hon. Gentleman for his intervention. Obviously he has a particular point of view, and an important one, but when we need a global strategy, we must sometimes do deals with people we do not want to do deals with. We have to look at how best we can come together as a world—NATO, Europe as a whole and the countries bordering Syria—to ensure that some sort of stability is returned to it. If that happens, people can go home again, and I think that is where they really want to be.

3.34 pm

**Dr Lisa Cameron** (East Kilbride, Strathaven and Lesmahagow) (SNP): It is a pleasure to serve under your chairmanship, Mr Gray. I thank the hon. Member for Faversham and Mid Kent (Helen Whately) for bringing this extremely important and timeous debate to the House. It is a pleasure to have the opportunity to speak in it as a member of the Select Committee on International Development, having been involved in the recent inquiry into the Syrian refugee crisis.

Feedback from Scotland, including from local authorities, is positive—400 refugees of the initial 1,000 have been settled in Scotland. There is still a long way to go, but we are certainly making excellent progress in that regard. I understand that Ministers are visiting refugees around Scotland as we speak. More work is needed to ensure that refugees do not feel isolated and that we have English classes that are appropriate and sufficient for their needs.

It is important that refugees' needs are matched to local areas and that over the longer term, they can utilise any skills, qualifications and experience they may have. As the hon. Lady said, that process should be expedited and any healthcare and psychological support that may be required to help their adaptation should be provided.

Following on from the International Development Committee's report, I echo the comment of the hon. Member for Enfield, Southgate (Mr Burrowes) that it is extremely important to ensure that the most vulnerable individuals are assessed and registered by UNHCR. They are not all able to reach camps, particularly those with disabilities or learning difficulties, those in rural areas, Christians and minority groups. Will the Minister ensure that data are disaggregated so that we can ensure that vulnerable groups across the board are fully included in the resettlement process?

I commend DFID and the Minister for their work on resettlement and in the camps. It is important to ensure, as DFID has tried to do, that children have access to education, safety and child protection, and that refugees have the opportunity to work. That is a task in progress.

However, humanitarian crisis funding is not sufficient for long-term planning, particularly when crises are protracted over many years. We must look at funding issues and ensure that needs are met in the long term. Will the Minister ensure in discussions with Turkey and other partners that stipulations on the provision of assistance are met, so that refugees have access to

[Dr Lisa Cameron]

education, healthcare and employment, and that a scrutiny process is enacted and long-term outcome data are collected?

Reports by Save the Children estimate that 26,000 child refugees arrived in Europe without any family in 2015. Children on their own are extremely vulnerable, and figures reported by Italy indicate that of the 13,000 unaccompanied children who arrived through its borders in 2014, almost 4,000 have subsequently disappeared, with concerns that they may have fallen victim to people trafficking. A study from Belgium in 2008 revealed that unaccompanied refugee children and adolescents are five times more likely than accompanied refugee minors to demonstrate severe or very severe symptoms of anxiety, depression and post-traumatic stress disorder. That obviously has implications for their vulnerability and resettlement.

Save the Children has led calls for 3,000 unaccompanied child refugees in Europe to be resettled in the UK, in addition to the 20,000 already accepted. That amounts to five children per parliamentary constituency. In September 2015, the Prime Minister indicated that the Government will continue to discuss the proposal, but no decision has yet been made. I reiterate that unaccompanied child refugees are a particularly vulnerable group and need urgent help.

The recommendation of the International Development Committee was resettlement in the UK of 3,000 unaccompanied children, and that proposal is supported by the Scottish Government. However, that is the tip of the iceberg in Europe. I request that the Minister collaborate and speak with European partners to ensure that unaccompanied children are registered, that child protection issues are engaged with extremely quickly, that childcare workers and staff are employed and that children do not continue to go missing within Europe.

I thank the hon. Member for Faversham and Mid Kent again. She spoke extensively and eloquently about the efforts that her local authority has made and about the emotional and practical requirements of refugees when they are resettled and local arrangements are made. She described her own profound experience of visiting refugee camps and the impact that has had on her understanding.

The right hon. Member for Leicester East (Keith Vaz) discussed the importance of delivering on the pledge, raised important issues in relation to the EU and the wider context, and said that it is vital to address the political situation in Syria. Of course, we would all agree about that.

The hon. Member for Enfield, Southgate discussed the issues of human dignity and vulnerability and reiterated points about minority groups, which I emphasise. My hon. Friend the Member for Inverclyde (Ronnie Cowan) spoke about local best practice initiatives and shared learning on resettlement in his area. The hon. Member for Dudley North (Ian Austin) spoke eloquently about his own historical family situation and about the need for councils across the UK to engage equally in the process. That should also be addressed.

**James Berry** (Kingston and Surbiton) (Con): On that point, will the hon. Lady give way?

**Dr Cameron:** Yes, indeed.

**Mr James Gray (in the Chair):** Order. The hon. Lady should be concluding her remarks. I call Dr Cameron.

**Dr Cameron:** Thank you, Mr Gray.

My hon. Friend the Member for Paisley and Renfrewshire North (Gavin Newlands) discussed what we gain from having refugees in the country. We should be proud of what we are doing, but we should continually ask what more we can do.

3.41 pm

**Keir Starmer** (Holborn and St Pancras) (Lab): It is a pleasure to speak under your chairmanship, Mr Gray. I know that a number of—

**Mr James Gray (in the Chair):** Order. I say to the hon. Member for Strangford (Jim Shannon) that it is a normal courtesy for those who have taken part in the debate to remain present throughout the winding-up speeches. It is not considered courteous to leave the debate during the winding-up speeches, but if any hon. Member does so, he will find that he is not called in subsequent debates. [*Interruption.*] Order. The hon. Gentleman will resume his seat. [*Interruption.*] Order.

**Keir Starmer:** A number of hon. Members have asked specific questions of the Minister. Therefore, I will be brief so that he gets the chance to give answers to the questions that people want answered.

I, too, congratulate the hon. Member for Faversham and Mid Kent (Helen Whately), not only on securing the debate but on the tone and content of her contribution at the start. I, too, have been to the camp in Calais. I went just three weeks ago. I went to Calais and to Dunkirk, and the conditions there are truly appalling. That is the case particularly at Dunkirk, which—for those hon. Members who have not been—is basically a forest in which there is a swamp. On the ground is mud, water, urine and everything else that one would expect to find mixed in when there are no toilets or running water. In the middle of that, on any piece of semi-firm soil, are pitched flimsy tents. I do not think that anybody could go in any capacity to those camps and not come back a changed person.

Of course, the camps include Syrians among other nationalities. That is not surprising. The figures have already been given. More than half of the pre-war population of Syria are in need of help—13.5 million of 22 million—6.6 million people are internally displaced and 4.3 million have fled abroad, so there are Syrians in Dunkirk, Calais and many other places across Europe. I saw there—in Dunkirk in particular—in the flimsy tents, settling down for the night, at 4.30 because there is no electricity and no lights and it was getting dark, children the same age as my own. I met individuals such as the Iraqi Kurd who showed me around. He explained that he had fled with his family because he was given an ultimatum by ISIS as it was coming into his town to join it or die. He ran for his life with such of his family as he could and is now in Dunkirk.

I acknowledge everything that the Minister has done in his brief so far. He will know just how important language is. I ask him, for that Iraqi Kurd and the others in the camps, whether he will distance himself from what I thought were disappointing comments from



the Prime Minister this morning when he described people in those camps as “a bunch of migrants”. Some of the people in the camps will have been deeply disappointed and hurt to have been described in that way, because they hold our politicians—our leaders—in very high esteem.

May I touch on a couple of issues of process? In those camps and others across Europe, among the Syrians who have fled are individuals who are undoubtedly entitled, under the Dublin III arrangements, to be reunited with their families already in the UK, yet on the ground it is clear that that process is not working; it is not working in Calais or Dunkirk. I ask the Minister whether it is possible to have an urgent review of the Dublin III arrangements—the practical operation on the ground.

The voluntary resettlement programme was started, I think, in January 2014 and extended in September 2015 to the 20,000 Syrian refugees. That is welcome. On all sides, we should always say that it is welcome that that initiative has been taken by the Government; and the Government are right to ensure and insist that there are proper arrangements for those arriving, so that they can be housed, they have proper welfare, they have proper support and they have education. Given the various contributions made today, it may be time to review quite how and where people are located, but it is a very welcome initiative.

It was perhaps wrong to fix a cap in 2015 when we do not know what will happen during the next five years. I hope that the number can be revisited, because all the predictions are for a greater number of refugees next year even though we have already had a record year. We may need to come back to the 20,000 figure to see whether it needs to be revised.

I do ask the Minister and the Government—I have done so on a number of occasions—to give serious consideration to the question of unaccompanied children. There are 26,000 across Europe; 3,000 have been specifically identified by Save the Children and others. These are children on their own in Europe. Some may well have the right to be reunited with people in this country. It is probably unlikely to be their mother and father, but could be more distant family. This is Holocaust Memorial Day—a very important day when we consider children on their own in Europe. I ask the Government to look very seriously at the now very powerful case for taking some among that number of unaccompanied children.

I will turn now to two issues raised by other Members. When asylum seekers arrive in this country, whether from Syria or elsewhere, it is important that they are treated with dignity and respect. We have had, for the second week running, examples of treatment that has not been thought through and is deeply offensive to anybody with any experience of working with and for refugees. The red doors policy in Middlesbrough was raised in the House last week, and it was the wristbands in Cardiff this week. We need to appreciate several important points in those cases. Both examples have come to the attention of the House and been debated only because of the work of journalists. As I understand it, a Home Office inspection regime looks at the arrangements for asylum seekers to ensure the quality and so on of the accommodation and support that they are given. I called last week, and I call again now, for an urgent review of the arrangements to ensure that those sorts of crass arrangements are weeded out as fast as

possible and to ensure that they were confined to Middlesbrough and Cardiff—in other words, to check that similar practices in other parts of the country will not come to the attention of the House in future weeks. Such a review is much needed.

I return to where I started. The steps that have been taken so far are welcome and should be supported on all sides, but it is time for the Government to look at whether we can go further in a number of material respects.

3.49 pm

**The Parliamentary Under-Secretary of State for Refugees (Richard Harrington):** As always, it is an honour to serve under your chairmanship, Mr Gray. I thank my hon. Friend the Member for Faversham and Mid Kent (Helen Whately) for securing the debate and for her contribution. The Opposition, in all their forms—Her Majesty’s loyal Opposition, the Scottish National party and everyone else—have been very helpful in everything that the Government have done on the Syrian resettlement programme. That does not mean that the Opposition have not been critical, but I think we all realise that we all have exactly the same intention.

However, ladies and gentlemen of the jury—if this were a jury, as in the former profession of the hon. and learned Member for Holborn and St Pancras (Keir Starmer)—I am a little bit off my normal form, owing to the shock of being complimented by the Chair of the Select Committee on Home Affairs, the right hon. Member for Leicester East (Keith Vaz). That stopped me concentrating for a moment.

**Helen Whately:** I want to reiterate something that the right hon. Member for Leicester East (Keith Vaz) said, which I may have overlooked in my comments. During my research for the debate, I heard so many positive things about the Home Office and the Minister’s work. He certainly deserves the praise that he has received.

**Richard Harrington:** I thank my hon. Friend for her comments. If I could receive such comments during the rest of my political career, I would be fortunate. We have very little time. With permission, I will attempt to answer most of the questions that have been asked, but if by chance I miss anything, I would be happy to discuss it privately with any Member of this House. Quite a few of the questions were grouped together, so I will try to summarise them.

There has been a bit of a misunderstanding about local authorities and the criteria for deciding where refugees should be settled. I have a lot of respect for the hon. Member for Dudley North (Ian Austin)—we are both very interested in holocaust affairs and are involved in the Holocaust Educational Trust, of which I am a trustee—and we agree on most things. However, the list of people settled under the asylum programme is fundamentally different from the system that is used in the resettlement programme, and that is the reason for the confusion between him and my hon. Friend the Member for Faversham and Mid Kent. Local authorities have come forward to help in many areas, such as Ashford in Kent. I pay tribute to the leader of Ashford Borough Council, who passed around a video to other local authorities saying how welcome refugees are in Ashford. The council has resettled quite a lot of families.

**Ian Austin:** Will the Minister give way?

**Richard Harrington:** I am sorry, but I really do not have time, because we have only got five minutes and I have got loads of things to say. Participation in the resettlement scheme is voluntary for local authorities. I would like to cover the finance point, because one of the very good contributions from the Scottish Members had a slight mistake in it. It is not just year 1 funding that has been arranged; there is a full programme for years 2 to 5. I am happy to go into detail in writing or to talk to hon. Members about it. Suffice it to say, within the time available, that most local authority leaders are quite satisfied with the funding, because years 2 to 5 are provided for.

As far as local authorities are concerned, the Government are conscious of the fact that settlement requires more than housing. That housing is provided predominantly by private landlords and paid for through local authorities, but with Government funds, deliberately so as not to interfere with the housing stock in those areas. In addition, each area is responsible for programmes to welcome people, introduce them to the local community and ensure that they register with doctors, schools and so on. I mention that because one of the faults of previous such programmes was that people were housed but forgotten about, and we are determined that that will not happen. Those are valid points to raise.

The Chair of the Home Affairs Committee made many erudite points, one of which was to ask what the Government were going to do about all the offers of spare rooms and shelter. He mentioned the Archbishop of Canterbury, whom I was with this morning—

**Keith Vaz:** Oh.

**Richard Harrington:** Indeed, and your name was mentioned—not your name, Mr Gray, but the right hon. Gentleman's. I apologise for not mentioning your name to the Archbishop, Mr Gray; I know that you know him very well.

On a serious point, we cannot take up the kind offers of spare rooms in people's houses because we are not interested in providing temporary accommodation to refugees. Our programme is intended to settle people where they will live, if not permanently, for the foreseeable future. However, that does not mean that we are not using all those offers of help. I discussed the matter this morning with the Archbishop. He is, by the way, in touch with Lambeth Council, and I am sorry that the right hon. Member for Leicester East has such a low opinion of Labour councils and their housing departments that he thinks that he would not be treated properly.

Putting that to one side for the moment, we are considering lots of other things through community sponsorship so that those kind offers can be used. One example is mentoring people into jobs, which is being trialled in a scheme in Bradford at the moment. Another is twinning families with other families, who can help by taking them to job interviews and English language lessons, which we are encouraging. We are doing lots of community sponsorship things—I would be happy to go into them on another occasion, but I am conscious of the time—so the good will of those people is absolutely not being turned away.

I will leave the right hon. Gentleman's running commentary points for the moment, because there may be another occasion to discuss that. He said that it was very important that we include the diaspora of Syrians who already live here. I met all the groups during my first few weeks in office and I asked them to form one umbrella organisation, which they have done. I met some of them yesterday, and I will meet more of them tomorrow, to make sure that they are used in all the areas where they have people. A slight problem is that they are concentrated in certain areas and not present in many areas where refugees are going, but they are being very co-operative.

The point about religious minorities is particularly important, because there has been a general belief that our system of taking people from the UNHCR, using the vulnerability criteria, is all well and good, but that some people—particularly Christians, but also other minorities—have been left out. I am determined that that will not happen. There is one rule on which I think the Government have every right to be inflexible, and that is that people have to register with the UNHCR, because it is the only way in which we can work out the vulnerability points, such as health and all the other things that we deal with. However, I have asked the Archbishop of Canterbury, the Catholic Bishop Patrick Lynch, whom I met last week, and every other body that we work with to give us evidence of places where there are pockets of people who are not registered. The Department for International Development is funding the UNHCR to provide outreach staff to register those people. I am pleased to tell my hon. Friend the Member for Enfield, Southgate (Mr Burrowes) that on meeting a Catholic bishop who came back from Jordan last week, I was told for the first time that there are green shoots, with more evidence of Christians registering. I want to make it clear that the Government have no policy of discriminating against Christians or anybody else, because what we are interested in is vulnerability.

As far as the contributions from Scottish Members are concerned—I am sorry to group them together, but there is not time to go through their individual contributions—I pay tribute to the way in which the Scottish Government, the Scottish local authorities and the Home Office have worked together. It is a very good model for democracy, because no one cares about who is in which party or about trying to score points off each other, and the end product has been extremely good. I cannot stress that enough, and I can say that because I have experienced it myself.

This is a very complex issue. A lot of people have mentioned the 3,000 children, and have said that 20,000 refugees is not enough. It is certainly true that hundreds of thousands could be picked out. I would like to stress two points in my remaining time. First, hon. and right hon. Members must remember that the 20,000 is a small part of our overall humanitarian policy. Most of our work is in the countries adjoining Syria, such as Jordan, Lebanon and Turkey, and I think that this country can be proud of that work. One Member mentioned Germany. Germany has a lot of migrants, but compared with Germany, we do a lot of work on the ground on matters such as accommodation and health. It works both ways. There has been a lot of talk about the children, and all I can say in the few seconds I have left is that the Prime Minister is considering the situation, and I believe we

can expect an announcement shortly. I am sorry that I cannot give any more information than that, but the points have been very well made.

*Question put and agreed to.*

*Resolved,*

That this House has considered the resettlement of Syrian refugees.

## Small Businesses: Late Payments

[ALBERT OWEN *in the Chair*]

4 pm

**Alok Sharma** (Reading West) (Con): I beg to move,

That this House has considered late payments to small businesses.

It is a pleasure to serve under your chairmanship, Mr Owen, for the first time in this Parliament.

One of the biggest drags on small and medium-sized businesses—

*Sitting suspended for a Division in the House.*

4.10 pm

*On resuming—*

**Alok Sharma:** As I was saying, one of the biggest drags on small and medium-sized businesses is the scourge of late payments. Timely cash inflow is the lifeblood of a small business. It is the difference between growth and stagnation, between profit and loss and, in some cases, between success and failure. There are some 5.4 million private sector businesses operating in this country, and more than 99% of them are small businesses, with 4.1 million consisting of just one person. The last thing someone in that position needs is the late payment of invoices by customers.

A recent survey by the Federation of Small Businesses concluded that central Government Departments and Government agencies tend to pay reasonably promptly, with more than 70% of invoices being paid early or on time. By contrast, more than 50% of invoices from SMEs to larger businesses are paid late. Research from Bacs Payment Schemes Ltd, published in February 2015, revealed that more than three quarters of UK businesses are being forced to wait at least a month beyond their agreed contract terms before getting paid. The Bacs research also found that SMEs bear the brunt of late payments. At the time, £41.5 billion was owed in late payments across the British economy. Some £9 billion was owed to larger corporates but a staggering £32 billion was owed to small and medium-sized businesses.

The late payment difficulties for SMEs are further compounded by the additional costs that have to be borne by businesses as a result of late payments, which average around £700 a month per SME, including staff costs for chasing late invoices. That equates to a total cost to small businesses across the year of more than £8 billion. The Minister is working incredibly hard on this, and the Government are committed to cutting £10 billion of red tape over the course of this Parliament. Can colleagues imagine what would happen if we also managed to eradicate £8 billion of late payment costs from SMEs? It would provide exactly the sort of boost to jobs, productivity and economic growth that the Government want to encourage.

Smaller companies have told the FSB about the very real costs of late payments: reduced profitability; lateness in paying their own suppliers; difficulties in paying staff; lateness in paying Her Majesty's Revenue and Customs, and all the negative consequences of that action; and, ultimately, lost contracts. There is also the very real risk of insolvency.

**Andrew Bingham** (High Peak) (Con): Turnover and sales are the predominant drivers for a small businessman, but does my hon. Friend agree that cash flow is a big

[Andrew Bingham]

problem and that the smaller the business, the bigger the problem it is? Consequently, when large companies withhold payment, a small business often cannot implement any early payment schemes because the large company can just go to somebody else and another small business will take the hit for them.

**Alok Sharma:** The adage that cash is king matters most to the smallest businesses, so my hon. Friend is right that cash flow is vital for a small business, as it is for larger businesses. The sum total of all this is that the very real risk of insolvency sometimes results from late payments. A poll of 1,000 business owners carried out in August 2015 by the electronic invoicing network Tungsten showed that more than 20% of businesses faced with unpaid invoices were having a brush with insolvency, and some of them, sadly, were having more than a brush.

The complaints that have come in to me from the Thames valley area as a result of my work with the FSB are wide-ranging and come from a range of industry sectors. I hear that large companies apply pressure in all sorts of different ways. Pressure is being applied to accept 90 to 180-day payment plans, fees are being charged to remain an approved supplier, and all sorts of complicated processes for submitting invoices have to be followed. Sometimes, payment is simply delayed with no reasonable excuse whatsoever.

**Ian Paisley** (North Antrim) (DUP): I congratulate the hon. Gentleman on securing this debate. Many SMEs in my constituency have expressed exactly the same concerns and fears. Does he agree that SMEs are effectively at the mercy of larger companies and that their survival depends on these cash payments being paid, and being paid quickly?

**Alok Sharma:** The hon. Gentleman makes a valid point, and I will address the culture of late payments within big businesses, which is sadly prevalent in the UK but is perhaps not always the case in other jurisdictions.

I will quote some of the businesses with which I have been in contact. A machined plastic parts supplier that has been doing business for 50 years without any problems suddenly found that a large company it had been dealing with demanded payment of a non-negotiable fee to a third party to remain on an approved supplier list. The supplier said that it had reported the situation to the large company's

"own ethics team who seem to think it is normal business practice and I have had it confirmed that we will be de-listed if we do not pay."

An SME with 10 people and a turnover of less than £2 million that supplies goods and services to large telecommunications companies in the UK and Ireland contacted me:

"I could write a book on the various hoops we have to jump through".

The examples provided by the SME include self-imposed cash arrangements by large companies and pressure to accept long payment terms.

A direct supplier to a local authority contacted me. It has had that contract for a long time, but it was suddenly told that it had to procure work through a particular procurement portal. The supplier told me:

"It was free to register (ignoring the not-insignificant effort in doing so), but the portal company then informed us that 'a 5% fee...will be deducted from your agreed rate for each work opportunity you secure via the portal'".

That is a 5% mandatory fee being put on a small business, which is completely unacceptable. The owner of the business went on to tell me in conversation:

"In our opinion as a small business unable to fight the process, this amounts to supplier bullying."

I have had businesses in the construction sector contact me. One said:

"Our industry (construction) is full of poor payment practices despite the Construction Act."

Finally, a service provider that supports pharma and medical device companies across Europe wrote:

"We have experienced very late payments with UK based companies only, either by paying after 90 days...or after starting legal proceedings. In contrast working for a German based company we do get our invoices settled usually within 2 weeks."

The hon. Member for North Antrim (Ian Paisley) made a point about corporate culture. As we have heard, these problems are cross-sector and do not relate to just one part of British industry. Having run a business in Germany myself, I can tell the House from personal experience that German corporates are generally pretty good at paying on time. In Britain, some large businesses have developed a culture of late payment over the years. Squeezing small suppliers has been considered normal business practice, and hang the negative consequences for the supplier. The risk of late payment in Britain is considered to be higher than in many other European nations, according to the latest European payment index, and it is clearly not an acceptable way of carrying on.

In the past few days, colleagues will have seen the outcome of the Tesco discussions. To be fair, Tesco contacted me before this debate and told me:

"Smaller suppliers with spend from us under £100,000 a year, will move to 14 day payment terms."

That is a win for the adjudicator, for small businesses and, ultimately, for Tesco and British business in addressing the culture of large companies in doing business with small suppliers.

What are the Government doing? I am sure the Minister will talk about the measures to address late payments that have been implemented, or are planned to be implemented, but I will highlight a few areas on which I would be interested in getting feedback either now or in writing, if the answers are not readily available.

The first is the strengthening of the prompt payment code, which clearly has happened because of Government encouragement. It is a real success and a badge of honour for businesses. Also, thanks to the input from the Government, not only has the number of companies signing up to the code increased but the code has been strengthened so that 30-day payment terms are now considered standard and 60-day payment terms a maximum.

One of the suggestions made to me by the FSB is that the Government should commit to making sure that any supplier that supplies to Government should sign up to the code; being a signatory should be an absolute requirement before a company starts to supply any Government body or agency. I would be very interested in hearing the Minister's views on that suggestion.

The second point is with regard to the EU directive relating to late payments. Of course, that directive was originally based on pre-existing UK law and it requires that businesses pay their suppliers within 60 days or

face interest payments on money owed. However, the UK implementation of the directive allows businesses to agree longer terms

“provided it is not unfair to the creditor.”

For a small business, even 90 days is a very long time to wait to get paid. Given that the prompt payment code suggests that 60 days be considered a maximum period for payment, will the Minister consider amending the legislation to ensure that 60 days is considered the mandatory maximum period for paying suppliers?

Thirdly, I welcome the requirement from April this year for large and listed companies to publish their payment practices twice a year. Can the Minister confirm whether this piece of secondary legislation is on track and what the definition of a “large company” is? Is it one that has more than 250 employees? That is certainly the European definition of a large company.

My fourth and final point relates to the Government’s plans to establish a small business commissioner, who will help to solve complaints from small businesses about late payments. I hope that the Minister will agree that the commissioner needs to be an individual who commands respect across the business community. Perhaps it could be a former chief executive officer of a large business. I would not go so far as to say that we should get a poacher turned into a gamekeeper, but I think she will know what I mean. I know that we will have the Second Reading debate of the Enterprise Bill in the coming days, but hopefully she can provide a bit of commentary on the role of the commissioner. I welcome the creation of the commissioner; they will help SMEs, but only if they are seen to have some real teeth. If they come to be seen simply as a postbox for complaints, I am afraid they will lose the confidence of SMEs and will not command the respect of large businesses.

The FSB wants the scope and remit of the commissioner to be broadened to consider complaints about poor payment practices in the public sector as well, which I understand is not currently the role that has been prescribed for it. The FSB is also rather keen that the commissioner should have the power to make referrals to the Competition and Markets Authority. Both these suggestions are worthy of serious consideration. I would be interested to know the Minister and the Government’s view of them, if not today then perhaps in the Second Reading debate.

As I have said, there are more than 5 million small businesses in the UK. I do not think anyone expects that the commissioner will set up a huge administrative bureaucracy, mechanically processing complaints, so there needs to be a holistic approach for dealing with complaints. What I would like to see is the commissioner establishing a public register or website, loosely based on those that review holiday destinations, on which SMEs could enter verified complaints about late payments or poor supplier policies practiced by their customers.

Once SMEs start coming forward with issues, many of which will be recurring in terms of their scope and the identity of offending large companies, that will enable the commissioner to spot patterns of poor behaviour within different sectors. The commissioner should certainly have the power to bring CEOs from big companies around a table to ensure that they act collectively to end poor practices. I think we would find that if we were able to tackle 20% of the problems that are identified, that would solve 80% of the problems related to late payments.

Eradicating late payments will provide a boost to jobs, growth and productivity, and I am absolutely convinced that greater transparency will help to eliminate what I regard as a corporate disease.

**Albert Owen (in the Chair):** Before I call the Minister to respond, I remind Members that the debate was suspended for 10 minutes, so it will now finish at 4.40 pm.

4.24 pm

**The Minister for Small Business, Industry and Enterprise (Anna Soubry):** It is a pleasure to serve under your chairmanship, Mr Owen.

I congratulate my hon. Friend the Member for Reading West (Alok Sharma) on securing this debate on an important topic. We know that late payment is one of the biggest complaints that small businesses have. They rightly complain about what are effectively two types of late payment. One is when they supply services or goods to people, and as part of the terms and conditions of the contract they find themselves almost over a barrel. They do not want to turn away business or fall out with an important customer, so they sign up to terms and conditions that in a modern age are, frankly, unacceptable.

Of course, someone can take action against anybody who breaks the terms of a contract. They can go to court, but for obvious reasons there is a reluctance to go to court. It costs money, and it could also sour the relationship between the two parties, which would not be good for the smaller business. It is important to put on the record that, for our purposes, when we refer to a small business we are referring to any business that employs fewer than 250 people. That ranges from a very small business, or even a microbusiness that employs between one and five people, to companies with much bigger turnovers that employ up to 250 people. The small business sector is huge and, as we know, it is absolutely the engine of our economy.

The second type of complaint comes from businesses that have signed up to being paid within a certain period, only to find that term or condition of the contract is broken. As I have explained, they feel reluctant to go to law, but there is a remedy available to them.

As I say, there are two types of complainants: those who find themselves signing up to onerous terms and conditions in the first place, and those who, having signed up to a contract that may on paper include good terms regarding when payment will be made, nevertheless find that the company’s practice is to breach those terms. They do not really want to go to law. I accept, and the Government absolutely recognise, the case that my hon. Friend makes that the situation we find ourselves in is unacceptable. Things have been getting better, but we know there is more to be done.

It is important that I put on the record my thanks to the Groceries Code Adjudicator for what happened yesterday, which in many ways was astonishing. What Tesco was doing was a scandal, but it was a great day for smaller businesses, which found themselves having a champion who did not pull her punches in criticising and exposing Tesco. After a year-long investigation, she made it very clear what Tesco had done, which was a flagrant breach of the groceries code.

[Anna Soubry]

As we know, since last April the Groceries Code Adjudicator, which was set up by the last Conservative-led Government, has had the power to impose fines of up to 1% of turnover. That is serious money for any business, but especially for big businesses. So credit where credit is due; yesterday was a good day for smaller businesses, and full credit to the adjudicator and to the last Government for doing all of that.

I will deal with a few important points, then I will come to my hon. Friend's asks in a minute. The small business commissioner, which will be set up by the Enterprise Bill, will have a specific role of considering the problem of late payment. The commissioner might want to look at other things as well, but primarily he or she will look specifically at that problem.

We know that people can go to law if there is a breach of contract. The small business commissioner will look at the practices that lead to unfair terms and conditions and at those that mean people breach terms and conditions and make late payments. What I am looking for in the commissioner is somebody who will take up the complaints of much smaller businesses, which invariably reflect trends in what bigger companies are doing.

The real aim is to change the culture. My hon. Friend said that the problem stems from a culture that is unacceptable in this day and age, and I want the small business commissioner to change that culture. He was right to ask for the commissioner to have some teeth, but then they would turn into a very different creature and we would have to go down the route of having someone whose role was quasi-judicial. In any event, people can take to court a claim for breach of contract, and we will be wildly encouraging mediation. That will be another role of the small business commissioner. We do not want to create a quasi-judicial role, because we would be beginning to get into quango land. I want someone who has respect and authority, so that when a phone call is made the bigger companies do not flinch but pick up the phone. It is about banging heads together and changing the culture.

**Alok Sharma:** I agree with the Minister, of course; we certainly do not want another quango. That would not help anyone, particularly small businesses. Does she agree that whoever is appointed to the role has to be a serious and hugely respected business figure? They have to be respected by small and large businesses, because it is the office and their individual personality that will help to drive things and get large businesses around a table when heads need to be banged together.

**Anna Soubry:** I could not agree more with my hon. Friend. He is absolutely right. The person we appoint will be critical in achieving what we want. We want someone with gravitas, so that when a telephone call goes to a chief executive, that chief executive does not hesitate to say, "This is a call I have to take. This is someone I have to listen to." When I spoke to the Australian equivalent, what struck me was that when he has that conversation with a chief executive and tells them, "Did you know what your finance team are now saying has to be in the terms and conditions for small businesses?", invariably the chief executive says, "I had no idea what was going on. That is absolutely unacceptable,

and that is not how we do business." It is fair to say that the new chief executive of Tesco, for example, was clear yesterday that it will no longer treat smaller businesses in that dreadful way. I welcome the change in policy so that very small suppliers will be paid within 14 days, but we must be clear that they supply only about £150,000 of goods to Tesco. They are very small contracts, and I look forward to Tesco extending its new-found policies to all its suppliers across the piece.

The small business commissioner will be expected to have a website. I want it to be a series of portals that will show small businesses where they can go for advice, especially on mediation. I am not sure about the idea of turning it into a sort of TripAdvisor. I always get a little nervous about people being able to post things, which would require a lot of regulation to ensure that no one was saying anything defamatory. I want to make it absolutely clear that the small business commissioner will produce an annual report, in which they will be expected to name and shame all those who are not doing the right thing by small businesses, especially in relation to prompt payment. What happened with Tesco yesterday was so important because it was all across the media, and damage to a business's reputation is hugely important and hugely powerful.

**Alok Sharma:** The Minister is being generous with her time. I hear what she is saying about the potential risks of a TripAdvisor-type website, although such websites of course operate already, so I am sure that it is possible to construct something that might work. Whatever mechanism is used, we need to ensure that there is a way of getting complaints in and processed in a timely and fast way. I reiterate that the last thing we want is a quango, and I know she does not want that either.

**Anna Soubry:** My hon. Friend is absolutely right. Speed is of the essence. We have reduced the maximum size of company that can make a complaint. The limit will be around the 50-employee mark, because we anticipate that there will be a lot of complaints. Those companies will be symptomatic of a way of doing things in particularly large businesses and of culture. We think that we are aiming in the right direction to get the sort of results that we want.

We introduced new reporting requirements in 2015 for the UK's largest companies to report on their payment practices and performance, including invoices paid beyond agreed terms. I want to make it clear that those reports will be published in a central digital location, which sounds pretty ghastly, but most importantly it will do the trick. It will bring in the oxygen of publicity, which invariably cleanses things and makes them better. I am going to say something slightly controversial and be very blunt.

**Julian Knight (Solihull) (Con):** Surely not.

**Anna Soubry:** I know. It is not like me, and my officials are now having huge palpitations, but it says on my brief:

"Government is leading by example by paying its suppliers fairly and promptly."

I wonder whether we really are. Shall we be truly honest about this? My hon. Friend gave an example of a local authority that is not doing that, and I have examples of

local authorities that are not doing that. I have an example that was brought to me—I will not go into the detail of it now, but I will be taking it up in a serious way.

We all know that we have to be careful. We can make great headline statements, but when we drill down into the reality—most of us, certainly on the Government Benches, live in the real world—what sounds like a good headline is not borne out in practice. I have seen evidence that by the time something that looks like a Government contract has come through the first subcontractor, the next subcontractor and the next one, the payment terms are something in the region of 120 days, and I am concerned about that. That is not a fault of Government, because we have been clear about what we expect, but the danger with over-regulation is that there is always a way around it. The most important thing is changing the culture and policing it. People will be very clever in looking for the loopholes and different ways of doing things, but we have to ensure that we find them, track them down, expose them and ensure that those sorts of practices cease. I will be keen to take that up so that we practice what we preach.

**Alok Sharma:** The Minister is always at her best when she is being controversial. She raises the issue of how the public sector deals with small businesses, so can I come back to one point? Will she at least have another look at whether the small business commissioner should cover Government quasi-public bodies as well as private sector companies?

**Anna Soubry:** I absolutely do not have a problem with looking at that. I place on record, however, that I am looking at that now. I will not bore Members with all the details, but someone who is not a constituent came to see me. He runs an excellent small business called Caunton Engineering. By bad fortune for some of the contractors, he happens to chair the relevant committee

for his sector. I am taking the issue seriously, and we will look into it to ensure that we are doing the right thing.

The last Government made huge strides forward with the prompt payment code and the publications that bigger companies have to make. The directive that my hon. Friend mentioned is wishy-washy. Am I going to say that we should change it? Actually, I do not want to over-regulate. I would much rather that we changed the culture rather than put strictures on small business, but he makes a good point. I will look at all the points he has raised, and I congratulate him on bringing the matter to our attention.

I feel proud: the Conservative party is undoubtedly the party of small business. We get it. [HON. MEMBERS: “Hear, hear.”] My hon. Friend the Member for Sherwood (Mark Spencer) is here, and he runs a small business, no doubt extremely well. We know the area and we understand it. What we now have to do is this: I ask all Members to bring me their examples, and I will not hesitate to take them up with bigger companies and be the champion of small businesses, to ensure that we deliver in the way that we want and encourage small businesses.

**Alok Sharma:** Will the Minister give way?

**Anna Soubry:** Yes—my hon. Friend can have the last word.

**Albert Owen (in the Chair):** There are 10 seconds left.

**Alok Sharma:** I am really pleased that the Minister has thrown out that challenge to Members. Will she commit to sit down with me over the coming weeks—

**Anna Soubry:** Yes—

**Albert Owen (in the Chair):** Order. There is plenty of time to sit down with the hon. Gentleman.

*Motion lapsed (Standing Order No. 10(6)).*

## Iraq Historic Allegations Team

4.40 pm

**Richard Benyon** (Newbury) (Con): I beg to move,

That this House has considered the Iraq Historic Allegations Team.

**Albert Owen (in the Chair):** Because of time factors, if the Member who secured the debate takes 10 minutes, all the seven Back Benchers, including Mr Stewart, who have indicated that they want to speak will have four minutes before I bring in the Scottish National party and Labour party spokespersons for five minutes each, and the Minister will have 10 minutes to respond.

**Richard Benyon:** Thank you, Mr Owen, for overseeing our proceedings today. I am grateful to the Minister for being in her place and to so many colleagues for showing so much interest in this important matter.

I have a view of our armed forces that is similar to my view of other public services. Just as with the NHS and the police, I revere the people who work for those services for being the best at what they do and for showing exceptional courage and professionalism. I also accept that the armed forces, like other public servants, sometimes fail. In wanting them to remain the best armed forces in the world, I want there to be a proper sanctioned system, clearly understood by all ranks, to act as a deterrent against those who might break the rules of law. Here I admit a prejudice. As somebody who has served on operations and saw men under my command have their self-control tested to the extreme, I constantly wonder how young men, often with little education, can show such intelligent restraint at times of great provocation. I am only talking about Northern Ireland.

This year sees the 25th anniversary of the first Gulf war. Hundreds of thousands of young men and women have seen more combat in the quarter century since than in any period since the Korean war. To mark it, Help for Heroes, in conjunction with King's College London, has produced an in-depth report that shows that roughly between 60,000 and 70,000 regular veterans and around 20,000 reservists will need our support in the coming years as they face the effects of combat. Those are the people I will talk about today and they should be our absolute priority.

I secured this debate because something has happened to some of our veterans in recent years that I think needs the urgent attention of Government. Some call it "lawfare". It is having a profound effect on the morale of our armed forces and on how we will be able to fight wars in the future.

**Mark Spencer** (Sherwood) (Con): Does my hon. Friend agree that, in the security of this Chamber, it is difficult to second-guess the decision-making processes in the theatre of war, where the environment is entirely different?

**Richard Benyon:** My hon. Friend is right, and I would add that when decisions are taken through judicial process, with the benefit of hindsight, sometimes more than a decade later, it is very hard to try and put oneself in the position of those who are taking the difficult action.

**Nusrat Ghani** (Wealden) (Con): Does my hon. Friend agree with one of my constituents who explained in an email that the present wars are not the same as wars in the past, where it was obvious who the enemy was and certain standards were adhered to on both sides? We are working in very difficult times at the moment.

**Richard Benyon:** Most of the asymmetric conflicts that we have fought in recent years are extremely difficult. We are fighting an enemy who does not sign up to the Geneva convention and the basic rules of war. I will make suggestions for the Minister that I think might address those concerns. My hon. Friend is, as always, absolutely right.

My hon. Friend the Member for Tonbridge and Malling (Tom Tugendhat) co-wrote a landmark report last year called, "Clearing the Fog of Law". I recommend it to hon. Members. In it he makes some recommendations that are intellectually researched and will go a long way to address the problem that we discuss today. I am also grateful for any contribution to the debate from my hon. Friend the Member for Banbury (Victoria Prentis) whose understanding of these issues within the machinery of Government is second to none.

My right hon. Friend the Member for Mid Sussex (Sir Nicholas Soames), who has asked me to say he is sorry he cannot be here as he is in hospital, wrote a powerful article last week in which he described an action in which a sniper shot and killed an insurgent who was about to fire an RPG-7 round towards troops. The shot was made from 1,200 metres—an act of skill that is hard to imagine. However, in absolutist terms, it could be that this fatality was illegal as the sniper did not issue a verbal warning. To give such a warning in a language that an assailant can understand over that distance is clearly a ridiculous concept, even before you try to second-guess the thoughts racing through the sniper's mind as he balanced the rules of engagement with the safety of his mates. I think he did the right thing. Now we are led to believe that he is being investigated because a firm of lawyers—sitting, no doubt, in the comfort of offices in London or Birmingham—have realised that there is money to be made here. The lawyers have tracked down the deceased's family, who have no doubt been told of the riches available on a no win, no fee basis or possibly from legal aid. This has to stop.

The Iraq Historic Allegations Team was being set up in the last days of the previous Labour Government. It was put into operation by the coalition Government for a perfectly respectable reason, and no doubt also to offset some of the threats from international judicial processes, to tackle alleged crimes in that conflict.

**Sir Gerald Howarth** (Aldershot) (Con): My hon. Friend is making a powerful case. I was an opponent of the International Criminal Court Bill that was proposed by the Labour Government and would have subjected our soldiers to the International Criminal Court. I said at the time that

"we must foresee the possibility of the court saying that this country has been unwilling to take action although we believe that it would be inappropriate for our national courts to do so. In such circumstances we must provide maximum protection to our troops."—[*Official Report, Standing Committee D*, 1 May 2001; c. 247-48.]



Is it not the case that the Government introduced this because it feared that otherwise our troops would have been taken to the International Criminal Court?

**Richard Benyon:** I find it depressing that we are talking about this so long after my right hon. Friend made those remarks. It will be interesting to hear from the Minister what advice she has received about the need for the Iraq Historic Allegations Team. Perhaps the debate will be able to draw out some of the reasoning for it.

As we know, IHAT was set up in 2010 by the then Minister, Sir Nick Harvey, who in a written statement said that he expected it to complete its work within two years. In July 2014, the Secretary of State recognised that IHAT's work was not going to be completed by the end of 2016. He approved additional funding of £24 million to cover the period from the end of 2016 to the end of 2019, which increased the level of funding of IHAT to £57.2 million. I want us to think of 2019 in relation to when some of the instances it is investigating actually took place.

IHAT employs 145 people and is still recruiting. The job specs actually say that contracts are initially short term, but are likely to be extended for significantly longer. The IHAT website gives 2019 as the likely date when it will complete its work. If it was exposing systematic and institutionalised war crimes, I would at least understand why such persistence was a good idea, and feel that the cost to the British taxpayer was justified. Estimates in the press say it costs £5 million a year, but other estimates vary. A look at IHAT's website shows that 18 investigations have been completed, one of which has resulted in measures being taken against somebody, and a £3,000 fine being awarded. Of the others, 15 cases have been dropped and two cases have been passed to other authorities, but no action has been forthcoming.

By June last year, following a huge increase in IHAT's caseload, the diagnosis was even worse. It is not necessary to be a mathematician to appreciate that, at this rate, the task of investigating allegations arising from the activities of British armed forces in Iraq will never be fully completed. The Ministry of Defence guide describes what has happened to the 59 allegations of unlawful killing that IHAT has reviewed up to this month: 34 cases have been closed, or are in the process of being closed, with no further disciplinary action; seven are currently subject to further limited, focused lines of inquiry; and 17 are under investigation. Only one of those cases was referred to the Director of Prosecutions, who directed that there should be no prosecution. So, on the face of it, that is not a great record.

At this stage, I want to make it clear that I do not blame the Iraq Historic Allegations Team. It no doubt has worthy detectives sifting the evidence, but after 10 years it is finding two things: evidential trails have run cold; and it is being inundated with claims, many spurious and many the result of the malign actions of lawyers, who see this is a Klondike-style fee-fest or, perhaps, as a way to get at the system that conducted what they believe to be an unjust war. If anyone doubts my last remark, I suggest looking at the interview on YouTube given by Mr Phil Shiner of Public Interest Lawyers to that great beacon of impartiality, *Russia Today*.

IHAT's caseload now involves just over 1,500 alleged victims, 1,235 of whom are victims of ill treatment and 280 of unlawful killing. Given that backlog, the burden will hang over the heads of many of our veterans for many more months and probably years. That is utterly intolerable.

All that falls into the concept of what "Clearing the Fog of Law" calls "legal imperialism". The worst case of such a culture are the allegations that culminated in the al-Sweady inquiry. The allegations surround actions taken during what became known as the battle for Danny Boy, a brutal attack on a checkpoint of that name resulting in a fierce firefight. British troops showed exceptional courage and resolve, and a number were decorated for bravery. The inquiry that followed cost £31 million; the fees were about £5 million. Some mistreatment was discovered, but the allegations of torture, mutilation and murder were baseless and the product, according to the judge, of "deliberate and calculated lies".

The Government and many others have accused the two firms promoting the cases, Public Interest Lawyers and Leigh Day, of attempting "to traduce" the reputations of the Army units concerned. We have heard that the alleged actions of one of the law firms, Leigh Day, have resulted in referral to the Solicitors Regulation Authority. I hear that Public Interest Lawyers might also be referred to that body.

We could all take up lots of time venting our collective spleen at the behaviour of firms that trawl places such as Basra trying to convince people of the great riches in proving that they were victims of bad behaviour. We could take up much more time asking the shadow Defence Secretary, the hon. Member for Islington South and Finsbury (Emily Thornberry), why she and the Labour party thought it right to accept donations or donations in kind from those firms.

**Julian Knight (Solihull) (Con):** I congratulate my hon. Friend on his speech. Does it not speak legions that virtually no Labour Member is attending the debate today? What does that show about Labour's position on the military?

**Richard Benyon:** I share my hon. Friend's feelings. Rather than spend the time talking about our views of those lawyers, however, which would be self-indulgent, I want to get to the bottom of this concept of legal imperialism.

I am glad that since I requested the debate the Prime Minister has announced that he has asked the National Security Council to produce a comprehensive plan to stamp out the industry. He is looking at banning no win, no fee schemes; he is speeding up the planned legal aid residency test; and he is strengthening penalties against firms that abuse the system, possibly even including suing those who have been found deliberately to withhold facts that could prove the innocence of the servicemen or women concerned.

That is all good stuff, but I want to press the Minister for more information on the timescale for the reforms. I suggest that they can only be seen as work in progress. May I respectfully suggest that the Minister add to the Prime Minister's wish list the suggestions made in the report by my hon. Friend the Member for Tonbridge and Malling?

[Richard Benyon]

In order to draw a line under the situation, for recent and future conflicts the Prime Minister should consider these powerful recommendations. The Government should derogate from the European convention on human rights in respect of future overseas armed conflicts, using the mechanism of article 15 of the convention. The Government should revive the armed forces' Crown immunity from actions in tort during all future "warlike operations" overseas by ministerial Order under the Crown Proceedings (Armed Forces) Act 1987. The Government should take the lead—this is important—in supporting efforts by the International Committee of the Red Cross to strengthen the Geneva conventions on the conditions of modern warfare, which addresses the point made in an early intervention by my hon. Friend the Member for Wealden (Nusrat Ghani). The Government should make an authoritative pronouncement of state policy, declaring the primacy of the Geneva conventions in governing the conduct of British forces on the battlefield.

**Danny Kinahan** (South Antrim) (UUP): I am grateful that we are having this debate. Does the hon. Gentleman feel that alongside the conflicts of the past we need to concentrate on the past in Northern Ireland as well? We should also look at a proactive media presence so that we are in front when defending our servicemen, rather than waiting for every case to get to the papers.

**Richard Benyon:** The hon. Gentleman is right. I support the plea by my hon. Friend the Member for Aldershot (Sir Gerald Howarth) that incidents such as that of the arrest of Lance Corporal J of the Paras under caution should cease. Society wants a line drawn under such things. We seem to have moved too far towards favouring the actions of our enemies and we do not seem mindful enough of those to whom we owe a great debt.

The recommendations I have just outlined are clearly set out in the report of my hon. Friend the Member for Tonbridge and Malling. It makes it clear that we are not only talking about alleged victims of war crimes, excessive violence in combat or the mistreatment of prisoners. The definition of "lawfare" extends to the ability of the courts to judge the actions of commanders—decisions often taken in the heat of battle and then judged years later by people for whom such circumstances are alien and with the mantle of hindsight.

I go back to my own experience. I got to know well a 19-year-old soldier who, in a tense situation, shot and killed someone contrary to the so-called "yellow card" rules for opening fire. He was convicted for murder. The case has haunted me for 34 years. My worry is that the legal imperialism we have seen in recent years and the existence of organisations such as IHAT will put a dangerous caution in the minds of the sniper of the future. Rather than taking a life to save many, caution prompted by a fear of legal implications might, to quote my right hon. Friend the Member for Mid Sussex, "put a splint around his trigger finger".

The analogy extends into every area of war, involving everyone from the most junior soldier just out of training to the most gnarled veteran of a quarter century of expeditionary warfare. The Apache pilot, the mortar platoon commander and the frontline rifleman all need to be governed by the rule of law—but which law? That

is the matter that the Minister and the Government must tackle with haste. However despicable we might think the actions of certain lawyers are, they are only responding to circumstances created by Governments past and present. My argument is that the rules we have created put our servicemen and women in greater danger in future. That cannot be right.

**Albert Owen (in the Chair):** Given the length of the last speech, the remaining speakers have three minutes each.

4.57 pm

**Richard Drax** (South Dorset) (Con): I pay huge tribute to my hon. Friend the Member for Newbury (Richard Benyon) for such an excellent speech and for bringing the subject to the Westminster Hall Chamber. I will now gabble through my speech in two minutes and 51 seconds.

As a former soldier, I welcome the opportunity to put on the record how deeply disturbing I find the relentless pursuit of our servicemen and women by unscrupulous and opportunistic lawyers. I welcome the Prime Minister's commitment to clamp down on the abuse, but I wish he would go further. I understand, however, that shutting investigations down would create an even more legalistic nightmare.

We all acknowledge that if and when atrocities are committed, or are alleged to have been committed, they need to be investigated. The Iraq Historic Allegations Team was established for that purpose in a genuine attempt to right historic wrongs and to deliver effective criminal investigation of allegations of murder, abuse and torture. In the case of Baha Mousa, for example, it worked.

One of the problems of the investigations now is the time that they are taking. Over the past five years, only a small number of the 1,500 cases have been looked at, and then only after nearly £60 million was given to IHAT to look into the allegations. Will the Minister comment on that when she sums up?

Another problem is that hundreds of the cases were fed to IHAT by only two legal firms, Public Interest Lawyers and Leigh Day.

**Nusrat Ghani:** Will my hon. Friend give way?

**Richard Drax:** I really do not have time, so I will fire on, if I may.

The perception is that left-leaning lawyers are intent on undermining one of the pillars of the establishment—namely, the armed forces. Given the opportunity, they are jumping to the task with relish. Unbelievably, it is alleged that middlemen touting for clients in Iraq received referral fees, which are prohibited, thus inviting fabrication and fantasy, which was never the intention. Those self-serving and unscrupulous firms have wrapped themselves in the banner of human rights, creating a compensation industry funded by the taxpayer.

Although I am delighted to learn that the gravy train is now coming off the rails, with both firms facing the Solicitors Regulation Authority and Leigh Day now referred to the solicitors disciplinary tribunal, the damage has been done and remains in the huge backlog of cases. For example, one British soldier could now in turn face investigations by the Iraq Historic Allegations Team and the International Criminal Court at the Hague;

civil claims for compensation in the High Court; and finally an inquest by the Iraq fatality investigations—you couldn't make it up!

Our soldiers are left feeling persecuted and betrayed. Those still serving are demoralised and people thinking of serving may think again. How on earth will we prosecute a war in the future if at every turn our servicemen and women fear being investigated for doing their duty, which, let us not forget, is to kill the enemy?

5 pm

**Douglas Chapman** (Dunfermline and West Fife) (SNP): It is a pleasure to serve under your chairmanship, Mr Owen, especially in this debate, which has aroused so much interest around the country and goes to the heart of so much in UK politics at the moment. I thank the hon. and gallant Member for Newbury (Richard Benyon) for bringing the debate to the House.

There is no doubt that the personnel of our armed forces do their job with a minimum of fuss, operating in conditions that most civilians would find intolerable, usually to a remarkable standard, because of which they are worthy of our praise and we must take time to understand specific circumstances. However, just as those men and women are the pride of their communities, we can be proud of our record on human rights, rooted in historic documents such as Magna Carta and, in Scotland, the Declaration of Arbroath.

In this debate, we should remark on the fact that IHAT is something of a classic British fudge. The idea that we should allow the UK to uphold its commitment to human rights, while protecting those who have given so much from unnecessary legal intrusion, has instead become an underfunded, sub-prime body that has lost the confidence of many it purports to help. It is also unfortunate that this necessary debate has been somewhat hijacked by those who seem to be obsessed by promoting an anti-European agenda.

In my work in the Select Committee on Defence, on which I serve with the hon. Member for Newbury and others here today, it has been made clear to me that we have the most professional, dedicated and capable armed forces in the world. They are men and women who hold themselves to the highest standards both at home and abroad. I am sure we agree that they are experienced personnel and professionals who can account for and justify their decisions on the battlefield. That does not mean, however, that there is not room for improvement in their practices.

The three services are a result of steady evolution, adaptation and best practice. It must be noted that a strong commitment to human rights has played a vital part in that evolution. We must agree, however, that the allegations brought forward are serious. The very reputation of our armed forces—indeed, the reputation of the UK and its commitment to human rights—relies on proper adherence to procedures and the rule of law.

On the other side is the ridiculous list of cases brought forward that contain false or exaggerated allegations that exploit the fundamental character of the justice system. Soldiers who have served with distinction and valour in the Iraqi conflict should not be unnecessarily hounded. Many in my party are clear that those who abuse the system must be dealt with severely.

**Albert Owen (in the Chair):** Order.

5.3 pm

**Victoria Prentis** (Banbury) (Con): I thank my hon. Friend the Member for Newbury (Richard Benyon) for his kind words and for calling for the debate. I will try to reduce my speech in so far as I can, but these matters did concern me in my working life for many years. I was in charge of the MOD's litigation team in the Treasury Solicitor's Department when the claims started flooding in in 2010. We faced a tsunami of litigation. I am not going to talk about individual cases, but I will give some recommendations from my experience.

First, IHAT was the least bad option available. The civil courts are not the place for criminal investigations to take place. Some of the claims made were very serious and needed to be investigated. IHAT is independent but secure. It is staffed by excellent officers who can investigate criminal allegations. Unlike the Baha Mousa inquiry, for example, they can refer cases to the Service Prosecuting Authority. Given where we are at the moment, IHAT should be encouraged to press on, but we should find new ways to deal with such issues in any future conflict.

Secondly, lawyers should not act without real clients with whom they are in touch and from whom they can take instructions. [HON. MEMBERS: "Hear, hear!"] If, for example, offers of settlement are made, it is essential that a lawyer can get in touch with their client immediately; anything less makes litigation impossible.

Thirdly, access by IHAT officers to the Iraqi complainant should have been provided with speed, but it was not. I can see no explanation for that at all. There is no need, nor is it usual in police investigations, for those who complain of a crime to be represented by a lawyer from the other side of the world.

Fourthly, our disclosure rules should not be used to pervert the course of litigation and push the Ministry of Defence into a position where it feels it cannot defend itself or its soldiers. Fifthly, I support scrutiny of whether legal aid should be available to non-UK nationals bringing action against the Government. That money, in my view, would be much better spent on rebuilding Iraq than on lawyers based in the UK.

Sixthly, I think the UK should derogate from the European convention on human rights—I am certainly no anti-European—whenever we deploy soldiers abroad. The authors of the convention, who were writing at a time when the horror of the holocaust and the battlefield was still fresh, intended international humanitarian law to apply to soldiers. International humanitarian law and the law of armed conflict is robust law, designed for that very purpose; the ECHR is not.

In conclusion, we are not dealing in the main with the fog of the battlefield, but rather with the confusion of detention and interrogation. In Iraq, soldiers were detaining men who minutes before might have been shooting at them or killing their friends or who were believed to have had information that might have helped us to prevent further attacks on our troops. They were usually not in custody suites, offices or cells, and time for gathering information was perilously short. It was hot—

**Albert Owen (in the Chair):** Order.

5.6 pm

**Johnny Mercer** (Plymouth, Moor View) (Con): I do not want to repeat much of what has been said already, but as everyone knows the situation has got completely out of hand. It is beyond parody, because what we find ourselves in is not the product of any of the individuals now charged with sorting this out. Throughout the rest of the world, there is not another country whose legislators or political representatives are putting its servicemen and women through anything remotely similar. Every day, those same legislators use the freedom of speech and freedom of will that so many have fought so hard to defend. Indeed, we are the only first-world country that seems to take such a passive and reactive approach to anything to do with veterans' affairs.

That we find ourselves in this situation is astonishing, baffling, embarrassing and wrong. That we can take a battlefield and all that goes into it—train hard, work hard and be the best we can possibly be to ensure success—and then have our homework marked by those whose love of this country does not wander far beyond their own bank balance is simply beyond me. [HON. MEMBERS: "Hear, hear!"] We cannot withdraw from IHAT now—I accept that. That we are here is ridiculous, but here we are and we must, as ever, fight our way out.

What is really going on in this investigation? Our soldiers have retired police officers who have answered the noble call of exciting new opportunities and above market rates of pay turning up at their door with a letter summoning them to court, with no warning. Yes, they have access to a lawyer afterwards from the MOD, but they got no warning from the Government they represented that this—a Government inquiry—is turning up. That is not good enough.

No one has a problem with scrutiny. Our professionalism is what separates us from the rest. We work so hard to imbue moral courage in our men and women, along with mental strength and resilience, precisely to get decisions right in warfare. The truth is that, by and large, we do that and, when they do not, someone speaks up and it is dealt with, without fear or favour, for we are the British Army and we are embarked on a relentless pursuit of excellence.

I do not know how many times I must say this in this place, but I will keep going until my time here is done. We have a duty to look after these people and this is not how to do it. I urge the Government to follow the Prime Minister's lead and do everything they can to protect our men and women: be proactive; warn them of what is coming; calm them; and support their families. The time for letting veterans fend for themselves and seek out a charitable shoulder for support is over. It ends in this Parliament. These people are the best of us—the true patriots; the warrior generation. We owe these men and women. Let us not let them down.

5.9 pm

**Mr Alan Mak** (Havant) (Con): I congratulate my hon. Friend the Member for Newbury (Richard Benyon) on securing the debate. It is a pleasure to follow my hon. Friend the Member for Plymouth, Moor View (Johnny Mercer).

We ask our armed forces to serve us abroad, so that we can be safe at home. I represent a constituency with a proud military tradition, particularly in the naval

sphere. I hear and see at first hand the service and sacrifice of our armed forces, and therefore my constituents and I share what the Prime Minister described as the "deep concern" that Iraq war veterans could face the threat of prosecution due to fabricated or unjustified claims.

Although we expect our armed forces to adhere to the rule of law and the rules of engagement, we should commit to ensuring that we protect them from those who irresponsibly abuse the process of law. I therefore very much welcome the commitment from the Secretary of State for Defence to clamp down on bad practices. I also support the Prime Minister's action. Asking the National Security Council to produce a clear, detailed plan of how we can stop our troops facing this torment is positive news.

I hope the Minister will confirm that the National Security Council's work is proceeding well. Several of the proposed steps are especially welcome. My hon. Friend the Member for Newbury referred to the imposition of strict time limits for the lodging of claims, to residency requirements, to the prevention of no win, no fee deals and to the reviewing of legal aid provision to certain firms that have been implicated in the al-Sweady deal. Those are all very welcome.

The unjustified claims against British troops are harmful for at least three reasons. Operationally, such claims harm morale. They affect recruitment and damage the operational effectiveness of our troops at a time when we are relying on them more than ever. From a financial perspective, every false claim that IHAT and the Government respond to, investigate and defend diverts spending from the frontline at an important time in our country's activities. Politically, such claims threaten to unjustifiably undermine the outstanding work of our armed forces in the eyes of the public, even when those claims are later found to be unfounded. The al-Sweady inquiry, which reported last year, is a case in point.

Time is short. In closing, I hope that all hon. Members will join me in paying tribute to not only our armed forces but the many charities that champion and care for our veterans when they come home, from Combat Stress and SSAFA to the Royal British Legion. Their approach stands in stark contrast with those who pursue our veterans, rather than protecting and caring for them.

Finally, I congratulate again my hon. Friend the Member for Newbury on securing this timely debate on an important issue. I welcome the Government's commitment to positive action and look forward to hearing from the Minister. I am confident that when she gets to her feet, she will reassure us that this Government are very much on the side of our brave armed forces personnel, who serve us abroad and protect us at home.

5.12 pm

**Julian Knight** (Solihull) (Con): It is very difficult for any civilian to sit in judgment of a soldier. I have no experience of the unique and extraordinary pressures under which they operate, nor the snap life and death decisions they are forced to make. Too many people in the legal profession lack the wisdom or the humility to take that view and hound our veterans with self-righteous enthusiasm.

Just this week, the BBC announced that the Iraq Historic Allegations Team has dropped nearly 60 cases of alleged unlawful killing—cases that have cast a shadow over the lives of innocent veterans. As we know, in 2014 the al-Sweady inquiry found that previous allegations against British troops in Iraq were “deliberate and calculated lies” intended to smear our military at a cost of £31 million, as my hon. and gallant Friend the Member for Newbury (Richard Benyon) said. As a result, Leigh Day, one of the law firms involved, faces a full disciplinary tribunal from the Solicitors Regulation Authority. The Prime Minister has threatened to sue that company to recover the millions of pounds it has claimed in costs, and I hope he will find support from across the House for that measure. He has also outlined a broader crackdown on so-called tank chasers, including reforms to legal aid, to no win, no fee arrangements and to the civil courts regime.

Clear-cut, conventional wars against uniformed enemies are increasingly a thing of the past. Today’s foes increasingly know no rules of war, yet just as the old conventions of conflict are breaking down, we are handing our opponents unprecedented opportunities to attack our troops in the courts. Even though it is right we hold our armed forces to high standards, such self-flagellation is completely ridiculous.

Such challenges are not confined to the middle east. Veterans of the campaign against IRA terrorism in Northern Ireland face their very own historical inquisition. Meanwhile, the terrorists they were fighting—men and women who deliberately targeted civilians and murdered several Members of this House—are shielded by an amnesty. I understand that it is important to hold our armed forces to account, but this country has one of the most disciplined, effective and professional armies in the world, and we should be proud of it.

Unless we trust our troops and give them the leeway they need to make hard decisions in extraordinary circumstances, we will find it increasingly difficult to wage war at all. Troops on the battlefield will hesitate to act, for fear of years of harassment and potential prosecution. Potential recruits will see the reward for serving and seek careers elsewhere.

War is, and will always be, a messy and brutal business. Rules designed for civilian life are inadequate for its challenges, and we shall only end up crippling the armed forces if we make perfection the enemy of good in upholding the conduct of conflict. Cases against our forces should be considered and advanced by an uninterested party, not by lawyers looking to maximise profit.

5.15 pm

**Bob Stewart** (Beckenham) (Con): I congratulate my good friend, the hon. and gallant Member for Newbury (Richard Benyon), on securing the debate.

Just over 400 soldiers have contacted me. Most of them I have never met; some I knew from my service. I want to represent them in the short time I have, and I want two thoughts to be brought to the attention of the House. The first is that those soldiers feel they are being chased down by unscrupulous lawyers who do not give a damn about their wellbeing, some of whom seem to imply the soldiers are guilty before that is proven.

The soldiers feel extremely irritated that the Ministry of Defence seems to have set up an organisation to join with those lawyers to chase the soldiers down. I use the

word “seem” because the soldiers do not understand why that is happening. We can spend all the time we like explaining and saying, “It’s because we’ve got to investigate things. We’ve got to do it properly, otherwise you’ll go to the International Criminal Court,” but our men and women in uniform do not accept that, so this is a communication problem.

My second thought is this. I have given evidence with my soldiers in Northern Ireland on murder charges and in the International Criminal Tribunal for the former Yugoslavia. Our soldiers, our men, our women, our sailors, our airmen and our airwomen loathe doing that. They are frightened by having to appear in court in front of slippery-tongued lawyers who have a much better gift of the gab than they do. They feel they will slip up, and that terrifies them. Often, their thought is, “I’d much prefer to be on the frontline, under fire, than in this poxy court where no one seems to be on my side.”

The problem we have is trying to tell our servicemen and servicewomen that this is actually for their own benefit. I had to tell two soldiers, after they had been in a firefight, that they were being charged with murder in Ireland. They did not believe it was possible. I explained that the reason was to take them to court to prove they had acted under the law, so that they could never be prosecuted again.

I speak, I admit, with some emotion on behalf of our men and women, and I tell you this: we should listen to them and communicate better.

5.18 pm

**Sir Gerald Howarth** (Aldershot) (Con): I congratulate my hon. and gallant Friend the Member for Newbury (Richard Benyon) on bringing forward this important debate, and I also congratulate my hon. Friends who have taken part in it. The debate demonstrates the strength of feeling in the House that our armed forces are not being well served by the campaign of what is known as lawfare, rather than warfare.

Our armed forces go and fight and do their best in the most difficult of circumstances. A number of my hon. and gallant Friends have been out in theatre. I have been to Afghanistan six times, so I know what it is like. I fear that by putting our armed forces into harm’s way in this fashion, we are undermining their morale and thereby threatening the war-fighting capability of the next generation of those who will be called upon to serve their country. I believe we are doing them a disservice.

The Prime Minister is absolutely right to express his concern about this matter. The Government need to do more; we owe it to the 120,000 troops who have served in Iraq in Her Majesty’s armed forces. We cannot have a situation where men and women go out to fight in the most appalling of circumstances, dealing with an enemy that they sometimes cannot distinguish from the civilian population. They do their level best and then come back—many of them suffering injuries and some of them traumatised—and may have to wait years before finding out that they might face prosecution from their own fellow civilians. That cannot be right.

I have constituents in Aldershot, the home of the British Army, who served with distinction in Northern Ireland. They still, 43 years on from Londonderry in 1972, face the possibility of prosecution. That is not right. It is not in the interests of natural justice that our men and women who serve our country should be treated in that fashion.

5.20 pm

**Steven Paterson** (Stirling) (SNP): I thank the hon. Member for Newbury (Richard Benyon) securing today's debate. It is crucial that we not only support our service personnel but uphold human rights and have the UK show leadership in promoting international human rights.

Our armed forces carry out a vital role on our behalf, often in harsh and dangerous conditions. Their courage and professionalism are to their immense credit. As part of that professionalism, our armed forces should and must be able to justify their decisions and actions against clearly defined standards of conduct. When allegations are made that conduct has not met the high standards expected by both society and the armed forces, they must be taken seriously. When there is a case to answer, the case must be investigated fully and fairly.

Since the inception of the Iraq Historic Allegations Team, a number of issues have arisen that require consideration, as many speakers have touched on today. They include the scope of the investigations, the considerable volume of the case load, the amount of time that has passed in some of the incidents involved and concerns about the credibility and veracity of the allegations. Each of those issues presents challenges to IHAT and to us, who oversee it, in the dispensing of justice.

The latest figures that I have seen indicate that 1,514 allegations have been reported to IHAT, making up 1,329 cases. Of those, 43 have been closed and 57 dropped, with 280 UK veterans under investigation. It is only fitting and fair that we are concerned about the number of allegations and the speed of the investigations, and it is no surprise that many hon. Members, including the hon. Member for South Dorset (Richard Drax), have raised that issue.

I understand that IHAT has about 150 staff, so in my view, it is reasonable to question the speed at which cases are being dealt with. Indeed, if I were a member of a committee scrutinising the issue, I would have serious questions for witnesses and would be pressing them on the apparently slow rate of progress and for a comparison with other legal jurisdictions.

I fully understand that we are talking about a unique situation in many respects, given the challenges in investigating allegations. However, the rate of progress is an issue. The hon. Member for Newbury raised the issue of trails going cold on some of the investigations. We need to address that and face the reality that in some—indeed, many—cases, it might not be possible to get the evidence we need to establish whether an allegation is true. That might simply mean that the case cannot proceed, and I look forward to hearing what the Minister has to say about that.

Turning to the credibility and motives of those bringing complaints, which many Members have raised, I have concerns that there may well be instances in which the current system is being abused, and that spurious allegations are being brought against military personnel and service veterans. The answer lies in ensuring that we have a system in place that allows the prompt dismissal of cases that are brought on flimsy evidence or are not evidence-based. In cases where evidence is found to have been falsified or deliberately distorted, I would want to see penalties imposed for what I consider to be

akin to the criminal charges of perverting the course of justice or, at the very least, wasting police time, or its equivalent in Scottish law.

As my hon. Friend the Member for Dunfermline and West Fife (Douglas Chapman) said, our legal system in this area must uphold the values of the European convention on human rights, as well as other international human rights treaties. We have to work with other nations to set an example of our values on human rights. Some Members have expressed the desire to derogate from the convention, but that is not the right way forward. The European convention on human rights was born out of the horrific events of world war two, which rightly made the international community think very carefully.

**Tom Tugendhat** (Tonbridge and Malling) (Con): The hon. Gentleman is making a very good point, but the problem with regard to derogation is that it was specifically intended by the authors to allow for operations outside the territory. The danger of the argument he is making is that the Scottish National party is turning soldiers from cannon fodder into courtroom fodder.

**Steven Paterson:** I will resist getting into party politics. This is a serious case and I do not think that the hon. Gentleman made his point very well there—[*Interruption.*]

**Albert Owen (in the Chair):** Order.

**Steven Paterson:** Time is now against me, but to address the hon. Gentleman's point, I hope that we all accept the need to uphold standards of human rights. That should be the case across the world, wherever we send our armed forces. Our armed forces have our support and gratitude for the difficult work that they do on our behalf in defending not only us but our values. That means that our armed forces must always live by and espouse the same values that they defend with such distinction.

5.25 pm

**Toby Perkins** (Chesterfield) (Lab): I congratulate the hon. Member for Newbury (Richard Benyon) not only on securing the debate, but on his excellent contribution and the valuable perspective that he brought to the debate—I think it informed all of us.

This important issue raises emotions and concerns among all hon. Members. It is a matter of tremendous national pride that Britain's world-class armed forces are renowned across the globe for upholding the very highest military standards, so often while performing in the most dangerous of theatres, and are rightly acknowledged as being expected to conform to, and indeed as achieving, the very highest standards of ethical behaviour. None of us should forget for a moment the debt of gratitude that we owe to our servicemen and women, nor should we lack humility about what we in this House have expected of them under the most trying circumstances imaginable.

I turn to the purpose of establishing the Iraq Historic Allegations Team. Rather than begin a long drawn-out public inquiry, it was considered to be better for all parties concerned to deal with allegations on a case by case basis, managed by a dedicated team, to identify whether there were causes for concern and to manage the process in as timely a manner as possible. In November 2010,

IHAT was given full investigatory powers by the coalition Government to ensure that the resulting investigations would be in keeping with the UK's legal obligations under the European convention on human rights, and I share many of the concerns that hon. Members have raised today.

It is important to re-emphasise that although we all have tremendous respect for our armed forces and the work they do, and although we are all conscious of the danger of malicious inquiries and the effect that they would have on the morale and stress of those serving, nobody in this debate has been arguing that our soldiers are above the law. We have to ensure that when serious allegations are made, they are properly investigated. The UK is among the countries with the highest human rights standards in the world, and we should be proud of being held to those standards.

The work of IHAT, however, was initially due to be concluded in 2012. We are now in 2016, with the conclusion deferred at least until 2019. There is a genuine fear that IHAT is becoming exactly what it was designed to prevent: a drawn-out investigation that becomes a burden on valued members of the armed forces and the taxpayer alike. There is also a sense that the transparency and generosity of spirit evident in the setting up of the team is being abused by irresponsible law firms or malicious complainants.

Although it is right to ensure that allegations are properly investigated, we also have to prevent abuse of the public purse and ensure that our justice system is not being systematically abused. We are all aware of the recent allegations of ambulance chasing by certain law firms, and the Prime Minister rightly said today that certain firms clearly have questions to answer.

As we have heard, only this week 57 allegations of unlawful killing were dropped due to lack of evidence. That is 57 innocent soldiers who have had that hanging over their heads and have faced the prospect of prosecution for crimes of which they knew they were innocent. It is imperative that we do all we can to prevent that from happening again. However, using the alleged cases of ambulance chasing as an excuse to withdraw from the European convention on human rights seems to be the wrong approach. I am happy to look at the details of the Government's proposals and to support evidence-based measures that discourage claims without merit and make sure they are not funded through legal aid.

**Victoria Prentis:** Will the hon. Gentleman give way?

**Toby Perkins:** I do not have time.

I believe that measures such as re-examining the current eligibility criteria for legal aid, or the development of a residency test for civil legal aid, would be very welcome. I know that I, like other Members, would have trouble explaining to my constituents in Chesterfield why an individual who has never set foot on British soil should be able to claim legal aid to bring civil legal action against a member of our armed forces at the UK taxpayer's expense. Not only is the prospect of prosecution for an alleged historic crime traumatic for the serving soldier, but I am worried, as are other Members, that such a practice could act as a barrier to recruitment in future generations. For that reason, I am also interested to read the Government's proposals on a time limit for individuals or firms to submit cases to IHAT.

I ask the Minister the following questions. How can the Government guarantee that only individuals with a strong connection with the UK will have access to UK-funded legal aid? Will the Government consider applying a specific time limit or cut-off date relating to allegations of human rights abuse in Iraq? What more can the Minister tell us about the success the Government have had in prosecuting firms who make malicious complaints, as the Prime Minister referred to today? Can she tell us what steps will be taken to enforce that approach and what criteria will be used to decide that a complaint is without merit? What impact do the Government believe the process is having on morale, on the stress levels of people who served in Iraq and on recruitment and retention within the Army, both among those who served in Iraq and more generally? Do the Government think that a timetable of 2019 for concluding the work of IHAT is acceptable, and what steps are they taking to support and reassure servicemen and women who suddenly find themselves within the process?

I want to reiterate our admiration for those who served in Iraq and assure the Government of our intention to support any practical steps that they can take to rebuild confidence in this process.

5.30 pm

**The Minister for the Armed Forces (Penny Mordaunt):** I thank my hon. Friend the Member for Newbury (Richard Benyon) for securing this debate. He is a doughty champion of our armed forces and a former member of their number. I also thank, in particular, my hon. Friends the Members for Tonbridge and Malling (Tom Tugendhat) and for Banbury (Victoria Prentis) who have spoken today and have been a great help to me in the work I have undertaken since May last year.

I also thank all hon. Members who have spoken in support of our armed forces today. We send them into harm's way, dressed in body armour, to defend our freedom and national interest. It is not just their courage and capability that makes them the best; it is their values and the high standards we hold them to—values of self-discipline and self-sacrifice. Much of what they do in both war and peace is to uphold the rule of law, including international humanitarian law such as the well-known and well-understood Geneva conventions.

As a nation, we have chosen to invest in preserving and promoting those vital rules in armed conflict, ensuring they are reflected in all we do, and using our considerable reach to instil them in armed forces around the world. It is right that we meet the obligations on us to investigate credible allegations of human rights breaches, serious criminality and war crimes. How ironic then that those brave men and women, who do so much to protect and promote human rights and the laws that enshrine them, stand accused of wishing to exempt themselves from such obligations.

I will set out some of the shocking practices of those accusers, mainly two law firms, that concern us and what we are doing to meet our manifesto commitment. I will contrast that with the work of the Iraq Historic Allegations Team and provide an insight into its remit, its methods and some of the cases it has been dealing with which, if I do them justice, will reassure Members of the House and the armed forces.

[Penny Mordaunt]

I want to explain why protecting our armed forces from litigation motivated by malice and money is compatible with upholding human rights and the pursuit of justice, and that human rights and justice depend upon it. It is not about holding our armed forces above the law, as Leigh Day has suggested, but rather that we wish to uphold the primacy of international humanitarian law that helps to keep our armed forces safe, gives them the freedom to act in accordance with those laws, and protects human rights.

The ability to take prisoners, for example, is a well-understood good, and not being able to do so would have very grave consequences for both sides of a conflict. Any action that undermines or deviates from such rules is detrimental to our operational ability and to the safety of our own armed forces. We should make no apology for investigating and holding our armed forces to account for such actions. It is in our national interest to do so, as well as in that of the people who serve in our armed forces.

The steady creep of extending the reach of European human rights legislation, which was not written for conflict situations, is eroding international humanitarian law. The behaviour of parasitic law firms churning out spurious claims against our armed forces on an industrial scale is the enemy of justice and humanity, not our armed forces or the Ministry of Defence.

**Tom Tugendhat:** When I was interviewing various witnesses for the “Clearing the Fog of Law” report, the former Member, Jack Straw, was very specific about the reason for not derogating in advance of the Iraq conflict, which was that it was never thought that the European convention had extraterritorial jurisdiction. What other Members have called for—I particularly highlight my hon. Friend the Member for Banbury (Victoria Prentis)—is very reasonable in the light of that experience.

**Penny Mordaunt:** My hon. Friend is right, and he knows what he is talking about.

When the courts entertain claims against our armed forces of the likes of an insurgent bomb-maker suing us for not shooting him in a fire fight, but instead taking him prisoner and holding him until we could guarantee he would not face mistreatment in the local justice system, it is not just our armed forces who suffer the strain on them and the corrupting effect on their behaviour in the field; the cause of human rights suffers too. Today, when faced with the likes of Leigh Day and PIL, we need to wrap our service personnel in more than just body armour when we send them out to defend freedom.

Shortly the National Security Council will meet to decide on a number of options to address all the concerns that hon. Members have expressed this afternoon. Over the last eight months, extensive work has been going on in the MOD and the MOJ on these issues. Hon. Members have mentioned some of the options that may be brought forward, and there are others.

Specifically with regard to spurious litigation being brought against our service personnel and the conduct of legal firms, the Prime Minister has announced that the Under-Secretary of State for Justice, my hon. Friend the Member for Esher and Walton (Mr Raab), and I will chair a working group to tackle every aspect of

that, including conditional fee arrangements, legal aid rules and disciplinary sanctions against lawyers who are abusing the system or attempting to pervert the course of justice.

Against that backdrop, I understand that the work of IHAT has been tarred with the same brush. Hon. Members have spoken about why it was set up. It was to ensure that we have a domestic process as opposed to an international one. I want to give an insight into some of the cases, because they are illuminating.

In case No. 377, it was alleged that a passenger in a car was shot by an

“hysterical British soldier in a tank.”

That IHAT investigation ascertained that PIL had submitted the allegation in October 2014, despite Danish armed forces accepting liability for the incident and paying compensation in 2003.

In case No. 123, it was alleged that a 13-year-old girl had been killed when she picked up part of a UK cluster bomb that had failed to detonate. The IHAT investigation established that a 13-year-old boy had been killed, but was unable to ascertain whether Iraqi or UK munitions were responsible. PIL challenged the MOD’s decision not to refer it to the IFI—Iraq fatality investigations. The MOD defended the challenge on the basis of that information. Shortly before the hearing, PIL disclosed a witness statement by the boy’s father, made before the IHAT investigation, in which he said that the boy had been killed while in the vicinity of an Iraqi mobile missile launcher preparing to fire missiles into Kuwait that was destroyed by a coalition helicopter. There are many other cases that I could mention. It was concluded, after thorough investigation, that UK service personnel had acted in self-defence, in the defence of others, and lawfully.

IHAT enables us to meet our obligations to investigate serious wrongdoing, and its work is exonerating those wrongly accused and rejecting bogus allegations. I would add that the sniper case that my hon. Friend the Member for Newbury mentioned is not an IHAT case. Its investigators—a mix of service personnel, police officers and legal experts—are doing a public service, and I pay tribute to them. They feel their responsibilities keenly. Those investigators did not set up IHAT; we did. That was done not by anyone in this Chamber today, but by a previous Government, and for sound legal and policy reasons—there should be a domestic system of accountability, because without that there would be an international one. I hope that I have set the record straight on that. However, some questions remain for us, the politicians.

Does the existence of IHAT invite such claims? Were we not funding it, would fewer cases be brought? Why are so many cases brought and why are they so poorly researched, lengthening the investigation process? How can we speed that up? What support is given to our armed forces during the process? The work of IHAT is independent of the MOD, and we would not interfere with its investigations or work, but those are genuine questions to look at. It is right that we look at further ways of speeding up the process without compromising the quality of its output or its independence.

I can reassure hon. Members that we do all we can to support our armed forces through such investigations, and that support is also embedded in the practices of



IHAT. It does give notice of investigations, and hon. Members must flag it up if they have heard of instances in which that has not been the case. Support that the MOD routinely provides to service personnel includes the funding of legal costs and, where appropriate, the funding of judicial reviews, as well as pastoral support. We fund medical assessments and applications to excuse from giving evidence veterans and serving personnel who are not medically fit to do so. Indeed, some in the judiciary have criticised the MOD for providing the level of support that we do provide. Those obligations remain, whatever the theatre in which the actions took place, whether it is Iraq, Afghanistan, Northern Ireland or elsewhere, but we recognise the cost of all this to our servicemen and women and to the public purse.

The al-Sweady case, in which our armed forces were exonerated and which resulted in Leigh Day being referred to the Solicitors Disciplinary Tribunal, cost the MOD and the British taxpayer £31 million to stage—£31 million, I would argue, that would be better spent on equipment and support for our armed forces. The status quo is financially unsustainable and morally unjustifiable. To put this right falls to us in this place, and we must all be resolved to do so. This issue and the solutions that we will bring forward are complex, but the objective is simple: we must protect human rights and we must protect those who defend them—our armed forces.

**Albert Owen (in the Chair):** We have run out of time, but I will give the hon. Member for Newbury (Richard Benyon) one minute. I apologise for the time restraints.

5.40 pm

**Richard Benyon:** You are very generous, Mr Owen. I thank hon. Members for taking part in the debate and particularly the Minister, who has proved, as she always does, that she is a very good Minister indeed and has understood the feeling in this place and beyond it—that is what is really important. Can she pick up a point made by my hon. Friend the Member for Beckenham (Bob Stewart) and really communicate to the cohort in our armed forces today that they will get our support throughout the process and ensure that they understand why this has been set up and that we are moving away from allowing this culture to continue?

I will finish by saying to the hon. Member for Dunfermline and West Fife (Douglas Chapman) that this has nothing to do with Europe. I have similar views on Europe to my hon. Friend the Member for Banbury (Victoria Prentis). I understand the history of the European Court, its place in our society and the convention on human rights. This is about trying to ensure that we have the best legal vehicle for dealing with these matters.

5.41 pm

*Motion lapsed, and sitting adjourned without Question put (Standing Order No. 10(14)).*



# Westminster Hall

Thursday 28 January 2016

[MR ANDREW TURNER *in the Chair*]

## In-work Poverty

1.30 pm

**Carolyn Harris** (Swansea East) (Lab): I beg to move, That this House has considered in-work poverty.

It is a pleasure to serve under your excellent chairmanship, Mr Turner. This Government are failing to make work pay, and their cuts to in-work support risk increasing the number of working families in poverty even further. Over the previous Parliament, average real wages fell by more than £1,000 a year. Furthermore, 2010 to 2020 will be the worst decade for pay growth in almost a century and the third worst since 1860.

Cuts to universal credit that begin in April will make 2.6 million working families £1,600 a year worse off by 2020, making it almost impossible for families to work their way out of poverty. The Government's advice to working families set to be hit by those cuts is to work an additional 200 hours a year to recoup the losses. That is neither fair nor practical for millions of low-paid families who are already working full time. I am delighted to have secured this debate, so that we in the Opposition can bring forward the reality of those in our constituencies who are experiencing high levels of in-work poverty and to call on the Government to scrap their cuts to universal credit before the cuts take hold in April.

We know from the Social Mobility and Child Poverty Commission that 1.5 million children are in poverty because their working parents do not earn enough to secure a basic standard of living. Four out of 10 children in working poor households live in families where parents might be expected to enter work or work more hours. Owing to high levels of in-work poverty, the commission has warned that the cuts to universal credit will—in its words, not mine—

“make many working families significantly worse off.”

The commission has recommended that the Government reverse their cuts to universal credit, saying:

“These changes would have resulted in millions of families in low-paid work who are ‘doing the right thing’ and working as much as society expects them to, seeing their annual income fall by thousands of pounds on 1 April 2016.”

Despite the fears, the cuts to universal credit are still going ahead. It will be very difficult for many affected families to increase their hours of work and hourly pay to avoid big cuts to their incomes.

**Christina Rees** (Neath) (Lab): Does my hon. Friend know that 167,400 working families in Wales will be impacted by these cuts and that 134,600 of them are families with children?

**Carolyn Harris**: I do, and not only Wales is affected; this affects every constituency in the country.

**Neil Coyle** (Bermondsey and Old Southwark) (Lab): Would it surprise my hon. Friend to hear that, under universal credit plans, some 116,000 disabled people

who are in work—and therefore doing the right thing, according to the Government's narrative—will be £40 a week worse off under the Government's proposal?

**Carolyn Harris**: That is a shocking indictment of the low consideration the Government have for people in need. For example, a lone parent working full time on the minimum wage who receives no support for their housing costs will experience a reduction of £2,600 a year—that is £50 a week. Nobody can afford to lose £50 a week.

The combined effect of income tax, national insurance and the universal credit taper will mean that universal credit claimants who pay income tax will keep only 24% of any increase in their earnings. They will have to increase their earnings by £210 a week—or, to put it in percentage terms, 72%—to make up the income loss they will face as a result of the reduction in support.

**Nick Thomas-Symonds** (Torfaen) (Lab): It is a pleasure to serve under your chairmanship, Mr Turner, and I congratulate my hon. Friend on securing the debate. She has given some figures about single parents, and this shows the full extent of the policy: for a single parent—say, a mother with one or more children—the work allowance of universal credit will be halved from this April, going from £8,808 to £4,764. In cash terms, that is a loss of £2,628 a year. Does that not show the stark reality of this policy?

**Carolyn Harris**: I thank my hon. Friend for his intervention, and I agree. That is a reality people face every day, and it can only get worse.

The short-term effect for current claimants of universal credit is that they face huge losses to income come April 2016. There are currently 155,000 recipients of universal credit, and the number is increasing every week, with an aim of there being 500,000 recipients by April this year.

During Work and Pensions questions recently, the Secretary of State claimed that the flexible support fund will act as transitional protection for current claimants and said that

“those who are on universal credit at present will be fully supported through the flexible support fund, which will provide all the resources necessary to ensure that their situation remains exactly the same as it is today.”—[*Official Report*, 7 December 2015; Vol. 603, c. 688.]

However, that existing fund is used for a different purpose. Its budget last year was £69 million, but the Office for Budget Responsibility estimates cuts to working families of £100 million next year, rising every year until they reach £3.2 billion in 2020.

**Neil Coyle**: I apologise for not thanking my hon. Friend for securing the debate in my previous intervention or saying what a pleasure it is to serve under your chairmanship, Mr Turner. The Secretary of State was referring to the number of people currently receiving universal credit who will be protected by some measure, but is that not a little disingenuous given that the Government are about 1,000 years behind schedule on delivering universal credit? They had expected some 2 million people to be on it by now. Should the Government not be a bit more embarrassed about mentioning the small number who are already receiving universal credit?

**Carolyn Harris:** I agree entirely, and I will touch on that later in my speech.

When transitional protection is introduced for current tax credit recipients, the Government will bring in regulations to put that protection into law. Opposition Members are calling for the same guarantees—full transitional protection—to be put on a legal footing for current universal credit claimants. The medium-term effects of the cuts to universal credit will effectively create a postcode lottery or, as my hon. Friend the Member for Pontypridd (Owen Smith), the shadow Secretary of State for Work and Pensions, quite accurately described it, an “IDS lottery”. I doubt, however, whether those ticket holders will have a magic washing machine and end up as big winners. New and existing claimants of tax credits will receive far greater support than new and existing claimants of universal credit.

The longer-term effect by 2020 will be massively reduced support for working families. The Institute for Fiscal Studies estimates that by 2020, due to the £3.2 billion cut to the work allowance having been fully phased in, 2.6 million working families will be an average of £1,600 a year worse off. The Resolution Foundation found that when these cuts fully take effect by 2020, low and middle-income working families will lose an average of £1,000 a year, rising to £1,300 a year for those with children.

This is a political choice by this Government—a deliberate act to reduce drastically support for working families, at a time when the Government are cutting inheritance tax for homes worth more than £1 million. The contradictions in that comparison are frightening, to say the least. How can it be right to offer enhanced protection for those with wealth and catastrophic consequences for those who currently eke out a living on low pay? It cannot be right to reduce in-work support.

In my constituency office, we act as an agent for both the Trussell Trust food bank and the local Eastside food bank in Bonymaen, Swansea. We receive donations but also give out parcels in emergencies. Some 85% of the parcels given out are to families who are in work but struggling to make ends meet.

Further examples of the impact on working families from a detailed analysis by the Library show that a single parent of two children with gross earnings of £18,000 a year will experience a net reduction in their income of £2,601 next year, as a result of measures announced in the summer Budget that are still due to take effect in April 2016. For example, a single parent of one child who is earning the living wage will only increase their income by £40 for working an additional 12 hours. That compares with an increase of £92 for an additional 12 hours before the cuts to the work allowance were introduced.

It is time for the Secretary of State to stop playing cat and mouse with the real people of this country. The lack of Government Members here today indicates that they have bought into the Government’s rhetoric that in-work poverty is a myth and that they support the Government’s propaganda that it is of no real concern. However, the reality is that ordinary working people are continually playing catch-up, and all the Government want to do for them is to watch them run around chasing their own tails. It is immoral, irresponsible and reprehensible.

I am very proud to represent real people who are paying the cost of this Government’s arrogance, and I will fight to ensure that their voice gets heard. We are led to believe that the Secretary of State for Work and Pensions has threatened to resign if his masterplan is not followed through. If cuts to universal credit really were an issue to resign over, he would be long gone, and if he was, many thousands of decent, hard-working people across the UK would be celebrating both his resignation and the moral victory.

1.41 pm

**Gerald Jones** (Merthyr Tydfil and Rhymney) (Lab): It is a pleasure to serve under your chairmanship this afternoon, Mr Turner, and I congratulate my hon. Friend the Member for Swansea East (Carolyn Harris) on securing this important debate.

It is hard to justify why so many people live in poverty in a country as wealthy as the UK. I believe that one of the key explanations is that the welfare state, designed to protect us all against risks such as unemployment, illness and old age, simply fails to provide an adequate income for families and others when they are unable to support themselves fully.

It is truly shocking that in 2016, in-work poverty is growing. In some areas, the number of working households in poverty is greater than the number of non-working households. Major factors appear to be low pay and part-time work, and zero-hours contracts are also a major contributory factor.

**Christina Rees:** It was remiss of me not to say in my earlier intervention what a pleasure it is to serve under your chairmanship, Mr Turner.

Does my hon. Friend agree that although responsibility for tackling in-work poverty in Wales is a devolved issue, the levers for tackling it lie mainly with the UK Government? He mentioned zero-hours contracts, but I add to that the minimum wage, welfare benefits and, of course, the tax system.

**Gerald Jones:** I could not agree more. Both the Welsh Government and local government have tried to mitigate those circumstances, but the major levers lie here at Westminster.

**Neil Coyle:** May I add a London voice? Specific costs include much higher accommodation costs for many in London, which contribute to in-work poverty. However, the last Government hit something like 30,000 working people in Southwark with reductions in support and left 700 people in work using the local food bank, according to figures from Pecan, which is part of the Trussell Trust network.

**Gerald Jones:** I could not agree more with my hon. Friend, and the situation he describes is replicated in many areas across the UK.

Can it be right in 21st-century Britain that many people are working hard and cannot afford to live above the poverty line? As my hon. Friend the Member for Swansea East outlined, 85% of people receiving support from the food bank in her constituency are working people. In my constituency, many working families rely on food banks to be able to put food on the table. That is clearly not acceptable.

Years of below-inflation wage increases, particularly in the public sector, have taken their toll on people's incomes. In-work benefits such as tax credits are meant to support families against the worst effects of in-work poverty. The current proposals to change universal credit will clearly make matters worse for millions of working families. In Merthyr Tydfil and Rhymney alone, about 10,000 working families are likely to be adversely affected by the Government's universal credit proposals by 2020.

Jobs must be a clear and critical part of any programme to end poverty. Access to jobs, and the quality of those jobs, must be addressed if families are to be able to work their way out of poverty. Low pay is a major factor in in-work poverty and is unfortunately a routine feature of much of the work available to poorer families. The national minimum wage sets a floor for pay levels, but one report shows that a couple with two children would need to work 58 hours a week at the minimum wage to lift themselves out of poverty.

As a county councillor prior to being elected to this place last May, I was proud to be associated with the introduction of the living wage at Caerphilly county borough council, one of a growing number of Labour councils in Wales that pay the living wage. I am proud of the many former colleagues in local government across the UK who are championing the true living wage, as promoted by the Living Wage Foundation, not the gimmick national living wage that the Chancellor has announced.

The low-paid sector is characterised by jobs that often do not provide steady employment. Moving in and out of work on a regular basis is common for lone parents and generates grave financial uncertainty for many families. Limits on the number of hours worked and zero-hours contracts mean that many people might work full-time one week, part-time the next and have no work the following week. Even if they have reliable employment, many find it hard to work enough hours, given their caring commitments and other barriers to employment.

Such situations can also compound problems with in-work benefit entitlements, such as housing benefit. The process for benefit assessment cannot be done efficiently, leaving households falling into rent arrears while things are readjusted and threatening the security of their tenure. Often, due to barriers to employment, people do not have the opportunity to increase their hours and therefore their income. As a result, many low-paid jobs are nothing more than poverty traps.

It is not just a lack of income that causes hardship in poorer families. Evidence shows that they also pay higher prices than others for many essential goods and services. Low-income families are often unable to take advantage of the cheaper prices that are routinely offered to customers paying by methods such as direct debit. The situation has been exacerbated by rising utility bills. With fuel prices coming down, the Government should bring more pressure to bear on utility firms to ensure that they do more to pass savings on to customers.

Finally, many people who are in work discover that their jobs are so low paid or insecure that they are unable to provide an income sufficient to lift themselves and their families out of poverty. The Government appear reluctant to reconfigure the tax system so that the richest households pay more of the burden.

Policy changes such as the changes to inheritance tax, the reduction in the 50p income tax rate to 45p, the retention of the bedroom tax and the changes to universal credit mean that poorer families will continue to pay more than their fair share of tax.

To make a positive impact on tackling in-work poverty, the Government have to take action on the issues raised during this afternoon's debate. Unfortunately, we are seeing very little evidence that they are serious about tackling in-work poverty. In fact, some of the Government's proposals risk making matters worse. Will the Minister outline what the Government are doing to tackle urgently the unacceptable scale of in-work poverty facing people across our country?

1.48 pm

**Mark Durkan** (Foyle) (SDLP): It is a pleasure to serve under your chairmanship, Mr Turner, and I congratulate my hon. Friend the Member for Swansea East (Carolyn Harris) on securing this important debate.

Like my hon. Friend the Member for Merthyr Tydfil and Rhymney (Gerald Jones), I want to address these issues, first of all, based on the experience of people in my constituency. I represent the city of Derry—or Londonderry—which has very high unemployment. The constituency of Foyle ranks No. 1 for unemployment of all the constituencies in the House of Commons. As well as having very high long-term unemployment and very high youth unemployment, it also has a lot of underpaid employment. It is a border city, with all the challenges that that brings for our regional economy, and obviously it has suffered the impact of conflict. Every day, families and working people there contend with the same economic challenges that hon. Members throughout the House have mentioned, in an economy that has structural weaknesses. It is clear that for people in my constituency, the problem is not lack of work ethic but a lack of work. Much of the Government's agenda and purpose, in the welfare reforms and other measures they have introduced in the last Parliament and this one, seems to be fixated on work ethic rather than availability of work.

That is why I have found myself in opposition to so many of the Government's reforms and why, along with so many others—I was glad to see that they included Conservatives MPs—I challenged the Government's proposals on tax credits. They would have hurt people who are in work but coping with marginal incomes given their family, work-related and other living costs. Those changes have been parked, but there has not been a complete U-turn. There has been merely a J-turn, which has gone part of the way. The Government intend to apply the same logic to universal credit, we are just not getting the early implementation of the plan for those still on tax credits. That plan will clearly increase working poverty. We have seen in the various figures that have been quoted—I will not rehearse all the figures from the Institute for Fiscal Studies and others—that there will be a real impact on the family income of people in work.

**Christina Rees:** As the hon. Gentleman knows, new claims for legacy benefits will cease by June 2018 and migration to universal credit will be completed by 2021. As the Department for Work and Pensions says it cannot estimate the number of people who will be on

[Christina Rees]

universal credit by the time the roll-out is complete, does he agree that it is difficult for us to deal with the problem in our constituencies?

**Mark Durkan:** I thank my hon. Friend for making that point. That is part of the conundrum that we have. On one hand, DWP tried to offer all sorts of assurances that the change had been platformed and well modelled and would be sound. On the other hand, we know that, to date, many of its assurances and plans have come to little. On other things, it says it does not have a basis for some of its contentions. We get into a circular argument, so we cannot accept its assurances or try to persuade others about them.

Let us be clear. The changes being made are not just those to work allowances, which are part of the Welfare Reform and Work Bill. The hon. Member for Neath referred to when DWP plans to roll the changes out. I will not go into all the administrative and political differences in welfare reform in Northern Ireland, but implementation there has been different so far. The decision has effectively been made to give Westminster direct rule powers on welfare reform, including on the provisions in the Bill. That will obviously have a long-term effect. Although the direct rule powers applying to Westminster include a sunset clause for the end of this year, the legislation passed under those powers will have an impact on my constituents for many long years.

On the impact of working poverty, we need to consider not just the changes to universal credit and how they will affect people who have made the transition to work and meet all the Government's oft-quoted tests—being hard-working families, not being workshy and so on—but the fact that people will be subjected to invidious treatment in the levels of support they are allowed.

Let us consider the Government's plans for universal credit and, in the longer term, tax credits—for example, how the two-child rule will affect working families. Let us compare that rule with what was passed in the last Parliament in a blaze of glory. The Minister was one of those who took the Childcare Payments Act 2014 through the last Parliament. The Government boasted that under Bill, parents would be able to claim up to £2,000 a child in childcare support, on the basis that it would be up to 20% of costs of up to £10,000. Let us think about what income bracket parents would need to be in if they were spending £10,000 a child on childcare and claiming up to 20% of that as childcare allowance.

That allowance was going to be bankable. People were going to have discretion to do what they wanted with it, but under universal credit they must claim the childcare element after the event and show the actual cost. They must spend the money before they get it back. That is not so for those who are better off and claiming childcare allowances, and of course they are not subject to a two-child rule. The plan is for one law for the working rich and one law for the working poor. That is why we must speak up about working poverty.

Those policy contradictions are not the only ones we need to raise with the Government. We all have a responsibility to think through the other implications for people working in our constituencies. There will be future liabilities from pension contribution changes, and student loan payments will have to be made through

people's income. The changes in the Housing and Planning Bill will have an impact on who is eligible to remain in social housing. There will be a cliff edge for families, who will face additional housing costs if they remain in employment with a certain income. All those issues will bite on family budgets and make a material difference to the worth of people's earnings. We should address working poverty much more holistically and not on the basis of some of the more pretentious and specious claims that the Government make.

1.58 pm

**Marion Fellows** (Motherwell and Wishaw) (SNP): It is a pleasure to serve under your chairmanship, Mr Turner. I thank the hon. Member for Swansea East (Carolyn Harris) for securing the debate. I congratulate her on her passion, her facts and her real commitment to her constituents. It is sometimes refreshing to hear how it really is on the ground in the constituencies and how real people who work hard will suffer more and more because of the Government's actions.

I commend the contributions of the hon. Members for Merthyr Tydfil and Rhymney (Gerald Jones) and for Foyle (Mark Durkan). The hon. Member for Merthyr Tydfil and Rhymney mentioned the problem of zero-hours contracts. "Making work pay" or "Work is the best route out of poverty" are great catchphrases, but people do not have a route out of poverty if they are working on zero-hours contracts and do not know from one week to another whether they will be earning or how much they will earn.

The hon. Member for Foyle gave us, as usual, some wonderful quotes. For example, he said that it is not a lack of work ethic that prevents people from working; it is a lack of work. That is true of many places across the country. He also said that there now seems to be one law for the working poor and another for the working rich. That will lead to even more social division across the United Kingdom.

Hon. Members may well be aware that last week the independent adviser on poverty and inequality, Naomi Eisenstadt, reported to the First Minister of Scotland on tackling poverty and she recommended that we build on living wage accreditation, which has been touched on in the debate. The new national living wage that the Conservative party is touting is not actually a new living wage. It is simply a small increase based on the national minimum wage; it is not much higher. It does not involve looking at actual household expenses and relating it to them. In Scotland, the Government have done a lot of work on trying to increase people's income—maximise their income—and trying to support people in work. One thing that they have done is in the area of procurement. They have ensured that no firm can now get a contract in Scotland that does not pay the national living wage. It is £8.25 in Scotland and should be much higher.

**Neil Coyle:** Does the hon. Lady share our concern that this Government are even trying to scrap the measures of in-work poverty, and are the Scottish Government committed to keeping them?

**Marion Fellows:** The Scottish Government would actually like to have more powers over all this area, but unfortunately the Smith commission agreement or recommendations have not given the Scottish Government

that amount of power. However, within what they are allowed to do, they are maximising, as far as they can, the wages that people get and the amount of work that they are able to get.

Another recommendation and another thing that the Scottish Government have been trying to do is to look at more family-friendly policies. A lot of in-work poverty affects women even more than it affects men. One recommendation and one thing that the Scottish Government will try to move forward is more free childcare to allow women to go to work. It is all very well being able to work, but what if people cannot afford the childcare? Again, that affects family incomes, and more and more children are being affected by that.

Scotland has the second highest proportion of employees paid the living wage—about 80%. The highest proportion is in the south-east of England, where it is 81.6%, but that is a function of the fact that there are many jobs in this part of the United Kingdom and employers have to compete in paying people. If there is high unemployment, there is no competition to raise wages. That has to be addressed.

Opposition Members really do believe that work is a good route out of poverty—indeed, it is the best route out of poverty—but we cannot ensure that that is the case unless we support people, and this Government are attacking the lowest-paid people in our communities, the poorest in our communities and the ones who have to work the hardest.

The hon. Member for Swansea East referred to the Minister saying that, because of the cuts that are going to happen and the reduction in the work allowance, people will just have to work longer. That is, in this day and age, an absolutely scandalous thing to say. We totally refute it, because making people work more and more will only make them ill and less able in the long term to provide for their families.

**Neil Coyle:** I thank the hon. Lady for giving way again; she is being generous about allowing interventions. Another group of working people may not be able to take on additional hours as a result of ill health or impairment. I do not know whether she is aware of the case of Denise Haddon, which was covered in the *Daily Mirror*. As a direct result of this Government's introduction of personal independence payments, thousands of disabled people who are already trying to work and are supported through Motability vehicles will have them withdrawn and may not be able to continue in work.

**Marion Fellows:** I thank the hon. Gentleman for his intervention. Fortunately, I do not always get to read the *Daily Mirror*; it is not top of my reading list, as people can imagine. However, I am aware, as a constituency MP, of people who are losing PIP or who are being transferred to universal credit and who are suffering real hardship. There is a constant stream of constituents into my office, and I am obviously trying to help them, but it is hard when Government Members are absolutely determined to come down hard on the working poor by cutting some of the benefits that those people rely on to support their families.

This debate has shown that, again, there are real issues that Opposition Members are very keen that the Government should change track on. Whether they will listen I doubt, but it is very important for our constituents

that the Government understand the real damage that they are doing to families, especially children and women, with this move. To ask a family to lose £1,300 to £1,600 a year when they are already on minimum wage and have no hope of getting more money is nothing short of disgraceful. It is totally abhorrent, and I hope that the Government will think again about introducing the cuts that they are proposing in April this year.

**Mr Andrew Turner (in the Chair):** I should apologise for not telling Members that the monitor was not working. However, you have about 10 minutes each.

2.6 pm

**Nick Thomas-Symonds (Torfaen) (Lab):** I again reiterate my pleasure at serving under your chairmanship, Mr Turner. I congratulate my hon. Friend the Member for Swansea East (Carolyn Harris) on securing the debate.

For the second time this week, I appear opposite this Minister in this Chamber. I am starting to get very worried about her and the hon. Member for Macclesfield (David Rutley), because they must be becoming extremely lonely. This is the second time this week that they have appeared in this Chamber without one Tory MP coming along to support them. Not one came for the child poverty debate on Tuesday or has come for this debate today. “Now why is that?”, I ask myself. I cannot believe for a moment that it is anything personal towards them. Nor can I believe that the Tory Whips Office has become so incompetent that it cannot even encourage hon. Members to attend a debate such as this. The Chancellor of the Exchequer's leadership bid is already so long gone that I cannot believe that he has got them round to the Treasury to glad-hand them. It cannot be that, so why exactly is it?

I can only draw the conclusion that both child poverty and in-work poverty simply are not high enough on the Tory agenda for their MPs to come along here this week. That is the only explanation, and perhaps we should not be too surprised about it, given what the Secretary of State for Work and Pensions said—he does speak occasionally. Indeed, he was in the main Chamber this morning. He came to watch one of his Ministers, as he usually does. I think that he is trying to live up to the reputation of being the quiet man that he got when he was Tory party leader, because he does not say very much, although perhaps in some cases less is more. But he actually said, at the Tory party conference back on 6 October 2015, that he thought that tax credits were a “bribe”. That is how the Secretary of State sees support for people in work, so perhaps it should not surprise us that no Tory MPs are here to support the Minister and the hon. Gentleman.

**Neil Coyle:** Is my hon. Friend aware that in Bermondsey and Old Southwark 6,100 working families were claiming the tax credits that the Secretary of State apparently referred to as a “bribe”? I hope that the Minister will give some reassurance that those families will not be adversely affected by the introduction of universal credit.

**Nick Thomas-Symonds:** I, too, hope that that reassurance will be given this afternoon.

In contrast to the absence of any contribution from Conservative Members, we have heard passionate contributions from the Opposition. My hon. Friend the

[Nick Thomas-Symonds]

Member for Swansea East spoke with her usual verve and passion both on the issue and for her constituents. What a telling statistic it is that wage growth this decade is the third worst since 1860, when Palmerston was Prime Minister. That is an incredible and shocking statistic.

My hon. Friend the Member for Neath (Christina Rees) made several very good interventions, and her passion for Wales, in particular, shone through in what she said. Similarly, my hon. Friend the Member for Bermondsey and Old Southwark (Neil Coyle) put his finger on several crucial points, including the delays to universal credit. To be clear about this, I will quote from a press release of 1 November 2011 from the Secretary of State. What did he say? He said:

“Over one million people will be claiming Universal Credit by April 2014”.

**Neil Coyle:** He said it very quietly.

**Nick Thomas-Symonds:** Indeed, he would have been better off saying it quietly, because in November 2015, the actual figure was 155,568. He should be sanctioning himself, on the basis of such a performance. It shows an absolutely dreadful level of incompetence.

I congratulate my hon. Friend the Member for Merthyr Tydfil and Rhymney (Gerald Jones), who drew on his experience as a county borough councillor, and set out well the measures that Labour councils in Wales are implementing to try to deal with wage levels. My hon. Friend the Member for Foyle (Mark Durkan) spoke, as he always does, with great authority on the matter. His point about the availability of work, and his quote about there being one rule for the working rich and one for the working poor, really resonated in the context of the debate. I congratulate the hon. Member for Motherwell and Wishaw (Marion Fellows) on her speech, which was delivered with great passion.

Let us remind ourselves of what the Chancellor—his must be the longest leadership bid in recorded history—said on the “Today” programme on 8 October 2012:

“It is unfair that people listening to this programme going out to work see the neighbour next door with the blinds down because they are on benefits.”

I fundamentally disagree with that statement. The person behind the blinds could be disabled or vulnerable. Dare I say it, they might even have just worked a night shift, although that is something that seems to be lost on the Chancellor of the Exchequer. The Chancellor has been trying to draw a division between those who work and those who do not. He is not the only one who has a problem with the language that has been used in the debate. In September, the Secretary of State said, in answer to the hon. Member for Gloucester (Richard Graham), that

“the most important point is that we are looking to get that up to the level of normal, non-disabled people who are back in work.”—[*Official Report*, 7 September 2015; Vol. 599, c. 6.]

Normal, non-disabled people—what kind of language is that? What does that say to somebody who is disabled? I hope that the Minister will take the opportunity this afternoon to distance herself from such shocking remarks.

Even if we accepted that distinction between those who work and those who do not, the Secretary of State is now in such a mess that he is on the wrong side of his

own dividing line. It is all very well to say that work is the route out of poverty, and of course we want to see more people in work, but the kind of poverty that we are talking about affects people who have jobs, and who go out to work. As the smoke lifts from the Chancellor’s U-turn on tax credit cuts, it has become clear that he is simply going to make the same £12 billion of cuts to universal credit. No one can tell me that when the Tories were going around during the election campaign and talking about their £12 billion of welfare cuts, people such as cleaners seriously thought that they would be affected.

Let me give another couple of examples. I gave the statistics for single parents to my hon. Friend the Member for Swansea East.

**Christina Rees:** Does my hon. Friend recognise that lone parents are already twice as likely as two-parent families to be in poverty? Single parents are worse hit in the combined reforms; as a share of income, they lose seven times more than two-parent families. By 2021, single parents will lose £1,300 a year, on average, even after taking into account wage increases and tax concessions.

**Nick Thomas-Symonds:** Single parents could be forgiven for thinking that the Government have a tin ear, as far as their needs are concerned. Let me give the example of a couple who live and work together, one or both of whom have limited capacity to work, because they are disabled. Work allowance will be cut from £7,700 to £4,700 this April, which will mean a loss of income of £3,000 a year. Single individuals will essentially lose everything, with a reduction of £1,332 and a net loss to income of £865. My hon. Friend the Member for Swansea East has mentioned the Social Mobility and Child Poverty Commission; its latest report was published as part of the glut of data that the Government put out just before Christmas, on 17 December. I quote from the commission:

“The immediate priority must be taking action to ensure that the introduction of Universal Credit does not make families with children who ‘do the right thing’ (in terms of working as much as society expects them to) worse off than they would be under the current system. That means reversing the cuts to Universal Credit work allowances enacted through the Universal Credit (Work Allowance) Amendment Regulations 2015 before they are implemented in April 2016.”

The commission is asking the Government to do that, and it is precisely what they should do.

What is the Government’s answer to the claim that they are attacking working people? At least the Ministers in the team are not shy about coming forward with the odd suggestion of what people should do to help themselves. We have heard the one about working more hours. I am not entirely sure how single parents are meant to do that, but perhaps the Government will explain that to us in due course. My particular favourite was the suggestion made by the Under-Secretary of State for Work and Pensions, the hon. Member for North West Cambridgeshire (Mr Vara), in the House on 6 January 2016. When he was asked about mitigating the effects of the social security changes, he said that we should not forget

“the fact that every time we fill up our tank with petrol there is a saving of £10 because of the freezing of the fuel duty.”—[*Official Report*, 6 January 2016; Vol. 604, c. 342.]



In the 1980s, the unemployed were told to get on their bikes, but in 2016 the advice is to fill your car. If that is the best that the Government can offer the working people of this country, it shows the position they have reached.

The Government are in the worst of all worlds. Universal credit is the Secretary of State's passion. The policy is his baby. He allegedly fights the Chancellor around the Cabinet table so that he can keep it going, although we might draw the conclusion that he is not doing so very effectively. We will have to wait until, I think, 2021 to see the full effects. The Secretary of State seems to be going for some kind of record for how long it takes to implement change at the DWP. The Government are in the worst of all worlds, because they lack both compassion and confidence.

2.16 pm

**The Minister for Employment (Priti Patel):** May I say what a pleasure it is to serve under your chairmanship, Mr Turner? I thank all Members for their interesting and lively contributions. As the hon. Member for Torfaen (Nick Thomas-Symonds) has said, this is our second debate on the topic this week. I will not respond to all his comments, because I have heard him make some of them before, especially those about my right hon. Friends the Secretary of State and the Chancellor. I recall commenting—not in the debate two days ago, but possibly two weeks ago—on some of the language that has been used when it comes to supporting work, supporting those who are in work and reforming our welfare system so that it supports people into work.

I recognise that this debate is about in-work poverty, although it has been quite broad. In the last five years, we have seen the movement of more than 2 million people into work and an employment rate of 74%, which is the highest since records began. Many of the generalised assumptions that have been raised in the debate are simply wrong, particularly given what we inherited in 2010. That movement of people into work came after the previous Labour Government had presided over the longest and deepest post-war recession, which wiped out nearly 6% of our economy. That did much to hurt people, who were put into poverty and saw their earnings decline, and it had a devastating impact on the country's economy and resulted in the loss of jobs.

Three hon. Members from Wales spoke in the debate. If I recall correctly, the Office for National Statistics on employment, which were published last week, show that over the last year the number of people in work in Wales rose by 48,000, bringing the employment level up to 1.4 million—close to its highest ever level—with a rapidly growing employment rate. We have also seen an increase in the number of jobs in Swansea, Cardiff and Newport, and across Wales. New jobs were announced last week in Wales by major employers including BT, Admiral and General Dynamics.

**Nick Thomas-Symonds:** Will the Minister simply confirm that wage growth this decade is predicted to be the lowest since the 1920s? Does that not say everything about the wasted Tory decade?

**Priti Patel:** On the contrary. Average weekly earnings have grown consistently in the past year—

**Carolyn Harris:** Will the Minister give way?

**Priti Patel:** Let me finish my sentence and I will. Wages have been growing faster than inflation for 14 consecutive months and, as much as the Labour party has been utterly disparaging about the introduction of the national living wage, which says a great deal about its attitude to pay increases, we know for a fact that when the national living wage is introduced later this year, we will see an enormous—

**Carolyn Harris:** Will the Minister give way?

**Gerald Jones:** It is a long sentence.

**Priti Patel:** I will give way in a moment. I have been very respectful by listening to and not intervening in the contributions of Opposition Members. More people will benefit when the national living wage is introduced in April.

**Carolyn Harris:** I feel suitably chastised. The Minister gave a list of job increases but she left off Tata Steel, where there have just been 750 job losses very close to my constituency.

**Priti Patel:** Tata is not a particular case study for Wales or the United Kingdom. I hope that the hon. Lady recognises that the steel industry faces huge challenges around the world. In China, people are also losing their jobs because of what has happened in the steel industry. Jobcentre Plus and the Department for Work and Pensions have been there from the outset to support people who have lost their jobs in the steel industry by helping their families at this very difficult time and supporting them to find work. The marketplace is challenging, but the hon. Lady is the Member of Parliament for a Welsh constituency and she has a duty to acknowledge the support that is being given—the work that Jobcentre Plus staff in her constituency are providing—to individuals and families who have lost their jobs.

**Christina Rees:** Surely the increase in jobs in Wales is down to the excellent policies of the Welsh Labour Government and schemes such as Jobs Growth Wales with EU investment.

**Priti Patel:** If it were not for the fact that this Government picked up the shambolic legacy of the Labour Government in 2010, rebalanced the economy and, importantly, created the right environment for the creation of new jobs, those new jobs in Wales would not exist today. We have supported lower corporation taxes and lower taxes for businesses to come to the UK to make the UK a much more competitive place.

We have heard voices from around the UK in the debate, including the hon. Members for Foyle (Mark Durkan) and for Motherwell and Wishaw (Marion Fellows). A record number of jobs have been created in Scotland and wages in Scotland are going up as a result.

**Neil Coyle:** The Minister seems to have the utmost confidence in the economic growth, which does not appear to have been shared in the latest survey of business leaders. Is their nervousness about the current

[*Neil Coyle*]

state of the economy perhaps to do with the fact that the Chancellor seems set to take over from the lame duck Prime Minister?

**Priti Patel:** That intervention does not befit the hon. Gentleman.

**Neil Coyle:** That is up to the Chair.

**Priti Patel:** No—I have served with the hon. Gentleman on a Bill Committee in which he has made some valuable contributions. This is not about individuals. We live in a global world. Look at what is happening with the international economy right now. Stock markets around the world, including the UK, have faced a challenging start to the year. Business is right to be sensitive to global factors. I come back to the point that the UK has a highly competitive economy thanks to many difficult decisions undertaken by the Government in the previous Parliament, and we continue to make difficult decisions in this Parliament.

All the contributions this afternoon are valid. The hon. Member for Motherwell and Wishaw mentioned that individual constituents come to her on a weekly basis. If she would like to share with me her casework examples regarding universal credit, I would be happy to take them up. When it comes to stability, we have made choices. None of the opposition parties has presented solutions to the House this afternoon. Hon. Members said that universal credit should not exist and that they want to scrap it, but they have no alternatives for welfare reform or changes to the welfare system. As we heard in earlier debates today, to govern is to choose. Our choice is to reform welfare and to ensure that we support people into work.

**Nick Thomas-Symonds:** The Minister is generous in giving way. Will she clarify something on the Government's welfare reform? Lord Freud said that the move from tax credits to universal credit will happen in the event that someone re-partners and in the event that there is a new member in the household. Is the modern-day Tory party really providing disincentives to marriage and having children?

**Priti Patel:** The hon. Gentleman is taking the noble Lord's suggestion out of context. There was quite a substantial discussion about universal credit including a gross representation of the roll-out—the hon. Member for Bermondsey and Old Southwark (Neil Coyle) said, in jest, that it would be “a thousand years”. All hon. Members know, because they have heard it from me previously, that universal credit is now in three quarters of all jobcentres and will be in all jobcentres by April 2016, so the roll-out will take a few more months and certainly not a thousand years as the hon. Gentleman suggested.

I come back to the principle of the reforms. Universal credit transforms the welfare system and has been designed to ensure that people are supported in work. It is a subject of many discussions I have had with the hon. Member for Bermondsey and Old Southwark in previous debates. Yes, there is a financial safety net and support through universal credit but, importantly, the universal credit system is designed to support people to progress in work. Jobcentres deliver support, providing a single point of contact with much more personalised support, advice and guidance from a dedicated work coach.

The concept of the work coach is working. I have sat in on many interviews when I go to see our colleagues—particularly work coaches—working in jobcentres and helping people to develop in their roles, especially people who are moving from part-time to full-time work or who are seeking to work more hours depending on personal circumstances. Work coaches help them to develop the right kind of skills and confidence to secure employment. Surely hon. Members cannot disagree with the fundamentals of supporting people into work, giving them confidence, and helping them to develop new skills, should that be the appropriate route for them.

I am proud of way in which we work with other aspects of the state when we look into co-locating our services with housing associations, further education colleges and local authorities. We have 30 fully co-located sites, where we can join up and bring public services together to ensure that we have the right kind of service delivery for individuals.

I am conscious of time as I can see the clock ticking, but I want to emphasise that the Government are fundamentally focused on providing in-work support through stronger local partnerships in constituencies to ensure that we support individuals on universal credit or benefits, help them to get back into work, and secure better employment outcomes and better futures for them in the long run.

2.29 pm

**Carolyn Harris:** Thank you for your excellent chairmanship, Mr Turner. I sincerely thank all Opposition colleagues for attending this debate on a day when they could be at the coalface addressing the problems caused by this Government's policies. I thank the Minister for her response, and I would have liked to thank her for her warm words, but “condescending” and “passionless” are probably better descriptions. I leave here no wiser than I was coming in, except now I know that there is a total lack of understanding and passion for what is really happening in the UK in 2016. I urge the Government to rethink.

*Question put and agreed to.*

*Resolved,*

That this House has considered in-work poverty.

2.30 pm

*Sitting suspended.*

## Basic Payment Scheme

[MR CLIVE BETTS *in the Chair*]

3 pm

**James Heapey** (Wells) (Con): I beg to move,

That this House has considered the Basic Payment Scheme.

It is a pleasure to serve under your chairmanship, Mr Betts—I believe it is the first time. I thank the National Farmers Union, its members and officials back home in Somerset and its team nationally. They have been helpful in pulling together my thoughts, and I know that they are keen that the issues are heard in Parliament and responded to by the Government. I am grateful to the Minister for coming to hear the concerns and respond to the issues that are raised.

I also thank the many farmers and colleagues who have been in touch to share their thoughts on this important issue. Although we hear a great deal from other parts of our community through third-party campaigns and our email inboxes, farmers are not the sort to do that sort of thing. It is easy to think that because we have not had hundreds of farmers emailing us with their concerns, the basic payment scheme is not an issue, but that is simply not the style of farmers. Frankly, they are too busy out on their farms doing other things to write to their MP, so it is important that we act on the murmurs that we pick up on by debating them here.

There has been real anger and uncertainty in the farming community over the basic payment scheme. I well remember the Secretary of State's visit to the Bath and West show last year. It was apparent even then that farmers were somewhat sceptical about the introduction of the new payment application scheme. They were nervous that it might not go well and were pushing her for assurances that payments would be delivered on time, as usual. There is a long tradition of British public sector IT projects not going too smoothly, so their scepticism was perhaps well founded, but it was absolutely crucial that we got it right given all the other pressures on the farming industry at that time and now. The problem is that we did not.

We should not underestimate the importance of our agricultural sector. We live in a global market. Food comes into this country from all over the world, but if we do not support our agricultural sector properly, both in how we subsidise it and in how we administer the subsidies, we are causing a real challenge for our nation's food security. Farmers have irregular cash flows over the course of a year, and the basic payment scheme payment, which comes in the middle of winter, is a vital part of seeing them through the lean winter months.

**Sir Henry Bellingham** (North West Norfolk) (Con): I congratulate my hon. Friend on securing this debate on an incredibly important issue. This is also the time of year when everyone is trying to finish their tax returns. I have had representations from farmers in my constituency who do not have the money in the bank to pay their tax liability. Does he agree that it is essential that the Secretary of State for Environment, Food and Rural Affairs speaks to her counterparts in the Treasury to ensure that some allowance is made for situations where payments have not been made?

**James Heapey:** I very much agree with my hon. Friend. I will shortly come on to some of the impacts of late payments that I have seen, but he makes a good point, which I hope the Minister will take away. Perhaps those of us here today might seek to lobby the Treasury on exactly that issue, because farmers have a great number of bills on their desks awaiting payment once the basic payment comes. We can perhaps ease the pressure by making their tax bill less urgent.

**Michael Tomlinson** (Mid Dorset and North Poole) (Con): I am grateful to my hon. Friend for securing this important debate. May I pick up on two things he has mentioned? First, I have had a number of meetings with farmers in Dorset who are concerned about the issue. Secondly, uncertainty is perhaps the key here. Farmers are asking for good communication and certainty. Perhaps my hon. Friend will comment on that. Part payment could be a solution and a way forward.

**James Heapey:** My hon. Friend does the farmers of Dorset a great service in raising those issues, which I intend to speak on at some length because they are hugely important.

I have the great honour of serving on the Select Committee on Energy and Climate Change, and one thing that I have observed is that we talk about energy security with great urgency—we are willing to bend our backs in government and in this place to ensure that we achieve energy security—yet we seem to be slightly less concerned about food security. I put it to the House that in many ways our food security is as important as our energy security and any other type of security, in that while the going is good we can rely on international markets, but when the going is bad, it is absolutely essential that we can feed ourselves. We must therefore be sensible and urgent in how we support farming to ensure that we maintain the sector.

**Simon Hoare** (North Dorset) (Con): Like others, I congratulate my hon. Friend on securing this debate. Given the huge volatility we have seen in the gate price for farm produce, whether that is livestock, meat or milk, and acknowledging that agriculture is the backbone of our south-west of England economy, does he share my concern that failure to get payments in full and on time could prove the tipping point for farmers who have been trading at the margins for too long? They may put up their hands and say, “I fought the fight to the end, and I am now giving up.” That would have a devastating effect on our combined Dorset economy and across the wider south-west.

**James Heapey:** My hon. Friend speaks with great authority, and he is absolutely right. Many farmers in Somerset, Dorset and across the south-west and the United Kingdom have had a difficult couple of years with the price of milk, beef and pork, and that has led to real challenges for them. This could be the time at which the bank manager turns round and says, “There is no opportunity to extend credit lines. I am afraid that enough is enough.” My hon. Friend's point is absolutely right and rather tallies with what I was saying. We must not underestimate the importance of supporting our agricultural sector through difficult times, because we will need it to be as capable in the future as it is now.

**Mrs Anne-Marie Trevelyan** (Berwick-upon-Tweed) (Con): I thank my hon. Friend for securing this important debate. I have been meeting regularly with farmers who are struggling. In large measure, Northumbrian farmers have very small farms and upland farms. Does he agree that it is unacceptable that DEFRA and the common agricultural policy system are the loan service? Farmers are having to carry the burden and the emotional and family pressures of having big debts, while DEFRA cannot manage to pay out on time and in full.

**James Heapey**: I absolutely agree with my hon. Friend. The issue has caused significant distress. When I reflect on some of the correspondence I have had from farmers in Somerset, I find that their anger subsides very quickly to real worry and concern for their livelihood and those of their families and the people they support through their business. The issue is hugely important.

**Geoffrey Clifton-Brown** (The Cotswolds) (Con): My hon. Friend is being very generous with his time. I draw attention to my declaration in the Register of Members' Financial Interests.

The Rural Payments Agency said that it would make the vast majority of payments by the end of January. Does he agree that we need much better communication to farmers who will not be paid by the end of January, so that they know and can plan for when they might receive payments? Furthermore, does he agree that we need much greater certainty going forward that the RPA will deal with this year's applications in a much more expeditious way than it did last year's?

**James Heapey**: I very much agree with my hon. Friend. The term "vast majority" is rather loose, and we will come to that in a second.

There are three key issues in the debate. First, what is the current state of play? How many payments have been made as of today? How many will be made tomorrow—the last banking day of the month? How many payments will therefore be made by the end of January—the line the RPA previously drew in the sand? Secondly, what is the understanding of the Government and the RPA of what has gone wrong this year? How deep has their analysis been? How willing are they to apply the lessons learned to next year's process? Thirdly, I invite the Minister to assure us, and all the farmers in this country, that these things will not happen again next year or, indeed, at any point in the future.

The difficulty is that there has been a shocking failure of expectation management by the RPA, and that comes down to the agency's use of the term "vast majority". When the RPA's chief executive appeared before the NFU council on 13 October, he implied that about 90% of payments would be made by the end of January—that appeared to be the definition of "vast majority" at the time. However, shortly afterwards, about 17% of farmers were written to and told they would not be paid by the end of January, which indicates that, by default, the vast majority was to be defined as 80% to 85%. As of yesterday, however, only 70% of payments had been made. With one banking day left this month, therefore, we might conclude that 70% is the vast majority. The real problem is that "vast majority" is an awfully hard

term to define, although I can say with absolute certainty that the vast majority of farmers agree with what I am saying today.

I hope the Minister will take this opportunity to confirm exactly how many payments have been completed. I hope he can also say with absolute certainty when we will reach the 95% threshold. In the previous year, 95% of payments were completed on the very first day that payments were made—1 December—and 98.5% were completed by 6 February. The year before, 92.3% of payments were completed by 4 December, and 97% were completed by 28 January. The year before that, 91% of payments were completed on 3 December, and 93.5% were completed by 31 December.

Technology is supposed to speed up advances, but in this case it seems to have slipped us into reverse. We need to say as quickly as possible when the remainder of farmers will be paid, and we need to be precise—we can no longer say, "You have an eight or nine-week window in which you will be paid." People need to know now, with certainty, whether they will be paid in February, March, April, May or June. I hope the Minister agrees that the RPA should have that responsibility for everybody who is left unpaid after tomorrow.

For complex payments—involving, say, common land—we need to make split payments. We need to say that we will make the payment for the home farm now and that everything else can come later. People with complex claims are in real difficulties. Although they might ordinarily expect to be towards the back of the queue, they would still expect to receive their payment around now, and certainly within the next few weeks. This year, however, because of the backlog of more simple payments, they could have to wait much longer, and we must avoid that.

The impact of the delay is very serious. Tomorrow, we across the parliamentary estate will be paid, as will many other people across the country. Next week, standing orders and direct debits will almost certainly come out of our bank accounts to pay our mortgages and whatever other bills we have, and we will be confident that we can meet those bills, because we know what we will be paid tomorrow. Farmers, however, do not have that luxury, and they have not had since they received a letter towards the end of November telling them that the vast majority would be paid at some point in December or January. They expected that to mean that at least 80% to 85% of them, and perhaps even 90%, would be paid, but it appears that only about 70% have been paid in that window.

However, the issue goes further than that. A farmer has told me that he has £12,000 of unpaid invoices on his desk in his farm office. Those invoices are not to big feed suppliers or other big companies, but to small, local companies servicing the agricultural sector. Those companies have been made to wait for their money, because the farmer has not had his basic payment scheme payment. I understand from farmers down at the market in Bridgwater that the value of store lambs this year is depressed because farmers simply do not have the cash in their pockets to go to the market to buy livestock. That is having an impact, too.

There is also the cost of extra credit, as farmers have to go cap in hand—again—to their bank managers to secure an extension to their overdrafts or credit facilities. That comes at a cost, and it is a cost that farmers will

bear, not the Government. We must take the impact of the delay seriously. We need to be able to say with absolute certainty when the payments will be made.

If Members will indulge me, I would like to suggest what lessons might be learned. I do not expect the list to be exhaustive—it is based on my reflections on what I have heard and on the wish list of the NFU, the Country Land and Business Association and others who have been in touch. However, I hope the Minister will take note of it. Indeed, I would hope that DEFRA and the RPA have already spotted all these things and more, and that work is already well under way to make sure that the lessons are applied to next year's scheme.

First, what is being done to increase the capacity of the IT system? It crashed because it became overloaded. We need a guarantee that the system will be able to cope with the pressure placed on it next year when all farmers seek to apply for their payments.

Secondly, what is being done to preserve half-completed applications when connectivity is lost? We in rural areas are well used to trying to make a purchase online and going through that awful experience of seeing the broadband fall over at the crucial moment when we have clicked "Pay", with the result that we do not know whether we have completed our purchase. Buying something on Amazon takes 10 minutes, but someone could have spent a couple of hours filling in their basic payment scheme application this year. If their broadband then fell over, as it so often does in rural areas, they would have had to go all the way back to square one and start again. It cannot be beyond the wit of man to develop an application system where, every time someone clicks "Next", the application is saved. In that way, if the connectivity failed, or if the site could not cope with the demand, everything someone did beforehand would be there when they returned to it.

Furthermore, given all the problems this year, why not make sure that the data that have been verified for each farm are automatically carried over into next year's applications? If the data need to be amended because of a change in a farmer's circumstances, that is fine. What a wonderful help it would be to farmers, however, to know that data they submitted this year, which have been verified, will already be there waiting for them next year.

What is the reversionary option for those with poor connectivity? I believe that the Department has indicated—the Minister might like to nod if this is the case—that farmers will have the option to choose a paper application next year. If that has not been announced, perhaps it would be prudent to announce it in the near future. Many farmers simply cannot soldier through incredibly poor connectivity—below 1 megabit per second—to go through the online application process. Until we can improve their connectivity, it is unfair to expect them to endure that.

What can be done to improve the mechanism for confirming a successfully completed application? The feedback loop at the end of the online application is not particularly reassuring, and that seems to be a bit of an open goal. I am not particularly talented when it comes to IT, but even I have managed to figure out how to put an auto-reply on my email so that someone who sends me something automatically gets something back. People might quite welcome having something as basic as that as part of the online application process

so that they immediately get confirmation that their application has been submitted. Thereafter, they could get progress checks, as happens with many mortgage companies, so that they could see how their application was progressing.

What can be done to better communicate an application's progress and to provide greater certainty over when payments will be made? This year, we have been able to tell people only that their payments will be made within fairly broad spans of time. If we are going towards an online system, why can we not guarantee that once someone's application has been made and they have been notified when each check has been gone through, they will immediately get an email saying that the payment will be in their bank account on a specific day?

What if the IT fails again? What is the RPA's contingency plan for processing paper applications in 2017 more quickly? This year the system fell over and the Government rightly said they would accept paper applications, but the RPA clearly was not immediately capable of setting about the verification of those applications—hence the delay.

What sanction do the Government have in their contracts with those who provide the IT system, should it fall over this year or next year? Equally importantly—many farmers will be keen to hear about this—what is the sanction against the RPA and its senior leadership if it all happens again and there is no improvement in its communication? What is the timeline for scrubbing the payments portal to make sure that all the lessons learned this year will be incorporated into the process, both to improve the applications mechanism and to make sure that the guidance that farmers receive for next year's application will fully incorporate everything that has been learned? Farmers are only two or three months from the time when they will need to apply.

What are the plans to maintain RPA staffing and resource at current levels until the Government are absolutely certain that the 2016-17 payment process is running smoothly? As I see it, the problem is that at the moment the RPA is fixed on having to make this year's payments. It makes me very nervous that because of the immediate requirement to make payments now, no one has gone off into a dark room to work out what has gone wrong and what needs to be improved, and to make sure all those things get done before people make their applications for next year. It seems trite to say it, but I think it is important to do so: a mistake is a mistake, but repeating it is incompetence. I hope the RPA is painfully aware of how it will look if the same mistakes happen next year.

That leads me to perhaps the biggest issue in the debate, and the one that I suspect farmers are most nervously awaiting: the Minister's absolute assurance that he and his Department are 100% confident that what happened is just a teething issue for year one, that all the lessons will be learned and applied, and that next year we will be back to the same success rate for the making of payments at the start of December as in previous years.

There is another area of uncertainty. This year has gone badly. We hope next year will be better, but what of the year after that, if the nation votes in a referendum to leave the European Union? That is causing great uncertainty for farmers, and although I do not necessarily want the debate to descend into that issue, I will quote a

[James Heapey]

comment made in June by the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Penrith and The Border (Rory Stewart):

“It is vital that, whatever happens in the vote on the European Union, the Conservative party—indeed, all parties in this House, I hope—and this country continue to provide deep support for farmers... We must take responsibility ourselves; we must say we believe in the support farmers currently get from Europe, and, whatever happens in the vote, we must continue to provide it”.—[*Official Report*, 1 June 2015; Vol. 596, c. 431.]

The NFU and farmers generally are rightly nervous about the outcome of the referendum, and I hope that the Minister, who is the Farming Minister, will agree with the Under-Secretary that it is inconceivable that the UK Government would not support agriculture if we were outside the European Union, in the same way that the EU currently supports it.

**Nigel Adams** (Selby and Ainsty) (Con): Does my hon. Friend share my concern that when asked at the Oxford farming conference how things might look for agriculture if we were outside the EU, the Secretary of State confirmed that the Government had not made any investigation of, or spent any resource on, what an exit might look like for agriculture?

**James Heapey**: I very much agree with my hon. Friend’s point. It does seem remiss. I understand why the Government do things in that way—in my last job in the Army I had a staff appointment at the Ministry of Defence when the Scottish referendum was announced, and we were told in no uncertain terms that there would be no contingency planning. The Department of State of which I was a very small part would continue to work on plan A and would address plan B thereafter. Farmers are putting up with an awful lot of uncertainty now. It is all self-inflicted for us this year, because of the BPS, but in future years it will be because of the referendum. I unequivocally support the referendum, but it would not take much for DEFRA to agree as a statement of principle that our farming sector is an essential part of the country’s economy and security, and therefore to agree, as the Under-Secretary of State has already done, that committing to support it is easy, and common sense.

The basic farm payment is another example of a public sector IT project going badly wrong. Our farmers, who have already had a tough couple of years, have once again been asked to carry the cost. We cannot be casual about the future of the farming industry. Food security is too important—as important as any other part of our national security. We need to know today when the remainder of the payments will be made and what lessons have been learned. We also need a guarantee that those lessons will be ruthlessly applied to next year’s process, so that the same thing does not happen again. Finally, we need to know that the Minister has absolute confidence in the RPA, that the 2016-17 payment scheme will run smoothly, and that farmers will get their money at the beginning of December as they have done in previous years.

3.26 pm

**Chris Davies** (Brecon and Radnorshire) (Con): It is a pleasure to serve under your chairmanship, Mr Betts. I congratulate my hon. Friend the Member for Wells

(James Heapey) on securing the debate and on the valid points he made. I am sure that his constituents will feel their views were expertly represented, and I will do my best to put my points as eloquently as he put his.

This issue directly affects a large number of my constituents, as Brecon and Radnorshire is one of the most rural, and most farmed, areas in the UK, with many farmers who claim the basic payment. I accept that the payment process is devolved in Wales, but my constituents and I have many of the same concerns about the payments system that people in England have. I am sure the hon. Member for Blaenau Gwent (Nick Smith), my neighbour in Wales and the shadow Minister, will agree with many of my concerns.

I am a member of the Environment, Food and Rural Affairs Committee, and we have on several occasions quizzed the Minister—and, indeed, on Tuesday, the Secretary of State—on our concerns about the RPA. The chief executive of the RPA has also given evidence. I am delighted that they will all be coming before us again; we look forward to looking further into the mistakes and getting the exact reasons for them out of the chief executive.

**Simon Hoare**: My hon. Friend has had a joyous luxury that I have not partaken of—meeting the new people who are running the agency. Do we know what percentage of agency staff have ever farmed or been involved in farming?

**Chris Davies**: I thank my hon. Friend for that great intervention. We can only guess—and our guess might be that it is probably not a lot; but that is purely an assumption, and I cannot provide the facts. The Minister may be able to enlighten us further.

We must do everything we can to get the payments out to farmers as effectively and efficiently as possible, to resolve the current issue of delays to payments. I know of many local farmers in Wales who have received part-payments. Of course England has a completely different system. It does not have a part-payment system; it is paying fewer farmers, but in full. We need to get all the money out because in addition to the effect of payment delays on farmers’ cash flow, falling market prices of produce hamper the growth of the farming industry around the UK. With incomes low, many farmers tell me they are unable to pay suppliers until the payments come through. That has a direct impact on the ability to run local businesses and affects the whole rural economy. That is why we must do all we can to get payments out as quickly as possible.

**Michael Tomlinson**: Perhaps my hon. Friend will elaborate a little more on the part-payments that have been made and how well they have worked in his experience. Farmers whom I have met have said, “At least give us something now to help tide us over before we get the certainty of the full payment.” Perhaps he will elaborate on that a little more.

**Chris Davies**: I thank my hon. Friend for raising a very good question. In Wales, certain payments have been released—30%, 50%, 70%—but, as the permanent secretary told the Select Committee on Tuesday, the Department decided not to do that because that would mean a system of reprocessing claims, taking even

longer to get the full payments out, so it was decided not to go down that route. I am sure the Minister will elaborate on exactly why, but that is what the Select Committee was told.

In Wales, the Welsh Government have in part put the delays down to a legal challenge to the new system that they intended to implement back in 2015, but I cannot help but wonder why there was not a back-up system in place as soon as the legal challenge was launched. That would have ensured that farmers would not face the sort of delays they currently face today. Although I appreciate that that was not under the control of the Minister here today, I wonder whether he will join me in recommending that, should such a challenge be put in place on any side of any border in the future, reasonable back-up systems should be in place so that farmers are not adversely affected.

That brings me loosely on to my second point. Farmers do not seem to have been informed of what is happening with their claims. The uncertainty this creates should not continue, and I am glad to hear that both the RPA and the Welsh Assembly will now write to farmers to inform them of why their claims have been delayed. That said, can I urge the Minister to ensure that, included in the letter, will be a statement of when each farmer can expect to receive their payment, as this will enable farmers to plan their cash flows better and assure their suppliers of when they can expect to be paid. The Secretary of State and the permanent secretary told us on Tuesday that they expect payments to go out somewhere between February and June, but we know that the window closes in June and we could not get a more specific time. Perhaps the Minister will know a little more about that.

We should keep our farmers up to date because they need to plan for the future. Each farmer is a small business; some are very large businesses in our rural economy. Without being able to get their payments, they will not have a business plan, and that has an impact. We should resolve the issues that we currently face as quickly as possible. I also think it is vital that we learn the lessons from this year's application process, as my hon. Friend the Member for Wells has emphasised strongly. While the crisis is still going on, it is difficult to analyse exactly what has gone wrong. The applications will begin again in May this year. Can the Minister outline the lessons that he believes the RPA and all administrative bodies can learn to ensure that we do not face the same issues again in the 2016 application period?

On the basic payment system more widely, what is the Minister's view on the stringent nature of the Assembly's application of the BPS rules? I have several constituents who are concerned that they are not receiving their full allocation owing to the nature of the satellite imagery used to assess their farm sizes. Simple issues such as the shadows of trees mean that farm sizes are being shrunk, as the shadows caused by the trees make wooded areas look larger on satellite images. This then shrinks the size of farms, often by considerable distances, and diminishes the payments that farmers receive. This causes delays to some farmers' payments, so will the Minister press the Assembly to look at new, more efficient ways to process basic payment schemes? For too long the system has been too complicated, and it is about time we simplified it best to assist our farmers.

In conclusion, I believe we face significant issues with this year's applications that should be resolved as swiftly as possible, and I look forward to the Minister's response on the issues that hon. Members raise today. The most important consideration we must take from the payment delays this time around is to ensure that not only are lessons learned, but also that resolutions are implemented in time for next year's applications. Farmers should be able to focus their efforts on farming their land and not on form filling and concerning themselves with whether or when they will be paid. With all the current and predicted hardships that our farmers face, I implore the Minister to ensure that farmers' basic payment scheme applications will not be a further hardship next year as well.

3.34 pm

**Sir Henry Bellingham** (North West Norfolk) (Con): It is a pleasure to serve under your chairmanship, Mr Betts. First, I declare my interests in the Register of Members' Financial Interests. I also congratulate my hon. Friend the Member for Wells (James Heapey) on securing this debate and on his superb speech. I thank my hon. Friend the Member for Brecon and Radnorshire (Chris Davies) for his contribution as well.

North West Norfolk is predominantly a farming constituency. Norfolk and the rest of East Anglia make a massive contribution to food production in this country—to agriculture and food manufacturing—and many people think that places such as North West Norfolk and North Norfolk are the lands of big estates. There are plenty of big estates in my constituency, but there are also many small farmers as well, and many county council smallholders throughout the county. Particularly heading towards the west of my constituency, towards Peterborough and Wisbech, many small farmers are predominantly growers in the horticultural sector and might have a small arable operation as well. Things have not been easy, as the Minister knows. The wheat price has been volatile and is well down on its high. The beet sector, which was one of the absolute stalwart sectors in Norfolk, has been under a great deal of pressure, and a lot of farmers are coming out of beet growing because it is not profitable to stay in it.

The vegetable sector is, again, volatile. I also want to mention the pig sector, which is incredibly important in North West Norfolk. It is the one area that farmers have diversified into either as rearers themselves or as farmers who are letting land for pig production. There are many well-known pig and poultry operators in East Anglia, and the sector, as the Minister knows, has been under a huge amount of pressure. The sector is suffering a lot of difficulties at the moment. In that context, the one thing that is incredibly important for farmers in my constituency is cash flow.

I have had representations from a significant number of farmers and landowners who have pointed out to me that the current state of affairs simply is not tolerable. Some have been paid—I am sure the Minister will in his reply flag the percentages and the numbers that have been paid—but a very large number of people have not been paid. That has a big impact not only on the many farmers who cannot pay their bills and who have invoices waiting to be sorted out but, as my hon. Friend the Member for Wells pointed out, on the wider rural economy through the knock-on effect on the small

[*Sir Henry Bellingham*]

suppliers and small businesses that really cannot themselves put up with any interference with their cash flow. It is not the fault of farmers, because they do not have the money to pay the bills at the moment. They plan their year around the crops, around the seasons and also around the payments that come into their bank accounts. It is essential that we have immediate action.

I intervened on my hon. Friend the Member for Wells a moment ago and asked him about what HMRC should do. I know that the NFU has been having conversations with HMRC, but I very much hope that the Minister will take away from this debate that the one area that he and his ministerial colleagues have to look at straight away is HMRC. Is it being as sympathetic and as understanding as possible to farmers who have to pay their tax bills soon? In fact, if they do not pay by Monday, they will be charged interest. So I urge the Minister to have discussions with HMRC and to put in a request to Treasury Ministers that there should be a scheme for late payment for farmers who have not been paid their basic payments.

**Marcus Fysh (Yeovil) (Con):** Does my hon. Friend agree that the issue is not only about having a tax holiday, because many farms are not very profitable? When there is a cash-flow issue, as he has described, perhaps we should look at an emergency loan scheme against which they can draw.

**Sir Henry Bellingham:** I am grateful to my hon. Friend, who represents many farmers who are in the same position as mine. He makes a good point, because some of the smaller farmers will not even have a tax bill. Certainly some poultry and pig farmers in my constituency will be paying no tax, because they are not making a profit.

That leads me on to the possibility of partial payments. When the Minister winds up, I hope he will have a good look at the possibility of those farmers who have had their basic payment delayed receiving some sort of partial payment immediately. I understand from farmers in my constituency that some of the delays have been brought about by a series of problems, such as with cross-compliance or common land. In fact, it amazes me how much common land there is in my constituency—virtually every parish has common land and, although it is often owned in conjunction with local landowners, it is often farmed on long leases or by local estates. All sorts of problems lead to delays and I know of examples of farmers who have ticked every single box correctly and had no problems in the past, but because of one small issue over something quite trivial, everything has been delayed. Therefore, when there is no element of doubt about the farm, the business in question, and its record of paying taxes and abiding by rules and regulations, surely in such circumstances there must be scope for making a part-payment.

I also hope that the Minister will look at the farmers affected by the recent appalling floods. Scotland is under a different regime, but I have a friend, Mr David Baxendale, who farms in the borders at a place called Stanhope, on the upper reaches of the Tweed, and his area suffered its worst ever floods. He has seen damage to a large number of dykes and fencing, and his farm is

under real pressure. I have no idea of exactly how big the damage bill is, but the answer is huge. Farmers in Scotland are suffering delays to their payment, too, and I hope that the Minister will look at them, as well as at farmers in Lancashire and Cumbria who might not have received their payment, but because they have been badly flooded face additional crises and problems to sort out. Will he look specifically at them?

My hon. Friends the Members for North Dorset (Simon Hoare), for Mid Dorset and North Poole (Michael Tomlinson), for Berwick-upon-Tweed (Mrs Trevelyan)—she has just departed the Chamber—and others made mention of the need for some sort of certainty. Given any delays or issues between a farmer and the Rural Payments Agency, I understand from the NFU and the CLA that communications have been poor. Will the Minister explain why those communications, letters and discussions have not gone more smoothly? Why has the RPA not been more understanding and more proactive? Perhaps it is about the staffing, as my hon. Friend the Member for Mid Dorset and North Poole said, or perhaps there are RPA people who do not understand enough about farming per se. Surely none of that is an excuse for any form of incompetence or lack of keenness on the part of the agency to provide a better service. Those farmers who have not had their payment, or may not get it in the next few weeks, above all else need some form of certainty—the information and communication.

**Nigel Adams:** We are not talking only about indicative chatter. I have met with many farmers, including almost 30 of them two Saturdays ago—incidentally, four of them had received their payment and several had received letters saying that they would not be paid in December and January—and quite a few have explained to me their frustration with what seems to be a severe lack of knowledge when they speak to the RPA. It was admitted to one farmer that a bunch of students were working there temporarily, and they simply did not understand the forms. Does my hon. Friend share my concern about that?

**Sir Henry Bellingham:** I certainly do share my hon. Friend's concern. The NFU briefing stated that often the

“letters were vague and unhelpful”—

and that there was no clear commitment to improving communications. Furthermore, the Minister should be aware that the NFU is saying that the call centre has been unsympathetic and at times offhand and even rude to farmers. That is simply not acceptable.

Other hon. Members want to say a few words, so I will conclude with the one lesson that we must take away from the debate. Food security in Britain is incredibly important. The farming sector is one of our most important economic sectors, if not the most important for job creation, if we include food manufacturing and processing. It is a crucial sector. On the one hand, the Secretary of State and her team of Ministers, to give them credit, have been championing the sector. On the other, if the scheme is not improved and they do not get a grip on it, the very sector that they are championing will suffer unnecessarily. The Government pride themselves on competence and on Ministers really getting a grip on things, so I hope that the Minister present will live up to those expectations.



**Mr Clive Betts (in the Chair):** Two more Members want to speak and we need to bring in the Front Benchers at 4 o'clock, so if you could each take no more than seven minutes, that would be helpful.

3.44 pm

**Geoffrey Clifton-Brown (The Cotswolds) (Con):** I am pleased to serve under your chairmanship, Mr Betts. I apologise to you and to Mr Speaker, because I did not intend to speak in this debate and that is why I have not written a letter asking to catch your eye, but I am delighted to be called. I congratulate my hon. Friend the Member for Wells (James Heappey) not only on securing the debate, which is of critical importance at this particular time, but on his clear and detailed understanding of the whole issue, which was very impressive. I am pleased to be following my good friend, my hon. Friend the Member for North West Norfolk (Sir Henry Bellingham). I, too, would like to talk about farming conditions in Norfolk, because I farm there, but I will limit my speech entirely to my constituents in Gloucestershire.

In common with the constituency of my hon. Friend the Member for Wells, the south-west generally has experienced an extraordinarily wet year. Conditions have been difficult for all farmers in the south-west. Mercifully, as yet, we have not yet suffered the severe flooding that we have suffered in the past, but that does not mean that conditions for farmers have not been extremely difficult.

My hon. Friend and other hon. Members have mentioned the volatility of commodity prices. I am sure that his farmers have things in common with my constituents, and I have a number of dairy farmers who have been clinging on, although I do not think that some of the smaller ones will be able to cling on for too much longer. As a result of volatile, low commodity prices, I think I am correct in saying that farming is at an all-time high of indebtedness. For many farmers that means that cash flow is critically important. In particular, as my hon. Friend the Member for North West Norfolk said, they have tax bills to pay this week, and if they do not pay them by Monday they will start to incur late interest payments, although no such payments are paid to them if their basic farm payment is late. I join others in appealing to the Inland Revenue to be sympathetic. If those farmers who have not yet had their basic payment are late with their tax returns, they should not be charged late interest. That would only be reasonable of the Government.

I cottoned on to the whole business way back in March. I am sorry to remind the Minister of this, but I asked him then if payments would be late this year and he assured me that they would not. What I would like from the debate is a full reply from the Minister as to what my farmers can expect going forward. Others have made detailed points, but we need to ensure that we understand and learn the lessons of the mistakes made this past year.

We all know about the IT systems, but I do not quite see why they have led to some 13,000-odd people not being paid by the end of January—that “vast majority” phrase I used in my intervention on my hon. Friend the Member for Wells. What does the vast majority look like? When can those 13,000-odd farmers expect to be paid?

We then want to move forward and to ensure that the 2015 data of those who put in claims during 2015 are validated, so that they can start with that validated, prepopulated data on the system to make the whole business of the 2016 claim easier. I guess that claim will have to be done by the May deadline this year—it was extended to June last year—and that is not too long hence. We need to ensure that they have as easy a task as possible, and my hon. Friend made a number of really good points about that.

In common with many rural Members in the debate, a problem I have in many areas of my constituency is that they have no or very poor broadband connections. People find it difficult to make their claims. My hon. Friend made some good points about that as well, in particular about when the system drops out in the middle of a claim, so we need to ensure that up to that point it is saved, so that the whole thing does not have to be started again.

I have some questions about the IT system. Please will the Minister give us some realistic, concrete assurances that the IT system will be completed and up and running well before farmers have to start making their claims this year so that we do not repeat the poor start of last year? Is the IT system in-house or is it sent out to IT specialists? If the latter, will the same specialists be used next year and what lessons have they learnt?

We need assurance about 2016 payments because—while I do not want to cast gloom and doom on the industry—I suspect that if commodity prices stay where they are at the moment, conditions will be even more difficult by this time next year. It is therefore really important that farmers have certainty that their 2016 payments will be prompt, because when they speak with their bank managers they want to be able to negotiate a proper cash-flow system. I really hope that when my hon. Friend the Minister replies, he can give us some cast-iron assurances that turn out to be the reality.

3.50 pm

**Simon Hoare (North Dorset) (Con):** I had wanted to speak here, and while I thought that the Energy Bill Committee would preclude my attendance, such progress was made that we were able to have the afternoon off. I am therefore grateful to catch your eye, Mr Betts. I am incredibly lucky to represent North Dorset and predominantly the Blackmore vale and the Cranborne chase, where agriculture and all types of farming are deep within the DNA. Thomas Hardy, Dorset's famous son, described the vast majority of my constituency as the vale of the small dairies. Against the trend, that remains the case, and long may it do so.

Back in the warm, balmy summer, as we sat under the awnings at the Gillingham and Shaftesbury show with the NFU in pouring rain, soaked down to our boxer shorts—another British summer of delight for farmers—I recounted the oft-told story of the two ladies who came up to London during the war. They were on a spree and wanted to have a look around the place, so they stopped a policeman and said, “Which side is the Foreign Office on?” and the policeman said, “By rumour, ours.” In relation to basic payments and the Rural Payments Agency, I said that we had had sound encouragement from Ministers and officials that the agency had got it and that clearly it was going to be on the side of farmers.

[Simon Hoare]

We all know the backdrop, but it is worth briefly rehearsing it. There was the fall in the milk price—I am sure many of us have received a communication from Arla this week to say that its prices will go down still a bit further—and the reduction in commodity prices, compounded by bad weather in my constituency and many others in the south-west and the pernicious problem of bovine tuberculosis. That added up to farmers asking who could they look to for support and protection. I was able to say clearly, “Look, we have a majority Conservative Government and the Conservative party is many things, but, if it is anything, it is the party of the countryside. We understand the importance and vitality of the agricultural sector.”

Today, we have spoken about percentages. I am not sure whether 85% is the vast majority or whatever, but I always make this point: for a farmer waiting for that payment, non-payment is 100%. They cannot pay the feed bill, the vet’s bill, the fuel bill or for the car insurance just because their farming neighbour next door luckily got his payment. Farmers will be anxious about that.

That is why I raise this point. It is not the cheap knocking point we often make about officials and civil servants, but one is inexorably led to say that if perhaps there were more people with agricultural experience in the agency, they would understand more acutely and, as was mentioned my hon. Friend the Member for North West Norfolk (Sir Henry Bellingham), with greater sensitivity the importance of the payments. The basic payments are not the icing on the cake—for many farmers they are the cake. They are the difference between staying in business and going out of business.

**Nigel Adams:** My hon. Friend has put his points eloquently. Has he had any conversations with his farmers about the potential impact downstream—not too far downstream—of the national living wage? I have spoken to many growers who are very concerned about it. Does he share my worry on behalf of farmers, who will need some time to adapt?

**Simon Hoare:** My hon. Friend makes an incredibly valid point. Spiritually, I am a huge supporter of the living wage. It is a good thing and it is a credit to the Government that it has been announced, but it will clearly have a harder and greater impact on sectors of our national economy that trade at more marginal levels, and farming and agriculture is one of those. Given the good offices of the NFU and the fact that it is campaigning strongly on that, I hope that those messages will be heard in the Treasury and perhaps some form of taper might be introduced to ease in the living wage and stagger the impact.

Let us consider a catastrophic failure of UK agriculture. Farmers trading at the margins—my hon. Friends the Members for Brecon and Radnorshire (Chris Davies) and for Berwick-upon-Tweed (Mrs Trevelyan) represent some of the upland farmers and areas with strong dairy sectors—have been buffeted and blown around by so much over the years, but this is the last piece of wood in the game of Jenga to be pulled out, so the tottering edifice suddenly finds that its foundations are so flimsy that it collapses before our eyes.

Of itself, that would be devastating, but it is worthwhile to set out the impacts. It would clearly have an impact, as referenced by my hon. Friend the Member for Wells (James Heapey), on food security. In a wider sense, it would have a deleterious impact on the nation’s biodiversity. It would have a huge impact on tourism, because our landscape, as we know, is not a natural one in great part. It is the product of centuries of farming and, when that goes, the beauty of the British countryside will be impoverished. For those farmers giving up, it will by necessity have a huge impact on their health—physical or mental—with a concomitant increase in demands on services. It would see an increase in the welfare bill, as farmers who have only been trained to be farmers and who are not in areas where diversification into other trades is readily possible suddenly find themselves at the end of their working career long before they envisaged. It would have a huge impact on so many areas of our national life.

There is often nothing more exhilarating than seeing the rural Conservative party in full cry after a Minister, but I think we will look to him this afternoon—our tails are up, our noses are down and he is giving good scent—[*Laughter.*] We are hunting within the law. We are not looking for a kill, but we are looking for clarity and certainty from him that he has confidence in the agency’s ability to appraise itself and not just trot out the phrase “lessons will be learnt” and then say, “Right, we have used that phrase, so we can go back to our usual management speak,” but ensure that the lessons learnt from the process are picked up. The agency must play its part along with others to ensure the long-term viability and vitality of our vital UK agricultural sector.

**Mr Clive Betts (in the Chair):** We will now move on to the Front Benchers, who have 10 minutes each.

3.59 pm

**Ian Blackford** (Ross, Skye and Lochaber) (SNP): It is a privilege to serve under your chairmanship, Mr Betts. Before I begin, I draw Members’ attention to my entry on the Register of Members’ Financial Interests: I own a croft in the north end of the Isle of Skye. This issue is important to us all, and it is certainly important to me as a small farmer. I thank the hon. Member for Wells (James Heapey) for securing this debate, which is important to us all in this Chamber. I also thank all Members who have spoken in the past hour or so with such passion and concern for their constituents.

The hon. Member for Wells said that farmers are not in the habit of writing to their MPs; that is a very important point. I go to our local marts, where people are selling livestock, which presents a great opportunity to hear people’s gripes, groans and mumbles. It is important we take seriously the contact we have with crofters and farmers, and that we understand the concerns they all face.

Many Members spoke of the importance of the agricultural sector to our economy. The hon. Members for Wells and for North Dorset (Simon Hoare) mentioned the importance of landscape, which I want to reiterate. We have to ensure that our farmers and crofters have a lifestyle that is supported and that they accept their obligations to look after the landscape. That is very important.

I particularly enjoyed the end of the speech by the hon. Member for North Dorset, when he said that a number of Tory Back Benchers were in full cry after the Minister. I felt for the first time in this Parliament that we were making common cause, so his words were welcome. I thank all hon. Members who have spoken: the hon. Members for Wells, for Brecon and Radnorshire (Chris Davies), for North West Norfolk (Sir Henry Bellingham), for The Cotswolds (Geoffrey Clifton-Brown) and for North Dorset. The hon. Member for North West Norfolk mentioned floods. Support for farmers in flood-hit areas is important and something that both the Scottish and UK Governments take very seriously, and there is support for that.

We all recognise the importance of crofting and farming and ensuring the right support. We need to retain farms and crofts as part of our landscape across the country. From the Scottish National party's point of view, in general, the new scheme is welcome. The crofters in my area will benefit quite substantially over the years to come. Support for crofters and farmers will increase from £30 million in 2013 to £33 million by 2019. That is most welcome and a recognition of the importance of their activities to our country.

We should remember that basic payments act as a safety net for farmers and crofters by supplementing their main business income. To qualify for support, farmers must actively farm their land and produce agricultural products that the public want. The scheme also delivers environmental and other benefits by requiring farmers and crofters to meet certain practices and farm in a sustainable way through cross-compliance.

It is worth explaining what has been happening in Scotland, including the challenges the scheme has brought and how that contrasts with the experience in England, Wales and Northern Ireland. Compared with previous years, basic payments have been delayed due to CAP complexities. The payment window of 1 December 2015 to June 2016 is the same as normal. However, delays with the development of the system meant that the Scottish Government were not ready to make payments as early as in previous years.

There have been 21,050 applications for CAP funding to process, 19,160 of which were for basic payments and the remainder of which were for other non-basic payment schemes. Under EU rules, only claims that have been fully checked and validated can be paid. The Scottish Government face the possibility of a financial penalty being imposed by the EU if that is not adhered to. There is a risk of reputational damage if a customer is overpaid and subsequently asked to return payments.

The key issue with the basic payment scheme, which NFU Scotland has raised concerns about, is that CAP reform has introduced complexities that have resulted in payments being made later than usual. The first direct farm payments arrived into bank accounts from Hogmanay onwards. Around 3,500 crofters and farmers have had payments from the Scottish Government, with a first instalment of 75% of their basic payment and 90% of the greening payment. The issue of part payment, which has been raised by many hon. Members, is important and is one that the Scottish Government were happy to take up.

The first payments have been made to around 3,500 farmers and crofters, totalling about £33 million. Further payments will be made between late January

and April, in line with the payment schedule announced in December, and the Scottish Government will continue to work flat out. The Government and the NFU have engaged in dialogue with the banks to ensure the banks have been supporting both the farming and crofting communities. Initial payments will be worth a minimum of 70%. Those first payments were, generally speaking, the simplest cases that the Scottish Government were able to safely pay at higher percentages. Payments were also made in two parts in the last CAP reform in 2005, when the single farm payment scheme was introduced.

To help farmers understand what is happening, they have been sent an explanatory mailing. Letters have been issued to around 16,000 claimants with an estimate of the value of their new payment entitlements, and remaining claimants will get theirs when their entitlements have been calculated. A customer helpline was launched on 4 December 2015 to answer questions on payments and entitlements, and there have been approximately 1,278 calls to date.

As we understand it—I am sure the Minister will clarify this—33,000 farmers, or 38% of claimants, were paid in full in England on 1 December 2015, and 18,000 payments had been made in Northern Ireland by 4 December. England faced the additional cost of abandoning the online process and moving to a paper system, totalling £3 million to £4 million in March 2015, due to serious failings of the IT system. More farmers have been paid in England, as they have a less complex policy to implement.

In Scotland, there is added complexity with additional schemes, coupled with a new IT system, as the online process has not been abandoned in Scotland. Wales, like Scotland, will pay in two instalments to avoid a situation where farmers and crofters do not receive any funding until much later than normal in the payment window. That also avoids a situation where a customer is paid earlier but incorrectly and is then required to reimburse the Scottish Government. Some calculations are complex, and those cases, of which there are approximately 1,200, have yet to receive a letter. The Scottish Government are working to resolve those issues.

We have discussed the issue that many farmers may be tempted to leave the market. That is something we have seen in many of the crofting counties in Scotland over recent years. The Scottish Government recognise that Scottish crofters and farmers still receive the lowest level of support among farmers throughout the European Union. One plea I make to the Minister is that he revisit at the earliest opportunity the convergence uplift money, because that would make a big difference to crofters and farmers in Scotland. We should remember that when the European Union granted to the UK €223 million of additional support, it was principally to support Scottish crofters and farmers, yet we are not getting our fair share of that money.

We have talked about a review to come in the future, but the industry is facing a crisis. We are facing low prices, as well as unprecedented weather. In crofting counties in Scotland, crofters were still feeding beasts well into June last year. The cost of feeding animals has risen dramatically, and the value of livestock has declined. We need to ensure that our crofters and farmers get what they deserve. I appeal to the Minister for an early review of the convergence uplift system. We must ensure that people get their due regard.

4.8 pm

**Nick Smith** (Blaenau Gwent) (Lab): It is a pleasure to serve under your chairmanship, Mr Betts. I thank the hon. Member for Wells (James Heappey) for securing the debate, and I also thank colleagues who have intervened and made contributions.

We have just heard a farmer's deep lament, and the Minister has been pursued across these green fields today by his Back Benchers. The basic payment scheme is a bedrock of our agricultural industry. About 87,000 farmers and businesses depend on the payment to balance the books, to ensure workers are paid and to keep the bills from piling up. It is an important income when farm gate prices are low.

The Government wheeled out a new IT system to handle the payments for 2015—a system they were so confident in, it was hailed as a “digital exemplar”. Instead, it is a failed system that has cost the taxpayer millions, threatened us with hundreds of millions in penalty payments for years to come and put the livelihoods of many hard-working families at risk.

I have been talking to farmers since the Rural Payments Agency started making payments last autumn. They are worried and face mounting bills while they wait for money that the RPA refuses to give them a meaningful deadline for. How have the Government responded? They have been telling farmers to take out bank loans for which they will put in a good word—clearly a case of double standards, from a Government who were previously very keen to talk about paying off the credit card. One family farmer, who admitted to me that their bank overdraft was teetering at the edge of its current limit because of the lack of payment, put it like this:

“I believe that through no fault of their own, farmers deserve better.”

That is a powerful and sobering message.

Farmers do not deserve an IT system, designed to give them peace of mind, that stalls in such a spectacular fashion. The latest National Audit Office report was damning about a project that spiralled £60 million over budget; saw four leaders of the flagship system in just 12 months, with too many changes in direction; and saw top management embroiled in deep rifts that put stress on staff and led to childish squabbles and confrontations. The system failed so badly that pen and paper applications had to be introduced at the last minute. When I challenged the Minister at the Dispatch Box on why his Department had not got a grip, he talked up its intervention after the IT failure.

Staff have been working tirelessly since March to get applications finalised. Their Stakhanovite, round-the-clock efforts should be commended, but my question is simple: why did key Ministers not intervene sooner still to make sure that this IT project worked, so that the whole sorry debacle was avoided?

Farmers are paying for these mistakes, but all of us may soon be doing the same if the situation results in penalty payments to the EU. The *Financial Times* reported this week that Britain is facing £180 million worth of fines a year over failure by the RPA. The Secretary of State told the Select Committee on Environment, Food and Rural Affairs this week that one of DEFRA's major savings could be to reduce those penalties in future. It intends, as the Secretary of State said, to

“stop paying out money in fines that we could be putting into farms, environmental stewardship and flood defences.”

To test that point, with DEFRA budgets being slashed, does the Minister have an estimate of the amount of disallowance that will be paid as a result of this year's failings?

In the short term, however, the Department must concentrate on ensuring that farmers get the money that they need as soon as possible. The farmers I have spoken to echo the NFU's concern that there is a “fog of confusion” about when farmers will now receive their money. When I and colleagues warned the Government that thousands might be left without their basic payment for months, we were confidently told—I have heard this phrase already this afternoon—that the “vast majority” of payments would be made by the end of January. I am sorry to say that unless the Minister has much better news for us this afternoon, the “vast majority” target set by his boss has been missed by some margin.

In recent weeks, I wrote to the RPA chief executive because I was concerned that the target could be a problem. Unfortunately, that concern has proved to be the case. In a letter from the RPA chief executive today, I found out that 61,300 of 87,000 farmers have received this vital payment; £850 million of the allocated total fund of £1.43 billion has been handed out. That means that just under a third of farmers will not have received their payment and that 40% of the money remains unpaid.

Farmers will feel rightly let down by DEFRA Ministers' hyperbole. This will be a kick in the guts for many. To put it in context, 95% of farmers in last year's scheme were paid on the first day possible. Will the Minister now put farmers' minds at rest and say when the target of the “vast majority” of payments will be reached? Can he put a firm figure on what a “vast majority” even is?

The new basic payment scheme IT system has been useless. Consequently, increased payments to Brussels look inevitable. Many farmers have been let down, so who is going to take responsibility for this sorry tale?

4.14 pm

**The Minister of State, Department for Environment, Food and Rural Affairs (George Eustice):** I congratulate my hon. Friend the Member for Wells (James Heappey) on securing this highly important debate. I completely understand—a number of hon. Members have discussed this—the importance of these payments to farmers, particularly in a year when farmers have suffered low commodity prices and when sectors, such as the dairy industry in particular, have been in the doldrums and suffering severe difficulties.

I will begin by agreeing with the hon. Member for Ross, Skye and Lochaber (Ian Blackford), who has the analysis of what has caused these problems this year absolutely spot on. He was no doubt briefed by the Scottish Government, who have had similar problems. The root cause of our difficulties is the new common agricultural policy. We aimed to get a simpler CAP in the last Parliament. However, we have ended up with something far more complex, because the European Commission was determined to add what it called the greening of pillar 1 payments. We therefore have to map every hedge in the entire country, and there is a whole plethora of rules about the minimum width of a hedge,

the maximum width of a hedge, what size a gateway can be, what type of crops can be grown over the other side of a hedge—and it goes on and on forever. There is an incredibly complex set of greening rules, including the three-crop rule that every farmer must now grow three different crops on their holding.

In addition, we have seen the integrated administration and control system—a very intensive system of enforcement—brought into the pillar 2 schemes, which has also added complexity to our countryside stewardship scheme, which is causing a parallel problem.

To deal with all those problems, we needed a new IT system. The truth is that the core of that system—the bit that processed the rules—actually worked well. It was made by a company called Abaco, which had a track record in this area. The bit that processed the rules worked well, as did the payment engine—sometimes called the back end of the system—which is successfully paying people.

The bit that we had difficulty with at the beginning of last year was the interface at the front that was supposed to enable farmers to do their online applications. We realised by the time that we got to the end of February that it would not be possible to make that dovetail successfully at the correct speeds needed to do online applications last year, so we had to switch to a paper-based application and delay the deadline for a month.

I want to put on record my praise for the work that the RPA has put into the scheme. A number of hon. Members have been critical of the RPA, but I think that it falls to me, as the person who is dealing with it week in, week out, to praise its work. We have had between 800 and 1,000 people in the RPA working on this seven days a week to try to get these applications on the system and to get payments out to farmers as quickly as possible.

My hon. Friend the Member for Selby and Ainsty (Nigel Adams) asked whether we had the right expertise in the RPA. It is true that, in a typical year, we would have about 400 people working on BPS applications. We have brought in additional people from other agencies, as well as what is called the surge force of civil servants working in the Cabinet Office—a flexible team of people who can be deployed to unexpected workloads. Therefore, people are there who have not traditionally been in the RPA; nevertheless, they have worked incredibly hard to get to where we are now.

Turning to the RPA's leadership, my hon. Friend the Member for Wells pointed to the exceptional track record we have had over the past three years. It was not always like that. A decade ago, things were in an incredibly bad state. Today, the same leadership team are turning around the difficulties we had at the start of this programme. They have delivered the exceptional results that he pointed to, and I have great confidence in them.

I will just point out what has been achieved to date. We took on this difficult position and paid 33,000 farmers on day one—on 1 December—when the payment window opened, and we had paid more than half by the end of December. As of yesterday—a number of Members have pointed this out—we have paid 61,278 farmers. That takes us to just over 70%. As I speak, we are working on the final batch of payments, which will go out before the end of March and will take us to the vast majority of payments having been made.

**James Heapey:** I suspect that the Minister misspoke, but I invite him to clarify what he said. He said that we are working today on payments to be made by the end of March. Does he mean the end of the month?

**George Eustice:** Sorry, yes, I meant by the end of the month—I am sorry if I said by the end of March. We will have a final batch, which will take the figure probably above 75%, but it is not certain; that is still being worked on now.

We should highlight the fact that we worked quickly to get the dairy support fund out. It went out earlier than expected in the middle of November to help hard-pressed dairy farmers.

**Nick Smith:** I was just listening to the Minister's comments. Will he confirm whether he thinks that the "vast majority" is 75% of farmers? Is that the definition he is using?

**George Eustice:** We could agonise over the definition of "vast majority", but as far as I am concerned, "over 60,000" is a vast number of applications and a vast amount of work has gone into processing them.

We should recognise what has been done on the entry level and higher level stewardship schemes. Again, we had a difficult start because of the paper application process, but 97% of applicants have now had their first instalment and 60% have received their second instalment a month earlier than normal. We have made progress, but there is further to go.

Some people will ask why we cannot just pay and why things are so complicated. As the hon. Member for Ross, Skye and Lochaber said, there is a good reason for that. Under regulations and law, the EU requires certain inspections and verification to be carried out. The truth is that we tried to get the Commission to relax those requirements to enable us to expedite payments this year, but it refused. We cannot make those payments from the EU until those various checks and the validation of claims have been completed.

A number of hon. Members referred to communications. In November, we wrote to around 15,000 farmers whom we anticipated would not be paid by the end of January. The two primary groups are some 4,700 farmers with common land—I will come back to them—and around 9,000 farms that had inspections of one sort or another.

A number of hon. Members mentioned part-payments. We considered this, but we ruled it out and I will explain a couple of reasons why I think that we were right. Scotland has decided to make part-payments. It has 3,500 farmers and, according to the latest figures I have seen, around 18% of them had received a part-payment of 70%. Compare that with this country where 70% of farmers have received everything. That is a better position to be in. Had we taken a decision in November at the end of last year to start chopping and changing plans again and messing around to try to get part-payments out, even fewer farmers might have received them, never mind receiving full payment.

**Sir Henry Bellingham:** I accept the Minister's point about the overall strategy at DEFRA, but what about those really difficult and deserving cases with very complicated problems of reconciliation, cross-compliance

[*Sir Henry Bellingham*]

and so on, such as those with commons? Surely, there is an argument in those few rare cases to go for part-payment.

**George Eustice:** I will come to that, but we should remember the experience of 2005. Some hon. Members have said we should learn lessons. Let us remember that in 2005 no one was paid in December, no one was paid in January, no one was paid in February and no one was paid in March. The first farmer to be paid was paid in March. Then, the last Labour Government decided to switch to a part-payment system and got themselves into a complete muddle that took a couple of years to sort out because of all the reconciliation that had to be done afterwards. They found that farmers had received inaccurate payments and it caused all manner of difficulties. For that reason, we should be cautious.

We should realise that, as a number of hon. Members have pointed out, the payment window does not open in May, but closes in May. The next application window opens in March, which is not long to go—five or so weeks. I want staff in the RPA to be working on making sure we get next year's applications right and through, rather than messing around doing part-payments of this year's applications.

I want to say what we have done. We have introduced a hardship fund. We have worked closely with groups such as the Farming Community Network that provide a triage process. If a farmer is suffering real hardship and cannot, for example, buy feed for their cattle, they are fast-tracked. In some cases, if we can we speed up an application, we make we sure we get it through as quickly as possible. In other cases when we suspect they will not be paid in a hurry, we have in many cases made part-payments on account cash-flowed by the Treasury—not EU-funded, which would expose us to difficulties, but on account from the Treasury.

**Geoffrey Clifton-Brown:** Will the Minister give way?

**George Eustice:** I will not give way because I want to cover a few more points and leave time for my hon. Friend the Member for Wells.

Some hon. Members have talked about the banks. I have been meeting them regularly and encouraging them to show forbearance to farmers. One reason why we sent a letter last November to those who were not expected to get their payment at the end of January was that they could take it to the banks, which were ready for that.

A number of hon. Members talked about communications. As I said, a letter went out in November and a further letter has gone out to those not receiving payments now, in January. The RPA has held almost weekly meetings with key NFU office holders and regularly attends NFU councils, so I do not accept the allegation that people have been kept in the dark and not informed. What I can understand is the understandable frustration among farmers who have not yet received their payments. That is spilling out in criticism of communication, which is probably a little unfair.

I want to talk about next year. A number of hon. Members asked about lessons. The reality is that we now have all these data on the core system. For next

year, farmers will start from the position they left off in this year. We are confident that having done all the difficult work to get those applications on, from here forward it will be far easier. We will offer paper applications to those farmers who want them next year, but we hope that those who were previously online—about 70% up until 2014—will return to being online.

I want quickly to cover the issue of commons, which was raised by a number of hon. Members. We had a legal challenge from a local authority in Minchinhampton. It challenged the very basis on which we used to make payments and it caused huge difficulty for everyone. The issue is not about just having a plan B; the problem is that the methodology that it has now forced on us through its challenge means that it is impossible to pay anyone on a common until we have resolved all those claims. Our biggest difficulty in relation to many of these commons is that the National Trust has a large, complex claim that has always taken a long time to resolve. That has caused us a particular difficulty with common land, but we are recognising that and doing what we can to try to speed things up.

I want to leave a bit of time for my hon. Friend the Member for Wells, but I will answer these questions. My hon. Friend the Member for The Cotswolds (Geoffrey Clifton-Brown) asked about the deadline for this year. It will be May; it will go back to the normal time. My hon. Friend the Member for Brecon and Radnorshire (Chris Davies) talked about some of the difficulties that the Welsh Government have experienced with requirements imposed by the EU, particularly in relation to accurate mapping and the difficulties with shade from woodlands. This goes back to my initial point. We are now in an era with an incredibly complex CAP, causing many difficulties.

We have had a very important debate, covering many different issues. We have not got on to the exciting issue of the European Union and the potential impact of the referendum, but we will have much more time to discuss that in the months ahead.

4.27 pm

**James Heapey:** I thank all hon. Members who have spoken in today's debate and all those who made themselves available to brief us so that it could be so well informed. I would like to pick up a couple of points. I am very grateful to the Minister for attending. He is a worthy champion of our nation's farming and fishing and has addressed the vast majority of the issues raised in the debate. He will expect us to hold him to account as we move forward. An uncertainty does remain, and that uncertainty is deeply worrying for our farmers; we have to recognise that.

We need to be absolutely clear about when the remaining payments will be made. I appreciate that it is very difficult to do that from the Minister's place in a debate such as this, but I assume that the RPA is watching and I know that he will chase it when he gets back to his office to make absolutely sure that the plan for the remaining payments is communicated accurately and urgently, so that people know when their money will come. The point about speaking with colleagues at the Treasury to discuss what can be done about the looming tax deadline is a very good one, and I hope that the Minister will work on that.

The Minister spoke about the IT system being good enough for Government work in its core process and in the payment engine. I just hope that he will note my suggestion, which has been made to me by others, that a system that is rural-proof—and that therefore saves every time someone clicks “next”—would be an important development.

**George Eustice:** I can confirm that the system already enables people to save part-prepared applications. I can confirm also that we are in constant dialogue with the Treasury and HMRC to encourage them to show forbearance.

**James Heapey:** My time is slipping by quickly, but I believe that that is an active decision to save. An automatic one, because people are not in control of when their system crashes or their broadband drops out, might be a worthwhile improvement.

Most important of all, will the Minister reassure us that the RPA, although it is in very close contact with the big issue of making the remaining payments, has the space also to plan for what might come next year, and that these lessons can be applied? It would be unforgivable to have all the right urgency in making the remaining payments, but then for the lessons not to be applied for next year, so the same mistakes are made again. The Minister will expect us to hold him to account on that as we go forward. It is an urgent issue. We need to ensure that the mistakes are not repeated in relation to this year’s applications and next year’s payments.

4.30 pm

*Motion lapsed, and sitting adjourned without Question put (Standing Order No. 10(14)).*





# Westminster Hall

Monday 1 February 2016

[GRAHAM STRINGER *in the Chair*]

## Transitional State Pension Arrangements for Women

4.30 pm

**Helen Jones** (Warrington North) (Lab): I beg to move,

That this House has considered e-petition 110776 relating to transitional state pension arrangements for women born in the 1950s.

It is a great pleasure to serve under your chairmanship, Mr Stringer. At the outset, I want to say that I have a personal interest in this issue, because I was born in 1954—[*Interruption.*] There is no use in members of my Committee trying to be kind to me; I am a TOG—one of Terry's old gals.

I am, however, one of the very lucky members of that cohort of women because I belong to the parliamentary pension scheme, and when that scheme was changed in the previous Parliament, the Independent Parliamentary Standards Authority—I make it clear that this was done by that body, not MPs—decided that the new scheme would not apply to anyone who had reached 55 by a certain date. Sadly, although the reason for that decision was that people would not have time to make alternative arrangements for their retirement, we have not extended the same consideration to many women who will have to rely on their state pensions. I speak today for those women, not for myself. I am speaking for the thousands of women in this country who are having to change their retirement plans at short notice, to dig into their often meagre savings, or to rely on their husband's pension. Many of them are being driven into poverty as a result.

This debate is not about the question of equalising the state pension age. Of all the many women who have contacted me, none has objected to that. This is about the speed of the changes, their impact on a particular group and the lack of notification, or totally inadequate notification, that women have received.

To explain the situation, I am afraid that we have to go back through the history. The Pensions Act 1995 sought to equalise the state pension age for men and women at 65. In 2007, the then Labour Government decided that the pension age would increase to 66, and then to 68, but over a very long period—from 2024 to 2046. However, the coalition Government then decided to pass the Pensions Act 2011, which speeded up the changes so that the state pension age for men and women would reach 66 in 2020. To achieve that, they brought forward the increase in the pension age to 65 for women from 2020 to 2018. At that time, the coalition Government were warned again and again about the problems that the changes would cause. In fact, the Opposition moved amendments that would have ensured that no one would wait more than a year longer for their state pension than would have been the case under the 1995 Act.

**Ms Gisela Stuart** (Birmingham, Edgbaston) (Lab): I, too, declare an interest as someone who was born in 1955. Does my hon. Friend agree that the really objectionable thing is that we know that people need to be able to plan for their pension provision? This cohort of women—we could be talking about factors such as reduced contributions, or not qualifying due to caring responsibilities all the way through their lives—has got it in the neck, so we need transitional arrangements to put that right.

**Helen Jones:** I absolutely agree with my right hon. Friend, and I will come to that point later.

As I said, the problem was recognised by many people at the time of the 2011 Act. My hon. Friend the Member for Erith and Thamesmead (Teresa Pearce), who has a great deal of expertise in this area, moved amendments that would have protected women born between October 1953 and April 1955 from waiting more than an extra year for their state pension.

**Dr Philippa Whitford** (Central Ayrshire) (SNP): Is it not also the case, as several of my constituents have said, that these changes compounded measures in the 1995 Act of which women were not informed? One lady said that until she got a letter saying, "You are no longer retiring at 64, but at 66," she knew nothing about the fact that there had been a change, so for her the difference is six years.

**Helen Jones:** The hon. Lady is absolutely right. Again, I will come on to that point a bit later.

Part of the problem in 2011 was that the Government did not seem to understand the implications of their own Bill. When the former Pensions Minister gave an interview to the Institute for Government after the 2015 election, he said, somewhat ungrammatically, I think, but fairly clearly:

"We made a choice, and the implications of what we were doing suddenly, about two or three months later, it became clear that they were very different from what we thought."

I have known a few Ministers in my time who did not seem to understand the implications of their own Bills, but this was a former Pensions Minister—an acknowledged expert on social security—who did not understand what was going to happen. If he did not understand the position, how on earth could he expect the many thousands of affected women to understand it?

**Rachel Reeves** (Leeds West) (Lab): I thank my hon. Friend for securing the debate. She quotes the former Pensions Minister, but the current Minister for Pensions said in 2011:

"The Government has not given women enough time to change their plans...I believe the Government's decision is unfair and disproportionately hits women who are now around 56 years old."

She said that then, so it is a shame that now she is in government, she is not trying to change the situation.

**Helen Jones:** I could not agree more with my hon. Friend.

Let us remember that during our consideration of the 2011 Bill, the then Pensions Minister promised to look at transitional arrangements for some of the women affected. Towards the end of the Bill's passage, the

[*Helen Jones*]

Government made amendments that at least prevented people from having to wait longer than an extra 18 months for their state pension. That certainly helped some women born between January and September 1954, but there was still a whole load of anomalies that were not dealt with. One of the things that has made the situation worse, as has been said, is the lack of notice that women received about the changes.

**Mr George Howarth** (Knowsley) (Lab): My hon. Friend is making a powerful case. May I give her one instance of what she described? Somebody who was born in 1956 was notified in 2006 what her state pension would be at the age of 60. That was the last communication that she had, so in 2010, when she was offered early retirement as a teacher, she took it on the basis of that information, and retired in 2011. She was given absolutely no indication that she would be in this situation, but she has now been told that she will not get her state pension until she is 68.

**Helen Jones:** Absolutely. Many, many women have found themselves in a similar position. They have been given information that has never been corrected and they have relied on that information.

**Several hon. Members** *rose*—

**Helen Jones:** I need to make some progress, because lots of people want to speak in this debate and I do not want to take up too much time.

Let us remember that, way back, the Turner commission said that people should be given at least 15 years' notice of changes to the state pension age. The Pensions Act 2014—we wait ages for a Pensions Act and then they are like buses; a load come along together—set up periodic reviews that aimed to give people at least 10 years' notice. One could argue that, in principle, the 1995 Act gave that kind of notice, but lots of people did not know about it. There was no requirement under the Act to inform individual women who might be affected. Indeed, apparently what happened was that the Department produced a leaflet. That is very nice, but if people are going to request the leaflet, they must know about the changes coming forward. I certainly did not know that it existed, and I do not think anyone else did. There was an advertising campaign about preparing for retirement, but it was aimed at both men and women. It was not aimed specifically at those whose state pension age was changing. There were a few inserts and adverts in papers and magazines.

For most people, those things were background noise as they were getting on with their lives. No one wrote to the individual women who would be affected. It was not until 2009 that the Government started to do that, but that process was stopped in 2011 as we debated yet another Pensions Act to introduce more changes. That gross dereliction of duty on the part of the Department for Work and Pensions cannot be defended.

After the Pensions Act 2011 was enacted, the Government again began to write to people. They finished the process in 2013, but that meant that some women, if they were notified, received only between three and

four years' notice of changes to their pensions, which was not nearly enough time to make proper provision. In fact, some did not receive notification at all, as we have heard, because their letter were sent to their old address. Some received the wrong state pension forecast and they were not corrected.

Before she became Minister for Pensions, Baroness Altmann said that

“until recently, many of these women were expecting to receive their state pension at age 60, since they were unaware of the changes made in 1995”.

Indeed, the former Pensions Minister said the same thing. In 2015, when he gave evidence to the Work and Pensions Committee, he said that it was clear that there was a cohort of women who did not know about the changes and that

“there is no question about that.”

The rapid changes introduced by the 2011 Act have resulted in huge inequalities, because small differences between people's date of birth may mean a big difference to the dates when they reach their pension age. Women born in the 1950s are particularly affected, and I am grateful to those women who have written to me with specific examples of what is happening. I shall quote some of them because I stress to the Government that this is not an academic exercise. Real people are on the receiving end of the changes and many of them are suffering.

One lady wrote to me pointing out that her husband was born in January 1954, meaning that he can retire at the age of 65 years and two months. She was born in August that year, but cannot retire until she is 65 years and 11 months. She said, “Whatever that is, it is not equality,” and it is not.

**Carolyn Harris** (Swansea East) (Lab): Will my hon. Friend give way?

**Helen Jones:** I will give way, but then I want to make some progress.

**Carolyn Harris:** I congratulate my hon. Friend on securing the debate. If, in March 1953, Mrs Jones gave birth to twins, Jack would get £155 a week under the single-tier state pension, but Jill would get £131, because she was born a woman. Where is the justice in Jack getting £20,000 more over 20 years than his sister, Jill? That is ludicrous.

**Helen Jones:** My hon. Friend is right. The system is riddled with inequalities.

Many women have received wrong information. One lady who contacted me wrote:

“I have a pension calculation from the DWP telling me that I retire at 60 and this would not be reviewed until 2020”—

someone obviously keeps her paperwork carefully. She went on to say:

“I have had no notification or correspondence from the DWP informing me of these changes and have...just found out by applying for a State pension forecast...To be told at the age of 58 that you will not get any pension until you are 66 does not give enough time to plan or budget”—

she is right.

Many women have been caught out by the changes in the number of years' contributions to national insurance required before receiving a full pension. One lady said:

"I was made redundant after 30 years and I contacted the NI people to ask about my contribution record...I was told because I had paid a full 30 years I didn't need to pay anymore".

She then found out that she

"was no longer getting a full pension but approximately £35 a week less because guess what I haven't paid enough NI contributions in the last 7 years! I WAS TOLD I DIDN'T NEED TO!"

In any private pension scheme, that would be called mis-selling, but we see the same from the Government.

Another lady highlighted the fact that many of this cohort of women took time out to look after their children or to act as carers, meaning that they did not build up enough occupational pension. In some cases, women were not allowed to join occupational pension schemes at all and some were working before the Equal Pay Act 1970 came into force. She said:

"I am also penalised here because when I did return to work after my children were older I did not accrue enough to have a reasonable work pension...It is totally demeaning that I have to rely once again on my husband who is 67 this year and worked from the age of 18."

That is not equality.

Another lady, who is also a carer, said:

"I will be 62 next month and found out that I will not be getting my state pension until I am 65 and some months. I made Choices in my mid fifties and gave up work to look after my husband expecting to only wait 5 years or so to get my pension but it came as a shock to find out that I wasn't".

People have made decisions based on information they were given at the time in good faith, but they then found that decisions had been overturned.

**Mr Jim Cunningham** (Coventry South) (Lab): I congratulate my hon. Friend on securing the debate. This is the second debate on this matter that we have in a few weeks, but the Government have not taken a blind bit of notice. I have also received correspondence outlining similar cases. In fact, we received more than 3,500 examples in Coventry. Is there not a danger that women will be in the same position as they were before the Equal Pay Act? Equal pay has still not been achieved in some industries, and women are also being affected in terms of their pensions.

**Helen Jones:** Many women are losing out on their pensions in all sorts of ways, not least because of the change in the retirement age. One woman who wrote to me has, like many of those I have heard from, worked all her life. She suddenly found out that rather than her retirement age being 62, it was going to be 65. She said:

"I am really annoyed with the Government's lack of respect for those of us that have worked hard all our lives."

The phrase "lack of respect" sums up the situation. There has been failure to give proper notification—sometimes there has been no notification—a failure to understand that many of the women affected were working in low-paid jobs all their lives, a failure to understand that women could not change their plans at short notice and that many of them would have to rely on their husband's pension, and a total failure to see the impact of the legislation on those real people. Many of these people are now living in poverty or working

for longer in low-paid jobs, while many were made redundant in their early 60s and cannot get other employment.

**Paul Farrelly** (Newcastle-under-Lyme) (Lab): Will my hon. Friend give way?

**Helen Jones:** I will give way once more and then make some progress.

**Paul Farrelly:** I congratulate my hon. Friend on her speech. Has she been able to obtain from the Treasury an estimate of the saving to its coffers due to this acceleration of equalisation? It seems to me and many others that, alongside measures such as the restriction to the lifetime allowance, this is part of the Chancellor's great raid on the pensions of people around the country.

**Helen Jones:** The Chancellor's financial calculations are always a little opaque, but I think that we are talking about something like £30 billion.

The Government have consistently undervalued these women and their contribution to the country through work, caring and childcare. These women are being forced into poverty, and they are angry, as they have every right to be, because they have been treated appallingly. Frankly, blaming the EU for the fiasco, as the Government have tried to do, will not work. I know that many MPs are being told to blame the EU in the standard letters that they send back. It is common for some Ministers to blame the EU if it rains three days in a row but, in this case, that is not correct.

EU directive 79/7/EEC promoted equal treatment in social security matters, but it specifically recognised that progress towards equal pensions would have to involve transitional arrangements. In fact, the European Commission's 2007 report made it clear that it expected transitional arrangements to be made. What are other EU countries doing? Austria will equalise its state pension ages in 2033. France is doing that earlier—in 2020—but it is equalising them at 61. In fact, many European countries have a long transitional process in the move towards equalisation. The European Court of Justice judgment that is often cited applies to occupational pensions, not state pensions, which are specifically exempted under paragraph 1(a) of article 7 of the directive to which I referred.

The real reason behind this, as we heard earlier, is to save money. Again, the current Minister for Pensions agrees with that, because in an article for the *Yorkshire Post*—again, this was before she became Pensions Minister—she wrote:

"increasing state pension age saves significant sums, as millions must wait longer before their pension starts, but for many this is causing real hardship. Surely Ministers should be sensitive to the damage done to older people's lives".

Well, Ministers are not sensitive to that damage. The new Pensions Minister in particular is not sensitive to that damage, because she wrote to a member of Women Against State Pension Inequality—I congratulate it on its work—to say:

"there is no basis for me to demand spending public money when due process was followed."

Well, let me ask this: who contributed to that public money? Many of those contributions came from

[Helen Jones]

women who have worked hard all their lives and have relieved the state of huge burdens through their caring responsibilities.

**Nic Dakin** (Scunthorpe) (Lab): I congratulate my hon. Friend on the way in which she is pursuing this argument. Is not that the very point? Women such as the many constituents who have come to see me have contributed to the state throughout their lives. They have put in, but now they are not allowed access at the point when it is their turn to get support.

**Helen Jones:** My hon. Friend is quite right. That is exactly why women are so angry about the situation. They rightly feel undervalued and ignored.

There are steps that the Government could take, many of which were suggested during the passage of the 2011 Bill. The Government could limit the amount of time that someone has to wait longer for their state pension to a year, as my hon. Friend the Member for Foyle (Mark Durkan) suggested at the time. They could ensure that the age for pension credit remains in line with that under the 1995 Act. They could also exempt some of these older women from parts of the Work programme, because it is frankly appalling that when women who have worked all their lives are made redundant in their early 60s, they are put on the Work programme and treated like a bunch of workshy teenagers. That is degrading to those women.

**Dr Tania Mathias** (Twickenham) (Con): I thank the hon. Lady for securing the debate and absolutely agree with what she is saying. She talks about women being undervalued. Does she agree with me that these 1950s heroines not only have worked all their lives but, because they did not have notice in time, as she rightly says, have opted to be carers for their mothers or mothers-in-law and are contributing even now?

**Helen Jones:** That is exactly right. A number of these women, such as the one whose letter I read out earlier, have taken the decision to retire early from work to look after someone in their family on the basis that they can manage if they have only a few years to wait for their pension, but then have then found that they are waiting a lot longer.

It is clear that the Government have failed these women. They broke the coalition agreement by introducing the 2011 Act. They failed to communicate with women successfully and they have failed to listen to their representations since. In fact, they broke the contract with their citizens whereby people pay their national insurance on the understanding that they will get something back when they are in need. The contract with these women has been broken, and I say again that if this had been done by a private provider, we would be after it for mis-selling.

It is time, after these many debates, for the Government at last to bring forward proposals for transitional arrangements that can be properly debated in the House so that the injustice can be put right. It is time for the Government to listen to the women of this country, and I hope that the Minister, after so long prevaricating, will finally do so.

**Several hon. Members** rose—

**Graham Stringer** (in the Chair): Order. Before I call Richard Graham, I have a note on the number of people who want to speak. I think that Mr Hanson, who will be in the Chair later, intends to start calling the Front Benchers to wind up the debate at 7 o'clock, which leaves about two hours for those Back Benchers who want to contribute to the debate. Twenty people wish to speak, so Members can do the arithmetic themselves. I do not intend to impose a time limit yet, unless people abuse the time that is available. We will take interventions and speeches only from people who have seats in this unusually well attended debate. I remind right hon. and hon. Members that interventions should be short and to the point.

4.57 pm

**Richard Graham** (Gloucester) (Con): I congratulate the WASPI campaign on the success of its e-petition, which has led directly to today's debate. I also congratulate the hon. Member for Warrington North (Helen Jones) on her speech, which made the case strongly on behalf of women born in the 1950s—she reminded us that, implausibly, she was too.

Today, we debate the WASPI e-petition and, in a sense, the consequences of it. I want to address in turn three separate parts of the e-petition: first, the changes to pensions for women born in the 1950s and the ask from the WASPI campaign; secondly, the communications to those women from the Government and in other ways, from 1995 onwards; and thirdly, the new state pension and the way in which information about that is being communicated. As I said, I will touch on each of those in turn, highlighting where I agree with the campaign and e-petition and where not.

Let me start at the heart of the WASPI e-petition. This is the third time that we have debated this issue in the House, and as we go around the course again today, I hope that we will focus as much on the facts of the ask and the consequences of that as on the understandable emotion of women born in the 1950s. By way of reassurance to those in the Chamber, let me say that that includes my wife and both my sisters.

**Helen Jones:** Will the hon. Gentleman give way?

**Richard Graham:** May I make a little progress before giving way to the hon. Lady?

First, I agree that the changes in the Pensions Act 1995 and the Pensions Act 2011 will undoubtedly be difficult for women born in the 1950s. Indeed, those changes have been underway for some time and the pension age for women is already 63. But—this is a significant but, and a challenge that has to be made today—I do not accept the proposed WASPI solution, and I will explain why.

The e-petition states:

“The Government must make fair transitional arrangements for all women born on or after 6th April 1951 who have unfairly borne the burden of the increase to the State Pension Age”.

The fair, transitional arrangement sought by the campaign is spelt out on the WASPI Facebook page, which reads:

“What is our ask?... put all women born in the 50s, or after 6th April 1951 and affected by the changes to the state pension age in the same financial position they would have been in had they been born on or before 5th April 1950.”

One of the key WASPI campaigners, Anne Keen, who I imagine is here today, said in her evidence to the Women and Equalities Committee,

“we feel this is a very fair ask”.

Now, the impact of the ask that appears on the WASPI Facebook page has been estimated at more than £30 billion. I hope that the Minister will be able to give us a little bit more clarity on that. The figure is a third more than the entire Transport budget, more than the entire budget of the Department for Business, Innovation and Skills, and probably the same as—possibly more than—the entire budget for Scotland. What we are talking about today may be considered a very fair ask by some people, but others may consider it an enormous and wholly inappropriate ask.

The petition states that the WASPI campaign agrees with equalisation, but the implication of the ask on the Facebook page, and as repeated to the Women and Equalities Committee, is to unwind the 1995 Act, which was brought in specifically to bring about the equality of gender.

**Ian Blackford** (Ross, Skye and Lochaber) (SNP) *rose*—

**Richard Graham:** If the spokesman for the Scottish National party wishes me to give way, I am happy to do so.

**Ian Blackford:** We recognise that equalisation has to take place, but this is about the pace of change and the desire to ensure that mitigation can take place. We talked about the pension age being 63. As it is, somebody born in February 1954 will not retire until July 2019—two and a half years after somebody born a year earlier. That cannot be acceptable. Also, £30-odd billion is not the spending in one year; it is the spending up to 2026. The hon. Gentleman should get his facts right.

**Richard Graham:** I am half grateful to the hon. Gentleman for his intervention. The SNP's position has always been interesting, because its Members are in the happy situation of being able to say—and, if need be, to promise—whatever they like without any danger of having to fulfil a commitment on the pension age. I notice that he did not try to commit himself to any transitional arrangement, let alone the full transitional arrangement proposed by the WASPI campaign. It is fine for hon. Members to posture in this debate, and I am in no doubt that we will see a great deal of that, but it is unkind and unfair to the WASPI campaigners for Members not to speak honestly about what they and their party would do.

**Helen Jones:** I am grateful to the hon. Gentleman for giving way.

**Mr George Howarth:** On a point of order, Mr Stringer. Did I just hear the hon. Member for Gloucester (Richard Graham) correctly in his accusation that some people were behaving dishonestly? Is that a parliamentary expression?

**Graham Stringer (in the Chair):** I did not hear the hon. Gentleman say that. I call Helen Jones to continue her intervention.

**Helen Jones:** The hon. Gentleman said earlier that the women protesting about the change were being emotional. That is quite often a label attached to women who exhibit behaviour different from that of a doormat. What I said to him about the injustices in this scheme was based on fact, not on emotion.

**Richard Graham:** I am semi-grateful for that intervention as well.

**Mrs Maria Miller** (Basingstoke) (Con): I am listening carefully to the debate, and I have heard a lot of warm words from the SNP and from the hon. Member for Warrington North (Helen Jones), but I have not heard any solutions, let alone how those solutions may be paid for by any future Government.

**Graham Stringer (in the Chair):** I remind right hon. and hon. Members that interventions should be short. We are not doing very well at the moment.

**Richard Graham:** Thank you, Mr Stringer; I am doing my best to take interventions. My right hon. Friend the Member for Basingstoke (Mrs Miller) made a very reasonable point. The previous Labour pensions spokesman said that, in the four months in which he was in the role, he was

“grappling with how best to work out the transitional provisions.” I hope that we hear more about what the Labour party intends to do in practice.

One of greatest difficulties in this debate is about the word “fair”. Over the weekend, a lot of WASPI campaigners were tweeting me back and forth about various issues regarding the debate and their e-petition. One of the most interesting views came from a woman born in early 1960 who made a point about what would happen were the main WASPI campaign ask to be given—that is, if everybody born in the 1950s were backdated as if they had been born before 1950. She asked why she and her contemporaries should bear the burden on behalf of those who would effectively be given an exemption from the changes, and who were born only a few months before her.

The problem is that whenever a change is made, some will always be relatively better off and some will be relatively worse off. I strongly support women born in the 1950s—as I hope I made clear from the fact that my wife and sisters are both girls of the 1950s—but to imply that somehow they must take preference over those born a few months before or after is a different kind of potential unfairness.

The second point of the debate is all about communication. Communication is at the heart of what many of the campaigners feel is unfair about the changes made in 1995 and 2011. However, it is simply not true that nobody knew, as the hon. Member for Paisley and Renfrewshire South (Mhairi Black) claimed in the debate in the main Chamber. In 2004 the then Labour Government estimated from their research in the Department for Work and Pensions that 75% of those affected had been told. A separate study by the DWP—not yet referred to in debate, but unearthed by the pensions correspondent at the *Financial Times* over the weekend—demonstrated that seven out of 10 people spoken to knew about the change in the pension age. The truth is that we will never know the precise figure. We will never know

[Richard Graham]

exactly how many people knew, did not know, and might have been told about it but ignored it because it was all a long way in the future—20 years away.

**Mhairi Black** (Paisley and Renfrewshire South) (SNP): I thank the hon. Gentleman for allowing this intervention. Does he not find it strange that thousands upon thousands of women from different careers, different backgrounds and different classes are all coming together to claim exactly the same thing, which is that they were not told? The DWP has conflicting records on what letters were sent out and when, so we should be careful when addressing the point that people were told.

**Richard Graham:** The hon. Lady is absolutely right that we can be sure that not everybody knew and that not all of those who were told took the information to heart. We can be sure that some people were not told—there is no doubt about that. The pensions correspondent at the *Financial Times* told me:

“I dispute the evidence given to the Committee... by Lin Phillips, that ‘There was not much in the newspapers, only maybe a little bit in the business pages.’”

The correspondent has done a detailed study that will be presented as written evidence to the Select Committee, and she went on to say that she has looked at coverage from 1993, when the changes to equalise the state pension age for men and women was first mooted by my right hon. and learned Friend the Member for Rushcliffe (Mr Clarke). She says that, from 1994 to 2006, there were hundreds of mentions of the state pension age in the news sections and the personal finance pages, as well as in the business pages.

**Dr Philippa Whitford:** Does the hon. Gentleman not accept that, for such a drastic change as a change in the age of retirement, women had a right to expect to receive a direct letter, in the same way as they are given a pension statement on an almost annual basis?

**Richard Graham:** The hon. Lady is right. There are huge lessons to be learned, and I will come on to them because both parties that were in government between 1995 and 2010—predominantly the party that is now the main Opposition party—have to be able to explain, to look at themselves and say, “Could we have done more? Could we have communicated better?” The answer has to be yes, although there is a philosophical question that remains valid today. It is for Members, and indeed for the WASPI campaign, which has offered some thoughts, to come up with ideas about how that philosophical question can be addressed, because surely there is a balance of responsibility between what the Government must do to spell out change, what the wider world, including the media, must do to communicate that change—in today’s world that includes social media—and what the individual must do to take responsibility for finding out about major things that will affect their life.

**Ruth Cadbury** (Brentford and Isleworth) (Lab): I congratulate my hon. Friend the Member for Warrington North (Helen Jones) on introducing this debate. Those of us who have had children have received child benefit. I have received an annual statement from the DWP about my entitlement to child benefit, so it would

therefore not be too difficult for people to receive annual statements on their pension entitlement in the same way. If the DWP can do it for parents, surely it can do it for those approaching retirement age.

**Richard Graham:** The hon. Lady is correct. Indeed, people can get a pension statement from the DWP, and half a million people have done so. Of course, an individual has to ask for that statement, rather than it being automatically sent. She raises a question about whether the DWP could do more to communicate directly, which I am sure the Minister will address.

**Gavin Robinson** (Belfast East) (DUP): Will the hon. Gentleman give way?

**Kirsten Oswald** (East Renfrewshire) (SNP): Will the hon. Gentleman give way?

**Richard Graham:** I will make a little progress first.

I agree with the WASPI campaign that it is clear that more should and could have been done on communication and that a lot of women have had a lot of difficulty as a result of that failure in communication. As I have said, there is still the philosophical question to address. What matters now is whether lessons have been learned by everybody involved and whether changes will be made that help people in future. So long as longevity projections continue to move upwards, the likelihood must be that the state pension age will also move upwards.

**Barbara Keeley** (Worsley and Eccles South) (Lab): Will the hon. Gentleman give way?

**Richard Graham:** Let me finish my point, and I will come back to the hon. Lady.

I believe that the Government have now accepted three major points, and it would be good to hear from the Minister that that is the case. First, there will be a review of the state pension age every five years—I believe a review is planned for 2017, which perhaps he will confirm. Secondly, whatever is decided as a result of that review, which should have cross-party consensus as far as possible, everybody concerned will be given a minimum of 10 years’ notice. That will address the most difficult point for members of the WASPI campaign, which is the shortness of the time in which they knew about the changes. Thirdly, and this is also important, the basis on which the new state pension age will be calculated is that all of us, men and women alike, should have a maximum of a third of our life on the state pension. That is important for the one fairness that has not been mentioned today, intergenerational fairness, so that those who are paying for the pensions of their elders are paying for us to spend only a third of our life as pensioners.

**Several hon. Members rose—**

**Richard Graham:** I will come to questions in a moment.

I hope the Minister will confirm all my points, because they have important consequences for everyone, not least the 10 years’ notice of any change.

**Catherine McKinnell** (Newcastle upon Tyne North) (Lab): On a point of order, Mr Stringer. You asked us at the start of this debate to do the maths on the time

needed to allow all 20 speakers to speak. I did the maths, and it was five to six minutes. The hon. Member for Gloucester (Richard Graham) might be having some difficulty.

**Graham Stringer (in the Chair):** That is not a point of order, but the point is well made.

**Richard Graham:** May I seek your guidance, Mr Stringer? I have tried to be as generous as I can in taking interventions.

**Graham Stringer (in the Chair):** You have the floor, but there are 20 people waiting to speak. When you sit down, I intend to impose a time limit.

**Richard Graham:** Thank you. I have got the message loud and clear, and I hope that Members will respond accordingly—[HON. MEMBERS: “It’s you!”] I was trying to help colleagues on both sides of the Chamber who are standing up and trying to intervene.

The last point raised by the petition is on the new state pension, the way in which it has been communicated and the implied fairness, or unfairness, of it. It is time that we all recognised that the new state pension has huge benefits for many people, and particularly for women. For the first time in the history of pensions in this country, women who have spent years out of the workplace, either bringing up children or caring for their parents, will receive those years as contributions to national insurance, which will determine what their state pension is. [*Interruption.*] That is a revolutionary change, whether Members care to recognise it or not, and it is one that we should all support.

Secondly, the changes made to the composition of the state pension, particularly the triple lock, mean that the absolute amount of money received by people on the new state pension this April will already be £1,000 a year more than in 2010. Thirdly, it has been calculated that, in the first 10 years of the new state pension, some 650,000 women will receive £416 a year more than they would have received without the new state pension.

**Mr George Howarth:** On a point of order, Mr Stringer. As the hon. Gentleman moves into the 22nd minute of his speech, will he give us an indication of its likely future proportions, so that we can pace ourselves?

**Graham Stringer (in the Chair):** Again, that is not a point of order, but the point is made.

**Catherine McKinnell:** Further to that point of order, Mr Stringer. Can you guide me on whether you have any control over this issue? My concern is that it is deeply disrespectful to the many women here who are concerned about this subject.

**Graham Stringer (in the Chair):** Mr Graham has the floor. He has heard the points, and I intend to impose a time limit when he sits down.

**Richard Graham:** Thank you, Mr Stringer.

I have covered the three main points that I wanted to raise today, and it is worth recapping the implications—[HON. MEMBERS: “No!”] I will be very brief. First, many people in this House—

**Simon Hoare (North Dorset) (Con):** On a point of order, Mr Stringer. This debate is being held in a way somewhat alien to what we are used to in the Chamber. The Public Gallery is full, and rightly so; it is an important issue. I invite you to remind all of us that this is a meeting being held in public, not a public meeting.

**Graham Stringer (in the Chair):** Again, that is not a point of order, but you have made your point, Mr Hoare, and I think Mr Graham has heard it.

**Richard Graham:** Thank you, Mr Stringer. In conclusion, the WASPI campaign has been well put together, and the e-petition has been a great success; that is why we are all here. I congratulate WASPI. All the points made by the campaign about communication in the past will have been noted and largely accepted by almost everybody in the House.

I have emphasised the lessons to be learned, in terms of what the DWP can take from this debate for any future changes made to the state pension age and how they are communicated, but WASPI’s central ask—changing the state pension received by people born in the 1950s—is not favoured by many of the campaign’s supporters, who understand that £30 billion or more is not an appropriate ask when there are so many other good causes on which money should be spent. On that basis, I do not believe that this House should support the e-petition’s call for fair transitional arrangements, which amount to that.

**Graham Stringer (in the Chair):** Before I call Mhairi Black, I am imposing a five-minute limit on speeches. If Members take interventions as well as taking up the whole five minutes, either Mr Hanson or I will have to reduce that limit.

5.21 pm

**Mhairi Black (Paisley and Renfrewshire South) (SNP):** It is a pleasure to serve under your chairmanship, Mr Stringer. I shall be as brief as possible.

On 7 January, I was happy to lead a debate on the issues raised by Women Against State Pension Inequality. We heard, first, how consecutive Governments did not give women enough information or notification; and secondly, how, owing to the acceleration of equalisation, women were not given enough time to make appropriate financial arrangements for themselves. A motion was tabled calling on the Government to consider new transitional arrangements; it was overwhelmingly passed by the House, with 158 votes for and zero votes against.

Despite all that, I am still no further forward in understanding whether this Government have any intention of considering new transitional arrangements. Instead, I have been met with the same three rebuttals over and over—we heard some of them in the previous speech—given by the Government to justify doing absolutely nothing. I know that many colleagues will, as previous speakers have done, mention personal stories and examples showing the human cost of the issue, but I shall focus on the three rebuttals continually given by the Government.

First, we hear that the single-tier pension will solve all the problems these women face, but the reality is that they will receive the higher rate of the new state pension only if they have paid national insurance for 35 years. That means that many individuals who have had low-income or part-time jobs, or who have been in and out

[*Mhairi Black*]

of work because they have cared for children, elderly parents or disabled family members, will not meet the 35-year contributions level. It is important to note that approximately 80% of those in this category who will not qualify for the higher rate are women. The idea that the single-tier pension is the answer to the problems that these women face is absolute nonsense and totally irrelevant.

It is also incredibly damaging to continue sending that message. Only this month, *The Telegraph* reported inaccurate communication from the Department for Work and Pensions to pensioners, after thousands of workers were told that the number of years needed had been reduced to 30, when the new scheme will actually require 35 years. Similarly, and rather embarrassingly, the Select Committee on Work and Pensions raised concerns about the Prime Minister's misleading claim that the new single-tier pension will start at £150. The Pensions Minister, Baroness Altmann, had to explain:

"That is the full new rate for someone who starts building up from April 2016. That is where there has been so much misunderstanding".

The whole reason why we find ourselves with this problem in the first place begins with poor communication between the Government and those affected, and it seems that this Government have not learned any lessons from that poor communication. They cannot continue to imply that the single-tier pension will solve the problem, because it will not.

**Andrew Bridgen** (North West Leicestershire) (Con): The hon. Lady is making a powerful case, but will she concede that thirty thirty-fifths of the new single-tier pension are still worth more than the old pension?

**Mhairi Black:** I accept that point, but how is it relevant to what these women are facing?

It would seem that this is not the first time that the Government have misled people, or certainly gotten their facts wrong. The Pensions Minister gave inaccurate information to the Work and Pensions Committee when she said that WASPI was calling for the Government to undo the Pensions Act 1995—in other words, to reduce the pension age for women back to 60. That is strange, given that she was so involved with WASPI before being employed by the Government.

That brings me on neatly to the second reason why the Government think that nothing should be done: the principle of equality. We hear time and again that this is about equality, which is why we cannot repeal the 1995 Act and why the women affected should just put up with it. Let me set the record straight for the Government and for the Pensions Minister so that there can be no more confusion or inaccurate information: no one is calling for the 1995 Act to be repealed. No one is against the principle of equality. Neither I nor my colleagues nor the WASPI women—nor anybody in this room, I think—are against the principle of equalisation; it is about the speed of it, and the inadequate time and information given to the women affected. I truly hope that when the Minister responds to this debate, we do not hear at great length why equalisation is important. That is agreed. We want the Government to address specifically the speed at which it is being implemented.

The third and final reason commonly given to justify doing nothing is that the issue has already been debated, in 2011. That is correct. The changes were previously considered, and the concerns being raised now were raised then, which is why the Government rightly recognised that the initial transitional arrangements were not appropriate and responded, "Do you know what? We've listened, and you've got a point," and changed the waiting period from two years to 18 months.

But if colleagues speak to Pensions Ministers or pensions experts, as I hope they do regularly, the Ministers and experts will say that quite often they do not fully know or appreciate potential problems with pensions until they experience them, and it is then that they have to respond appropriately. So yes, although this issue was debated in 2011, we are returning to tell the Government that in fact the initial six-month concession is not enough. It is not working out, so they have to consider something else that works better.

I have outlined why the Government's responses have been completely inaccurate and often irrelevant. I do not want to hear that the new single-tier pension is the answer, because it is not; I do not want to hear speeches about the concept of equality, because it is irrelevant; I want to hear a genuine response from the Government on this matter. I said during the last debate that I did not believe that the policy was vindictive or deliberate, but with the knowledge of everything that is happening, it will become deliberate. That is not something I want tied to my name.

5.27 pm

**Mrs Maria Miller** (Basingstoke) (Con): I am pleased to serve under your chairmanship in this important debate, Mr Stringer. I commend the hon. Member for Warrington North for securing it and the members of Women Against State Pension Inequality, many of whom are here, for their successful petition.

There is a great deal of heat in this debate; I hope that at the end of it, we will get a bit of light as well. We owe it to the many people who have signed this petition to lift the fog of debate. I say that because many of my constituents have contacted me to ask for clarification of many of the issues raised here. The Minister has an important role to play in ensuring that some of those issues are clarified.

What is clear is that we all agree on equalisation of the state pension age. It is the right thing to do. It is equally right that we are regularly reviewing the age at which we retire. The great news is that we are all living longer, but we cannot possibly expect that not to affect the age at which we can retire. Surely it cannot be sustainable for us to live longer in retirement than in employment. The sums simply do not add up.

**Ian Paisley** (North Antrim) (DUP): Does the right hon. Lady have some heart for my constituent Lilian, who this year had the honour of receiving an MBE but was told in the same week that she is not getting her state pension? You could not meet a more loyal person or a more honoured person, nor a more betrayed person.

**Mrs Miller:** The hon. Gentleman makes his own point in his own way, but we are trying to take some of the emotion out of this debate to get to some of the facts, and we owe it to those people who are really heavily engaged in this debate to do that.



We need a fairer pension system and one in which everybody knows what they are going to get out of it at the end, not only from the state pension system but from private pensions as well. It would be very fair of us all here today to be highly critical of the pensions industry for the opaque way in which it operates, which makes it is very difficult for us to know exactly what we will get and when.

I shall refocus on the point that my hon. Friend the Member for Gloucester (Richard Graham) made, namely that the petition being debated today creates some of the fog because it appears to call for change that puts all women in their fifties who were born on or after 5 April 1951 and who are affected by the changes to the state pension age in exactly the same financial position that they would have been in if they had been born or before 5 April 1950. That appears to be a call for a significant change, which I am not sure has been advocated in the contributions made by hon. Members thus far.

**Jonathan Reynolds** (Stalybridge and Hyde) (Lab/Co-op): On a point of fact and reasonableness, none of the constituents directly affected by this issue whom I have spoken to have asked for any woman born in the 1950s to be able to retire at 60, but they have come to me with specific injustices, such as the women born in 1953 or 1954 who had 18 months added to their retirement age as a result of the 2011 change. That simply cannot be right and it does not really help the debate to try to claim that all these women are calling for something, which does not appear to be true.

**Mrs Miller:** The hon. Gentleman makes an important point but we are today debating a petition and I am just trying to focus on that. There is so much debate in the Chamber about exactly what we are talking about, and it is important that we consider the petition as it is written rather than as we might like it to be written, which is what he is talking about. Considering the petition is important, because so many people have supported it, but we also need to consider how any changes that would be made, in the way that is being suggested, would be financed. To ignore that and to simply try to pretend that that is not the case would not be fair on those who have created the petition and those who have signed it, because they are pretty clear what they want.

I hope that the Under-Secretary of State for Work and Pensions, who will respond to this debate, will be clear about what the exact elements of the petition would mean. Equally, however, I hope that he will be clear about some of the other issues that hon. Members have raised, particularly the notification of those who have been affected by this change, which I will focus on in the remaining few minutes that I have.

The hon. Member for Paisley and Renfrewshire South (Mhairi Black) is absolutely right when she says that there appears to have been a great deal of communication—no doubt, extremely expensive communication—over a great many years but very little understanding of what has actually come out and been given to people. It is regrettable that the Pensions Act 1995 did not contain a requirement to communicate effectively with those who were affected by it. Although a leaflet was published at the time, I have no doubt that it was entirely ineffective.

Lord Willetts, who was a Member of this House at the time, pressed the issue back in 2002 in parliamentary questions. The hon. Member for Warrington North is absolutely right to say that at that point there was potentially a gross dereliction of duty at the DWP in not ensuring that there was more effective communication, but I guess that we could also look at the fact that the Department undertook research that clearly showed that three quarters of the women affected were aware of the increase in the state pension age. Perhaps that is why the then Labour Government did not do more at that point.

**Mhairi Black:** I just want to set the record straight. I am trying to draw attention to the poor level of communication and to the miscommunication, and I hope that the Government will learn from that.

**Mrs Miller:** I can reassure the hon. Lady that that is exactly the point I am making—a great deal of money was spent on things that clearly did not work. Otherwise, we would not be here today.

We know that the women who are affected were written to on numerous occasions. Clearly, they were not communicated with in an effective way, and some of the research I have referred to may well have been misleading in the impression it gave to the then Labour Government and the coalition Government that followed.

What I would like to hear from the Minister today is exactly how he will ensure that not only will the women currently affected by the situation really understand the true position that they are in following quite complex mitigation but that we never, ever find ourselves in this situation again.

5.35 pm

**Andrew Gwynne** (Denton and Reddish) (Lab): I pay tribute to my hon. Friend the Member for Warrington North (Helen Jones) for the eloquent way that she opened this debate. May I also say what a pleasure it is to serve under your chairmanship, Mr Stringer? I welcome my hon. Friend the Member for Ashton-under-Lyne (Angela Rayner) to her Front-Bench position. Mainly, however, I pay tribute to the WASPI women—Women Against State Pension Inequality. I have stood with them for quite some time because there is a real injustice here and it is about time that Parliament served these women as well as it ought to.

Mr Stringer, in future we will probably need a bigger venue and more time for a debate on these issues, and the hon. Member for Gloucester (Richard Graham) has proved that someone does not need 23 minutes to make a good speech but they certainly need 23 minutes to make a bad one.

Hon. Members will know that my interest in this issue is a long-standing one, and for good reason. They will also know that when constituents come to an MP in numbers and tell them that the Government are doing them an injustice, the MP's ears perk up and they just know that something big is coming. Well, 140,000 signatures on an e-petition is something pretty big and that is why I pay tribute to those women who have secured those signatures.

The problem is not a new one. When these women realised what had been done to them, they found it difficult to get their voices heard. What I knew was that

[Andrew Gwynne]

often women of that age have not had the best luck in life. Women in their 60s still earn 14% less than men and many do not have private pensions. Until 1995, women who worked part time were not even allowed to join company pension schemes, and others did not qualify because they took time away from work because of ill health or to fulfil a caring role.

I do not want to repeat what other Members have said or predict what others will say, but I will make a few brief points, to which I hope the Minister listens carefully. First, when the Pensions Act 2011 was debated on the Floor of the House in June 2011, the Secretary of State for Work and Pensions said:

“We will consider transitional arrangements.”—[*Official Report*, 20 June 2011; Vol. 530, c. 52.]

These ladies are still waiting for those “transitional arrangements” and time is quickly running out. I hope that when the Minister comes to respond, he will finally set out what these “transitional arrangements”, which these women were promised, are.

I am sure that the Secretary of State, wherever he is, knows that we will not stop asking questions about this issue; we have raised it many times before and we will raise it again. In the previous debate on the issue, I said that the WASPI ladies were, like wasps, not easy to bash away; when someone tries to bash a wasp, they get angry and they come back and sting. I fear that the Minister is in for multiple stings unless he changes his ways.

I will very briefly mention the Second Reading debate in 1995. In opposition, the Labour party, under Tony Blair, tabled an amendment to point out that the Pensions Act 1995

“does not fully reflect the importance of pensions as a form of deferred pay, takes too rigid an approach to the equal treatment of men and women under the State pension scheme, and includes a range of proposals designed to undermine the State Earnings-Related Pension Scheme and disadvantage occupational as against private pension provision.”

The Conservative Government at that time ignored that amendment, which fell by 267 votes to 228. The amendment summed up our concerns about the 2011 Act, and we made much the same point in the debates about that Act.

Who else shared our concerns in 2011? Well, the current Minister for Pensions, Baroness Altmann, did. Back in 2011, in the same month when the 2011 Act had its Second Reading, she said:

“Ministers must listen to reason on this issue. The current plans are unfair and may, indeed, be illegal in public law terms”.

It is amazing what a subsequent ministerial salary can do. That is the biggest conversion since St Paul on the road to Damascus.

A number of constituents have come to me, including one who worked for the Department for Work and Pensions who said that even she was not aware of many of the changes. Indeed, the WASPI women have today been tweeting that the DWP website still says that the state pension age is 60. What a farce! I hope that the Minister will do the decent thing, listen to these women and give them the justice they deserve and the transition they want.

5.40 pm

**Ben Howlett (Bath) (Con):** Hopefully I can be a little more measured.

I echo the opening remarks of the hon. Member for Warrington North (Helen Jones) and congratulate the WASPI petitioners on securing the debate. As a member of the Petitions Committee, may I say that I would not even contemplate the idea of treating the Chair of the Committee as a doormat?

**Helen Jones:** Very wise.

**Ben Howlett:** Thank you.

I think that both sides of the House agree that changes to the state pension age are necessary but, famously, when von Bismarck created the state pension in Germany in 1889 for all those of the age of 70, life expectancy was only 35, whereas a woman who reaches 65 in 2018 has a life expectancy of nearly 90 years. Increased life expectancy has presented a challenge to pension systems all over the world, and equalising the state pension age is an important step in addressing that.

**Natalie McGarry (Glasgow East) (Ind):** Will the hon. Gentleman give way?

**Ben Howlett:** No, I will make some progress.

The reality is that there has been no shock. People have been living longer for decades, and it is frustrating that Governments of all colours have done nothing about it. In fact, during the 13 years of Labour nothing was done to remedy the issue—at least the Scottish National party has an excuse.

**Several hon. Members** *rose*—

**Ben Howlett:** I want to try to make some progress. I note the time, and I do not want to go on for too long.

There is a legal obligation here, and also a European Union directive on gender discrimination, with several EU members already having equalised the state pension age. One of those is Germany, the birthplace of the state pension. I am, therefore, supportive of the Government's state pension changes but, as a member of the Women and Equalities Committee, I think there is a case for transitional arrangements for the most vulnerable. However, that must be balanced against the implications for our yet-to-be-eradicated deficit. Even the most minimal of mitigations would come at a significant financial cost; just paying the state pension for an extra 12 months to the women affected would cost £2.2 billion, and that is aside from the further complications that would be caused to the system. However, I must note the concerns I have heard about the changes, and I know that the Department for Work and Pensions continues to deny that the women affected were not contacted.

**Ian Blackford:** Does the hon. Gentleman not understand that a contract exists, in effect, between the affected women and the Government? If someone was paying into a private pension and the rules were changed at the last minute, my heavens the matter would end up in court. This is not about the Government's deficit; it is about doing the right thing, and about a commitment that the Government have to women of a certain age.

**Ben Howlett:** I thank the hon. Gentleman for his intervention. He makes his point in his own way, but any changes in welfare come with a cost implication, as he well knows.

**Peter Grant** (Glenrothes) (SNP): Will the hon. Gentleman give way?

**Ben Howlett:** No, I will make some progress. As I said, I must note the concerns I have heard from constituents who have come to my surgeries. The Department for Work and Pensions continues to deny that women who were affected were not contacted, but a number of constituents have contacted me to say that they did not receive adequate notification. It was also concerning to hear that the Department failed to send out a significant number of state pension estimates, citing, in part, reasons of data protection.

Apart from for actuaries and accountants, pensions are confusing; indeed, I am no expert myself. Not only do the Government need to investigate their contact with women about the changes, and the methods used, but there is a wider issue about financial education and I am pleased that the Money Advice Service is working on a new strategy for the financial education of children.

**Several hon. Members rose—**

**Ben Howlett:** I am happy to give way.

**Ms Gisela Stuart:** I am extremely grateful to the hon. Gentleman for giving way but, given what he has said, how does he defend the disproportionate hit that is being taken by this small group of women? This group had low incomes and therefore could not build up their pension contributions, then they got hit by the reduced rates and they have now been disproportionately hit by the transition period? Why should that cohort take the biggest hit?

**Ben Howlett:** I thank the right hon. Lady for that intervention but, as I said, as a member of the Women and Equalities Committee and as someone who has campaigned on equalities issues for a while, I believe that the most vulnerable people need to be looked at, if the Government are to review the policy. Unequal pension ages are unfair and unsustainable in an age of greater life expectancy and of women working longer, but we must remember that there are still glaring financial inequality issues for women in this country, despite huge strides made in recent years.

**Natalie McGarry:** In some parts of my constituency of Glasgow East, life expectancy is 67, so it is simply not correct to say that life expectancy for all is increasing. As Age UK says, it is the people in the poorest areas and in the lowest-paid jobs who are disproportionately hit.

**Ben Howlett:** As I said earlier, transitional arrangements need to be made for the most vulnerable. I completely understand the hon. Lady's position and I hope that the Minister will look into it. Indeed, in my constituency, and in the south-west in general, there is a nearly 20% difference between the earnings of men and women. My colleagues and I on the Women and Equalities Committee are currently taking evidence on that issue and we will publish a response later this month.

At my surgery last week I met with women affected by the changes, and they brought to my attention the issue of divorce and pensions. As women earn less than men they tend to save less towards their retirement and are often dependent on their spouses' income, but the vast majority of them do not choose to consider their husbands' pension in a divorce settlement. I hope that the Minister will consider that further issue in his summary.

Given that emotions are running high, it is important that the Government learn lessons. Although the changes are necessary, we must consider how we can better educate people about their personal finance. We must also remember that women remain economically disadvantaged in both pay and private pension provision. If we address those things we will be able to avoid a recurrence of this regrettable situation in the future. There is little doubt that we will all be living longer and we should not make the same mistakes in communicating such changes in the future.

5.46 pm

**Caroline Flint** (Don Valley) (Lab): It is a pleasure to serve under your chairmanship, Mr Stringer. It is interesting to follow the hon. Member for Bath (Ben Howlett) because, if I heard correctly, he seemed to suggest that it would perhaps help the Government with the pension policy if we all died sooner. I congratulate my hon. Friend the Member for Warrington North (Helen Jones) on her contribution to the debate and on all the work she and many other Labour colleagues have put in.

How many times have we heard constituents say, "I'm not interested in politics. What has it got to do with me?" Well, here today we are debating political decisions on the pension age that have profoundly changed the law with regard to men and women. The fundamentals of the change to equalise the state pension age between men and women is not the problem. It is right that as the barriers to women working and saving for a pension were tackled in the 20th century, the anomaly between the retirement ages for men and women should be addressed too. While recognising the health inequalities that still exist, it is fair to reflect on the statutory retirement age and on what is appropriate, as we are all living longer overall, and to recognise that pension support must better reflect how we live our lives today and that funding must be sustainable in the future.

So what has gone wrong? Why are so many MPs from all parties concerned? How did the WASPI campaign manage to get more than 139,000 signatures on an e-petition, so as to be granted today's debate? The problem is when politicians and senior civil servants forget that public policy making is only as important as delivery, especially when we expect the public to make important decisions affecting their lifestyle and future financial security. It is because of the lack of attention to delivery and to the impact on women's lives that the genuine and widespread concern of the many women and their families affected by the changes has struck such a chord.

Sometimes laws require relatively little of the public, but pension changes need the public to engage with how they will be affected and what they need to do to ensure that they can retire with security. For that reason alone Governments have a huge responsibility to do as much as possible to ensure a smooth transition.

[Caroline Flint]

The first increase in women's state pension age was introduced by the Pensions Act 1995, but the plan was that the change would not start until 2010 and that it would take 10 years to complete, so that by 6 April 2020 women's state pension age would be 65 and equal to that of men. Perhaps the thought of 25 years between 1995 and 2020 led to a complacency in Whitehall that has exposed the lack of priority given to ensuring that women were informed and prepared. One letter, even if it gets to the recipient, is not enough. Receiving such a letter at 58—even at 59—saying that the pension age of 60 has been delayed, has left many women unprepared for retirement, after decades of work.

**Mr Pat McFadden** (Wolverhampton South East) (Lab): My right hon. Friend is making a good point that is not just about the principle of equalisation, but the speed and sharpness of the increase. That is what has been the focus of so much anger and frustration. Does she agree with my constituent Mrs Cox, who points out that it is not just about the state pension, but other benefits, such as bus passes in some parts of the country, continued national insurance contributions and winter fuel allowance? It is not just one hit on the women affected, but several, and that is what has made them so angry.

**Caroline Flint:** I absolutely agree with my right hon. Friend. The problem has been compounded by the coalition Government's decision to speed up the introduction of the equalisation of the pension age and to increase the state pension age. Those changes were made without any sense of how aware and ready women were.

**Martin John Docherty** (West Dunbartonshire) (SNP): Will the right hon. Lady give way?

**Caroline Flint:** No, I am going to make some progress. I want to share the story of a constituent from Cantley, Margaret Quilter. When the Pensions Act gained Royal Assent on 14 May 2014, it was two months before Margaret's 60th birthday. That Act pushed the date of her reaching state pension age from November 2018 to May 2020. Margaret was not notified of that change and nor was her occupational provider, the teachers' pension scheme. All correspondence from that scheme used the 2018 date. Margaret has more than 40 years of national insurance contributions, but she was contracted out, as so many were. The amount of years of NI contributions required has also moved, and she believes that that led her to making judgments based on inaccurate information. Margaret's is a classic case: she expected to retire at 60, then 61 and a half. That became 64 and then nearly 66.

Margaret believes that by equalising pensions at the finishing line, Governments have failed to acknowledge inequality from the start. As she told me, when she was working she barely broke even paying out for childcare for her two children, but she thought it worthwhile to keep working and to keep contributing. In her 50s, she found her retirement age was to be delayed, but at the same time her work opportunities were beginning to dry up. She feels let down. Having been assured in 2014 that there would be 10 years' notice of future rises, at 61, having requested a forecast, she discovered the third increase to her state pension age.

**Margaret Ferrier** (Rutherglen and Hamilton West) (SNP): Will the right hon. Lady give way?

**Caroline Flint:** I will not give way, because of the time. My constituent Margaret recognises that she is more fortunate than many. When she had been retired from teaching for a year, the teachers' pension service wrote saying that it used the state pension age of 64—not the state pension age of 66—in its pensions calculation letter sent in July 2014, as changes in the state pension age were not in the public domain. That forecast letter stated that the state pension age was unlikely to change, but it did four months later. Seriously, if an established occupational pension scheme cannot advise clearly in July 2014, is it any wonder that so many women have found themselves unprepared for the changes to their financial and social wellbeing? Margaret has never received any information directly from DWP. She has requested all the information herself.

It is clear that mistakes have been made. Sometimes Governments get it wrong and sometimes Departments mess up. In those cases, they should try to put things right. I hope that after today's debate, the Government will consider transitional arrangements to soften the blow. I also hope that lessons will be learned, across all levels of policy-making, about treating changes of this magnitude as a major project in which the people affected should be at the forefront of planning for change.

5.53 pm

**Scott Mann** (North Cornwall) (Con): It is a pleasure to serve under your chairmanship, Mr Stringer. I thank the hon. Member for Warrington North (Helen Jones), who led the debate so brilliantly. The issues of the WASPI campaign have been raised with me by a number of constituents, so I wanted to participate in the debate. I will not talk for long, as the points I wish to make have been mentioned and will no doubt be mentioned again by Members speaking after me.

I will be honest: before it was widely reported and debated in Parliament, I was not majorly aware of the issue—it had not been raised with me—for women born in the 1950s. The WASPI campaign has evidently gained much momentum over the last few weeks, and the number of letters and emails sent to me has increased, with women from all over North Cornwall telling me about their concerns and how much money they will lose from their state pension. I have also met some of the affected women in my surgeries. I thought it would be a useful starting point to sympathise with their argument and predicament and to bring their concerns to the House. Although the changes were made when I was not a Member of Parliament, I felt it was important to listen to and convey their concerns.

First, I agree with the Government's equalising the state pension age and saving billions for the taxpayer, but the change has been brought in rather bluntly. Men and women pay the same level of taxes and national insurance contributions. They can learn to drive or buy a lottery ticket from the same age, so they should be treated the same when it comes to state pensions. Life expectancy figures also show that women outlive men in many cases, so it is right and fair that their pensions are equalised.

**Margaret Ferrier:** Given that many of the women affected by the changes in state pension age were in full-time employment from the age of 15 and younger, does the hon. Gentleman agree that they have more than contributed? Their full half-century of hard work should be taken more seriously by the Government.

**Scott Mann:** I absolutely agree. The ladies sitting in the Public Gallery and many others across the country have been affected by the issue and have made a full and active contribution to their national insurance contributions. It is right that their opinions are listened to, as they are today.

I absolutely understand why the Government wish to implement the changes quickly. They are working hard to eradicate the budget deficit and get us into a surplus. My concern is how the changes have been communicated and the effect that they have had on the 135,000 people who have signed the petition. Importantly, the women I have spoken to understand that the changes are being made for equalisation, but they ask for help with how they are being implemented. Some have not received letters from the DWP about the changes. Others have said that the changes have drastically changed their retirement plans. Some are set to lose tens of thousands of pounds.

The Work and Pensions Committee said in its interim report that the details sent to people affected were inadequate and confusing. It said that it had widespread concerns about women being unaware of increases in their state pension age dating back to 1995. I come here not as someone who is affected by the changes, but instead to fulfil my role as the MP for North Cornwall by speaking on behalf of those who are affected and are concerned, but who are unable to stand here today and make the case themselves. On behalf of my constituents, I simply urge the Government and the Minister to pause and consider another way of facilitating the changes that would be fairer for the taxpayer and the women in North Cornwall who are set to lose thousands of pounds as a result of something they have little control over. I further urge the Minister and his Department to consider the Select Committee's findings and to contact all women affected, laying out how they will each be affected by the age changes, how they will benefit from the new single-tier pension, and on balance how they will be positively or negatively affected.

[MR DAVID HANSON *in the Chair*]

5.57 pm

**Barbara Keeley** (Worsley and Eccles South) (Lab): I thank my hon. Friend the Member for Warrington North (Helen Jones), the Chair of the Petitions Committee, for the excellent way she opened the debate. It is good to see you in the Chair, Mr Hanson. I thank the WASPI campaigners for the great job they do. I think that we should all thank them. I say to the Minister that I think it is shabby for another Minister to block people on Twitter who are doing such a lot of work to bring issues to our attention. That is a dreadful thing to do.

The former Pensions Minister, Steve Webb, has said that the Government made "a bad decision" over the changes to pensions. His excuse was that Ministers had not been properly briefed. Despite the excuses, it seems astonishing that so many crucial issues were overlooked. Raising the state pension age creates a need for new jobs and new support for people if they are made redundant.

For all the women no longer allowed to retire at 60, there has to be a job so that they can continue to work, or a scheme for financial support.

The Commons Library estimates that 3,200 women in Greater Manchester and 9,400 women in the north-west are affected this year alone by the increases in the state pension age. Across the 10 years to 2026, those numbers rise to 100,000 in Greater Manchester and nearly 300,000 in the north-west. Across the United Kingdom, a staggering 2.5 million women will be affected by 2026. Where is the work and the suitable support for all those women? Finding suitable employment when you are in your 60s is not the same as looking for work in your teens and 20s. The experience of my constituents who are unemployed or who took redundancy hoping to retire at 60 is that suitable work or support programmes do not exist. It seems to me that the issues were known about at the time.

**Sir Edward Leigh** (Gainsborough) (Con): When I mentioned this afternoon the case of a constituent who is a widow and is severely affected by this issue, the Minister in his reply read out a long list of benefits that the lady could receive. Unfortunately, she cannot work. In a sense, having paid in all her life—for 35 years—why should she go cap in hand to the jobcentre?

**Barbara Keeley:** Absolutely. I know of a similar experience, which I will come to in a moment.

The impact assessment for the 2011 Bill showed the number of inactive women as 31% of those aged 55 to 59 and 65% of those aged 60 to 65. Four out of 10 of the women aged 50 to 59 were inactive owing to ill health or disability, and 24% stated caring at home as their reason. What plans did the Government make to give support to such women once they were over the age of 60, in terms of suitable jobs, financial support if they were ill or disabled, or financial support if they gave up work to care for family members?

Like the hon. Member for Gainsborough (Sir Edward Leigh), I have a constituent who is forced to attend the Work programme. She feels that it fails to take into account her previous experience, and she feels that she is going to be "parked", working for free for up to 30 hours a week, or face sanctions. It is difficult for her. She has mobility problems, but she has to pay her own parking costs when she attends the Work programme, because only petrol is paid for.

I have spoken to WASPI campaigners with similar problems in Greater Manchester: forced on to the Work programme at age 62, despite having more than 40 years of national insurance contributions—exactly the point that the hon. Member for Gainsborough made. I have another constituent of 62 who has worked since she was 15. She has osteoarthritis in both knees. She has had one knee replacement and is now waiting for a second. She cannot get her pension until 2019. She is on half pay from her employer and she had contributory ESA to top that up for a while. That seems fair, given that she has more than 45 years of national insurance contributions. However, after assessment she has been told she is fit to do some work and she must apply for jobs, despite having her second knee replacement scheduled soon, and despite being on sick leave from her job. She told me,

[Barbara Keeley]

“I have been so upset with this whole procedure you are not able to get better... Can you believe it I was pleased they took the ESA off me because it is making me ill to keep dealing with them and the way you are dealt with.”

Government Members who talk about ESA and JSA, as some Members did in DWP questions earlier, should realise what it means to have to go to jobcentres, go on to the Work programme or go to ESA assessments.

We should be ashamed to have a system that treats women born in the 1950s in this way. They have worked all their lives, brought up children and paid more than 40 years of national insurance. Very few of them ever had equal pay, and certainly not equal chances of an occupational pension. So I want to ask the Minister why his Government did not consider different schemes for people who have worked all their lives and find themselves redundant or unemployed in their 60s. I can tell him that other EU states have done so.

Faced with the facts of the ill health of women in the 55 to 59 age group, why did the Government not introduce a different support scheme for women who became ill in their 60s after a lifetime of working contributions? Why have the Government not looked at a bridge pension scheme, as some other EU states have done? Why did the Government not look at allowing women aged 60-plus and living outside London to have concessionary travel, as the Mayor of London did for women—and men—with the 60+ Oystercard? Why did the Government not consider women born in the 1950s being able to qualify for winter fuel payments between the ages of 60 and retirement?

The Government are taking £30 billion off women born in the 1950s, which could mean as much as £36,000 per woman affected.

**Martin John Docherty:** I thank the hon. Lady for giving way, and I am grateful to the hon. Member for Warrington North (Helen Jones) for sponsoring this debate. We have talked about the amount of money that women will lose in terms of detriment. I hope that the Minister takes this on board, and I hope that the hon. Lady agrees with me. We heard earlier about women relying on their husbands to make up their income, but in the case of women who are married to women, both suffer detriment because of the changes in pension age.

**Barbara Keeley:** I thank the hon. Gentleman for raising that issue. It is useful that he has done so, because it has not come up before. I hope the Minister will think about that, too.

Sometimes when we have debates, Ministers do not listen to the questions that are put. Some Members have said that life expectancy is still rising in this country, but it is not. The figures that were published in 2013 for 2012-13 show the first fall, which is possibly to do with how social care is being cut in this country. I want the Minister to think about the point I made earlier, which he did not seem to hear, about how female life expectancy is only 72 in parts of my constituency. If those women have to work until they are 66, they will have only six years of pensions, not 20 or 30 years as in more affluent parts of the country. Healthy life expectancy in that same ward in my constituency is 54, so why should women in Salford and in other deprived parts of the

country bear the full cost of equalisation? The costs of support to women born in the 1950s via fair transitional arrangements would be transitional costs. It is the right thing to do and the Minister should agree to ask the Government to bring in those transitional arrangements.

6.5 pm

**Patricia Gibson** (North Ayrshire and Arran) (SNP): There seems to be widespread consensus that that acceleration of the equalisation of the state pension age directly discriminates against women born on or after 6 April 1951. We all agree that women have not been given fair notice to prepare and manage their plans and finances for an additional number of years before receiving their state pension. Many women in my constituency are genuinely alarmed and worried about their financial future due to the lack of preparation time that they have had. As has been said—it bears repeating—life expectancy across the UK is not uniform, and that creates complexities when discussing this issue.

It has been hinted at but not explicitly said today that it is a real shame and a real disappointment that that fantastic crusader for people of pension age, Baroness Altmann, has allowed herself to be effectively neutralised by her ennoblement. Many women face the real prospect of cancelling retirement plans after a lifetime of work. That goes against the grain of natural justice, and it demands to be addressed because it is a breach of contract.

A DWP research report in 2004 found that only 43% of the women affected were able to identify their own state pension age as 65 years or between 60 and 65 years. That low figure was identified as a cause for real concern, showing that information about the increase in the state pension age was

“not reaching the group of individuals who arguably have the greatest need to be informed.”

Levels of awareness were even lower among women who were economically inactive or in routine and manual occupations, standing at a mere 36%.

Women born in the 1950s have been affected by significant changes to their state pension age with a lack of appropriate notification, little notice and much faster than promised. That can have only one outcome: straitened financial circumstances for women as they frantically try to prepare and re-plan retirement. With retirement a further four, five or even six years further away than originally thought, it is not just financially challenging; it is cruel and heartless. All of this, as has been said, is in the context of a lifetime of low pay and inequality faced by far too many women and the old-age problems that are a cumulative effect of that.

**Alan Brown** (Kilmarnock and Loudoun) (SNP): My hon. Friend talks about the lack of planning. In the Chamber earlier today, one of the fallback measures suggested by the Minister was that women could use pension freedoms. That shows a lack of understanding that women are less likely to have a private pension that they can cash in, but to suggest they cash it in to help them get by these few years is absolutely irresponsible.

**Patricia Gibson:** Absolutely. I concur with everything that my hon. Friend has said.

Clearly, and despite the lack of action, the Government know there is a problem. Steve Webb, the Pensions Minister in the coalition Government, has admitted that the period of notice being given to some women was “the key issue”. He further went on to indicate that he recognised that not everyone affected by the 1995 Act had been aware of it. The Government must take responsibility for that. Why did they not act in this matter earlier to ensure that the women affected were fully informed? Why were women left in the dark, blissfully unaware that their retirement plans would lie around them in financial ruins?

The excellent campaign run by Women Against State Pension Inequality calling on the Government to make fair transitional state pension arrangements for 1950s-born women is one that we in the SNP fully support in the interests of natural justice. Fairness is all that is being called for here today. I take exception to what the hon. Member for Gloucester (Richard Graham) said about the cost being £30 billion. I will challenge anyone who makes that case. Is it more worthwhile to fund weapons of mass destruction or to ensure that our people have dignity as they approach pension age? The Government have not listened to our calls so far. They have avoided and obfuscated.

**Simon Hoare:** Will the hon. Lady give way?

**Patricia Gibson:** I will not, as I am in my final seconds.

The Government have not listened or responded, despite the huge outpouring of public feeling, not only from the women affected but from a society that knows that this is unjust. I urge them to respond to our calls now.

**Mr David Hanson (in the Chair):** Order. I cannot stop interventions, but they add minutes and reduce the time available to fit in everyone who is down to speak. I ask Members to reflect on that when they intervene.

6.10 pm

**Catherine McKinnell** (Newcastle upon Tyne North) (Lab): I, too, strongly commend my hon. Friend the Member for Warrington North (Helen Jones) for leading this debate so powerfully. Although the injustice imposed on women born in the 1950s has been repeatedly debated, discussed and raised with the Prime Minister in recent weeks and months, this is my first opportunity since returning to the Back Benches to express my constituents' concerns, and I am grateful for it.

The Minister and the Government regularly state that the changes to the state pension age imposed by the Pensions Act 2011 are vital to ensuring that our pensions system is fair, affordable and sustainable, and I am sure the Minister will repeat those words today; but not a single Member of this House would suggest that our pensions system should be anything other than fair, affordable or sustainable, and nor would any of the women who are part of the brilliant WASPI campaign. I agree that it is right to equalise the state pension age for women and men, but I thoroughly object to the Government's implication that the women, and indeed men, who are campaigning on this issue are standing in the way of progress, or acting as a barrier to the achievement of gender equality and fairness. That is deeply insulting, patronising and wrong.

We are, thankfully, living longer, and few people would doubt that the state pension age must rise to reflect that, but the crux of the matter is that these pension changes have not been properly communicated to those affected, and women born in the 1950s have been disproportionately hit because their pension age has been increased not once but twice, with very little time for them to do anything about it. That relatively small group of women is being asked to bear the cost of making our pension system fair, sustainable and affordable for everyone else. That is patently unfair and blatantly discriminatory. Women across the country have been left in real fear, simply because they did not have the foresight to be born a few years—in some cases, a few months—earlier.

How dare the Government lecture those women about the importance of gender equality? They have worked hard, done the right thing and paid into the system. They have faced discrimination, unfairness and inequality throughout their working and often their family lives. They thought they had entered into a pensions contract with the Government, only to discover as they neared retirement that the Government were not going to keep their side of the bargain. That is the very definition of unfairness, and the notion that inequality can be fought by imposing more of it is absurd.

**Mrs Sharon Hodgson** (Washington and Sunderland West) (Lab): Will my hon. Friend give way?

**Catherine McKinnell:** I am sorry, but I will not.

Women across Newcastle North face real financial hardship as a result of these changes, just when they thought they had done their bit. As well as repeatedly lobbying the Minister for Pensions about the wider injustice, I have written to her about every single case in my constituency that I have been contacted about. I want her to appreciate the real impact that the changes are having on individuals' lives. I want to share some examples today, if I have enough time.

One of my constituents, a brilliant WASPI campaigner, at the age of 54 and on the advice of her union, contacted the DWP in 2008 to request a state pension forecast. She was informed that she had attained 38 qualifying years. She has received no other information from the Government about the 1995 changes. However, she was born in November 1954, so under the 2011 pension changes, at the age of 61 with 45 qualifying years, she is unable to receive her state pension for another five years. She has worked since she was 15, and is now unable to do so because she is pre-diabetic and pre-glaucomic. She claims jobseeker's allowance, but cannot complete the job searches because her condition makes it difficult to use a computer. She is attempting to find work in a region that has the highest level of unemployment anywhere in the country by some margin.

What particularly worries me about that case is not only that my constituent has received no information from the Government about the 2011 changes—she found out about them by chance—but that she has been informed that she will not be entitled to receive a full state pension under the new system unless she makes further contributions between 2016 and 2020, despite having 45 qualifying years. Given her health conditions, it is impossible for her to do so. I gently ask the Minister, who campaigned vociferously on this issue,

[Catherine McKinnell]

what is the point of becoming a Minister if you are unprepared to use the levers of power when you have the opportunity to do so?

6.15 pm

**Ms Margaret Ritchie** (South Down) (SDLP): Thank you for calling me, Mr Hanson. I thought I had withdrawn my name. I would like to make a few points that have particular relevance to Northern Ireland and my constituency.

We debated this issue in the Chamber some weeks ago. I hope that the Minister has reflected on our debate and has some answers about how to give transitional protection to the women sitting behind us and those in the devolved regions and England who are affected by the changes. They deserve it, and the Government must see that it happens.

There are particular issues in Northern Ireland affecting women who left school between 1947 and 1957. The school-leaving age in Northern Ireland was different from that in other parts of the UK. About 500 of those women have lost about two years' contributions and are not getting their correct pension. Many of them are now in their 70s—it is a different group from those in their mid to late-50s. I ask the Government, in the interests of social justice, fairness and equality, to give those women protection.

**Dr Philippa Whitford:** Everybody understands that the changes were made to ensure equality, but women's pensions are riddled with inequality. When I started at the NHS in 1982, I could not accrue death in service benefits to leave to a husband and children, if I had any. When that was finally remedied, it was backdated only to 1988. It is exactly the same for women who worked as cleaners and auxiliaries in the NHS and never had protection for their families.

**Ms Ritchie:** I thank the hon. Lady for that very compelling intervention. That is absolutely right. Women in the lower age brackets will be deeply affected, because they will have to wait longer for their pensions. Many of them are in caring roles, perhaps because their partners are not in good health, so their family income levels are desperately below the level needed to live on.

**Lady Hermon** (North Down) (Ind): I speak on behalf of the many women in North Down who are furious about the changes to their pension arrangements. I am one of the 1950s ladies—I am not going to declare my date of birth—so I have a personal interest in this matter. I wrote to Baroness Altmann—I had enormous regard for her before she became Baroness Altmann—at least three weeks ago and invited her to Northern Ireland to meet the affected women face to face. As the hon. Lady said, the situation in Northern Ireland is slightly more complicated than elsewhere in the United Kingdom. Does she share my bitter disappointment that I am still awaiting a reply?

**Ms Ritchie:** I thank the hon. Lady for her very helpful intervention. Of course I share her disappointment and disgust at the position being adopted by the Minister. In the other place, the Minister for Pensions did not

take on board our points about the forgotten 14s. She did not acknowledge their financial position, and offered them no form of redress. I hope that the Minister here today, who responded some weeks ago, has had time to reflect and has realised that women will be expected to work for longer for a smaller pension than they had expected and planned for. We have been asked to ponder and reflect on solutions today, and the clear solution is to introduce transitional arrangements. The women behind us in the Public Gallery and throughout the UK should not have to lose out and pay the cost of a financial crash that was not of their making.

6.20 pm

**Fiona Mactaggart** (Slough) (Lab): It is a pleasure to be here under your chairmanship, Mr Hanson. I thank WASPI and the Petitions Committee for ensuring that this subject is once again debated in the House. I hope that we get more of a response this time.

Like my hon. Friend the Member for Warrington North (Helen Jones), I am one of the 1950s generation who is luckily protected by the parliamentary pension scheme. I was slightly late being born, so instead of my pension being delayed until 2018, it is actually only delayed until November 2017. Jumps are inevitable when such arrangements are changed; the problem is that women need enough time to plan, and the difficulty with the 1995 changes and even more so with the more recent changes is that the time left for women to plan was inadequate.

I received a pension statement in 2005 that stated:

“Retirement may seem a long way off but thinking about it now can make a big difference to your future.”

The postscript said:

“Remember, no matter how far off retirement may be, acting today can make a big difference to your future.”

At no point did the letter tell me that my retirement was going to happen not when I was 60, but when I was closer to 64. That is the point: I am not unusual. The letter told me exactly what my basic pension entitlement would be at that year's cash equivalent and what my additional pension would be. It was a personalised letter. It would not have been hard for the “Retirement Pension Forecasting Team” to have included a line: “and this is the date at which your retirement will happen”, but it did not. That is a case of the state letting down the citizen.

As many have said, this is a contract between the state and the citizen. We hear that the change is about equalisation, so let us talk about equality—a subject about which I am passionate. Men's and women's pensions are not equal. A European Union research document states that

“pensions tend to be more unequal between men and women than other forms of income”.

Women in their 50s—those of us who fought for the Equal Pay Act 1970 and discovered that it did not deliver us equal pay—have the biggest pay gap compared with men than any other age group. There are other forms of inequality: when I was secretary of the Labour party's commission on older women, I heard many women make a point that was summed up well by one of my constituents: “We are last in the queue for a job and first in the queue for a redundancy.” That is absolutely typical for women in their 50s.



Age discrimination in employment affects women much more than men. Some interesting American research used a technique that was employed when studying race discrimination and job applications. Stating a women's name and an age and then a man's name and an age found that age discrimination, while present for both, is some three or four times as extreme for women. That is why we should be talking about equality. We are discussing women who have suffered more than any other group from inequality in pay and pensions.

When people talk about using new pension freedoms to deal with the problem, let us be clear that those new pension freedoms actually help those with big pension pots much more than those with small pension pots. Who has big pension pots? The guys. Who has small pension pots? The women—and they are better off hanging on to annuities than using pension freedoms, as any financial journalist will affirm.

These women are saving the state huge amounts of money. They care for their children and grandchildren and look after elderly parents. They get no recompense for that, but Government Members have the cheek to say that those are the women who should pay for the deficit. It is unacceptable. The time has come to ensure that we get real equality in pensions and that these women are not made to pay for the problem.

6.25 pm

**Gerald Jones** (Merthyr Tydfil and Rhymney) (Lab): It is a pleasure to serve under your chairmanship, Mr Hanson. I congratulate my hon. Friend the Member for Warrington North (Helen Jones) on leading today's debate. We are here to consider the petition organised by the WASPI campaign. I was going to say that it has been supported by 139,059 people, but I checked before the debate and the figure is now over 140,000 with some 1,200 people signing the petition today. The number of Members here and the number of people who have signed the petition highlight how important it is that we address the issue.

For me and many others, today's debate is about fairness. The transition to equality is an accepted principle; what is not acceptable is the lack of information and the lack of notice and time to prepare and plan for the transition. I have received many emails and letters from my constituents and those are the overriding concerns. The other common factor in the cases that I have read about is that many of the women affected by the changes have had low, and in some cases unequal, pay. Some have had periods of time outside of work due to bringing up children and have therefore been unable to contribute to national insurance and work pension schemes. Against that background, the changes to pension arrangements mean that what they had planned on getting is now hugely different from what they will receive, which is damaging to their financial security and their retirement plans.

Many women born in the 1950s will have started their employment when the gender pay gap was significant. The number of women across our country affected by the changes is also significant, with 3,180 in my constituency and many hundreds of thousands across the country. Most will not have company pensions, having been excluded from schemes for a variety of reasons. All Members will have heard cases similar to that of my constituent who at 58 is no longer able to retire at 60. She does a physically tough job and will now have to

work until she is 66. She has had a relatively low income throughout her working life and now has to continue doing her tough job, totally unplanned, for a further six years. That just is not fair.

The WASPI campaign's argument is powerful and its members should be congratulated on their passion and perseverance. The women at the centre of the campaign have been treated unfairly. It is surely time for the Government to propose measures to remedy that unfairness. The issue will not be resolved until the Government put it right by introducing a fair transition period to allow people to plan. I hope that the Minister will go some way towards that today by acknowledging the unfairness and by agreeing to discuss what options the Government will consider to bring about a fair transition.

**Several hon. Members** *rose*—

**Mr David Hanson (in the Chair):** Order. Seven people are left to speak and we have 32 minutes remaining, so I have to bring the speaking limit down to four minutes per person.

6.28 pm

**Ms Tasmina Ahmed-Sheikh** (Ochil and South Perthshire) (SNP): It is a pleasure to serve under your chairmanship, Mr Hanson. May I start by saying that we should dispense with the use of the word "emotions"? We have heard it only from Government Members in this debate. We should talk about the facts.

The Government's record on issues relating to women is at best lamentable and at worst fundamentally discriminatory. From changes to tax credits and child benefit to the current pensions issue, the Government's policies have adversely impacted on women across the United Kingdom. House of Commons Library research shows that the measures announced in last year's Budget will have an disproportionate impact on women, and individual proposals, such as the Chancellor's "rape clause", which would require a woman who has her third child as a result of rape to justify her position in order to avoid losing tax credits, are horrifying in their callous disregard for human rights. The matter before us is important because in that wider context, it presents the Government with an opportunity to now do the right thing by the women of this country and, indeed, by the WASPI campaign.

The Government have rightly recognised that when it comes to changes that affect people's pensions, they need to take a more measured approach in future and ensure both effective communication and a reasonable lead-in period, so that those who are affected can properly plan for retirement. The Government should therefore now take their own advice in that respect and act properly and fairly for all the thousands of women who have been adversely affected by the equalisation of the pension age and the subsequent decisions taken in the 2011 Act.

Most of all, this is an issue of fairness. As someone who has argued all their life for equality for women, I absolutely agree with the principles behind the 1995 Act; those are not in dispute. I support equalisation of the pension age, but I have enormous sympathy—we all should—for those who may not have been aware of these changes and are suffering hardship as a result. I cannot support the unfair manner in which these changes were imposed under the 2011 Act to the detriment

[Ms Tasmina Ahmed-Sheikh]

of so many women in Clackmannanshire, Perthshire and Kinross-shire and across the rest of the country. They believed they had a deal, an agreement and even an understanding with the state, and the state has moved the goalposts. This is a failure in the Government's policy and a fundamental breach of contract, and the Government must take responsibility for that and bring forward transitional protection now.

I know that the Government are capable of making sensible and reasonable decisions in this area. That is why I wholeheartedly welcome the fact that under the Pensions Act 2014, future reviews of the state pension should give 10 years' notice of such changes. The same principle should be applied to right the wrongs of the changes made in 2011. We know that some of those impacted by the 2011 changes received only around five years' notice of the changes that would affect them, while those with the largest increases of 18 months got less than eight years' notice. I am sure we have all heard from constituents explaining, often with heartbreaking detail, how that has meant they were given insufficient time to prepare for their retirement. One constituent of mine said:

"At present I will not get my pension until I am 66 with no warning. I will suffer true hardship and misery."

The system has let that woman and thousands like her down, and the Government must act now to make amends.

Pensions are not a benefit; they are part of our social contract, and this Government have broken that contract. I understand—we all understand—that what we seek today costs money, but the Government have a duty to do the right thing, not the cheap thing, when it comes to changing this sort of contract. Our duty must be to do what is right and to then take the difficult decisions necessary to pay for it. We should not start with the cost and work back from there.

Politics is about decisions and priorities. I am here because I believe that getting a fair deal for these women should be a priority. To take another path would be to demonstrate to the thousands of women watching today that this Government know the price of everything and the value of nothing.

6.32 pm

**Ruth Cadbury** (Brentford and Isleworth) (Lab): It is a pleasure to serve under your chairmanship, Mr Hanson. I congratulate the WASPI campaign on getting this debate on to the parliamentary agenda.

Like many MPs, over the past few months I have had a flurry of emails from women who are extremely concerned about their future and how the equalisation will affect them financially. They are rightly angry about the lack of fairness. The fact that women were given just two years' notice of a six-year increase in their state pension age, while men received six years' notice of a one-year rise, is representative of just how unfair the changes are.

I obtained data from the House of Commons Library, which estimates that around 4,470 women in my constituency will be affected by the changes to the state pension age. If the Library can find out that information, why on earth can the DWP not find it out and have the courtesy to tell all the women affected? On the basis of

the figures given by the hon. Member for Gloucester (Richard Graham), some 1,300 women in my constituency are still not fully aware of the changes.

It would be wrong to debate the changes without discussing the knock-on effect on older women who have planned their retirement but now remain on the job market. Many people in the room will know that we have a real issue in this country with the employment of older women, who are often on low pay and in zero-hours contracts. Many of those women had career breaks. Many earned less than men doing equivalent work, and many suffered gender discrimination in the era before the Equal Pay Act 1970. Many were working at a time when few women worked in well remunerated professional roles with occupational pensions, as other Members have mentioned.

**Angela Crawley** (Lanark and Hamilton East) (SNP): Does the hon. Lady agree that we have ultimately failed to take into account the gender pay gap and the inequality between women and men for the many women who have been in low-paid work and have caring responsibilities?

**Ruth Cadbury**: The hon. Lady is absolutely right; this situation compounds a number of other inequalities that women have faced in the workplace.

One constituent of mine was not informed of the changes and only found out due to divorce proceedings. She was formerly a pro tennis player and a coach. Due to the nature of her field, she had to retire from the sport as she got older and retrained in childcare to get her through to 60. It is now not only too late for her to retrain in another field but too early for her to retire. She is stuck struggling with the demands of caring for small children and counting down the days until she can finally retire.

Women have emailed me to say that not only are they finding it difficult to find jobs, but the financial burden is causing breakdowns in family relationships. That is why I urge the Government to consider making transitional arrangements that truly work for the women adversely affected by the changes to state pensions. I received an email from a constituent outlining her case and how the changes affected her, and I was struck by her final sentence:

"As a single woman, my future is bleak. As a woman with significant underlying health issues, my future is dire."

We cannot overlook the misery that this change is causing people. The former Pensions Minister, Steve Webb, said that his one regret during his tenure was that he

"pushed too hard and too fast on raising women's state pension age."

I plead with the current Minister to learn from the mistakes of the past.

6.36 pm

**Liz McInnes** (Heywood and Middleton) (Lab): It is a pleasure to serve under your chairmanship, Mr Hanson. I am grateful to the Petitions Committee and all those who signed the petition for bringing about the debate. I know that my constituents would want me to pass on their thanks to my hon. Friend the Member for Warrington North (Helen Jones) for her excellent opening speech and ensuring that we have the debate.

I want briefly to tell the story of one of my constituents who, despite the protestations from the Government Members, tells me she was never informed in 1995 that her state pension age was changing from 60 to 65. From her own reading and information picked up from various sources—I do not know whether that includes the *Financial Times*—she was led to believe that she would receive her state pension at 62. She told me that although she was unhappy with a two-year deferment of her state pension, she was fit and healthy at the time and did not understand the magnitude of the changes. Her view is that we lived in a different world at that time, and she said:

“The welfare state had not been mauled...There were safety nets to assist the poor and the sick that have now been removed.”

Like a lot of working-class, low-waged people at that time, she was depending on her state pension as her main source of income at retirement, although she hoped to be able to save a little bit of money to supplement that. As time progressed, she unfortunately began to suffer with serious health issues and was forced to give up work. She was born in 1957 and is doubly unhappy that she now has to wait until she is 66 to receive her state pension. She has little in the way of private pension provision and is forced to live on minimal income, while suffering from ill health, with the prospect of having to wait until 2023—seven more years—before she qualifies for her state pension.

**Dr Philippa Whitford:** Given increasing multi-morbid health conditions, there will be women in the 60 to 66 age group with ill health who are suffering due to the cut in support and are then put in the employment and support allowance work-related activity group with absolutely no chance of getting a job or decent support.

**Liz McInnes:** The hon. Lady is, of course, absolutely right. Several Members have mentioned the lack of support that is available to women born in the '50s who find themselves in that situation.

Many women have visited my surgeries, such as Barbara, who was born in 1955. She said to me:

“Women born in the 1950s were more likely to give up work when bringing up their children because there was no provision for maternity leave. They are unlikely to have had the option to develop their own personal occupational pension to the same level, even if they have one. It also remains to be seen whether the majority of women affected will be able to remain in paid employment into their mid to late 60s to lessen these effects.”

I also met Lorraine, who worked in education but, because she worked part time, was not even allowed to join the occupational pension scheme. She is now 59 and has had to give up work completely to care for five elderly relatives. She also does respite fostering. This woman does so much for society and ultimately saves the Government money by caring for all these people, yet her reward is to wait until she is 66 before she qualifies for her state pension.

Jackie introduced herself to me as “June '54 and furious!”—she allowed me to quote her on that. She pointed out that raising the state pension age also denies entitlement to concessionary travel and heating allowances. She started work in 1971, when the pension age was 60, but had to take early retirement from the police service to look after an elderly relative. She will not get her state pension until she is 66. She tells me—I believe her—that she did not receive any letters informing her of that.

The Government try to justify the increase in pension age by stating that life expectancy is increasing, yet there is a real north-south divide regarding life expectancy, as several hon. Members have said. Women born in the 1950s deserve to be treated fairly. Many of them worked part time and brought up families. Many were denied access to private and workplace pensions, so the state pension was key to their financial plans for retirement. I call on the Government to reconsider the unequal treatment of women born in the '50s, to consider the inadequate notice that those women were given of the increase in the state pension age and to revisit the transitional arrangements made for them.

6.41 pm

**Rachel Reeves (Leeds West) (Lab):** It is a pleasure to serve under your chairmanship, Mr Hanson. I congratulate my hon. Friend the Member for Warrington North (Helen Jones) on securing the debate and, of course, I pay tribute to the superb campaigners who are here and who are watching today's proceedings.

The women who are being forced to wait longer for their pension, and who have been hit twice—by the changes in 1995 and then again in 2011—have been done an injustice. In 2011, as shadow Pensions Minister, I was proud to work with Age UK, USDAW—the Union of Shop, Distributive and Allied Workers—and many women, including my mother, in calling on the Government to think again. We were pleased then that we won a partial concession so that no woman would have to wait for more than an additional 18 months before they could claim their pension. However, I said then, and say again today, that that does not go far enough in righting this wrong. There are still 2.6 million women who have lost out as a result of the Government rewriting the rules, and 300,000 will have to wait an extra 18 months before they can retire.

Last week, I caught up with Barbara Bates, who lives in County Durham, with whom I campaigned in 2011. Even after the Government's concession, Barbara still faces working an extra 78 weeks before she will see her state pension. The osteoarthritis that affected her wrists and thumbs when I first got to know her five years ago has now spread to her hands, knees, neck and right foot. She said:

“no government can change the way our bodies age, and in particular those of us who started work at 15 in the 70s, a lifetime of menial and heavy jobs that are vital but un-noticed”.

Like other Members, I have also been contacted by constituents. This morning, Margaret Cutty phoned me during her office tea break. She works mostly on her feet, doing lots of lifting as well, and she has had three operations in the past year. Her husband has just had a triple heart bypass. She wants to be able to spend more time caring for him as he grows older but, because of these changes, she will not be able to do so. The experiences of Barbara and Margaret are just two examples of what we know are hundreds of thousands of stories.

**Mrs Hodgson:** I was also recently contacted by two constituents: Lorraine Derret and Evelyn Winstanley, who have worked for 42 years and 45 years respectively. Like others, they have said that they were not told at all by any letter that this was going to happen to them. The DWP has been negligent, so there should be some transitional arrangements.

**Rachel Reeves:** I absolutely agree. The reality is that the 300,000 women who are suffering the maximum 18-month delay have lost out on £12,000 of pension. Official statistics show that only six in 10 women aged 55 to 64 have any private pension at all. For those who do, the average size of their pension pot is only 57% of that of a man of the same age. Women such as Barbara, Margaret and others whom my hon. Friends have mentioned—women earning little more than the minimum wage who are often struggling to work full time because of their caring responsibilities, and who are desperately trying to conserve what savings they have to ensure at least a minimal standard of living during their retirement—are very worried. For those women, moving the goalposts for the second time, as the Government have done, can have a devastating impact on their finances, families and life plans. That is why I propose that, at the very least, the Government should offer some specific protection for those women.

My proposal would mean restoring the qualifying age for pension credit to the 2011 timetable for women's state pension age, thus providing at least some buffer for those who are least able to cope financially with this unfair move. Previous Government costings suggest that that would be affordable, with the money being well targeted at those who have been hardest hit. Let me be clear that I would like the Government to go further, but at the very least they should provide that support to those who have the least. Given the wrong done to those women by the Government, that is the least we should ask for and the least we should expect.

I agree that the state pension age needs to be increased to keep it affordable, and I agree that men's and women's state pension ages must be equalised, but I also agree with the part of the 2010 coalition agreement that stated that women's state pension age should not rise to 66 before 2020. I agree with the former Minister for Pensions—the former Member for Thornbury and Yate—who admitted last month that renegeing on that commitment was a “bad decision”. That is an understatement, but at least he came late to the party. I also agree with the current Minister for Pensions who has said:

“Unfortunately, the Government has not given women enough time to change their plans. These women have already accepted an increase in their state pension age, but they were given time to adjust. Suddenly, these same women are being targeted again, but this time they are not being given enough notice as the changes start in just five years' time. I believe the Government's decision is unfair and disproportionately hits women who are now around 56 years old.”

How right she was, and I hope that she will now stand by those for whom she spoke up then, as I and other hon. Members will continue to do until we get justice.

**Several hon. Members** *rose*—

**Mr David Hanson (in the Chair):** Order. We have three Members who wish to speak and 13 minutes, so it would be helpful if we did not have interventions or I will have to reduce the time limit for the last two Members.

6.47 pm

**John Mc Nally** (Falkirk) (SNP): Thank you for your advice, Mr Hanson.

I am delighted to be able to take part in the debate today, especially as this is the day of my 65th birthday—[HON. MEMBERS: “Hear, hear!”] Thank you. I now qualify for state pension, unlike my wife, who will not qualify, and the other women who will suffer a penalty because of the Government's decision.

I thank the hon. Member for Warrington North (Helen Jones) for securing the debate. Before I became a Member of Parliament, I worked with and employed many women in my capacity as a small business owner in the hairdressing industry. Throughout the many years I worked with those women, I witnessed their struggles to get back to work after having children, and their subsequent efforts to juggle looking after their families with going out to work. The wholly necessary and desirable career breaks that working mothers take leave them with less pension provision than their male counterparts, assuming that the women are able to return to work. In many cases, for example, they may have, as has been mentioned, the added responsibility of an elderly relative who might be ill or otherwise require attention. Motherhood is only one aspect of gender inequality in the state pension system. The single-tier pension is not the focus of this debate, but the fact remains that the majority of people over 65 are women, yet only 22% of women who reach state pension age in 2016 will qualify for the full £155.65 rate. That cannot be acceptable. Even by 2054, women will be one and a half times more likely than men to receive less than the full amount of the single-tier pension due to a lack of sufficient qualifying years.

Women both disproportionately rely on the basic state pension and are proportionately more poorly served by it, as the women in question will know. Women's financial independence throughout their working lives is critical, but married women have historically relied on derived pension rights from their husbands. Removing their entitlement to those rights with little notice or time to plan for the change will disadvantage many women who will not have had time to achieve the financial independence or the independent pension entitlement that they need.

During the past couple of months, like many other MPs, I have been contacted by a number of constituents and the campaign group Women Against State Pension Inequality, which has been instrumental in alerting everyone to this issue. One email that I got was from Fiona, who got straight to the point by saying that

“the legislation was rushed in too quickly without proper debate and undemocratically for my age group.”

She was born in 1955 and took partial retirement from the civil service in 2010. At the time, her decision was based on the understanding that her state pension would be payable and due at 60, but that is not now the case. The anxieties expressed by Fiona do not affect just that age group; they also affect younger people in their 40s who are extremely concerned that their pension age, which is nearly 70, will be extended once again.

These inequalities affect women born in the 1950s. Taxes are the price that we pay for a civilised society, and we willingly pay taxes in that civilised society for benefits. This Government should honour that commitment and contract.

**Mr David Hanson (in the Chair):** Order.

6.51 pm

**Justin Madders** (Ellesmere Port and Neston) (Lab): It is a pleasure to serve under your chairmanship, Mr Hanson, particularly as you appear to be saving the best till last on this occasion.

I would like to start, as many other hon. Members have done, by paying tribute to the members of the WASPI campaign. Like others who have spoken, I have been contacted by many constituents who are deeply concerned about the profound implications of these changes, which they say that they were not informed about. Many have told me how they have been individually affected, so I would like to draw the Minister's attention to a couple of examples, as they illustrate far more eloquently than I can the injustice that has been created.

One constituent tells me:

"By the time I reach 66, my savings will have run out and the comfortable retired life I had planned and saved for, over 40 years, will have disappeared".

Another says:

"I am struggling daily with trying to work three days a week as I am now disabled. I suffer from anxiety and depression and every day is really hard for me. I cannot impress on you strongly enough how hard life is for me."

I would also like to take a little time to talk about Jane, a constituent whose experience encapsulates very well the injustice that many people feel. She says:

"I left school at 15 and worked in a variety of jobs, taking time out to raise a family of three children. My last job was as a Healthcare Assistant".

She explains that she became too ill to carry on working, so she took ill-health retirement. She continues:

"The final calculations were made, and my pension was worked out"

based on

"retirement at 60 (I was 53 at the time). I received a lump sum and a small monthly pension of just over £250. It wasn't a lot but I was also entitled to Incapacity Benefit and I knew I would have my State Pension which would be a big help.

Things began to change a couple of years later when I was...placed on work related ESA. It didn't take long before that became means tested...It's now a heat or eat situation for many. Some women are suicidal and some have had to sell their homes. Can you imagine how it feels for a 60 year old woman, frightened and in ill health, to be made to sign on and go on workfare? This isn't equality, it's injustice."

Both Jane and her employer made the irreversible decision that she would take ill-health retirement, with the expectation that she would receive the state pension at 60. It is worth emphasising that Jane's employer was the national health service—part of the state—but it did not seem to know about the changes to the state pension age either. It is hardly surprising that if parts of government did not know about the changes, many women did not either. The indignity that Jane has suffered as a result of welfare reform says an awful lot about how our society treats older women. She has already been granted ill-health retirement, but is now consistently challenged about her condition. Her years of service seem to count for nothing.

Women who have planned and saved for their retirement are living on dwindling, limited savings until they reach their new state pension age, when the only income that they will have will be their state pension. Do the Government really want to send people the message, "Yes, we want you to save for your retirement and to

take responsibility for your old age, but beware—we might just move the goalposts and we probably will not even tell you about it"?

We have heard plenty of quotes from Baroness Altmann today. Unfortunately, I do not have time to add my personal favourite, but I will comment that we have seen a remarkable transformation in just a few months from her defending the rights of women to defending the indefensible. There can be no doubt now that the Government are aware of the issues, as this is the third debate that we have had in Parliament in just a couple of months, so will this be third time lucky? Are the Government finally prepared to listen? Will there be an acknowledgement that what has happened is an injustice that is indefensible? Nobody buys it when Ministers say time and again that nothing can be done. The Government's U-turn on tax credits has shown that when they get it wrong, they can change course. I do not accept that nothing can be done, and the women who have talked to us in this campaign do not accept that nothing can be done—be in no doubt, they will not give up until something is done.

6.54 pm

**Mark Durkan** (Foyle) (SDLP): It is a pleasure to serve under your chairmanship, Mr Hanson. I commend the hon. Member for Warrington North (Helen Jones) for introducing the debate so strongly on behalf of the Petitions Committee. I join other hon. Members in praising WASPI for the great effort it has put into this petition. I know that the campaign will continue well beyond today, which has to be encouraged. Despite some of what WASPI has heard today, it can take great encouragement from many of the points raised on both sides of this room.

All hon. Members have said that this issue represents a breach of trust, or a breach of contract, and we need to address it in those terms. Parliament, in particular, needs to understand that we cannot see this just as a DWP issue, or just as an issue for Ministers; it is a test of this Parliament. We cannot say that the previous Parliament passed this and that there is nothing we can do about it, as some Members seemed to imply—they seemed to suggest, "Well, this legislation was passed in 2011, and we can't really pass new legislation."

In the main Chamber today other hon. Members are considering the Second Reading of a Bill that will change two pieces of legislation that went through in 2012 and 2013 and will significantly change the governance furniture on financial services and the Bank of England. If those key pieces of Government legislation from the previous Parliament have to be overhauled and changed now, there is absolutely no reason why the same cannot be done for the Pensions Act 2011, particularly on this glaring issue, when even the Minister who steered the legislation through the House says that he did not understand it and was not well advised. An hon. Member talked about the fog created around this petition, but it seems that the fog was actually in the DWP in 2011. Parliament was lured into that fog on the basis that there was nothing we could do about it and that the one transitional adjustment that could be made was being made—that was the adjustment that cost £1.1 billion a year. The Government rejected the other proposals.

When people talk about the new state pension costing £30 billion, that was the total quantum identified as, in effect, the saving from the change. We need to remember

[Mark Durkan]

how the argument about that £30 billion has been reversed and misargued today. Let us remember that, when we had those debates and discussions back then, we did not have the pension freedoms on the horizon. I take the point raised by the right hon. Member for Slough (Fiona Mactaggart) that it should not be used as an answer to the problem faced by these women born in the 1950s, but—let us face it—the Government now have a tax windfall from the pension freedoms. Money is coming in to the Government well ahead of time, and that was not available back in 2011.

Similarly, the Government have moved to introduce a number of other benefit savings, and the welfare cap has produced even more savings. In the autumn statement, of course, £17 billion was suddenly found down the back of the Treasury and Office for Budget Responsibility sofa. Clearly, money that people thought was not there when this issue was debated in 2011 might now be there, and it is our duty to raise that issue.

This Parliament will see a lot of centenary landmarks of the struggle for votes for women. Will the message from this Parliament to this group of women be that they have to take the hit for equality, and for deficit reduction, by having their pension rights absolutely scrambled? If we tolerate that, it will be an intentional injustice. They will not just be passing, accidental casualties; it will be deliberate and targeted, and not just by Ministers. This Parliament will have conspired and connived in it, which is why we have to change it and why the campaign must continue.

**Mr David Hanson (in the Chair):** Order. I intend to call the Minister at 7.18 pm.

6.59 pm

**Ian Blackford** (Ross, Skye and Lochaber) (SNP): It is a pleasure to serve under your chairmanship, Mr Hanson. I thank the Petitions Committee, of which I am delighted to be a member, for allowing this debate on the back of the petition from the WASPI women. They have been a credit to themselves in the way they have campaigned on this issue, and I hope that they will continue to campaign in the days, weeks and months to come. We must win this debate, and there has to be action.

I thank the hon. Member for Warrington North (Helen Jones) for introducing this debate on behalf of the Petitions Committee. I am unable to go through everyone's speeches because of time, but I thank all Members who have spoken passionately about the injustices faced by millions of women in this country because of the speed of the changes.

**Peter Grant:** Some pejorative and patronising comments have been made about the degree of emotion that the debate has aroused. Does my hon. Friend agree that men can get emotional about social injustice as well and that we should see that as a sign not of weakness, but of common humanity?

**Ian Blackford:** There should be emotion in this debate. Why? Because women are losing tens of thousands of pounds that they are entitled to. Of course people

should be emotional. There are facts that the Government have to address and they should do so in a measured and controlled manner.

The hon. Member for Gloucester (Richard Graham) said that the point about communications had been noted. Nobody is asking the Government to note the failures in communication; we are asking the Government to act on the basis of the failure of communication and to right the wrong that has been done.

I was grateful to hear the words of the hon. Member for North Cornwall (Scott Mann). He spoke honestly about not being aware of the issue. Is that not exactly the point? A Member of Parliament has not been aware of these issues, so how can we expect the women affected by the changes to be aware of them? That is yet another reason why we must act.

My hon. Friend the Member for Ochil and South Perthshire (Ms Ahmed-Sheikh) spoke about the goalposts being moved. She is exactly right. There is a contract between the state and the women. This is not, as my hon. Friend said, about benefits they should be entitled to. It is about an entitlement based on the fact that these women have paid national insurance in some cases for 30, 40 or even more years. It is a breach of trust, as the hon. Member for Foyle (Mark Durkan) said. The Government should reflect on what has been said and on the tone of the debate.

The Minister spoke about this matter in the Chamber this afternoon, saying:

"A whole lot of other benefits are available to the women who may be affected—for example, jobseeker's allowance, employment and support allowance, income support, carer's allowance and personal independence payment."

Does that not explain the problem that the Government do not get this? They want women to go to the jobcentre, rather than to do what they should be doing by collecting a pension to which they are entitled.

What is parliamentary democracy in this country? On 7 January we had an excellent, well informed debate in the Chamber. The House divided and voted 158 to zero that the Government should put in place mitigation efforts. Weeks have passed and nothing has happened. When will the Government respect the will of this House? It is a shame that there is no mechanism by which to put the issue to a vote today, as I am sure that hon. Members want to ensure that it is put to a vote so that the House can express its will.

Speaker after speaker has condemned the Government for not doing the right thing. The way of this place is archaic. It is little wonder that folksy Westminster is out of touch. I contrast the behaviour of this Government in this attack on women born in the 1950s, and in so many other ways, with what our Government in Scotland do. Last week the Government in London were defeated in the courts over the bedroom tax. Was there any recognition that what they were doing was wrong? In Scotland, we have mitigated the effects of the bedroom tax and we want powers to remove it. One thing is crystal clear: if we had powers over pensions in Scotland, we would do the right thing for our pensioners. This Government plough on regardless, ignoring the justified claims of the WASPI women. I state once again, as many of my colleagues have, that we are not against equalisation. We support the move to equalisation, but the pace of the move is unfair.

Look at the reality of what is happening. We can take examples of women born across the early years of the 1950s, whose experiences will be sharply different. A woman born on 10 February 1950 would have retired aged 60 in 2010, whereas a woman born later would have to wait almost two years longer to retire on 6 January 2012. A woman born on 10 February 1952 would have reached state pension age a few weeks ago aged 61 years, 10 months and 27 days. Such a woman will have had to wait almost two additional years more than a woman born in 1950.

As if that were not bad enough, the increase for women born in 1953 and 1954 is worse. A woman born on 10 February in 1953 would have retired in January this year, aged nearly 63. A woman born on 10 February in 1954 will not reach pensionable age until 6 July 2019, when she will be aged 65 years, four months and 26 days. That is shameful—a woman born in 1954 will have to wait two and a half years longer for her pension than a woman born in 1953.

Just dwell on that: someone born on 10 February 1953 has now retired; someone born a year later must wait until July 2019. Where is the fairness in that? If the Minister wants to intervene, I will give him the opportunity to say now that the Government are listening and are going to change. Does any Conservative Back Bencher want to rise to their feet to recognise the unfairness of it? Do they want to punish women in the way they are doing, or will they accept that it is wrong? Here is the opportunity. They can rise to their feet.

**Caroline Ansell** (Eastbourne) (Con): I am happy to rise. I regret that the hon. Gentleman, in an impassioned speech in which he has done good justice to past inequalities suffered by women, has chosen to drag this issue into a political arena, because—[HON. MEMBERS: “This is Parliament!”] A party political arena, I should say. There are Members from all parties who support the cause of the women fighting for greater equality, and women themselves, of all political persuasions and none, will be disadvantaged by the changes. He spoke just moments ago—

**Mr David Hanson (in the Chair):** Order. Interventions must be short. Time is very limited, and I have to give the Opposition Front-Bench spokesperson and the Minister time to finish before 7.30.

**Ian Blackford:** I say to the hon. Lady and her colleagues that they should join us in the Lobby and vote down the Government proposals. We need change. The Tory Back Benchers need to get some backbone and recognise the problems faced by women in their constituencies. I say to them, you hold your Government to account, and we will get on and do our job by holding them to account.

I ask Conservative Members: who will defend the proposals? Let the Minister say that he now recognises that they are wrong and must change. I have not even got to women born in 1955, who will not retire until February 2021, aged 66 years. It cannot be right. It is too steep an increase over so short a period. I ask Conservative Members to examine their consciences. Women from the WASPI campaign will be coming to their surgeries. Some of them will have been born in 1955 and were expecting to retire now or at least not long in the future. Are Conservative Members going to

tell them that it is right that they must wait six years longer than someone born five years earlier, without mitigation? That is where we are at the moment.

It has been said that this is a breach of trust between the Government and women who have earned the right to a pension. In the limited time left to me, I will talk about proposals, because we were asked about them. Turner talked about taking 15 years to introduce the changes. The changes effectively started in 2010. The Government could look to moderate the increase from age 63 to age 66 over the next 10 years. That would mitigate the pressure that women are under. It is about doing the right thing.

7.8 pm

**Angela Rayner** (Ashton-under-Lyne) (Lab): It is a pleasure to serve under your chairmanship, Mr Hanson, during my first appearance on the Front Bench in this Chamber. I debated with the Minister in Committee last week, and I welcome him back to what is no doubt the first of many exchanges here. I reassure anyone tuning in late that the broken elbow and rib that I am sporting predate this debate, and that our discussions, although heated, have been civil, although I did fear at one point for the hon. Member for Gloucester (Richard Graham).

I thank my hon. Friend the Member for Warrington North (Helen Jones) for opening this debate with a fantastic speech, and the Petitions Committee for ensuring that we could have it. Above all, I congratulate the women of the WASPI campaign, and all those who signed the petition, on their work to get us here. Their numbers are impressive, but we have revealed that the numbers affected by the issue are even greater, at more than 2.5 million nationally. Around 3,500 of those are in my constituency and, like many here, I have heard their concerns directly.

Hon. Members have made some excellent points and we can tell the level of concern from the number of contributions from both sides of the Chamber. In particular, I thank my hon. Friends the Members for Worsley and Eccles South (Barbara Keeley) and for Denton and Reddish (Andrew Gwynne) for their tireless campaigning, and all hon. Members who have contributed today. There are too many to mention in the time I have, but I will write to them all independently.

People listening to contributions made outside this Chamber may have heard the Minister for Pensions say this morning that the WASPI campaign wants to return the state pension age to 60. Let me put it on the record, as others have done, that that is not the case and it has never been advocated in my hearing. Opposition Members are not arguing for that or against equalisation of the state pension age. I hope that, instead of following such red herrings, the Government will listen to the women who are affected, and act. That is what we want to hear from them today.

Opposition Members have shared concerns about the impact of the acceleration under the Pensions Act 2011, the adequacy of the transitional protections and the communication of the changes to retirement ages generally. At one point, those concerns were shared by the Minister herself. She described the last Tory Government's 2011 Act as a decision

“to renege on its Coalition Agreement, by increasing the State Pension Age for women from 2016, even though it assured these women that it would not start raising the pension age again before 2020.”

[Angela Rayner]

That is still live on her website [www.rosaltpmann.com](http://www.rosaltpmann.com). After the passage of the Act including the concession that the Minister will no doubt repeat shortly, she said that the Government

“seems oblivious to the problems faced by those already in their late fifties, particularly women”.

Will the real Ros Altmann please stand up? Apparently, she now prefers to stand up for the Government than for those women. That is a pity because the issues at stake are real and the Government give every impression of simply refusing to engage with them. Instead, we have heard repeatedly—most recently a few hours ago at Question Time—that the 18-month cap is their start and end point.

Let me set out my start point. We must take into account that many of the women who are affected by the changes have also been victims of gender inequality for most of their working lives.

**Gavin Robinson:** Will the hon, Lady give way?

**Angela Rayner:** I will not give way because I do not have much time.

The Equal Pay Act was not introduced until 1970 so many of these women began working even before the first legislative steps to ensure gender equality at work. Before I was elected to this place, I was in a traditionally low-paid, largely female workforce in social care. As an active trade unionist I fought for many years to improve pay and conditions, but even now we are a long way from achieving decent, let alone equal, wages in much of that sector.

Some of the women we are discussing today will have entered work before the 1968 strike in Dagenham. They will have been paid less than men simply because they were women. Those who are likely to have entered work earliest—those born between 6 April 1951 and 5 April 1953—will not be eligible for the new single-tier pension.

Another cohort, those born later in 1953, will have found that their retirement age changed twice: in 1995 and 2011—

**Mr David Hanson (in the Chair):** Order. There is a Division in the House. We will reconvene in 15 minutes. If there is more than one Division, which is possible, we will reconvene 10 minutes after each subsequent Division.

7.14 pm

*Sitting suspended for Divisions in the House.*

7.39 pm

*On resuming—*

**Angela Rayner:** Before we left, I was saying how women have been discriminated against, and continue to be discriminated against, year on year and decade upon decade.

Transitional protections were discussed and promised during the passage of the 2011 Act. We now know that the Minister’s predecessor in the coalition Government, Steve Webb, had hoped for around a tenth of the direct savings—£3 billion—to be put aside for these protections. The option that was eventually put forward as a concession

—the 18-month cap—cost around a third of that amount. So we have a missing £2 billion, which has gone to the Treasury, along with the rest of the savings made from these women.

Of course, it bears repeating that the former Minister has since admitted that that decision was a bad one, made as a consequence of his not being properly briefed. It would be interesting to know whether today’s Ministers have been better briefed and whether they will make a better decision.

The Minister has often put this question back on the Opposition but consistently refused to say whether the Department has properly investigated and modelled options for additional transitional protections. For example, as my predecessor, my hon. Friend the Member for Leeds West (Rachel Reeves), stated earlier, during the passage of the 2011 Act we put forward the option to maintain the qualifying age for pension credit on the 1995 timetable rather than on the 2011 one. I hope the Minister will respond to the suggestions made earlier by my hon. Friend the Member for Warrington North and many other Members.

This debate is not the first time that I have asked what consideration the Government have made of these and other options. As the Minister will know, I have asked him in Committee, through written questions and, today, through oral questions. Despite the Government’s boast that they would be the most open and transparent Government in the world, so far we are none the wiser as to what options they have considered, let alone what the outcomes of those investigations were.

I ask the Minister again: what modelling and analysis has the Department carried out since 2011 on the potential transitional protections? Will he publish that work in full, so that we can assess it for ourselves? Will the Government then consider alternatives properly and in full, and come back with a proper response to those who have signed the petition that we are considering today and the many millions more who are similarly affected. In our view, that is the very least that they deserve.

7.41 pm

**The Parliamentary Under-Secretary of State for Work and Pensions (Mr Shailesh Vara):** It is a pleasure to serve under your chairmanship, Mr Hanson.

I start by thanking the hon. Member for Warrington North (Helen Jones) for moving the motion today, and for doing so very passionately, convincingly and articulately. I also thank all other Members from across the political divide who have spoken today. Indeed, I commend all those who signed the petition that triggered this debate. As we have already heard, we have debated this issue extensively in recent weeks and months, and I am grateful to have another opportunity to put the Government’s position on record.

The debate has centred considerably on state pension age equalisation, and in particular its impact on the women who are affected by it. However, it is important that we do not look at this topic in isolation. We cannot look at the changes to women’s state pension age without also acknowledging the significant changes in life expectancy in recent years, the huge progress made in opening up employment opportunities for women and the wider package of reforms—



**Barbara Keeley:** Will the Minister give way on that point?

**Mr Vara:** I will not give way; I wish to make progress.

As I was saying, we must also acknowledge the wider package of reforms that we have introduced to ensure a fair deal for pensioners.

On life expectancy, people now live longer and stay healthier for longer. I took on board what the hon. Member for Worsley and Eccles South (Barbara Keeley) said, but although she may have quoted a specific figure, other figures show that life expectancy is projected to increase for both men and women. In just a decade, the length of time that 65-year-olds—

**Barbara Keeley:** Will the Minister give way on that point?

**Mr Vara:** No, I will not give way. A number of points have been made. I have listened very carefully for just under three hours and I am keen to put the Government's views on record.

**Caroline Flint:** The Minister is wasting time when he could have taken an intervention.

**Mr Vara:** The right hon. Lady is a former Pensions Minister, so—

**Caroline Flint:** No, I am not.

**Mr David Hanson (in the Chair):** Order. I call Mr Vara to continue.

**Mr Vara:** In only a decade, the time that 65-year-olds live in good health has gone up by just over a year. Of course, this is welcome news, but the reality is that it puts increasing pressure on the state pension scheme. Even when the state pension age changes are taken into account, women in this group will on average receive a higher state pension over their lifetime than any generation before them.

**Ian Blackford:** Will the Minister give way?

**Mr Vara:** I will not give way.

The Government have a duty to ensure the sustainability of the state pension scheme, and it would be irresponsible to ignore such developments.

Employment prospects for women have changed dramatically since the state pension age was first set in 1940. The most recent figures show a record female employment rate of 69.1%, with more than 1 million more women in work than in 2010. I am sure that Members welcome figures showing that the number of women aged between 50 and 64 in work is also at a record high, with more than 100,000 older women in work than at this time last year.

**Lady Hermon:** Will the Minister give way?

**Mr Vara:** I will not.

Turning to our broader reforms, we have introduced a package of measures to transform the pensions system. The triple lock is massively boosting the state pension,

which will be £1,000 higher from April than would have been the case if we had uprated by earnings over the past six years. In addition, we have protected the winter fuel payment and permanently increased cold weather payments. We have created a new, simpler state pension, which will come in from April with a full rate of £155.65 a week. That means that 650,000 women will receive an average increase of £8 a week for the first 10 years. As that will be set above the basic means test for pensioners, people will have a clear platform to save on.

**Ian Blackford:** On a point of order, Mr Hanson. May I ask for your guidance about what can be done? This is a specific debate about the WASPI campaign, but the points that the Minister is addressing have nothing to do with that debate—

**Mr David Hanson (in the Chair):** Order. With due respect to the hon. Gentleman, the content of the Minister's speech is for the Minister to elucidate and defend accordingly. It is not for the hon. Gentleman to comment on in a point of order.

**Mr Vara:** We have also abolished the default retirement age so that people can work for as long as they wish without fear of age discrimination. We have introduced the most fundamental reform to how people can access their pension in almost a century through pension freedom, which has abolished the effective requirement to buy an annuity.

No one can say that the changes have not been fully considered. The parliamentary process was fully followed. We held a full, public call for evidence alongside extensive debate in both Houses. Between January 2012 and November 2013, the Department for Work and Pensions wrote to all those affected.

**Rachel Reeves:** Will the Minister give way?

**Mr Vara:** I will not.

More than 5 million letters were sent to addresses then recorded by HMRC. Crucially, the Government also listened during the process. On Second Reading of the Pensions Bill in 2011, the Government said:

“we will consider transitional arrangements.”—[*Official Report*, 20 June 2011; Vol. 530, c. 52.]

On Report, after considering the matter, Ministers made a concession worth £1.1 billion, and the time period was reduced from two years to 18 months. For 81% of those affected, the increase in the time period will be no more than 12 months.

To reverse the Pensions Act 2011 would cost more than £30 billion, which simply is not sustainable, and nor is it sustainable to reverse the 1995 changes, which some wish to do, as that would cost many billions more. It is noteworthy that if we went back to the 1995 position, it would mean that women would be campaigning for a state pension age of 60—[*Interruption.*]

**Mr David Hanson (in the Chair):** Order.

**Mr Vara:** Over the past decade, women have on average stopped working later than 60. In the first quarter of 2010, the average age of stopping work was 62.6 years, while in 2015 it was 63.1 years. In fact, the actual women's state pension age is approaching 63 years.

**Rachel Reeves:** Will the Minister have some courtesy and give way?

**Mr Vara:** I will give way to the hon. Member for Warrington North, who moved the motion, but I will not give way to others as I have limited time.

**Helen Jones:** Very well then. The Minister cites average ages, but that does not address the issue. The issue is the extra time that women have to wait for their pension and the fact that they have not been informed. The average means nothing to that.

**Mr Vara:** If the hon. Lady is a little patient, I will tell her about the issue concerning communications.

**Rachel Reeves:** Get on with it then.

**Mr David Hanson (in the Chair):** Order.

**Mr Vara:** If the hon. Lady will stop interrupting, I will get on.

I mentioned in the House earlier and I say it again now that when people need extra funds, other benefits are available. That is the case for those who are in work and those who are not. A 2004 Department for Work and Pensions report entitled “Public Awareness of State Pension Age Equalisation” found that 73% of those aged between 45 and 54 were aware of changes to women’s state pension. In 2012, further research by the DWP found that only 6% of women who were within 10 years of receiving their pension thought that their state pension age was still 60.

Several hon. Members have mentioned Steve Webb’s comments. If one reads the full transcript, one sees that

he referred to £30 billion. He said that he sought a concession of £3 billion, but got £1 billion. He added that

“a billion quid is a serious amount of money”.

Reference has been made to other European countries. To put the balance right, I point out that there are countries that have already accelerated the process and equalised the pension age for men and women, such as Germany, Denmark, the Czech Republic and Greece.

The Government recognise the huge contribution that older workers make to the workforce and the country, and we are working with stakeholders to ensure that they recognise those benefits. The number of women aged 50 to 64 is at a record high, as I mentioned earlier. Hon. Members talked about carers. Under the new state pension, people who care for others will qualify for credits that will go towards their contributions to that pension.

Our collective responsibility now is to support the package of reforms. Rather than causing continuous confusion for those affected, we need to build further awareness of the measures I have set out. I again thank all those who have contributed.

7.52 pm

**Helen Jones:** This has been an excellent debate, but in view of the Minister’s totally inadequate reply and his failure to address the issues raised, I intend to do what I would not normally do in this Chamber and press the matter to a vote. I urge my colleagues to join me in voting no.

*Question put and negatived.*

7.53 pm

*Sitting adjourned.*

# Westminster Hall

*Tuesday 2 February 2016*

[VALERIE VAZ *in the Chair*]

## Regional Airports

9.30 am

**Valerie Vaz (in the Chair):** Quite a number of hon. Members are present and wish to speak. I am sure that at some stage I will have to impose a limit of approximately four to five minutes.

**Catherine McKinnell (Newcastle upon Tyne North) (Lab):** I beg to move,

That this House has considered regional airports and UK airports capacity.

It is a pleasure to serve under your chairmanship, Ms Vaz. I am delighted to have secured this debate, which could not be more timely in a year when I hope that the Government will face up to some of the most significant decisions in the aviation sector for decades. That could not be more important for regional airports, such as Newcastle International airport in my constituency and countless others around the UK, which are the backbone of regional economies and, therefore, the economy as a whole. The interest in and concern about the issue is demonstrated by the number of hon. Members present.

Newcastle International airport celebrated its 80th anniversary last year. As the Minister knows because he came to visit, it is the largest airport in the north-east and the 10th largest in the UK. It also happens to be the single largest employer in my constituency and is proud of its public-private partnership model, with ownership between the seven local authorities and AMP Capital. Indeed, it served a record 4.56 million passengers in 2014 and supported 3,200 jobs directly on site and 12,200 indirectly. It contributes over £581 million in gross value added to the north-east economy, including £181 million in tourism impact and 1,750 tourism jobs.

Newcastle airport exports well over £300 million of goods every year. The vast majority are carried by Emirates on its long-haul service to Dubai and last year saw the first ever transatlantic service from Newcastle by United Airlines to Newark, which is set to return this summer. Newcastle International airport makes an invaluable contribution to the north-east's proud claim to be the only consistently net exporting region in the UK, just as other regional airports make an invaluable contribution to their local economies.

This is when we come to the purpose of today's debate. The Government are facing critical decisions that will determine the future of the UK's aviation sector, which in turn will have a major impact on regional economies. Those decisions are not new and include where to build the new runway to provide the capacity we need for the future and how properly to support regional airports during a time of considerable upheaval with devolution.

Time and again, the Prime Minister has kicked the can down the road rather than face up to the challenges. It is not just Heathrow or Gatwick that loses out from

this chronic indecision. The future growth and sustainability of the UK's regional airports and, by extension, the growth of our regional economies, are equally put at risk.

**Mr John Spellar (Warley) (Lab):** Does my hon. Friend, like me, find it utterly extraordinary that, given the huge advantage to many regional airports around the country, the fact that business is overwhelmingly supportive of an early decision on airport capacity and the fact that the private sector trade unions—GMB and Unite—are also campaigning vigorously on behalf of their members to increase airport capacity, the Prime Minister, dithering Dave, is still holding back on bringing a decision to Parliament?

**Catherine McKinnell:** I thank my right hon. Friend, who makes my argument for me. Hon. Members will remember the Chancellor's claim in 2011 of a march of the makers, which he has since forgotten, and his more recent talk of a northern powerhouse. How does he expect the makers to march or the north to become a powerhouse if they cannot export or do business with the rest of the world? That is what is at risk thanks to the Government's dither and delay.

**Ian Mearns (Gateshead) (Lab):** It is fantastic that my hon. Friend has this debate this morning. The problem with provincial airport capacity using Heathrow as a hub is that we unfortunately rely on flights in and out of Heathrow and those are the very flights that will be squeezed due to the lack of capacity at Heathrow. When they are in competition with increased demand from overseas flights, those provincial flights, which are important for the regional economies, will lose out.

**Catherine McKinnell:** My hon. Friend excellently makes my argument for me. I want to talk about the most important decision on the desk of the Secretary of State for Transport at the moment: airport capacity and expansion. Having pledged to cancel the Labour Government's plans for a third runway at Heathrow, the coalition Government set up the independent Airports Commission in 2012, chaired by Sir Howard Davies, to assess and to report on long-term aviation capacity options by summer 2015. The commission did exactly what it was asked. Having considered a plethora of options, it decided in its interim report in 2013 to narrow these down to just three, all of which were in the south-east. In July 2015, it produced a thorough and comprehensive report assessing each of these in turn.

**Sammy Wilson (East Antrim) (DUP):** Does the hon. Lady agree that it is important not only that airport capacity is increased in the south-east so that regional airports can feed into it but that slots are guaranteed for flights from regional airports? Otherwise, as capacity diminishes because airlines use more and more flights across the world, regional airports will be squeezed again.

**Catherine McKinnell:** Indeed. The commission looked at that issue and its decision was unequivocal: a third runway at Heathrow presents the clearest case and the greatest strategic and economic benefits to the UK.

[Catherine McKinnell]

That view was shared unanimously by its members. For the benefit of hon. Members, it is worth revisiting what some of those benefits are.

The commission estimates that by 2050, GDP would be boosted by £129 billion; 78,000 new jobs would be created; productivity would be boosted by £69 billion; and 12 new long-haul routes would be available to UK passengers with 16 million extra long-haul seats. Those benefits far outweigh those that would be provided by an expanded Gatwick. Perhaps most important, the commission said that an expanded Heathrow would

“provide a stimulus to economic growth throughout the UK.”

It estimates that £70 billion to £80 billion of economic benefits would spread across the regions of the UK by 2050.

I recognise the many concerns, both local and national, about an expanded Heathrow, particularly local air quality, noise and other community impacts, not to mention whether an expanded Heathrow is even possible in line with our climate change commitments. The Airports Commission also recognised those challenges and set out a package of measures to meet them. Let us remember that the commission did not simply give an unlimited green light to expanding Heathrow. It recommended that any new runway must be accompanied by a ban on night flights, which is possible only with expansion anyway; a legally binding noise envelope so that noise levels do not exceed current limits; a new aviation noise levy on airport users to fund a mitigation package for local residents; a £1 billion commitment from Heathrow for community compensation; a legal commitment that expansion will happen only if it does not delay local surrounding areas complying with EU limits on air quality; and compensation for homes lost at full market value plus 25% available immediately. That would provide the framework within which to approach the challenges posed by an enlarged Heathrow.

Why is airport expansion in the south-east so important to other regions such as the north-east? The trend in recent years has been towards a hub-and-spoke model of aviation, whereby airlines have routed all operations through a hub airport and joined with other airlines, creating alliances, to provide customers with hundreds of destinations, all accessible through a single hub. We can look all over the world and see that the hub-and-spoke model is key, from the likes of Schiphol, Charles de Gaulle and Frankfurt in Europe to the rise of the increasingly dominant middle eastern hubs in Dubai, Qatar and Abu Dhabi, not to mention the well-established far eastern hubs such as Singapore and Hong Kong. Of course, Heathrow stands alongside those, accounting for 70% of the UK’s scheduled long-haul flights and serving 75 unique destinations.

That is not to say that long-haul routes are neither valuable nor viable from regional airports. As I mentioned, the daily Emirates service from Newcastle to Dubai has been transformational, facilitating millions of pounds in exports from the north-east to the middle east, but it has been so successful because it is operating to another hub airport, from which those goods and passengers can travel on, throughout the middle east, to Australasia and beyond. I hope that we will see more of those links developing in the future. Regional airports play a significant

role in providing their own direct connections worldwide, in conjunction with connections through a hub such as Heathrow.

**Ian Mearns:** My hon. Friend is making an excellent point about the fact that the delay in relation to Heathrow could cost the UK economy significant amounts of money. If I am flying from Newcastle, I do not mind which hub I use, as long as I can get where I want to go, so if Heathrow is not developed and the capacity is not there for inbound flights from Newcastle in order for me to change to an international flight, I will happily use Schiphol, Brussels, Paris or even Dublin if I am going to the United States of America. Therefore, it is vital for all the UK’s provincial airports that that capacity is provided as soon as possible.

**Catherine McKinnell:** My hon. Friend makes a very important point, but we must always look at this in both directions. It is not about where we would be happy to go via if we want to go somewhere, but where people are happy to come via if they want to come and do business where we are. That is increasingly important.

**Ms Margaret Ritchie (South Down) (SDLP):** My hon. Friend is making compelling points about the need to develop airline and airport capacity. Does she agree that to do that, there needs to be a review of air passenger duty? I am thinking of us in the Northern Ireland context having to compete with the Republic of Ireland, where there is zero air passenger duty.

**Catherine McKinnell:** I thank my hon. Friend for that intervention. I will come on to that issue shortly.

To go back to the airport expansion issue, Newcastle currently has a six or seven times daily service in and out of Heathrow. It is used by 500,000 passengers a year, including many of my constituents, as well as residents and businesses from across the north-east, 50% of whom use the domestic service into Heathrow to connect to hundreds of destinations worldwide—an opportunity that no other UK airport provides for my constituents, or passengers from any other region, for that matter. As the Transport Secretary himself told the British Air Transport Association last week, we must keep “beating the drum for the regions in this debate.”

He also said:

“One of the most persuasive arguments for new capacity is the links it will provide to the north, the south west, Wales, Scotland and Northern Ireland. Opponents have tried to suggest that a new runway would somehow undermine our domestic network. In fact the reverse is true.”

I could not agree more. However, these vital connections between the regions and Heathrow, which, let us be clear, is where domestic links are most valuable, are at risk. As the Airports Commission found, a crowded Heathrow has led to a decline in the number of domestic services, from 18 in 1990 to just seven at present, but it estimates that that could bounce back to 16, and an additional 1 million passengers a year, if a third runway is built. By contrast, the commission says that if we maintain the status quo at Heathrow, domestic passengers using the airport could fall by a staggering 2.5 million.

In that case, I hope that the Minister will acknowledge the vital links between regions such as mine and Heathrow and the economic benefits that they provide for regional

economies. I hope that he can reassure hon. Members today that the impact on regional economies is playing a key role in the weighing up of the decision. Most importantly, I hope that the Minister will set out clearly when we can expect a decision once and for all, and provide a guarantee that we will see no more dither and delay from this Prime Minister.

The other major concern for regional airports in the UK at the moment is the devolution of APD to Scotland and Wales. As a result of the Smith commission proposals, APD is being devolved to Scotland through the Scotland Bill, and the Government are now considering the case for doing the same in Wales, as part of the St David's day agreement signed last year. We know already that the Scottish National party programme for government includes a pledge to cut APD in Scotland from 2018, initially by 50% if the SNP wins power this year, with a view to replacing APD with a "more competitive regime" in the long term. Of course, it was welcome that the leader of the Scottish Labour party, Kezia Dugdale, pledged while visiting Newcastle that a Labour Scottish Government would not cut APD north of the border, acknowledging the risk of such a move to north-east airports and businesses. The implications for airports such as Newcastle and others, including Bristol, Manchester and Birmingham, should not be underestimated. We have long made that clear; we have done so since the Smith Commission's proposals were published.

**Julian Knight** (Solihull) (Con): The hon. Lady's mention of Birmingham airport prompts me to intervene. What does she think about the idea of an APD holiday for new flights? For instance, the American Airlines flight that she mentioned from her constituency to Newark is a summer flight at the moment, but potentially, with an APD holiday, could become an all-year-round flight instead.

**Catherine McKinnell:** A number of options are being mooted and discussed as part of the solution. What I want to see from the Government is some certainty about what they will actually do to ensure that regional airports are not disadvantaged by some of these changes. All options need to be considered and taken seriously. Indeed, analysis by Her Majesty's Revenue and Customs of the impact of devolving APD to Scotland found that Newcastle would be the most acutely affected, at least immediately, with an initial 10% reduction in passenger numbers. That is the Government's own analysis. In particular, HMRC's review forecast that the savings to medium and long-haul passengers from reduced APD in Scotland would outweigh the cost of travelling further.

**Sammy Wilson:** Does the hon. Lady accept that we do not even have to rely on modelling done by HMRC? We have only to look at the example of Northern Ireland. Passengers are being sucked out of Northern Ireland to an airport 100 miles down the road, where there is no APD at all. The same would happen if we had an uneven playing field in the rest of the United Kingdom.

**Catherine McKinnell:** The hon. Gentleman makes a very important point. It is a very clear illustration of the impact that such a move can have.

**Ian Mearns:** I am grateful to my hon. Friend for giving way again; she is making a very powerful speech. The situation is similar for those of us in the north-east, with our regional airport at Newcastle. It is 104 miles from Newcastle airport to Edinburgh. If the Scottish Government were to reduce APD by half or possibly do away with it altogether, there would be a real economic disbenefit for Newcastle airport. However, we are already suffering a major disbenefit because people travelling from provincial airports into a hub such as Heathrow get charged APD twice. There is a charge at Heathrow for being inbound and there is a charge from Newcastle for being outbound, so people are charged twice for flying between a provincial airport and a hub such as Heathrow.

**Catherine McKinnell:** My hon. Friend makes a very important point, and I can see that the Minister is interested. He should give some consideration to the impact that that practice has on domestic passengers and regional economies.

**Ian Paisley** (North Antrim) (DUP): The hon. Lady is making an excellent point. Does she agree that this should not be about persuading Scotland not to reduce this taxation? In fact, I am delighted that Scotland has indicated that it will reduce it. This should be about all of us persuading the Chancellor to remove this pernicious, dirty, nasty little tax on passengers and on business.

**Catherine McKinnell:** Interestingly, the Prime Minister seemed to recognise the issue during the general election campaign. He told regional newspapers:

"We are not going to accept a situation where there's unfair tax competition...We will do what's necessary to make sure that England's regional airports can succeed."

However, there has been near total silence on this issue ever since and there is a considerable amount of understandable concern that that was simply a lot of hot air.

**Dr Philippa Whitford** (Central Ayrshire) (SNP): I echo the comment made by the hon. Member for North Antrim (Ian Paisley). It is not a matter of trying to stop regional airports in Scotland from developing. APD was designed to dampen some of the demand here, and it holds back all regional airports. The land border with southern Ireland has been mentioned. If someone from Germany, such as the German side of my family, wants to visit the wilderness, they have a massively different choice between Ireland and Scotland because Ireland does not have APD and it has 9% VAT on tourism. We are ranked 139th out of 140 countries for tourism competitiveness.

**Catherine McKinnell:** It is almost a year and a half since the Smith commission's proposals were published and accepted by the Government, yet we are still no closer to understanding how the Government intend to protect regional airports that are set to be adversely affected by the changes. In last summer's Budget, the Treasury belatedly published a discussion paper on options for supporting regional airports through the changes. The document outlined three options: devolving APD in England; varying APD rates in England; and providing aid to regional airports in England. Unsurprisingly, those proposals begged more questions than they answered.

[Catherine McKinnell]

For instance, which bodies in England would APD be devolved to—local authorities, combined authorities or local enterprise partnerships? If APD was left as it is, and the Government provided financial support instead, how would they ensure that adequate aid reached airports acutely affected by lower APD rates across the border in Scotland or Wales? There are stringent EU guidelines on state aid support, particularly in the aviation sector, and we have previously heard the Government promise compensation to sectors impacted by one policy or another, but they have often under-delivered. How will this be any different? Will airports such as Newcastle be left to plug the gap?

Those and many more questions remain regarding the Government's proposals, yet, six months on from the publication of the paper, there is near total silence from Ministers. I hope that the Minister will break that silence and provide us with some much-needed detail. When will the Government publish a response to the discussion paper that they published last summer? Are all three options still on the table or have some been ruled out? Most importantly, will the Minister tell airports such as Newcastle, Bristol and others how they will be supported by the Government when APD rates are devolved to Scotland and, potentially, to Wales? At the very least, will he tell us when airports can expect to hear about the plans?

The Airport Operators Association has made clear its very strong preference for any future reduction in APD in Scotland to be

“matched, immediately, by a cut everywhere”

so that no part of the UK is “disadvantaged in any way.” It is clear that the continued uncertainty on the issue is very damaging, and it is already having an impact on regional airports when it comes to airlines planning future routes and commitments. It is not good enough to wait and see what happens in Scotland. Action and certainty are required for England's regional airports now.

A further concern I want to raise briefly this morning is the effect of regulatory charges—including, for example, the cost of a 24-hour police presence and all the security borne by airports—on regional airports such as Newcastle International. I understand that very large airports, with airlines queuing up to use their runways, are easily able to pass on those costs on to airline operators. However, it is much less easy for regional airports to do so, and the impact of the shift in costs is therefore having a disproportionately adverse effect on them. Regional airports are understandably extremely concerned about proposals that they should bear the costs of Border Force operating on their sites. Given that the agency is responsible for national security, I would have thought that responsibility lay squarely with the Government.

The decision on airport capacity and expansion has been kicked into the long grass far too many times, even after a £20 million independent commission made the decision on the Government's behalf, as it was asked to do. The Government must make a decision in the national interest, but it should be a decision that respects our international commitments and the concerns of local communities. The Airports Commission has set out a plan that can achieve those twin aims, but the Government do not seem to accept it.

It is time to end the dither, delay and prevarication that has prevailed for far too long under this Prime Minister and Chancellor because it is not just London and the south-east but Newcastle, the north-east and many other regions that will lose out most. Heathrow is, after all, not a London airport; it is the national hub. Airports across the country are looking for answers and long-term certainty from the Government, whether it is on airport capacity or the tax regime for aviation in the UK. I really hope that the Minister will be able to provide that certainty for them today.

**Valerie Vaz (in the Chair):** The wind-ups will begin at 10.30 am, so it would be helpful if Members would stick to a four-minute time limit. We will see how it goes from there.

9.55 am

**Jim Shannon (Strangford) (DUP):** It is a pleasure to speak in this debate. I was not sure that I would be called so soon, but I appreciate the opportunity. I congratulate the hon. Member for Newcastle upon Tyne North (Catherine McKinnell) on focusing everyone's attention on the issue. Clearly, I will be speaking from a Northern Ireland perspective.

The issues of regional airports, including capacity and air passenger duty, are particularly pertinent to Northern Ireland as we share a land border with the Republic of Ireland. My hon. Friends the Members for East Antrim (Sammy Wilson) and for North Antrim (Ian Paisley) have said that on a couple of occasions so it is clear that these issues concern us all. Another indication of that concern is the number of Members of Parliament from Northern Ireland who are here.

Just a few miles down the road, Dublin airport does not have APD imposed on its flights. Not only does the existence of APD put strain on Northern Irish airports as it does with other regional airports throughout the UK, but we are punished twice by having to compete with foreign airports able to operate at a significant advantage. APD was designed to be a revenue raiser but, in the case of regional airports—especially in Northern Ireland—APD has instead become an obstacle to growth. Perhaps the Minister could comment on the suggestion that revenue could be raised by reducing APD and by making us an equal competitor with the Republic of Ireland.

Just last week, news came out showing that passenger numbers have soared at Northern Ireland's two main airports: George Best Belfast City airport and Belfast International airport. More than 7 million passengers passed through Ulster's airports last year—a rise of 9% at Belfast International and a rise of 5.4% at Belfast City. However, despite the success at Belfast City and Belfast International, there was a huge slump at Londonderry airport with numbers down by almost a fifth.

**Ian Paisley:** My hon. Friend will appreciate that the figures from 2006 to 2016 show that passenger numbers have not yet recovered for Belfast City and Belfast International airports because numbers are being sucked to Dublin.

**Jim Shannon:** I will certainly speak about that. The figures show an increase, but a much greater increase could be achieved. Perhaps we might dwell on that. A spokesman for Belfast International airport said:

“If we can make advances such as this with the drag of APD impeding progress, think what we could achieve for the Northern Ireland economy if we didn’t have this regressive tax”.

That is a great point, which my hon. Friend the Member for North Antrim also makes. We could do better and much better.

Some 240 million passengers a year join or leave aircraft at the reporting airport. That figure is important because the increase in traffic is yet to be evenly spread out. Other airports outside London—in Wales, Scotland and, particularly, Northern Ireland—should get the advantage of that. I want to see the connectivity and I know the Minister will comment on that. Those airports are making a case for at least some reduction in APD, with Wales and Scotland already on course to deliver. This debate is important to me as the MP for Strangford because I see Belfast City airport as the airport for my constituents, and they see it that way as well. We want the advantages, across my constituency and across the whole of Northern Ireland, of better prices and better connectivity with other parts of the United Kingdom.

As well as regional disadvantages, APD is at risk of creating a socioeconomic divide, where those with the ability to pay can enjoy the benefits of air travel when and where they want, while those without it are left using other, less appropriate means of transport. APD raises some £3 billion a year in tax revenue, year on year, for the United Kingdom but, despite its introduction, demand has risen rather than fallen. Although APD is a form of revenue raising, it has failed in its aim of reducing demand and carbon emissions. If something is broken—and in this case, it is—we should fix it. It is clear that APD does not work for regional airports across the whole United Kingdom of Great Britain and Northern Ireland, and Northern Ireland wants something different.

The benefits of abolishing air passenger duty will be seen across the entire United Kingdom. According to PricewaterhouseCoopers, abolishing the duty would see the UK economy grow by a staggering 0.5%, which would give the UK Treasury some £570 million in tax receipts in the first year after abolition due to the increased demand for air travel. That is a win-win.

In Northern Ireland we know all too well how much air passenger duty influences the decisions of airlines about doing business. We compete directly with the Republic of Ireland in this sector, and we need only look at what happened when air passenger duty was abolished in the Irish Republic. The figures are interesting: Dublin airport increased its passenger numbers from north of the border—my constituents—which is proof that APD is an obstacle to business, growth, prosperity and security for our people. We must do everything we can to ensure the future success of Northern Ireland.

My party is on record as supporting a third runway at Heathrow—we said it in previous debates, and we are saying it in Westminster Hall today. Let us get the third runway in place for Heathrow. Let us get connectivity across all the United Kingdom, and let us get it for Northern Ireland—for Belfast City, for Aldergrove and for Londonderry. Let us move forward and give everyone in the United Kingdom of Great Britain and Northern Ireland the opportunity to have the advantage of no APD.

10 am

**Kelvin Hopkins** (Luton North) (Lab): It is a pleasure to speak in this debate. I congratulate my hon. Friend the Member for Newcastle upon Tyne North (Catherine McKinnell) on securing this debate and on her excellent speech.

I am here to talk about rail connectivity to regional airports. The Minister will remember that a little while ago I spoke in a debate about eastern regional airports, specifically about Luton. Since then, together with my hon. Friend the Member for Luton South (Mr Shuker), I have had a meeting with the owners of London Luton airport and was impressed with their plans for expansion. Airport passenger numbers are increasing rapidly at Luton—they are now at 12.5 million and are on an upward trend—but we want more trains to stop at Luton Airport Parkway station. There are plans to build a fixed link between the railway line and the airport to ensure that passengers can get to their flights more easily.

Birmingham airport can make a bigger contribution to airport capacity. Indeed, it can serve the south-east and London with the right rail connectivity. I recently met a representative of the Airport Operators Association, who said that Birmingham is operating at only 30% capacity. An old friend of mine, Paul Kehoe, who used to be Director of London Luton airport, is now a Director of Birmingham airport, and I hope to put this to him, too. Birmingham airport could and should provide much more capacity not only for the midlands and the north but for London and the south-east, but it needs better rail connections.

**Karen Lumley** (Redditch) (Con): Birmingham airport is in my region. Does the hon. Gentleman agree that, when HS2 is finally on stream, Birmingham airport will be able to take people from north London? Birmingham also has the capacity for a second runway.

**Kelvin Hopkins**: I thank the hon. Lady for her intervention, but my scheme is rather different from HS2. It is a lot cheaper, more convenient and can be done much more quickly. I am suggesting, as I suggested in a debate some time last year, that we link Birmingham Snow Hill to London. It currently operates to Marylebone, and trains could go to Paddington, too, but electrifying and upgrading the line could provide a rapid, 125 mph service from the centre of Birmingham to the centre of London without changing trains because it could be linked to Crossrail at the southern end. A little track work and electrification would cost no more than £1 billion, according to my railway engineer friends who advise me on such things. A link at the southern end to Crossrail would mean that trains could go both to Heathrow direct and to the City of London, so people could go from the centre of Birmingham to the centre of London. The existing west coast main line, which serves Birmingham airport, links through to Leamington Spa on the Birmingham Snow Hill line, so one could get a direct electrified train non-stop from Birmingham airport to the City of London using Crossrail.

Of course, Birmingham airport could effectively become a satellite, or even a hub, to share the load with Heathrow, because a one-hour service direct from airport centre to airport centre using the Birmingham Snow Hill line would make a real difference to airport capacity and

[Kelvin Hopkins]

could help to fill the spare capacity at Birmingham. As the hon. Member for Redditch (Karen Lumley) said, Birmingham airport could be expanded further. I am suggesting something that could be done relatively quickly and cheaply and that would serve the people of Birmingham and the people of the City of London while increasing the usage of Birmingham airport by passengers coming from the south-east and London. I hope the Minister recognises that as a real possibility.

**Julian Knight:** I am the Member of Parliament for a constituency that neighbours Birmingham airport, and devolution and the idea of devo-APD have been discussed. Does the hon. Gentleman agree that potentially devolving APD to airports such as Birmingham, and to authorities such as the West Midlands combined authority, could be a real benefit and bonus to regional airports?

**Kelvin Hopkins:** The hon. Gentleman has made his point, and I will not comment because I am concerned about passenger capacity and have not given any thought to his point.

An electrified, non-stop service from Birmingham airport to the City of London without changing trains would make a real difference to the attractiveness of Birmingham to travellers from London and the south-east, and it could provide a direct, one-hour, 125 mph electrified train from airport to airport. Birmingham and Heathrow could effectively serve as hub satellites to each other. Luton airport is doing very well and is going to expand massively over time, but my proposal could be done very quickly. We could see a tremendous benefit to the regions, and particularly to Birmingham airport.

10.5 am

**Sir Alan Haselhurst** (Saffron Walden) (Con): It is a pleasure to serve under your chairmanship, Ms Vaz. I congratulate the hon. Member for Newcastle upon Tyne North (Catherine McKinnell) on securing this debate and on her speech, in which she made many important points. I was a little worried that her speech was becoming slightly political. She sounded somewhat like a cheerleader for Heathrow, so I hope she checked her script with the hon. Member for Hayes and Harlington (John McDonnell). I am also surprised that the debate has very much turned to APD—the debate could have been entitled that to give guidance to other colleagues who might have wanted to contribute on that subject. There is a serious problem with what the Scottish Government might do but, by and large, APD has not acted as too much of a brake on the increase in passenger traffic, which is at the heart of the problem of how we provide airport capacity.

Airport capacity is much easier to decide in opposition than in government. Looking back at what has happened over the past decades, the party in government is always the one that is in trouble trying to determine airport capacity, whereas the parties in opposition are freer to comment. The problem with airports, and our country as a whole has never been good with big projects—we agonise over them, and over the consequences in the immediate area where their impact is most felt—is that we struggle because people say, “Of course we want air travel, but we don’t need an airport just near us, thank

you very much, because of the disadvantages that come with it for the rest of the year.” It is essential that an island country such as ours has good airport connectivity. Politics does not help, because one party comes in and has to look at airport connectivity more realistically, and then that party goes out. No one is sure whether a policy conceived in one Parliament will be continued in another.

**Catherine McKinnell:** I appreciate the right hon. Gentleman’s point about politics, but does he agree that the point of the independent Airports Commission, which the Government spent £20 million constructing, was to come up with a viable plan for the whole UK? The commission has made that recommendation, so is it not incumbent on the Government to say whether they support that decision?

**Sir Alan Haselhurst:** One might think that, but the reality is that it depends on what the commission says. The majority recommendation of the 1968 Roskill commission was rejected by the then Government, and the minority recommendation, which was accepted by the Government of 1970, was rejected by the incoming Government in 1974. Such recommendations do not have a very good record.

I will say a little more about the Davies commission before I conclude. We are beset by the division between the capital city and the rest of the United Kingdom, and I find that the term “regional airports” somehow implies second division—it is like talking about the premiership and the championship in football—and that regional airports are somehow different or less good. I am a northerner, and at one stage I represented a Greater Manchester seat. I was very pro the development of Manchester airport, but we have never yet exploited the regional airports to their full. At the moment, there is an urgent need to do so, because they have usable capacity.

Of course I do not want to decry London’s importance to our country, but I think that we do not extol the virtues of the rest of the country. I find the concept of the northern powerhouse exciting. I acknowledge that Government after Government over the past 50 or 60 years have tried to decrease the emphasis and pressure on London and the south-east, but we have never succeeded. There is still a net drift to the south-east, and it is unhealthy for our country.

A point that has not yet been covered in this debate is the difference between hub and point-to-point. Where the Davies commission falls short is that it recommends a hub airport in London, but then says, “Oh, but we can’t have a fourth runway.” Even a third runway puts us way behind the competition in the rest of Europe. If we are really to have a hub airport, it must have the necessary capacity. Figures suggest that Heathrow’s domestic connectivity with three runways will decline, not improve, because the more profitable long-haul routes will steadily displace domestic services.

We must make more use of the spare capacity in the rest of the country, recognising that there are aircraft types being developed now that encourage the growth of point-to-point services from many of the airports in our country. I hoped that this debate would concentrate on that more than it has so far.



**Valerie Vaz (in the Chair):** If Members reduce their interventions, everyone will be able to get in.

10.11 am

**Dr Philippa Whitford** (Central Ayrshire) (SNP): It is a pleasure to serve under you, Ms Vaz. I pay tribute to the hon. Member for Newcastle upon Tyne North (Catherine McKinnell) for securing this debate. Obviously, we are all here to pitch for our local airports, and as usual I am pitching for Prestwick, the UK's clear-weather airport with a long runway. We have a train station in the airport; what we do not have is a single flight to London. We are obstructed from applying for a public service obligation or the connectivity fund by the 60-minute rule—we are within 60 minutes of Glasgow.

This debate opened with a discussion of Heathrow versus Gatwick. The posters that used to be outside the tube entrance referred to a fantastic surge for the whole of Britain. To us in the very northern powerhouse, Heathrow is almost on the south coast. Therefore, unless whatever airport is chosen has protected routes for domestic airlines, there will be no benefit to the rest of the country.

I would also pick up the mention of point-to-point by the right hon. Member for Saffron Walden (Sir Alan Haselhurst). Part of the reason for the obstructed capacity in the hubs of Heathrow and Gatwick is that lots of us who live in a totally different place are made to fly through those airports. We do not want to be here; we do not want to go through Heathrow or Gatwick. We want to go point-to-point, but the number of those flights has diminished.

**Sir Alan Haselhurst:** I thank the hon. Lady for allowing me to intervene on that point, which I was unable to develop as fully as I would have liked within the time limit. The development of the Airbus A350 aircraft and the Boeing 787 opens up the possibility that an aeroplane that can fly distance with 250 passengers rather than 400 could be economically viable. That is an exciting possibility.

**Dr Whitford:** I thank the right hon. Gentleman for that intervention.

We tend to talk about the business flyer coming into London, and there are certainly plenty of business flyers in my region who would welcome a flight from Prestwick into London, but we also need to start thinking the other way around, as a previous speaker said, about tourism coming in. I would like us to think about the smaller regional airports, which are often in areas of great attractiveness and beauty that are tourism hotspots. For someone sitting in the middle of Europe deciding whether to go for their holidays to southern Ireland, Northern Ireland or Scotland, it is a no-brainer. With 9% VAT and no air passenger duty in the Republic of Ireland, the difference in the cost of a fortnight's holiday is vast. Unless people are coming to visit family, they will always go to southern Ireland instead of any of us. It is not just Northern Ireland that loses; it is other picturesque areas such as the lakes, Scotland and the mountains in Wales.

It is important that we have some kind of strategy for developing the smaller regional airports. APD is one of the biggest barriers; that is what all the smaller regional

airports feed back. Instead of just saying, "It's not fair if Scotland gets to change it," we must campaign to cut or remove APD across the country. The PricewaterhouseCoopers report suggested that the growth in GDP would compensate. I know that there would be a time lag, but it would bring jobs into areas where there are often no other jobs.

Although we suffer from the 60-minute rule for being close to Glasgow, being on the south-west coast of Scotland, we can sell ourselves as a golf area—we have the Open this year—and a coastal area. Sailing is one of our biggest tourist industries. People can fly straight into the area that they want to visit. I am sure that there are other small airports in the UK that would like to offer the same.

While we discuss Heathrow versus Gatwick and business coming into and out of London, it is important that the Government have a strategy to support the development of tourism and the smaller regional airports. Another block to that is our 20% VAT rate on hospitality and tourism, versus 9% in southern Ireland. The areas that are strongest in tourism often do not have other industries; that applies right across the UK. There are Members from all parties who live in more rural areas where tourism is being held back by VAT and APD. They are taxes to raise funds, but they are stultifying the local economy. I call for a tourism strategy for the United Kingdom, and it should include smaller and larger regional airports.

**Valerie Vaz (in the Chair):** In order to accommodate all Members, I must reduce the time limit to three minutes. Bear in mind that for every intervention, a minute is added to the speaker's time.

10.17 am

**Julian Knight** (Solihull) (Con): It is a great pleasure to serve under your chairmanship, Ms Vaz. I congratulate the hon. Member for Newcastle upon Tyne North (Catherine McKinnell) on securing this important debate. As we are time-limited, I will not get into the Gatwick-Heathrow issue, which has been well put in this debate, except to say that I believe we need capacity at both airports over time, and we need to future-proof our airport capacity across the UK.

The regional airports are vastly underused. My own airport—Birmingham airport, on the edge of my constituency—is at only 27% capacity. Stansted operates at 60% and is considered a busy and successful regional airport, and Manchester airport operates at only 40% capacity and is also often held up as a model for regional airports. The unused capacity is a bit shameful, really. As the hon. Member for Luton North (Kelvin Hopkins), who is no longer here, said in his speech, Birmingham airport is only about an hour from central London. In fact, Birmingham is more convenient to many parts of the south-east than the self-styled London Luton airport. With the advent of High Speed 2, the journey time could be cut to 40 or 45 minutes, putting it within easy reach of the main conurbation of London and its surrounding areas.

We must use our regional airports much more, and I have a few ideas for how we could go about it. In my previous Westminster Hall debate, I was a proponent of air passenger duty holidays for new flights. I mentioned

[Julian Knight]

the flight from Newcastle, in the constituency of the hon. Member for Newcastle upon Tyne North to Newark. There are also many flights from Birmingham airport that operate only in summer. I think that we could go further and create an APD holiday for those areas, which fly to economically important destinations. It is a great shame that in 2010 this country traded more with Ireland than with Brazil, Russia, India and China. One reason is that we do not have regional connectivity with those emerging—well, in many cases emerged—economies. So I would consider the idea of APD holidays for new flights in economically important markets.

However, there is also the devolution of APD. The hon. Member for Newcastle upon Tyne North said that she would effectively like to stop the devolution of APD to Scotland; that is the Scottish Labour party policy. I would say, frankly, “Good on the Scottish and good on the Welsh for doing what they are doing,” but I want to see such change in other areas as well. We have to be careful, because if we act in terms of favouring one region over another within England, that process will be open to legal challenges. Regarding all the combined authority deals, we should consider devolution of APD.

10.19 am

**Mike Kane** (Wythenshawe and Sale East) (Lab): I congratulate my hon. Friend the Member for Newcastle upon Tyne North (Catherine McKinnell) on securing this debate.

In the short time available to me, I will just refer quickly to the right hon. Member for Saffron Walden (Sir Alan Haselhurst), who made a premier league analogy. Well, if someone already has Manchester airport, they already feel like they are in the premier league, and it is great that we will invest £1 billion in new infrastructure, including new terminals, to welcome Pep Guardiola to the city as the new Manchester City manager.

With 23 million passengers a year, which will rise to 43 million a year by 2025, Manchester airport is a serious world international airport. It has the capacity, with the two runways, to go to 55 million passengers a year. A total of 100,000 tonnes of goods are exported out of Manchester airport and it generates 21,000 jobs. There was a jobs fair just last week, with 4,000 new jobs coming on stream; 7,000 people applied, so it was massively oversubscribed.

It was great to welcome President Xi Jinping and the Prime Minister to Manchester airport just a few weeks ago to announce the development of Airport City, an £800 million investment in new, high-tech sectors both south and north of the city. The joke around Manchester was that it was awful to see the Prime Minister kowtowing to the leadership of a one-party state, but there you go—welcome to Manchester.

However, the point that I will address today is rail connectivity, the importance of which was pointed out by the hon. Member for Solihull (Julian Knight), who also talked about current capacity. There was a Mancunian entrepreneur and industrialist called Daniel Adamson. In 1860, he saw the north developing a continuous economic region—a powerhouse, as he described it—from the banks of the Mersey estuary to the banks of the Humber, to create a single economic market. In 1886, he then decided to build the Manchester Ship canal. He

got halfway there, but there is now an opportunity—in the years ahead of us—to create that single market.

Current rail access to Manchester airport means that the population within a two-hour catchment of it using public transport stands at around 8 million. Currently, the only city that can be reached in that time period is Manchester. However, with the right rail improvements things would improve. Transport for the North, which was funded by the Chancellor in the last autumn statement, is considering three options at the moment. We estimate that if we put in the right transport links from east to west we would create a catchment area for the airport of 18 million people, bringing in Liverpool city region, Sheffield, Liverpool itself and Leeds, with all of them being within around 30 minutes of Manchester and Manchester airport. It would widen the airport’s catchment area massively.

High Speed 2 will bring journey times to Manchester down from the current time of 2 hours 24 minutes to 59 minutes. We can connect our airports and our cities more effectively if we have the right vision, guts and gravitas.

10.23 am

**Ian Paisley** (North Antrim) (DUP): It is an honour to serve under your chairmanship, Ms Vaz.

This has been a very agreeable debate. I do not think I have ever attended a debate in which I have agreed with absolutely everything that has been said by every Member—with the exception of the hon. Member for Gateshead (Ian Mearns), who does not care if he flies from Dublin. I think that Northern Ireland Members can say, with unity for once, that in future we want him to fly from everywhere but Dublin. We will encourage him to do so and get him a timetable to make sure that that happens.

I watched the Minister of State’s reaction to the debate and I noticed that he agreed with a number of points. That is probably because he hails from and represents Scarborough, so he knows the needs of people who come from the north. Of course, whenever he comes to Northern Ireland he does not have to fly north; he just flies west to visit Northern Ireland. So I think he gets this issue, which is important. Members recognise that there is a very distinctive north-south divide here and we must address it very quickly.

A lot of this debate has focused on airport passenger duty, and I agree that it is important. I described it earlier as a pernicious, dirty and nasty little tax, and it is a tax on competitiveness, so it has to go. Frankly, however, it is not up to Scotland or Northern Ireland to do their own side deals on this issue. Addressing APD is an issue that the Chancellor must grasp and deal with centrally. He must recognise that if he does not grasp the issue, unfairness will be created across vast parts of the United Kingdom, which will probably disadvantage the north of England more than anywhere else; other parts of the UK will also be disadvantaged.

What has been absent is a proper aviation strategy that pulls together the tourism need, the business need, the capacity need and all those types of issues. When the Minister looks at this proposal, I am sure that he will bring to the debate a recognition that we need a proper aviation strategy that addresses the needs of other airports in Northern Ireland.

There has been an awful lot of discussion—not just in Parliament but outside it—about sorting out the Gatwick versus Heathrow debate. Yes, that debate needs to be sorted out, and expeditiously, but we also need to address the capacity at London City Airport very quickly.

**Ian Mearns:** I agree that we need an aviation strategy, but we also need a much more integrated transport strategy. As my hon. Friend the Member for Wythenshawe and Sale East (Mike Kane) pointed out about the expansion of Manchester airport, the problem for the north-east of England is that it takes more than two hours by rail to get to Manchester. The connectivity is simply shocking, and I honestly assure the hon. Gentleman that if I was going to Dublin, I would not start from here.

**Ian Paisley:** The hon. Gentleman is absolutely right about the importance of ensuring that such a strategy also includes other transport. For example, my colleague the hon. Member for Belfast East (Gavin Robinson) has a railway that goes almost to the airport. I have a motorway that gets almost to the airport at South Antrim. We need that entire process joined up, so that passengers, commuters, businesspeople and tourists coming in and out of the airport have an easier time of it getting to and from the airport.

In that strategy, we should also ensure that Gatwick, Heathrow and the other centralised airports have slots for the regional airplanes to reach them. That is important, as it will address the issue of ensuring that the C series, whenever it comes on stream, will be available for the other airports, as well as the Airbus equivalent.

Finally, I will point out that when Holland had APD its airports were devastated by competition from its neighbours in Germany. The Dutch scrapped APD and we need to learn the lesson of history.

10.27 am

**Karin Smyth** (Bristol South) (Lab): It is a pleasure, Ms Vaz, to be involved in this debate; I have learned a lot.

The west of England economy is growing—it is worth about £26 billion annually—and we are a net contributor to the Treasury. Aviation has long been a part of that success story. The British and Colonial Aeroplane Company opened in Filton in 1910, which was the beginning of 100 years of continuous development, design and manufacture, with all the job opportunities and wealth that that development has created. Of course, Filton was later famously home to Concorde and it is currently home to Airbus, GKN Aerospace and Rolls-Royce, among other leading players in the global aerospace industry.

Airport capacity is central to that local growth. Our first airport opened in 1930, in Whitchurch, which is now located in my constituency of Bristol South. After the war, a new site was finally opened at the current airport site, outside the city boundaries in Lulsgate. By 1988, 100,000 passengers were being served and in 2000 a new terminal and other infrastructure improvement led to more than 2 million passengers being served.

Last year, Bristol Airport handled nearly 7 million passengers, making it the ninth busiest airport in the UK and a major regional resource for Bristol, the west

of England, the south-west and indeed south Wales. It has generated more than 11,000 jobs, many of which are located in my constituency of Bristol South.

Bristol airport's performance is good; despite being the ninth largest airport in the UK, it has been the most punctual airport in the UK two years running and it is the 10th most punctual airport in the world, which we are very proud of. In 2011, planning permission was given for it to handle 10 million passengers. There is an ambition not only to bring more business travel but to open up tourism to the west of England and the whole of the south-west, which includes the fantastic city of Bristol, neighbouring Bath, which is a unique world heritage site, and traditional seaside and rural areas across the whole of the south-west, including Devon and Cornwall, and Wales.

However, as many Members have already said, two things are crucial to the continued success of Bristol airport and its contribution to the wider economy. First, a decision about Heathrow is needed as soon as possible. Secondly, the devolution of airport passenger duty to Wales, which would effectively result in a redistribution of traffic away from Bristol and into south Wales, has been raised by many hon. Members. Even limited devolution of the duty for long-haul flights would have a detrimental impact. Bristol airport wants to continue to invest in facilities and create jobs, but APD would remove the level playing field on which we currently operate. I am keen to see a western powerhouse built on our tremendous industrial past and our current and future business and leisure offer, and the continued success of Bristol airport is key to that. The Government should better acknowledge and support our regional airports, and provide them with greater certainty about the rules under which they now operate.

**Valerie Vaz (in the Chair):** The Minister has kindly indicated that he will reduce his speaking time, and if the other Front-Bench spokespersons reduce theirs, to about six minutes, we can get the final three Members in.

10.30 am

**Tom Elliott** (Fermanagh and South Tyrone) (UUP): I appreciate being called, Ms Vaz, and I welcome the opportunity provided by the hon. Member for Newcastle upon Tyne North (Catherine McKinnell).

We have moved from regional airports right through to the Heathrow-Gatwick debate, local tourism and many other aspects of the matter, including the north-south issues raised by the hon. Member for North Antrim (Ian Paisley). I am not sure whether he is talking about the north and south of England or of Ireland—he can clarify that—but the fact is that we in Northern Ireland do not have the same opportunities as many in other parts of Great Britain do.

I listened to the debate about rail links. I would love a rail link from Fermanagh and South Tyrone right into any airport in Northern Ireland, but I do not have one. What we want to concentrate on are the links between our airports in Northern Ireland and those in the rest of GB, particularly Heathrow—it is the national hub, irrespective of what others might believe about their own airports. I am pleased to hear how well Manchester is doing, and that proves that there are opportunities

[Tom Elliott]

there that we do not have in Northern Ireland. We are also fighting with the airport duty to which others, in particular the hon. Member for Strangford (Jim Shannon), have referred. What we really need is to develop those links, instead of reducing them. From what I have seen over the past few years, the links from regional airports through to the main hubs are reducing and we need to increase them.

I do not know where the UK Government are putting any finances in, and that takes us back to the debate about whether there should be a new runway at Heathrow or at Gatwick. Who can afford it? I guess that both airports' business plans say that they can afford it, but can they? If they can, let them bid, and let it be decided on economic terms as opposed to on the best terms for the individual airport.

We must ensure that regional airports, such as Belfast International airport, Belfast City airport and the airport in Londonderry in Northern Ireland, are on a level, fair playing field with others. I listened to the hon. Member for Solihull (Julian Knight) talk about air passenger duty; if it will be taken off in Northern Ireland it should be taken off everywhere. We are happy to participate in the debate and take on those very issues, but we need that level playing field in terms both of regional infrastructure—train services or other public transport—and of the availability of bigger hubs such as Manchester.

10.33 am

**Gavin Newlands** (Paisley and Renfrewshire North) (SNP): I appreciate your efforts, Ms Vaz, to ensure that we are all called in the debate.

I am extremely lucky to have Glasgow airport in my constituency. I have spoken in the past about not only its importance to the local Renfrewshire economy but its economic impact on Scotland and across the UK. It contributes about £200 million to the national economy and supports 7,300 jobs in Renfrewshire. The airport's success in 2015 led to its being named both UK and Scottish airport of the year. It was a record year, with 8.7 million passengers from all over the world coming to Scotland through its arrivals hall.

The debate provides us with the opportunity to talk about the success of, and the opportunities for, our regional airports, but in doing so we must debate the issue that the Government have clumsily kicked into the long grass until after the London mayoral election—airport capacity in the south-east. The decision to expand Heathrow or Gatwick should not, and cannot, be considered in a vacuum. Regional airport connectivity has to be at the forefront of any plans for airport expansion. The delay until after the mayoral election is causing extreme uncertainty in the sector, which serves no one. All our regional airports have long-term plans and their ability to plan is severely hindered by the constant and lengthy delays.

As we look forward to the airport expansion decision, a startling statistic that jumps out is that the number of services from Scottish airports to Heathrow has declined by more than a quarter over the past 10 years, and to Gatwick by almost 20%. When the expansion eventually occurs, therefore, we must ensure not only that the

number of direct flights from Scotland to Heathrow or Gatwick is protected but that we consider ways of reversing the decline of the past 10 years.

The expansion will have ramifications for the rest of the UK, particularly for the regional airports. I have an unlikely ally in the hon. Member for Uxbridge and South Ruislip (Boris Johnson), who has argued that the expansion will have a significant impact on Scotland and that we should not be disfranchised. I therefore ask the Minister to assure us today that the motion, Bill, statutory instrument or whatever legislative vehicle is used is worded so as to ensure that it cannot be certified. Scottish, Welsh and Northern Irish MPs must be able to debate, and vote on, the issue at every parliamentary stage.

We have heard that regional airports are achieving significant success, but their importance to the national economy is often not fully appreciated. I see at first hand the impact that Glasgow airport has on the local Renfrewshire economy, but the delayed decision on the expansion is causing unnecessary concern, and I urge the UK Government to get on with it, and make a decision based on what is best for all parts of the UK.

10.35 am

**Gavin Robinson** (Belfast East) (DUP): I greatly appreciate the opportunity to contribute to the debate, and I congratulate the hon. Member for Newcastle upon Tyne North (Catherine McKinnell), who summed up entirely appropriately the issues that frustrate and constrain regional aviation in this United Kingdom.

I am proud to have, in east Belfast, George Best Belfast City airport. Its provenance goes back to the second world war, the Sunderland flying boat was launched there in 1952, and the precursor to the Harrier jump jet was trialled in Belfast. On that site, with Bombardier, we are currently developing the C Series, which is an important tool for regional and small airports throughout the United Kingdom that need light, less noisy, as well as efficient and effective aircraft that can get in and out quickly. I am glad that London City airport is considering the C Series. When I was Lord Mayor of Belfast a number of years ago, the city airport was our unique selling point. A passenger can walk out of the arrivals lounge and be in the city centre in five minutes. No other regional airport has such connectivity to its city centre.

**Jim Shannon:** In my constituency it is 10 minutes.

**Gavin Robinson:** The Ards aerodrome has its place, and the kites that are flown there are of great significance.

We are constrained by a regressive and restrictive tax—air passenger duty—which has been fairly reflected on today. The devolution of the duty is the wrong course of action, but I am slightly concerned by the suggestion that we need further strategies and opportunities for the Government to consider what happens next. We need decisions. We have had the devolution of air passenger duty on long-haul flights in Northern Ireland. It sustains our only transatlantic flight from Belfast International airport, but it is not enough. I ask the Minister to reflect on that. In the Northern Ireland Affairs Committee we are currently considering air passenger duty and the variation of VAT on tourism

and hospitality, and I hope that our report, when published, will form part of the Department for Transport's thinking.

**Tom Elliott:** Does the hon. Gentleman accept that Lord Empey's Bill, the Airports Act 1986 (Amendment) Bill, currently in the House of Lords, will help to create rightful decisions that Heathrow must take regarding flights coming from regional airports?

**Gavin Robinson:** The hon. Gentleman makes an important point. The Government's 2003 White Paper suggested that we needed to build up the regions to reduce congestion in London, but the truth is that by expanding what we have in the south-east of England we are constraining the regions. We need to give the regions a fruitful opportunity to expand, and to compete on a level playing field.

**Ms Ritchie:** Does the hon. Gentleman agree that Northern Ireland depends greatly on exports—particularly farm exports—and that we need a strong, sound regional airport with connectivity links to access global markets?

**Gavin Robinson:** The hon. Lady is entirely correct. We have as much transport in the hold of our planes in Northern Ireland as we do in the cabin, and regional aviation links are crucial for exports.

When something is going wrong or when someone is suffering an injustice or is unwell, we often say, "You would not wish it on your friends, never mind your enemies." I am quite pleased that there is a threat for the north of England. I am quite pleased that there could be a disparity between APD in Scotland and APD in the north of England, because that would focus minds and attention on the issue. I do not wish to see that disparity, but I do wish to see greater recognition in the United Kingdom of the issues that for many years have been constraining us with the foreign border in Northern Ireland. If the danger that we have faced over decades is now facing those in the north-east of England and across the United Kingdom, that can only be a good thing, because there will be recognition of the dangers, damage and constraints of this pernicious tax on aviation. I hope we find a solution.

**Valerie Vaz (in the Chair):** If the two Front-Bench spokespersons on the Opposition side take five minutes each, the Minister can have between seven and eight minutes, and I can then allow Catherine McKinnell to respond.

10.40 am

**Drew Hendry** (Inverness, Nairn, Badenoch and Strathspey) (SNP): It is a pleasure, as always, to serve under your chairmanship, Ms Vaz. I will try to jet through my comments, as there are quite a lot.

I congratulate the hon. Member for Newcastle upon Tyne North (Catherine McKinnell) on securing this debate, because it is important. She talked about the importance of UK airport capacity, and I think there was general agreement on that point. Members were also in general agreement on the impact on tourism, jobs and exports across the piece. On the critical decisions on airport strategy by the Government, the hon. Lady rightly used the expression, "kicked the can". Lots of other phrases could be used. She also

said that growth and sustainability lose out from inaction. All those things are correct. I call for an end to the dither and delay, and I will speak about that in a moment.

There is lots to agree on, but one thing to disagree on—the hon. Lady will have picked this up around the room—is the subject of APD. The hon. Member for Strangford (Jim Shannon) correctly called it a regressive tax. We also heard that it creates a social and economic divide, which it does. The average family of four in Scotland pays more than £100 more because of APD. That is not right. It seems odd to me that the Labour party position is that APD is wrong and we should get rid of it, but not in Scotland, because it is not right to do it there. But I say that it is right to do it there. And by the way—I must say this, because the issue was brought up—when Kezia Dugdale talks about APD, she has already spent the APD money 10 times over on housing, health and education, despite the fact that getting rid of APD creates no new money. I would not go to her for advice on taxation.

Getting back to the main points that we can agree on, there needs to be action, and soon.

**Mike Kane:** Will the hon. Gentleman give way?

**Drew Hendry:** I will not, because I am going to make progress; I have very little time to get my points in. My hon. Friend the Member for Paisley and Renfrewshire North (Gavin Newlands) talked about Glasgow airport and the 7,000 jobs and more than £200 million a year it adds to the economy. He also called on the Minister to confirm that the matter will not be dealt with under EVEL rules, as was suggested by a Scotland Office Minister some time ago. We have heard about the impact of airport expansion on the different nations of the UK, so I hope the Minister will come back with an answer on that.

The right hon. Member for Saffron Walden (Sir Alan Haselhurst) correctly said that the UK has never been good with big projects. That is especially the case with the fudge over airport expansion. He also said that it was essential for island nations to have good links, and he is absolutely correct about that. I think I also heard him use the phrase, "You've got to decide," and the Government have got to decide. The main thing is to get on with it. Whether it is Gatwick, Heathrow, no new runways or something else, the point is that the industry is in a condition of stasis across the piece.

My hon. Friend the Member for Central Ayrshire (Dr Whitford) talked about Prestwick. She is a big champion for the airport. She pointed out the clear weather that we get there, and in other debates she has mentioned it as a location for a possible space port. She talked correctly about the 60-minute rule. One of the things that the Davies commission pointed out was that for regional airports to work properly and share in any expansion, there must be a point-to-point public service obligation decision taken by the Government. They must put regional airports at the heart of any decision and ensure that when we talk about links, it is not just links to London, but to specific hub airports. That is important, because some 90% of international visitors to Scotland come through air travel, and more than a third of them come through the Heathrow hub. Over the past 10 years, while destinations and routes from

[Drew Hendry]

Scotland have doubled, flights to London have fallen by more than a third. We are not getting the protection that we require for those routes. Speaking of regional expansion, I am delighted to note that the First Minister of Scotland has announced a £20 million expansion of Aberdeen airport that will create a 50% gain in size. That is a real vote of confidence for the north-east.

I will bring my comments to a conclusion, but there is so much more that I could have said. There is a need for the Government to make a decision on airport expansion and ensure that regional airports are at the absolute heart of those decisions.

10.45 am

**Daniel Zeichner** (Cambridge) (Lab): It is a pleasure to serve under your chairmanship, Ms Vaz. I must congratulate my hon. Friend the Member for Newcastle upon Tyne North (Catherine McKinnell) on securing this important debate. She raised an important series of issues, ably abetted by our mutual friend, my hon. Friend the Member for Gateshead (Ian Mearns). Both of them explained the tremendous positive impacts that Newcastle International brings to the north-east, both as a key employer in the area and through its wider partnerships.

We also heard strong contributions from my hon. Friends the Members for Luton North (Kelvin Hopkins) and for Wythenshawe and Sale East (Mike Kane) on the need for rail connectivity and from my hon. Friend the Member for Bristol South (Karin Smyth) on the worries that areas in the south-west have on the threats from air passenger duty and the general uncertainty. The right hon. Member for Saffron Walden (Sir Alan Haselhurst) made a characteristically expansive contribution, giving us the historical perspective.

We heard recently from Sustainable Aviation, which produced a report last week that underlines the massive contribution from the UK aviation sector as a whole. It represents more than £50 billion in GDP. There are around 1 million jobs related to aviation and the industry contributes £8 billion in tax revenue. As Members across the Chamber and the report have said, we cannot rest on those laurels.

Starting with the vexed issue of airport capacity, in July 2015 the Prime Minister promised a response before Christmas, which never happened. Many of us understand the impact of the coming mayoral elections. The Government say that they are considering the questions raised by the Environmental Audit Committee. Those are important questions, but I wonder why the Government were not asking themselves those questions in the six months after the commission's report came out. We also have a new twist to the saga, as we heard the Transport Secretary suggest on LBC that a decision will not even come this summer. Will the Minister confirm whether the Government will make a decision in 2016, or whether we will be waiting even longer?

It is absolutely clear that there is a range of issues here. This morning, we are talking about the effect on the regions. It cannot only be about the south-east, because connectivity to other parts of the UK is vital in rebalancing growth. Any decision on expansion must ensure that flight links are improved across the

country and that UK airports are connected to hubs. I must press the Minister on that matter, because at the end of last year, *The Times* quoted the chief executive of Heathrow, John Holland-Kaye, expressing concerns that a cap on night-time flying would "constrain" links to the rest of UK. Can the Minister assure the House that any eventual expansion will not leave us with a choice between exacerbating noise disruptions and restricting flight slots to UK airports?

Ongoing delay must not mean inaction. For example, Sir Howard Davies recommended an independent noise ombudsman back in 2013. That is universally agreed by pro-expansion groups, as well as by green and local community groups. With Labour's backing, the Government could introduce that measure now, so why do we not get on with it? Even then, whatever decision is made on Heathrow or Gatwick, it will take eight, nine or 10 years to implement. Aviation will not stand still in that time. We will need new routes to connect with existing and emerging markets. We have heard about the new aircraft that offer possibilities for expanded point-to-point travel, and encouraging that would complement the UK's existing hub mode. It would enable airports with existing capacity to build new routes to emerging economies and to directly support investment and growth across all regions. There are things that the Government could and should be doing to promote our international gateways.

On improving road and rail access, we had the opportunity to change the way in which we plan connections while improving air quality and CO<sub>2</sub> around our airports. Improving surface access is the Airport Operators Association's No. 1 priority in 2016. So will the Government recognise that too, and endorse Labour's call for the National Infrastructure Commission to prioritise a review into rail and road access into all airports? In the meantime, let us commit Manchester airport to joining Birmingham International and the HS2 line, and commit to include upgrades to links to Stansted in the next rail investment period.

We have heard the arguments today about air passenger duty. The Government must absolutely get on with it. When can we expect the promised review of the future of air passenger duty in terms of its purpose and how options for reform can improve the competitiveness of different airports in a devolved environment? Will the Minister also outline what, if any, advice the DFT and the Treasury have received from the European Commission over the compliance of the options in the discussion paper?

There is a degree of consensus that we must not let aviation policy stand still while the Government delay on expansion. It is clear that our regional airports need full backing to reach their full potential as international gateways. I look forward to the Minister's response and his clarifications on when he expects to report on the commission, on the noise ombudsman, on surface access and on APD.

10.50 am

**The Minister of State, Department for Transport (Mr Robert Goodwill)**: It is a great pleasure to serve under your chairmanship, Ms Vaz. First, I congratulate the hon. Member for Newcastle upon Tyne North (Catherine McKinnell) on securing this important debate

on regional airports and UK airports' capacity. She has set out a strong case that regional airports are essential, not only for maintaining the UK's air connectivity, but for jobs and economic regeneration across the country. I understand her frustration that the Government are having to take time to make important decisions, but it is vital that the process is robust, and that all environmental and economic factors are fully considered. I welcome the broad agreement that exists across the political spectrum on the importance of maintaining the UK's position as a leading global aviation nation, which is vital to the UK economy. This is a timely debate, given the Government's announcement last December on airport expansion in the south-east.

The Airports Commission set out a convincing case for new runway capacity in the south-east by 2030, which the Government have accepted. The Government also accepted the commission's final shortlist of three schemes. It is important to get the decision right, so that it will benefit generations to come. That is why we will further consider the environmental impacts and continue to develop the best possible package of measures to mitigate the impacts on local people and the environment. We expect the package of further work to be concluded by summer 2016. Importantly, the timetable set out by the Airports Commission for delivering additional capacity in the south-east by 2030 will not alter.

It is important to remember that the UK continues to have excellent aviation connectivity, both on a point-to-point basis and through the London hub. After all, we have the third largest aviation network in the world after the United States and China. The Civil Aviation Authority's statistics show that the UK's regional airports handled around 39% of the UK's air passenger total in 2014: around 92 million passengers. Services from UK regional airports operated to more than 100 domestic and international destinations, providing convenience and travel opportunities, and helping to reduce the need for air passengers and freight to travel long distances to reach larger airports.

It is heartening to see that many of the airports that were impacted by the economic downturn a few years ago are now, like the economy, seeing real growth again. Manchester airport, as mentioned by the hon. Member for Wythenshawe and Sale East (Mike Kane), is now the UK's third largest, handling more than 20 million passengers a year. It has the only regular A380 service from a UK airport outside London and its routes are expanding further—Cathay Pacific is operating direct flights to Hong Kong and, starting this June, Hainan Airlines will operate four flights a week to Beijing. Those are the first direct scheduled flights between mainland China and a UK airport outside of London, worth at least £250 million in economic benefits to the UK. Indeed, my big new shiny railway will be coming to Manchester as well as Birmingham airport.

My hon. Friend the Member for Solihull (Julian Knight) mentioned Birmingham airport, which completed its runway extension in 2014, enabling larger aircraft to fly to more long-haul destinations. That has allowed greater capacity to destinations such as Dubai, Delhi and Amritsar, and some successful charter operations to Beijing. The airport celebrated its most successful year in 2015, handling more than 10 million passengers for the first time. That is not all. Ongoing investment programmes are also under way at other airports such

as Edinburgh; Belfast City, which saw 2.7 million passengers last year, an increase of 5.4%; and Belfast International airport, which saw 4.4 million passengers, an increase of 8.9%.

I welcome last month's announcement that Ryanair is to begin operating a new base at Belfast International from March with flights to Gatwick, and five other routes will follow. In December, I was very happy to announce successful routes under the regional air connectivity fund that allow routes between Carlisle and Belfast City and Londonderry and Dublin.

Like me, the hon. Member for Newcastle upon Tyne North was able to see at first hand the newly completed redevelopment at Newcastle International airport's departure lounge when I had the honour to open it formally shortly before Christmas. It is worth mentioning two more bits of good news for the airport: United Airlines has announced it will repeat its non-stop Newcastle to New York Newark service next summer; and Newcastle has been named the UK's top large airport in a nationwide poll of *Which?* magazine readers for the third year running.

Within the UK, airlines operate in a competitive commercial environment, and we consider that they are best placed to determine which routes they operate, and from which airports. We know that the commercial aviation market brings many benefits to air passengers. However, the Government also recognise that, because aviation plays an important role in connecting regions, there may be occasions when aid is necessary to protect certain existing air services that may be discontinued or to develop other services to airports where local economic conditions prove unattractive to airlines.

We are conscious of the possible risk of distortion to competition that could be created by Government intervention in the commercial airline market. That is why we have been careful in balancing the commercial imperative with the need to provide support for existing services and for new air routes from some of our smaller airports. Last November, the Chancellor announced that 11 new air routes from smaller UK airports would be supported with around £7 million of start-up aid over the next three financial years. Those routes, one of which will be operated by Links Air between Newcastle and Norwich, will begin operating this spring and will provide domestic links between England, Scotland and Northern Ireland, as well as international connectivity to France, Germany, the Netherlands and Ireland.

The Government have been asked why we cannot acquire or reserve slots at busy UK airports such as Heathrow for domestic services from regional airports, such as those in Northern Ireland. The allocation of slots at EU airports is governed by regulations agreed at European Union level and by associated UK slot regulations. Under the regulations, the process of slot allocation at Heathrow, Gatwick, Manchester and other slot co-ordinated airports in the UK is undertaken by an independent slot co-ordinator independently of the Government, the Civil Aviation Authority or other interested parties. The UK Government therefore play no part in the slot allocation process at Heathrow or other co-ordinated airports, and under EU regulations we are legally prevented from intervening in that process.

Unfortunately, time is pressing. I wanted to say a few words about air passenger duty, but no doubt there will be an opportunity in future. Indeed, it is a matter for the

[Mr Robert Goodwill]

Chancellor, so I will come to a conclusion and allow the hon. Member for Newcastle upon Tyne North a chance to get the final word.

The Government believe that maintaining the UK's status as a leading global aviation hub is fundamental to our long-term international competitiveness. We are clear about the economic and connectivity benefits that our regional airports bring to regions, communities and businesses. We have established the right foundations to move forward, gain consensus and secure the benefits that aviation brings for the whole nation.

**Valerie Vaz (in the Chair):** I thank Front Benchers for their timely speeches.

10.58 am

**Catherine McKinnell:** Thank you for your excellent chairing of this debate and for ensuring that everybody managed to have their say, Ms Vaz.

There are many opinions on this issue and very localised concerns, but there is one overriding message that we can all agree on that applies to airport capacity and air passenger duty. We need decisive action to ensure that our regional airports not only survive the changes ahead, but thrive on them. "Wait and see" is not an option. It is damaging our regional economies and the national economy. We await the Government's decisions on two key issues.

I was disappointed that the Minister did not have time to deal with air passenger duty. Although it is the responsibility of the Chancellor, I hope that the Minister's Department will exert all the pressure necessary to get a swift decision, because the issues have a major impact on our future regional connectivity in this country. We need an end to the dither and delay on the vital issue of regional aviation. I urge the Minister to do everything he can to ensure that his Department, the Secretary of State and the Chancellor come back with responses on all the issues raised in the debate without further delay.

*Question put and agreed to.*

*Resolved,*

That this House has considered regional airports and UK airports capacity.

## Caerphilly County Borough Council

11 am

**Wayne David (Caerphilly) (Lab):** I beg to move,

That this House has considered the financial consequences for Caerphilly County Borough Council of legal action against its senior officers.

It is a pleasure to serve under your chairmanship, Ms Vaz.

This case has been an issue of concern locally in Caerphilly borough for some time, so I am pleased to have the opportunity to discuss it in some detail and reflect on the consequences. We have before us a saga that began in September 2012, when the chief executive and other senior officers of Caerphilly County Borough Council were given huge pay increases of up to 30%. In March 2013, the council's chief executive was arrested. A few months later, the then acting deputy chief executive was arrested on suspicion of committing fraud and misconduct in public office. The head of legal services was arrested later. The three individuals were suspended on full pay by the local authority, as was its obligation.

The Welsh Audit Office investigated, and its public interest report concluded that the senior officers' pay increases were "unlawful" because the meeting at which the decisions were taken had not been properly advertised and the agenda and reports for the meeting had not been made available for public inspection three days in advance. The report also pointed to other serious concerns, including the fact that the chief executive prepared a report, on which the decisions were subsequently taken, that was far from objective, and that he stayed in the meeting while his own salary was being discussed and decided.

The three officials concerned were the subject of a police investigation throughout 2013 and into summer 2014. Because of the understandably close working relationship between Caerphilly County Borough Council and Gwent police, the investigation was undertaken by Avon and Somerset constabulary. Early in 2014, the three defendants were charged with misconduct in public office. In May 2014, they appeared before Bristol magistrates court and were sent for trial at Bristol Crown court. On 13 May 2014, the trial date was set for 15 June 2015. It was decided that that would give ample time for the defence and prosecution to prepare their cases and for all the evidence to be assembled. From then on, however, there were legal wrangles between the defence and prosecution about the use of materials. There were also problems with the lack of availability of the allocated judge for the estimated trial length—I will say more on that later—so the process grew longer and longer and dragged on through the spring and summer and into the autumn of 2015.

Eventually, in October 2015, the judge dismissed the charges against the three defendants. Judge William Hart said:

"I find that there is no evidence upon which a reasonable jury properly directed could convict any of the defendants of misconduct in a public office on the admissible evidence available."

In response to the judge's decision, the Crown Prosecution Service issued a statement, which said:

"This was a complicated, wide-ranging and lengthy investigation into serious allegations against council employees. The investigation was conducted by Avon and Somerset Constabulary at the request



of Gwent Constabulary...CPS South West's Complex Casework unit took the decision to charge the three defendants following extensive consultation with the police. Since that time the prosecution team has pursued the case within the proper judicial process."

There had been concerns about the length of the trial as the case was progressing. I wrote to the CPS to ask about the apparently excessive delays. In a letter to me, the CPS responded by saying:

"We are conscious of all the public monies that have been expended by the delay in this prosecution but the Court listing is a matter outside the control of the CPS."

Frankly, that is not good enough. There is widespread concern about how the CPS handled the case and whether it accurately prioritised the pursuit of the most appropriate issues and material.

There is also concern about Avon and Somerset police. Clearly, officers amassed a huge amount of material relevant to the case. It is possible that the ongoing police investigation into other alleged irregularities at Caerphilly County Borough Council meant that they were unable to provide an accurate summary of what material was relevant to the case. The police seized more than 160,000 emails during the investigation, and it is noteworthy that the defence submitted an abuse of process argument, stating that the unused material that had been amassed had not been properly examined by the police.

There is further concern about how the court system itself operated. Following the abuse of process argument, all the parties involved made repeated representations for the case to be listed. Eventually, a new trial date was set for 8 June 2015, but because no judge was available to hear the trial in June, it was further delayed until July 2015—the second delay because of the unavailability of a judge. In the meantime, the defence applied for leave to submit an application for the case to be dismissed. The judge acceded to that request in October 2015.

This whole legal saga dragged on for more than 18 months. There were many reasons for the longevity of the case. It was certainly complex, but a measure of responsibility must be borne by those involved in its prosecution: the police, the CPS, the judiciary and the legal system as a whole. If it stops anywhere, the buck stops with the Government and the Ministry of Justice, who are responsible for the legal system. Caerphilly County Borough Council were legally obliged to suspend the three officers concerned from the moment they were arrested. To date, the bill to the council and its council tax payers is more than £1 million. There is no need to remind the Minister that, like all other local authorities in the country, Caerphilly County Borough Council can ill afford £1 million at a time when services are being cut and jobs are at risk.

As the long-drawn-out legal proceedings were not the fault of Caerphilly County Borough Council or its council tax payers, will the Minister give careful and serious consideration to my request that the council be reimbursed for the salaries it was obliged to pay to the suspended staff? If he accepts the morality of my case, he should surely find a way to ensure that the people of Caerphilly are not unfairly penalised.

11.10 am

**The Parliamentary Under-Secretary of State for Justice (Mr Shailesh Vara):** It is a great pleasure to serve under your chairmanship, Ms Vaz. I congratulate the hon. Member for Caerphilly (Wayne David) on securing this

debate. He is diligent and conscientious in all that he does for his constituents, so it is no surprise that he brought this important matter to the House of Commons to get a proper answer for his constituents. I am grateful for the opportunity to respond to this debate. I understand the concerns of the people of Caerphilly about the cost of the case, but I hope the hon. Gentleman will appreciate that the justice system's obligation to investigate cases, even when they involve high-profile individuals, and the duty on judges to make decisions according to the information before them must continue.

I have spoken previously about the Government's commitment to a one-nation justice system, and a fundamental part of that is the rule of law. Those responsible for investigating allegations of misconduct must be able to do so robustly and without intrusion, and it is crucial that those who make decisions in the system are independent and protected from undue state influence. It is not for this place to challenge the Wales Audit Office's investigation, the independent prosecutorial decision to bring the proceedings or the judicial decision to bring the proceedings to a close. If it is felt that the investigation or prosecution was lacking, the right place to seek redress is with the Auditor General for Wales or the Director of Public Prosecutions. Those who feel that the case should not have ended in the way it did could have requested that the judge's decision be scrutinised by the higher courts by bringing an appropriate challenge within the timescales prescribed in law.

I listened carefully to what the hon. Gentleman said—particularly about the long time it took to arrive at a conclusion. He is, of course, aware that several factors influenced that timescale—indeed, he alluded to some of them—including the defence's challenge of the police review of unused material, and judicial and defence counsel availability. Notwithstanding those factors, the case was concluded well within the average time for such complex cases. Cases of that nature take, on average, 25 months from charge to conclusion. That case was dealt with more quickly than the average for complex financial cases. The hon. Gentleman also mentioned listing, which is a judicial decision. Bristol Crown court sees a high number of fast-tracked sex cases, so it takes longer than usual for it to see other types of case.

The Government are undertaking a substantial programme of reform to improve the criminal justice system for those directly involved in it and the general public. In January 2015, Sir Brian Leveson published a review on efficiency in criminal proceedings, which included 56 recommendations for improving efficiency in the criminal courts within the existing legislative framework. His recommendations are the result of considerable consultation across the criminal justice system, and they cover a range of areas, including improving case management and progress in magistrates and Crown courts.

In his review, Sir Brian emphasised the need for more robust case management, and noted the importance of getting it right the first time. He recommended that one person in the police, in the Crown Prosecution Service and for the defence must be responsible for the conduct of each case. That recommendation is being taken forward as part of a better case management initiative, and will be rolled out nationally from the beginning of January following its successful introduction in eight Crown court centres in October 2015.

*[Mr Shailesh Vara]*

The initiative emphasises the importance of effectively managing proceedings while preserving judicial discretion. It aims to deal more quickly with cases where there is a guilty plea, which will free up capacity to manage more actively cases that go to trial. It aims to ensure better communication between practitioners and the court before the first hearing; more effective hearings; more guilty pleas; the disposal of many cases without the need for adjournment; and robust judicial resistance to applications to adjourn.

According to the Leveson review, to improve case management it is crucial to encourage early engagement between the prosecution and the defence. Sir Brian recommended that the criminal procedure rules make it clear that the parties are under a duty to engage at the first available opportunity. In response to that recommendation, we made amendments to the criminal procedure rules, and we are due to make more in April. Earlier engagement between parties will ensure greater collaborative working. It will allow parties to focus on the key issues, possible pleas, missing evidence and other material that could help them reach an early resolution.

**Wayne David:** I appreciate the Minister's point and I welcome the reforms that he says are in the pipeline, but I refer him back to the costs incurred by Caerphilly County Borough Council through no fault of its own. With the benefit of hindsight, would it not have been better for case to have been heard somewhere other than Bristol Crown court if the pressures of work on it were so great? If the case had been held elsewhere, it could have been expedited, and matters could have been dealt with much quicker.

**Mr Vara:** I am grateful to the hon. Gentleman for raising that issue. He will appreciate that it is for the judge to determine who pays the cost of the trial. The judicial process must be based on the legal advice that the council can take. The hon. Gentleman will appreciate that the cost of employing additional staff to manage the work while a long case is going on is a matter for the council.

On transferring the case to somewhere other than Bristol, I hope that our reforms will enable a broader perspective to be taken on board and allow people to say, "Although this is a local issue, in order to secure justice for the people involved and for justice to be seen to be done quickly, would it be better for it to be dealt

with in another nearby court where there is more capacity?" I hope that our reforms will ensure that cases are dealt with quickly and promptly. If there is a delay in one court, we should certainly look at neighbouring courts that have capacity; I do not rule that out. The hon. Gentleman will appreciate that the Ministry of Justice is putting in place ambitious plans. I am confident that they will be in effect in due course, but I am sorry that they could not benefit his constituents at the time of the case that he refers to.

Improving awareness of the criminal procedure rules will also allow more robust case management. The Judicial Office has been working with the judiciary and defence practitioners to raise awareness of and embed the criminal procedure rules. Discussions have been taking place with the Bar Council, the Law Society, the Judicial College and the criminal procedure rules committee. Compliance with the criminal procedure rules will ensure that court time is deployed to maximum effectiveness and efficiency.

Sir Brian also recommended using technology to improve case management. Case management hearings have become inefficient and expensive. They are essentially administrative in nature and do not always require all participants to be gathered in the same room. He therefore encourages the use of video and audio technology to hold case management hearings outside court, reducing the time spent on unnecessary travel and making case management hearings more effective. Pilot hearings have been implemented in Reading Crown court and are soon to be expanded to Aylesbury and Oxford. Those hearings will be evaluated after a couple of months and should then inform national implementation.

I hope that the hon. Gentleman can feel assured that this Government, together with the judiciary, are taking active and practical steps to improve the efficiency of the criminal justice system. In saying that, I do not intend to imply any criticism of the handling of this particular case, as it is not the role of a member of the Government to comment on the outcome of this or any other case. As we improve the system in the coming years, nothing will be done to fetter or interfere with due process, which must be independent of Government and managed by an independent judiciary. I thank the hon. Gentleman again for raising this important issue on behalf of his constituents.

*Question put and agreed to.*

11.21 am

*Sitting suspended.*

## Huddersfield Royal Infirmary

[MARK PRITCHARD *in the Chair*]

2.30 pm

**Jason McCartney** (Colne Valley) (Con): I beg to move,

That this House has considered A&E services at Huddersfield Royal Infirmary.

It is a pleasure to serve under your chairmanship, Mr Pritchard. Labour's ruinous private finance initiative deal; Tory top-down reorganisation; socialist independents' sniping; Lib Dem opportunism; UKIP wanting to privatise the NHS; Socialist Workers using the issue to scrap Trident and bring down capitalism—that's all the party politics done. Let us put that to one side. I hope that for the next 89 minutes, we can continue with our cross-party consensus to make a compelling case for keeping our full A&E services at Huddersfield Royal infirmary.

I would like to thank my parliamentary colleagues for attending today, particularly the hon. Members for Huddersfield (Mr Sheerman) and for Dewsbury (Paula Sherriff), who applied for this debate along with me. I was fortunate enough to be successful, but we are all here together, along with the hon. Member for Batley and Spen (Jo Cox), speaking with one strong local voice.

The background to this issue is that the Greater Huddersfield and Calderdale clinical commissioning groups have unanimously voted to put their "Right Care, Right Time, Right Place" proposal to a public consultation, which could lead to Huddersfield losing its A&E service. We anticipate that the 12-week consultation could start next Monday, 8 February.

The CCG's preferred option is to close Huddersfield's A&E and keep the provision at Calderdale Royal hospital in Halifax. The background to that proposal is the ruinous PFI deal negotiated in the 1990s and signed in 1998. The initial cost of Calderdale Royal hospital was £64.6 million, but it will end up costing the Calderdale and Huddersfield NHS Foundation Trust an incredible £773.2 million when the deal expires in 2058. That scandalous PFI deal is now influencing clinical and community health decisions, with an enormously detrimental effect. That dodgy deal is set to cost lives, and we are set to lose our A&E in Huddersfield while the PFI money makers stuff their pockets.

Throughout the past 12 months, our local CCGs have been mooting a reorganisation and reconfiguration of emergency and acute care and high-risk planned care, with HRI being the preferred location. In fact, the CCG's own modelling of option 5B stated that Huddersfield Royal infirmary should provide all acute and emergency care and clinically high-risk planned care, because it was "in line with" the clinical model of safer and higher quality services, 24-hour consultant-led care, undisturbed planned care and a more resilient workforce model. It was only when the PFI financial considerations were factored in that the appalling proposition of closing A&E at Huddersfield suddenly emerged.

What has been the reaction to that plan? I was shocked at the proposal, and so was our community. I live in the village of Honley; I do not live anywhere else or have a second home—that is where I live. I have had to use HRI A&E a number of times, and I have always

received excellent care. I put on the record my thanks to the wonderful staff there. In 1995, I fell seriously ill on my return from deployment in Turkey and northern Iraq while serving in the Royal Air Force and had to go to A&E. Eighteen months ago, I fractured my elbow in a fall while running the Honley 10 km race—being fit is not good for your health, by the way. My parents, who live just up the valley, have used our A&E. My mum had a bad fall on the ice a couple of years ago and had severe facial injuries, so getting to our local A&E in wintry conditions was crucial.

I am so proud that our community has come together to fight to keep our A&E at HRI. Karl Deitch set up a Facebook group, which now has more than 46,000 members. From that, we have already seen a rally in St George's Square in Huddersfield, where more than 1,000 local people came together. The group has formed a campaign committee, which is meeting again tonight to plan the way forward. I would like to say a huge thanks to Karl and the whole team of volunteers for their superb community campaign. We are right behind them.

I have told my story of using HRI A&E. On Saturday, at the Huddersfield Town match, Sean Doyle, a constituent and friend of mine from Brockholes, spoke movingly on the pitch at half time about when he had a massive heart attack in Greenhead Park in Huddersfield. He owes his life to the emergency care he received at HRI, which was just up the road, where A&E staff used a new electronically powered chest compression system. Sean says he would not have survived if he had had to go to Halifax. I have received many emails from other constituents telling me how they owe their lives to the location and proximity of HRI A&E and how the golden hour saved them.

The campaign to save our A&E is by far and away the biggest local issue I have dealt with while I have been the Member of Parliament for Colne Valley. There are posters everywhere. Volunteers are taking petitions from door to door. The hashtag #handsoffHRI is being projected on to public buildings, and we are all receiving hundreds of individual emails. It is so clear that this proposal is just plain wrong.

**Jo Cox** (Batley and Spen) (Lab): The proposed reorganisation, which would leave Huddersfield without an A&E, is being done under the rationale that there will be no change of provision in the other half of Kirklees district. However, the diminution of services at Dewsbury and District hospital, which sits within my constituency, is a significant change—not least for the A&E, which is a key service for local constituents in neighbouring Dewsbury and elsewhere. Does the hon. Gentleman agree that that is an embarrassing oversight, with the potential to leave the eleventh largest district in England without a fully functioning A&E? That is not in the public interest and not in our constituents' interest.

**Jason McCartney:** Absolutely—the hon. Lady makes a great point; she must have read my speech, because I will make that exact point in about three pages' time. She is spot on.

Huddersfield Royal infirmary is in my constituency of Colne Valley, which includes the western side of Huddersfield, Colne Valley itself and Holme Valley, where I live. That means that if any of my 81,000 constituents or their children need to go to A&E in the

[Jason McCartney]

back of an ambulance, they will have to pass HRI before undertaking the congested trek over to Halifax. In fact, most signatories to the parliamentary petition are from my constituency. I thank the 46,000-plus people who have signed the petition so far and the volunteers who are working tirelessly to get more folk signed up.

May I also say a big thank you to our local *Huddersfield Examiner* newspaper? In an era of digital online media and falling newspaper sales, we are so lucky to have a quality six-day-a-week local paper that is backing this campaign 100%. I thank the editor, Roy Wright, and his energetic and committed team of local journalists. Their excellent in-depth analysis has included an interview with Mike Ramsden, chairman of Hull and East Yorkshire Hospitals NHS Trust, who is quoted as saying:

“The reality is the CCG in Huddersfield exists to represent the health issues of the local population. If the proposals are now being delivered because of the financial pressure on a hospital in Halifax, then it’s my belief that it’s not a matter for Huddersfield CCG... it can’t be seen to be fair that a PFI deal in Halifax is taken on by people in Huddersfield.”

That is the view of a top NHS boss.

Let me address the issue of this proposal coming from the CCG. It is a panel of local doctors, and yes, I voted for CCGs to take over from primary care trusts, because I saw the faceless bureaucrats of the old PCT downgrade maternity care at HRI. Remember that, back in 2008? I believe that healthcare professionals will, at the end of the day—and they will need a lot of support and encouragement from us—make the right decisions for patients.

We need to make sure that the voices of all our local doctors are heard, and not just those on the CCG. A doctor from a surgery in my constituency wrote to me to say that moving A&E services to the town with the smallest population is “crazy”. Unfortunately, she is not one of the doctors on the CCG panel, although perhaps we wish she was. Another local GP from Colne Valley—a high-profile one—says that care for patients in Kirklees and Calderdale should not be driven by the PFI. Strategy should be driven by care needs, not financial concerns.

As I said, we have excellent cross-party parliamentary co-operation on this campaign. Local folk have really appreciated that, and my colleagues and I are committed to continuing that unity. I do not know whether the Minister has ever visited Huddersfield—he is trying to remember—but we are a growing, vibrant university town. If this appalling proposal goes ahead, we would be the largest town in our country not to have an A&E within five miles.

Huddersfield has a population of 146,000, and it is growing. We have more than 20,000 students, with thousands of international students, at our award-winning University of Huddersfield. Sadly, I have already had an email from a father whose son is now not going to apply to the university for fear of not having a local A&E. If Dewsbury loses its A&E, the whole Kirklees council area will be without one, as the hon. Member for Batley and Spen rightly said—442,500 residents who would be without an A&E in their council area. The hon. Member for Huddersfield and his team have calculated that that would potentially lead to an extra 157 deaths a year, and I am sure that he will elaborate on that later.

In this debate, it would be very easy to go down the route of just being emotional, but as the Minister is seeing we are laying out hard facts about why the proposal is plainly wrong. We will all make these points and arguments to the CCG as well once the consultation starts. However, I would like to highlight two other main areas.

Syngenta on Leeds Road is a top-tier COMAH—control of major accident hazards—safety site. It handles parquat, sodium cyanide and methyl chloride, and other operators on site handle toxic and carcinogenic chemicals. Its community safety plan states that

“we handle chemical substances which are classified under the regulations as toxic, very toxic, oxidising and flammable.”

Just imagine if there were an incident; the proximity of an A&E would be crucial. Has the CCG looked at that? In response to such an incident, response times and getting to an emergency treatment centre close by would be everything. The CCG has not mentioned Syngenta in its consultation document.

I turn to travel times, which really are a key issue—remember the golden hour. It is all well and good talking about average travel times to an A&E, but emergency care is not about averages. My constituents have been sending me Garmin and TomTom reports—other satnavs are available—of their recent journeys from Huddersfield to Halifax. It can take up to 45 minutes and in some instances, even longer. It is an extremely congested journey. Bad weather, floods, damaged bridges, increasing housing developments in the Lindley area, and the Ainley Top roundabout see our local road system creaking at the seams. That is before we even start analysing peak travel times from, say, Hade Edge or Marsden in my constituency.

My constituent Elaine writes that she has regular appointments on a Thursday morning at 9.15 am at Calderdale and has told me that the Elland bypass is regularly blocked twice a day, with her average journey taking over an hour. It recently took a *Huddersfield Examiner* photographer 52 minutes in morning rush-hour traffic to get from the centre of Huddersfield to Calderdale Royal hospital. Hepworth in my constituency to Calderdale Royal is 13.7 miles. Most parts of my constituency and Kirklees will have to travel past Huddersfield Royal infirmary, or what is left of it, to get to CRH.

HRI serves a number of outlying and rural communities. My team and I have been scouring the consultation document and there are some really interesting little facts in there. Page 215 of the consultation document acknowledges that

“the population of Calderdale and Greater Huddersfield is aging slightly faster in the rural areas than in urban areas.”

On page 239, we learn that A&E attendances are high among those aged between 65 to 80 and highest for those aged over 80—so, those most likely to need A&E will now have further to travel, and that will cost lives.

Page 76 states that most journeys to A&E under the dual sites are less than 30 minutes—we may want to dispute that, by the way. However, the document goes on to admit—this is the official consultation document—that a single site could push travel times well over that, particularly at peak times. Let me repeat that: the consultation document states that travel times could be pushed well over 30 minutes, particularly at peak times.

My constituents at the top of the valleys in Holme village or Marsden could face an hour to get to Halifax. That brings me to the point made by the hon. Member for Batley and Spen. Patients who live at the tops of the valleys are already being diverted to Oldham and Barnsley, so the predicted patient models just do not stack up. My mum and dad are regularly sent to Barnsley from Holmbridge for routine tests. Huddersfield needs to be at the heart of our region's emergency care. This proposal just has not been thought through. The whole proposal needs to be scrapped, with Barnsley, Oldham, Wakefield, Bradford and Halifax all part of a proper plan for emergency healthcare for where we live.

**Jo Cox:** I just want to reinforce that point for the Minister. It seems as though there is a lack of regional oversight about the implications of both this public consultation and what is happening at Dewsbury and District hospital. We have raised that issue directly with the Minister, and I raised it with the Mid Yorkshire Hospitals NHS Trust last Friday to ask who holds responsibility for the pan-Kirklees, pan-Yorkshire, strategy, to make sure that none of our constituents loses out from these individual public consultations and reconfigurations. It would be very helpful if the Minister focused on that oversight.

**Jason McCartney:** I thank the hon. Lady very much for that incredibly constructive comment.

I have been talking about how we need a regional plan. I have been trying, as I come to the end of my speech, to dispel some myths. Some party political activists have been bleating on about budget cuts, but that is just a myth—it is plain wrong. This proposal, if it goes ahead, could actually end up costing £490 million, as it would see HRI knocked down and replaced with a much smaller hospital on an adjacent site. Surely that financial injection, if secured—and that is a big “if”—would make better sense if it was invested in A&E in both Halifax and Huddersfield.

What happens next? I have specific questions for the Minister. The hon. Member for Huddersfield and I wrote to the Secretary of State last week. Will the Minister expedite an urgent meeting for me and the hon. Members for Huddersfield, for Dewsbury and for Batley and Spen, and others who are not here, with the Secretary of State to discuss the future of emergency healthcare in Huddersfield and Calderdale? In an ideal world, I would like the Minister to intervene to avert this appalling proposal and I hope he will explain the process. In the meantime, will he launch an investigation into the PFI deal, which many are calling one of the worst ever signed?

When the Prime Minister visited Halifax last year, he said:

“After the election we want to do what we’ve done with other hospitals, which is sort out the PFI mess and financial mess that they’re in.”

Will the Minister explore the potential of uncoupling the Calderdale and Huddersfield NHS Foundation Trust so that the PFI deal can be tackled and removed from clinical decision making? For the record, we want Calderdale Royal hospital to keep its A&E. Calderdale's population is increasing, as is that of Huddersfield and Kirklees.

In conclusion, I think, we think, the campaigners think and all our community thinks that Huddersfield and Halifax require and deserve excellent A&E services.

The decisions should be based on saving more lives, improving experiences and delivering better outcomes, not short-term financial implications. Patient safety must come first, which means keeping our A&E, so hands off our Huddersfield Royal infirmary!

2.51 pm

**Paula Sherriff (Dewsbury) (Lab):** It is indeed an honour to serve under your chairmanship, Mr Pritchard. Before I start my speech, I congratulate the hon. Member for Colne Valley (Jason McCartney) on securing this incredibly important debate and on his constructive and reasoned speech.

Kirklees is an area with a population of over 430,000. My constituency has a population of 110,000. The majority of my constituents access emergency care at either Dewsbury and District hospital or Huddersfield Royal infirmary. Dewsbury and District hospital is already subject to a planned downgrade, which hospital bosses propose to bring forward. It will take place this year. It will see the accident and emergency department downgraded to an urgent care centre with no provision for acute emergency care.

Dewsbury and District hospital's A&E currently sees around 80,000 patients a year. The downgrade was referred to the Secretary of State for Health by the Kirklees and Wakefield joint health scrutiny committee because its members believe there remains sufficient doubt to provide the necessary assurance and confidence that the proposals are in the best interests of the local population. The planned downgrade hinged on the fact that many of the patients who currently access Dewsbury and District hospital would travel to Huddersfield for emergency care.

The loss of full emergency services in Dewsbury was a bitter blow. We now hear that Calderdale and Greater Huddersfield clinical commissioning groups are planning their own hospital downgrade. The plan, as we have heard, is to close the A&E department at Huddersfield and to transfer all emergency services to Calderdale Royal hospital in Halifax. Those plans will see the whole of Kirklees without any accident and emergency provision. Over 430,000 people will have to travel outside the borough for vital emergency healthcare for themselves and their loved ones. How on earth can that be acceptable? Kirklees is a vast geographical area that spans many towns and rural and semi-rural areas. Many people rely solely on public transport as a means of travel and parts of the borough are in the bottom 10% of the country's most deprived areas, which brings about huge health issues and inequalities.

The hon. Member for Colne Valley alluded to Huddersfield being a university town with over 24,000 students, many of whom come from outside the area. Many of them are not registered with a local GP, so are more likely to attend A&E.

A large part of my constituency nestles between Huddersfield and Dewsbury hospitals. My constituents will be among those hit hardest by the closure. We have heard in recent days that the proposed changes could result in 157 more deaths a year. We know that the closure will not improve life chances or enhance healthcare provision, but is purely a cost-cutting exercise that could result in lives being put at risk.

[Paula Sherriff]

In 2007, prior to being elected Prime Minister, David Cameron said:

“I can promise what I’ve called a bare-knuckle fight with the government over the future of district general hospitals.

We believe in them, we want to save them and we want them enhanced, and we will fight the government all the way.”

We welcome the Prime Minister’s possible intervention. If any Health Minister, the Secretary of State or the Prime Minister would like to visit our beautiful part of Yorkshire, I am sure that we would, on a cross-party basis, be delighted to show him the issues that the closure would cause.

Hospital downgrades and closures are happening up and down the country. Two out of three NHS trusts are in deficit and the situation is only set to get worse. Headlines in our national newspapers scream of “NHS facing...worst financial crisis in a generation”, “NHS deficit soars to £1.6bn” and “Will 2016 push the NHS over the edge of chaos?” Searching “hospital closures” on the internet shows the full scale of the problem nationally.

A pledge was made that the PFI deal in Calderdale would be sorted out, but that neither hospital would close. It is beyond absurd that the price to pay for keeping Halifax A&E open is the closure of the Huddersfield facility. Across the two hospital sites, there are 141,000 A&E visits a year. How can one hospital, which is already buckling under the pressure, cope with that many emergency patients in one year? In addition, there will be further pressure on Yorkshire Ambulance Service to transfer acutely ill patients away from Kirklees to hospitals on routes that are often congested and severely gridlocked. Current proposals would see the average ambulance transfer time increase from 16 to 21 minutes. I reiterate that that is an average, so many patients would be in an ambulance for much longer.

I have received a number of emails, as I am sure have my hon. Friends, from understandably concerned constituents who have recounted extremely problematic journeys between the two sites, leading to real fear that there could be a catastrophe in a life and death situation. I recently undertook the journey between Huddersfield and Halifax after the recent rally in Huddersfield centre. I was caught in severe traffic and saw an ambulance held up. I would have hated it if a loved one or someone I knew had been in that ambulance being prevented from getting essential emergency care.

**Jo Cox:** Another issue for cross-party consensus is the lack of a coherent, integrated transport assessment of all the reconfigurations across Kirklees, in Dewsbury and in Huddersfield. Many of our constituents are on low incomes and rely on public transport. With congested roads, moving people around is not easy. I am not reassured that either trust has looked fully at the transport implications of these reorganisations and what they will mean for our constituents.

**Paula Sherriff:** I thank my hon. Friend for her contribution. She has almost read my mind. I have just come out of a meeting with the chief executive of the Yorkshire Ambulance Service NHS Trust and put that exact point to him. I was incredibly alarmed to hear him say that it is working on the modelling for how to transfer patients between hospital sites given the number

of reconfigurations in the area. I emphasised that that should have been resolved before, and he acknowledged that perhaps it should have been. The work has not even been carried out, yet there are proposals on the table that hospitals should be downgraded.

Yorkshire Ambulance Service has its own financial pressures and is struggling to meet its current performance targets. We have heard this afternoon that it is failing to meet performance targets for red 1 and red 2 ambulance patients. The question needs to be asked. Has it been consulted about these plans and can it deliver on the promises made by the clinical commissioning groups, despite the fact that we have received an acknowledgement this afternoon that the work is ongoing?

Other factors that need to be seriously considered include the looming adult social care crisis, impending pharmacy cuts—which could mean that 25% of community pharmacies close—lack of GP provision and uncertainty regarding junior doctors. All these factors impact on our local hospitals, and we need to be confident that they are addressed and answered.

Just yesterday evening we learnt that Calderdale Royal hospital and Huddersfield Royal infirmary were on black alert, which meant that they were unable to take any more patients because of a shortage of beds. The trust was said to have implemented the senior level gold command arrangements. Let us imagine the situation had that occurred when only one of the A&E services was functioning.

In the less than two weeks since the plans were announced, we have seen a massive public outcry—bigger than anything that I have witnessed before. Like the hon. Member for Colne Valley, I thank, applaud and pay tribute to all the people involved in the campaign. We have seen the message “Hands off HRI” projected on to many public buildings and looking absolutely fantastic. Sweatshirts and T-shirts have been printed. There are car stickers. People have been going door to door with petitions. There has been a wonderful community response. There is a Facebook campaign with more than 45,000 members—I wish that my MP page got that level of support—and there is an online petition with more than 46,000 signatures. I am pleased to say that at a recent Kirklees Council meeting, councillors voted to work cross party to oppose the changes. All those voices need to be heard, and we must have as long a consultation period as possible to ensure that they are.

Casually sitting back and watching this situation develop is simply not an option. Action must be taken, and it is our job, as elected representatives, to stand up and fight for our constituents. I for one will not be lying down on this issue and I welcome the cross-party pledge from all my MP colleagues—I know that they feel exactly the same way about this issue—that we will work together for a better funding deal and a solution to the chaos that we now find ourselves in.

3.1 pm

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): It is a pleasure to follow the hon. Member for Colne Valley (Jason McCartney) and my hon. Friend the Member for Dewsbury (Paula Sherriff), who have eloquently made the case and saved me from spending an awful lot of time going into the detail. However, I must repeat some of the narrative. Mr Speaker often, I think, verges

a little on ageism when he points out how long I have been in the House of Commons, but it does mean that I have a long memory and I know the narrative of what has happened in health provision in my part of the world. That is always difficult for Ministers.

I noticed that this Minister, when asked whether he had visited Huddersfield, looked down at his papers rather intently. I do not blame him for that—there are parts of England that I have yet to visit—but Huddersfield is an absolute gem of a place. It nestles in the Pennines. I once had an American student who said, “I’ve found out the difference between Lancashire and Yorkshire—you’ve got the Pyrenees between you.” I said, “A lot of people in Yorkshire wish it was the Pyrenees; actually, it’s the Pennines.” That is a slightly humorous remark, but the fact is that it is a very hilly area; conditions can be very difficult. We see the special signs up in bad weather. Can we go over the tops? Often the conditions are such that we cannot. Very close to us, it is very hilly, with very difficult road networks. There is not much flat land. We were looking for industrial investment. You and I, Mr Pritchard, care very much about the manufacturing sector, and when people are trying to attract new businesses, they are all the time looking for flat land. We do not have any flat land; that is the truth. It is very difficult to find a flat space in our part of the world. It is difficult terrain.

What is nice about this debate is that from both sides of the Chamber we are making it clear that we do not want to beggar our neighbour. We want good health provision throughout our area. Good health provision is what motivates all of us. We want the highest-quality health provision. However, we do want accountable delivery of health provision. Many of us feel that the old system had its imperfections and the new system has its imperfections. Both the hon. Member for Colne Valley and my hon. Friend the Member for Dewsbury talked about the PFI. I have a long knowledge of PFIs. When I was chairing the Select Committee on Education, PFIs were used, as you know, Mr Pritchard, for much school building. I learnt over many years of controversy over PFIs that one cannot dislike PFIs on principle, but one can be against bad PFIs and in favour of good PFIs. I think that that is the truth of the matter.

There is a lot of evidence that some of the health PFIs were entered into with a rather amateur group of people representing the health trusts. That is the only explanation if we are to be kind to those people who made the arrangements. They were dealing with some pretty clever people—leading consultancies and people who really knew their stuff from the City of London. A senior professor said to me that some of the people sitting on the other side of the table were not as sharp as they could have been. They may have been local accountants and solicitors or the local management team, and perhaps they did not see quite how much the PFI was going to cost them over the number of years for which it was to run. That is the context.

A particularly worrying PFI was agreed for the Calderdale hospital in Halifax. There were two trusts in those days: the Halifax trust and the Huddersfield trust. The Huddersfield trust was always very well managed and had plenty of reserves, but when Halifax and Calderdale ran into trouble, we were pushed by the then Department to merge with the trust that was limping rather. People may remember this. We did merge, because

we did believe in a good health service for all the people in our part of Kirklees and in Calderdale. That is the history; now we have to bring ourselves up to date.

There is a new dilemma, and I do not want to make it party political, but the urgent question on national health service finances yesterday did point to the fact that up and down the country a number of trusts are in serious financial trouble. Until comparatively recently, our health trust was in pretty good shape. Only comparatively recently did we suddenly have some real financial challenges. The Minister will be very familiar with this dilemma. On the one hand, we are being asked to make savings, efficiencies—4% every year—in order to maintain a good record with all the organisations that look at our health provision. On the one hand, there is that pressure for greater efficiency and saving money, but at the same time on our patch we have this PFI that is a great drain. On the other hand, we have what is a pretty old hospital in modern terms. I was once with Harold Wilson in the hospital when I was a very young MP. He had come up, and we were waiting for the top brass to come down and guide us. He said, “Barry, I don’t think I’ve ever been here before,” and behind him was a great marble stone that said, “Opened by Harold Wilson in 1965”.

The hospital is a classic early 1960s building. Some of us love some of the 1960s buildings. There are some that we cherish, such as the Barbican. Many people hate the hospital; I quite like it. There is a kind of brutalism that one likes. However, a lot of 1960s building was a little bit below par. We have on the one hand a hospital PFI that is very expensive and on the other a local hospital that is getting old. It has been invested in over the years. A great deal of investment has gone in, but I am told that a conservative estimate is that at least £200 million would be needed really to get it back on track. That is a great pressure on local health provision.

All of us across the parties in our area—local councillors have also been very active in the campaign—understand that we want the best possible healthcare for all the people on our patch. I know that the Minister is not so familiar with our part of the world. Not only is it hilly but it has a very mixed population. A lot of wealthy people live on our patch. There are a lot of middle-class people and a lot of people who are more challenged in terms of their income. It is a very mixed area, and that is the beauty of it. It is not boring; it is in every sense a vibrant area. I recently challenged the Secretary of State for Business, Innovation and Skills to come to Huddersfield and have a decent suit made of fine Huddersfield worsted; we still make the finest worsted in the world. Indeed, Mr Speaker is now also coming to Huddersfield to have a fine worsted suit made. I see you looking interested, Mr Pritchard—the invitation could be extended.

The fact is that, were there not so much contest between the smaller towns, the area might have had the name “Greater Huddersfield”. It is a city—one of the biggest urban conglomerations in the country—but people, especially outsiders, do not realise that because we have broken it up into different names. Kirklees is vast, which means that there are great healthcare challenges. Put that together with our difficult geography and an interesting history, and we face real challenges. We want the Minister to be open-minded and to enter into a discussion to find a way to get the very best result for the people of our area.

[Mr Barry Sheerman]

I shall be quite blunt about my resistance to CCGs. I wanted to be independent in assessing PFIs, and I said that there had been good PFIs and poor PFIs. There are also good CCGs and not so good CCGs, and I am not impressed by the quality and leadership of my local CCG. Although I have some resistance to CCGs, the general model is not a difficult one. I chair the all-party parliamentary group on management, so I am keen on good management in the health service and outside. Sometimes I see doctors managing CCGs; management is not part of any medical course I know of. We would not expect it to be. We train doctors to be good clinicians and good GPs, not to be managers. Some CCGs have real difficulties because they lack quality management.

There has been a failure of management in our local CCG when it comes to a proper, rational assessment of where we are now and how we can get the best possible healthcare in our area, taking into account all the difficult pieces of information that I have mentioned, including an ageing hospital that needs investment, a newish hospital that was built under a PFI, and difficult communications. I ask the Minister to look very carefully at what has been going on in our locality and to get the whole situation appraised carefully, independently and objectively.

**Jim Shannon** (Strangford) (DUP): I understand that this is an issue for the A&E in Huddersfield, but the hon. Gentleman mentioned getting other advice. In Northern Ireland, the Minister has set up a new panel to look at the whole health service and how best to take it forward in an area of financial restraint. Does he agree—I suspect that he does—that it is time to share those ideas across the whole United Kingdom of Great Britain and Northern Ireland? Thereby, we can all learn together.

**Mr Sheerman:** I very much welcome that information, which relates to the point made by my hon. Friend the Member for Batley and Spen (Jo Cox). She said that there was no clear, strategic plan for the broader area of West Yorkshire. West Yorkshire is very close to Barnsley on one boundary. On another, it goes a long way right up the valley to where a very large number of people live in places such as Todmorden, where a bridge was recently affected by floods. Those places are in strong Manchester commuting territory. The area is vast and complex, and I cannot remember a proper evaluation across the piece, rather than an assessment that just carved out one bit of territory and looked into that very carefully.

I do not want to go through how many people are enraged, but they include—I read in the *Huddersfield Examiner*—Sir Patrick Stewart. Until recently, he was the chancellor of Huddersfield University, which was university of the year last year. He sends, from Hollywood, his solidarity with the people of Huddersfield on the issue of keeping the A&E department open.

On 11 March this year, we celebrate the centenary of the birth of Harold Wilson—a great man and a great Prime Minister—who was born in Huddersfield. When I used to drive him around Huddersfield, we would pass the old further education college, which was the old, old Huddersfield hospital, and he always said, “My appendix is in there.” The area has a great history. Please, in this

special year, let us listen to the voices of the people of Huddersfield and Halifax, and get this right. At the moment, the suggestion of closing A&E in Huddersfield is not right, nor is the suggestion that Halifax is the only alternative. Personally, I think that there is a scheme by which we could keep both A&E departments open. My request to the Minister is: get that rigorous, independent, thoughtful appraisal of what the hell is going on, and get it right.

3.15 pm

**Justin Madders** (Ellesmere Port and Neston) (Lab): It is a pleasure to serve under your chairmanship, Mr Pritchard. I congratulate the hon. Member for Colne Valley (Jason McCartney) on securing this extremely important debate, and on the eloquent and powerful way in which he set out the issues in his opening speech. We heard quite a remarkable volley of NHS-related slogans at the start. I aim to keep a copy of that *Hansard* extract in my pocket for future use at rallies and so on, such was the power and breadth of his comments. He deserves praise for the non-partisan way in which he presented the issues, and his passion for the local hospital, which he and his family have clearly used on a number of occasions, shone through. He spoke with great personal knowledge about the geography of the area and how it does not lend itself to the proposals, and he pointed out, quite rightly, a need for a wider, sub-regional focus on services.

I pay tribute to the contribution of my hon. Friend the Member for Dewsbury (Paula Sherriff), who spoke with typical passion and sincerity, and brought with her a wealth of experience from the health sector. She rightly questioned whether Halifax will be able to cope with the extra A&E visits, and we all ought to take note of her revelation that the ambulance service has not yet worked out the implications for its service.

My hon. Friend the Member for Huddersfield (Mr Sheerman) spoke with typical authority about how his constituents will be affected. His recounting of the history of healthcare in his area was highly informative. He rightly pointed out that the financial pressures that this trust faces are not unique and he was characteristically forthright about what he considered to be the failings of the local CCG.

I congratulate my hon. Friend the Member for Batley and Spen (Jo Cox) on her intervention. She spoke eloquently and clearly about how significant the issue is when she pointed out that an entire Kirklees Council area will be without its own A&E unit. She also astutely pointed out that the issue has ramifications far beyond the immediate CCG area.

All hon. Members who have contributed to the debate have clearly set out their constituents' concerns about the proposals, which will fundamentally change how NHS services are delivered in Huddersfield, Calderdale and the surrounding areas. The question of how services are configured in the area has been the subject of discussion for some time, but found a new impetus on 15 January when Calderdale CCG and Greater Huddersfield CCG released the pre-consultation business case on a reconfiguration of hospital services across Calderdale and Kirklees. As we know, the proposal is to treat emergency cases at Calderdale Royal hospital in Halifax, while a newly built Huddersfield Royal infirmary will tackle planned cases. That will involve the closure



of the A&E department at Huddersfield, which has understandably caused a great deal of anxiety locally and has been much of the focus of today's debate.

It is not just hon. Members who have expressed concern. Stellar characters such as Patrick Stewart have joined in, and there has been a considerable reaction in the community. On 25 January, a paramedic was quoted in the *Huddersfield Examiner* expressing concerns that the proposals had the potential to create delays of up to an hour in taking a 999 patient to casualty. As we heard, a local statistician has warned that there could be an additional 157 deaths a year if the changes go ahead. It is hugely important that the CCG responds to those claims as part of the consultation process, as patient safety must be the primary consideration when any changes to health services are proposed.

It is clear from the pre-consultation business case that the changes are significant. As the risk assessment states,

"the most likely areas for negative impact is to those groups who are high users of accident and emergency services, such as younger, older people, and some ethnic groups."

As the hon. Member for Colne Valley mentioned, the risk assessment also states:

"We understand that the population of Calderdale and Greater Huddersfield is ageing slightly faster in the rural areas than in urban areas. This means that new service models could place older residents at a slight disadvantage if the services they need to access are located further away than the services they are currently using."

We know before we start that older people are more likely to be particularly affected by the proposal to close Huddersfield A&E, as they are more likely to live in rural areas that are further away from Calderdale Royal and, of course, they are far more likely to use emergency services. It is therefore vital that there is the widest possible consultation on these proposals and that the consultation is meaningful. I note from the business case that seven separate engagement exercises have so far been undertaken. However, not one of them has asked this simple question: "Do you want the A&E at Huddersfield Royal infirmary to close?" It is vital that residents are now given the opportunity to engage with those core issues through accessible methods.

Residents of Calderdale and Huddersfield may well be a little disappointed that we are even discussing this issue today. As my hon. Friend the Member for Dewsbury said earlier, residents will remember that in 2007, when in opposition, the Prime Minister visited, posed for photographs and spoke about having a bare-knuckle fight with the then Government to safeguard A&E services at Huddersfield Royal and many other hospitals. The Prime Minister's attention has been elsewhere recently, so perhaps he needs to be reminded of those comments now. The Minister will know that when the Prime Minister visited Halifax last year, he promised to "sort out the PFI mess and financial mess that they're in."

My hon. Friend the Member for Halifax (Holly Lynch) had hoped to be here today, but she has whipping responsibilities on the Energy Bill. She has been persistent in trying to hold the Prime Minister to account for that promise. I trust that the Minister will be able to set out what is being done to sort it out.

I am sure the Minister will also be gracious enough to acknowledge, as the hon. Member for Colne Valley did, that although the PFI deal was signed when Tony Blair was Prime Minister, much of the work and negotiating

was done when John Major was in charge. I am sure the Minister will also agree that the residents of Huddersfield would be right to say that arguing about who is responsible takes us no nearer to finding a solution.

It would also be fair to say that the financial problems faced by the trusts are not solely down to the PFI deal, nor are they alone in facing such challenges. Despite the warm words on funding, a number of challenged trusts are now being asked to consider headcount reductions additional to the current plan. The truth is that the Government have lost control of NHS finances. By slashing social care budgets, they have created a crisis in the sector that is adding pressure to every part of the NHS. By completely mismanaging staff issues, they have created a crisis in recruitment and retention, leading to a surge in spending on agency staff. The report makes it clear that workforce issues are a factor in driving the need for reconfiguration. In 2010-11, the spend on agency staff at Huddersfield and Calderdale was £7.2 million; according to page 29 of the business case, this year the figure is forecast to be £21.2 million, an increase of 194% in just five years.

That issue is not unique to Huddersfield and Calderdale; it is a deeply worrying trend that we see replicated across the country. One of the key reasons for that increase, which again is set out in the business case, is recruitment, retention and vacancy challenges. An example of that is the Government's decision, after taking office, to slash the number of nurse training places, which led to far fewer nurses qualifying than in previous years. The upshot of that, as the Royal College of Nursing and the Labour party warned at the time, is that trusts across the country are simply unable to fill all their vacancies and are left to rely on expensive agency staff. I ask the Minister, as I have asked him before, whether he will now accept that cutting the number of nurse training places was the wrong thing to do and is a fundamental cause of the increase in spending on agency staff.

The business case also refers to sickness rates being a worrying 5.3% in the clinical directorate, with by far the main causes being anxiety, stress and depression. Sickness rates are high and retention rates are low because the NHS workforce are, frankly, demoralised. I look forward to hearing what the Minister intends to do to improve the position, as many of the challenges facing this trust pervade throughout the NHS.

3.24 pm

**The Parliamentary Under-Secretary of State for Health (Ben Gummer):** It is a great pleasure to serve under your chairmanship, Mr Pritchard. I, too, thank my hon. Friend the Member for Colne Valley (Jason McCartney) for the clear-sighted way in which he set out his case. This clearly is a cross-party effort, for which I respect him all the more. Everyone sitting in this room has come here with earnest intent on behalf of their constituents, and I take their representations very seriously indeed. I appreciate the comments of those who have spoken in this debate, including the hon. Members for Batley and Spen (Jo Cox), for Huddersfield (Mr Sheerman) and for Dewsbury (Paula Sherriff). I also thank the shadow Minister. There was an intervention from the hon. Member for Strangford (Jim Shannon), who has left.

This is one of what I imagine will be a series of debates on reconfigurations, because throughout the NHS's history—I am sure the hon. Member for Huddersfield

[Ben Gummer]

will know this better than I—reconfigurations and the configuration of health services has been a feature of how the NHS works. In beginning to respond to the debate, it would be helpful if I set out where the Secretary of State and I stand in relation to reconfigurations. That will explain what I am able to do and, perhaps more helpfully, what I am not able to do, because that has changed in the past few years.

I recognise that the clinical commissioning group has presented a very detailed plan—the plan is very detailed, whatever one's arguments about its merits, or otherwise—but it has, rather classically, chosen a title, "Right Care, Right Time, Right Place," that is so generic in its quality and so indirect in its aspiration that the CCG should first look to change the title to say what it actually proposes to do. Such generic consultation titles and bureaucratic-speak are a feature across the NHS, and it does not help anyone to get to the nub of the matter.

Were the reconfiguration to proceed, it would be for the CCG to make the decision about how it wished to buy services on behalf of the people it serves. That is a key reform of the Health and Social Care Act 2012 but, even before then, previous Secretaries of State—Labour ones—recognised that it is wrong for Whitehall to make determinations on matters of reconfiguration because it is often influenced by politics when it should be the clinical voice that is heard first and foremost.

The hon. Gentleman mentioned the former Prime Minister Harold Wilson a number of times. Harold Wilson was a well-known exponent of valuing expert opinion, and we should do that in the NHS above all, because we are dealing with people's lives. That is why I ask people speaking in this debate more broadly to listen carefully to what clinicians are saying on both sides of the argument and to weigh up their opinions before coming to a settled point of view.

**Mr Sheerman:** I absolutely agree with the Minister. It is the clinicians who are talking to us. The clinicians in hospitals do not want this reconfiguration and do not agree with it; it is general practitioners jumped up into management in the CCG who are putting this before us. The clinicians to whom my colleagues and I have talked are almost uniformly against the reconfiguration. He is absolutely right. If we listen to the clinicians, we will have A&E in both hospitals.

**Ben Gummer:** I will come on to that process. It is a little unfair to characterise the clinical commissioning group in that way. Primary care is the frontline of all patient care in this country. GPs see and deal with the majority of patients in the health service, and they guide the patient pathway. Therefore they should have responsibility for ensuring that services are fit and proper for patients. It is GPs who make the decision on how that happens. If local people disagree with that decision, as the hon. Members for Dewsbury and for Batley and Spen are experiencing in their own areas, a referral can be made to the Independent Reconfiguration Panel via the local authority's overview and scrutiny panel. The Secretary of State will then take the recommendations of the independent panel.

So far, out of a number of Secretaries of State, none has chosen to go against the panel's recommendations, although there is always a first time. However, the panel

exists, and I do not think that anyone disputes its independence. That is the process. All that I can do here is set out the broader clinical arguments on which I know the CCG will draw, and with which I expect all Members will agree, talk about private finance initiatives and answer the specific questions raised by speakers in this debate.

For the record, I will explain what the CCG claims are its reasons for the reconfiguration. It is important for people watching this debate to know the CCG's side of the story also. The CCG believes that the NHS services in Halifax and Huddersfield, as currently organised, do not deliver the safest and most effective and efficient support to meet patients' needs. It believes that the trust is affected by shortages of middle-grade doctors and a high use of locums in its accident and emergency department; I will turn in a minute to the remarks on that matter by the hon. Member for Huddersfield. Sickness absence levels are high, and clinical rotas are described as "fragile". There are difficulties providing senior consultant cover overnight and seven days a week, which is a wider issue in which hon. Members will know the Government have an interest.

Both hospital sites operate an emergency department and a critical care unit. The care provided by both those services is, in the CCGs' view, neither compliant with some of the standards for children and young people in emergency care settings nor fully compliant with guidance on critical care workforce standards. Neither site satisfies the royal college-recommended minimum of 10 consultants per emergency department and 14 hours a day of consultant cover.

Inter-hospital transfers are often necessary due to the lack of co-location of services on both sites. Those factors have a direct bearing on the safety of patient care. The co-location of emergency and acute medical and surgical expertise can result in significant improvements in survival and recovery outcomes, most notably for stroke and cardiac patients. The most seriously ill with life-threatening conditions have a much greater chance of survival if they are treated by an experienced medical team available 24/7. That last comment is not just the opinion of the CCG; it is the recommendation of Professor Bruce Keogh, the medical director of NHS England. I think that we all agree on the principles from which he speaks.

The CCG believes, first and foremost, that the proposals are designed to save lives. It is not an issue of cost. However, there is an issue of cost involved in deciding where the co-located services should go. We must be open about that; the CCG has made a value for money determination suggesting that the better site is in Halifax, at Calderdale Royal hospital, and not at Huddersfield.

**Mr Sheerman:** On finance?

**Ben Gummer:** On a value-for-money basis, because of the ability to release the Huddersfield site to build the new hospital and the more modern facilities available in Calderdale. That is the CCG's determination, and it is important in these discussions that everyone examines whether they believe that the CCG has made the right determination.

Turning quickly to an issue of numbers, I want to make a general point about the number of people being supported by A and E services across the country. The current chief executive of NHS Improvement, Jim Mackey,

ran a successful large hospital system in Northumberland where a reconfiguration is providing some of the finest patient outcomes not just in the United Kingdom but in western Europe. It was brave and controversial at the time. What he has proved, and what has subsequently been proved in Manchester and in London stroke services, is that where services are reconfigured sensibly, outcomes improve. I know that that is the driving ambition of clinicians in Mid Yorkshire, and indeed in Huddersfield and Halifax. Whether they are arriving at the correct way of delivering those improved outcomes should be the exercise of the consultation, so it is an appropriate way to start the debate, but it is important to inform the discussion with all the current facts.

According to Public Health England, the Calderdale and Huddersfield NHS Foundation Trust serves a population of 402,000 across two hospital sites. That means that each hospital serves what is, in the scale of the NHS, a small population group. To give some local comparisons, Leeds Teaching Hospitals Trust serves a population of 752,000, and Mid Yorkshire Hospitals NHS Trust is also a bit larger at 553,000. Within the scale of local health economies, Calderdale and Huddersfield serves a relatively small population, across two sites. The CCG's judgment, and I suspect clinical opinion across the NHS, is that something must be done to improve clinical outcomes by concentrating consultant and clinical offer. I am not making any judgment about where that should happen, merely about the principle being established by senior clinicians.

Turning to the issue of deaths, it is the judgment of Professor Bruce Keogh, who is coming to the end of his urgent and emergency care review, that intensive procedures are best done by people who are well practiced and do many a year. The best way to do so is to ensure that they are concentrated in centres of excellence. The understanding of the rest of the world is that we prevent deaths by doing so. The hon. Member for Huddersfield contends that we could cause 157 deaths by joining the services.

**Mr Sheerman:** In Halifax.

**Ben Gummer:** Yes. I caution the hon. Gentleman about using such figures. Whereas the CCG has been careful not to use a precise figure for how many lives will be saved, merely citing international evidence about improved outcomes, that figure, which has been provided to him, makes the serious error of conflating and confusing emergency admissions with emergency attendances; they are two completely different things. Using those two figures has allowed the person who made that figure to come up with 157. The figure itself is erroneous, and it is important that it is not repeated until there is a proper statistical base that can be shared with local people, because it will clearly frighten people. It is important that that figure, if it is true at all, has a proper statistical base before it is used.

Likewise, figures have been quoted about PFI. I actually have a dogmatic view on PFI, which is that it is a less than elegant way of borrowing money. Classically, the Government will borrow money at around 4%, and the private sector at 6% or 7%. One can get PFI deals that work; there are some. They work when one can incentivise efficiency over a long period, but it is very difficult to measure, and the jury is still out on even the best deals. There are circumstances in which they do work, but they do not work in every circumstance.

None the less, it is important that we present local people with the figures. My hon. Friend the Member for Colne Valley has mentioned in the House the figure of £773 million over the course of the contract; I believe that that figure is just the sum of all the unitary payments made year by year. If we strip out inflation, as we must in order to come to a real figure, we arrive at a sum that is about two thirds of that: £527 million. If we then subtract from that £527 million the costs of providing maintenance, cleaning, portage and the other functions that form part of the PFI deal, we come to a figure about half that, or about £263 million or £264 million. It is difficult to divide it up precisely, because it is a unitary payment. That is the financing charge.

If we compare that financing charge with what it would have been for public debt if the money had been borrowed, as it would have been at the time in order to build the hospital, we are talking about a difference of about £90 million to £100 million. Again, when presenting these figures to the public, it is very important that we are consistent about it. This figure is not £773 million and in that sense it does not matter who signed it, and I will be the first person to stand here for hours defending Sir John Major. It is much closer to £100 million over and above what would have been paid for had it been public debt.

Again, I think that puts it in context and may explain why this figure is not the defining figure, because when £100 million is divided up by the course of the contract it comes out at a much smaller figure than might be supposed. It is not the determining factor in what the CCG is trying to do, and I am convinced of the CCG's arguments in that respect.

However, the CCG is very open about the value for money that it says there is in using the Halifax site as opposed to the Calderdale site, and Members should discuss that with the CCG. They might have a very interesting discussion with it about how it will dispose of the capital one way or another.

I will quickly run through the CCG's proposals in response to the problems it has identified in the local area, and then I will just turn quickly to some of the additional comments that have been made by Members.

The trust identifies that in the area the summary hospital-level mortality indicator—the SHMI mortality figure—was 108.9 in March 2015 against an expected benchmark of 100, so it is significantly over the expected figure. The trust did not achieve a reduction in its mortality rate during 2014 and 2015; it was not able to narrow the gap in the mortality rate to 100. In large part, it puts that down to the operating problems it has on the two sites. The trust's answer to that problem is to provide exactly the kind of specialised concentrated care that Members from all parties have identified—albeit they think it is in the wrong place—as part of a joined-up community care plan, which it is developing in co-ordination with the wider local area.

The hon. Members for Dewsbury and for Batley and Spen came to speak to me in great detail, and very interestingly, about the proposals for their area. I take very seriously the remarks that the hon. Member for Batley and Spen made about looking at the wider area of mid-Yorkshire in co-ordination with this work.

[Ben Gummer]

I do not know whether I have been to Huddersfield and I told the hon. Member for Huddersfield why. I spent the first year of my life in Wakefield, as I explained to the hon. Members for Dewsbury and for Batley and Spen the other day, and so maybe my mother took me to Huddersfield. I would like to return in the near future and experience it properly as an adult, and I shall. Nevertheless, it is clear that the area we are discussing is a very complicated one to deal with. It is a hilly area, something which—being a boy from East Anglia—I do not understand very well, and it has a lot of towns of considerable population that are divided by difficult terrain, and travelling between those towns can be less simple than travelling in other parts of the country. So I take on board the points that the hon. Gentleman made.

I will certainly take back the suggestion by the hon. Member for Batley and Spen that this issue we are debating today should be looked at in the wider context, and I undertake to ask Jim Mackey to see whether there is a co-ordination between these two plans and whether he can encourage the CCGs to adopt a more joined-up approach to what they are doing. Maybe they are already joined up—I am not prejudging the conversations that have happened—but it is important that the CCGs answer these questions.

**Mr Sheerman:** On the figures, we listened intently on the lesson on PFI. But these figures have been in the public domain from many sources since the announcement and the PFI has been looked at. People find these sums difficult to understand. It is our job to ensure that we make the toughest case we can. Yes, we have used those figures, and they are still pretty appalling. Regarding the figure of 157, we got it from an impeccable source; we will go back and check it, but I think it is good.

**Ben Gummer:** I would submit both figures. There is a difference between £773 million and £100 million, although one is larger than the other. I am not justifying the original deal, but it is important that we put it in context.

My hon. Friend the Member for Colne Valley asked me whether I would arrange a meeting with the Secretary of State; of course, I will be happy to do so. However, can we wait for some of these issues to have been thrashed out with the CCG, so that we have a proper evidence base that we all agree on? That is part of the point of a consultation. Then we will have an even better informed meeting than if we had one tomorrow. So let us have a proper public debate locally and allow the CCG to respond to some of the accusations that have been made here and elsewhere.

My hon. Friend also asked about investigations into the PFI deals. Each PFI deal is different; some are legally very difficult to unpick while some are easier. We have unpicked quite a few during the past few years and I know that the team are looking at all the PFI deals on a revolving basis. Therefore, I can make a commitment that the Department of Health will continue to look at PFI deals—each and every one of them—to see whether we can get more value from them. However, I have to be clear with my hon. Friend that this deal, which was one of the earliest to be made, has been very carefully worded.

**Jason McCartney:** This gets to the nub of the matter. May I just confirm that the Minister's team will specifically look at the Calderdale PFI, because it was a bit generic there as well? There are discrepancies over the figures, which are slightly different. Incidentally, my colleagues and I would be absolutely delighted if this process were not being influenced by the PFI; if the issue is down to clinical reasoning and other matters, Huddersfield will keep its A&E unit.

**Ben Gummer:** I can guarantee that Lord Prior is looking at every single PFI in the country on a revolving basis, because we are trying to ensure that we can squeeze maximum—

**Jason McCartney:** But this one.

**Ben Gummer:** This one is part of “every single PFI in the country”, so I assure my hon. Friend that it will be looked at.

**Mr Sheerman:** Perhaps it would be helpful to the Minister if—

**Ben Gummer:** May I just respond to my hon. Friend's original point?

We must remember that the PFI deal is borne by the entire trust, so it is not as if it fixes precisely on one site or another; it does not influence the decision of where to go. It could be possible to run a cold site on the PFI hospital and fill the hospital that way. It does not have to be filled with the particular function that the CCG wishes to put there. The CCG just believes that the buildings there are better, more suited and more modern—the hon. Member for Huddersfield would agree with that assessment—for the particular purposes it wants to put there.

It is for the CCG to justify that; I cannot speak with any authority about this, because I do not know. However, I really do not think that the PFI has a bearing, because no matter where the services are put, the PFI deal will still exist. All I am saying is that I want to be realistic about our ability to unpick every single PFI in the country, because in many cases they have been very carefully worded and agreed in a lawyerly fashion—

**Mark Pritchard (in the Chair):** Order. I remind colleagues and the Minister, first, that the Minister should face inwards, so that we can get a good shot of him on camera. This debate is being televised—just a gentle reminder. Secondly, those Members who want to make comments should stand up to do so, so that the *Hansard* writers can identify who they are. Thank you very much indeed.

**Mr Sheerman:** Thank you, Mr Pritchard. I hope this is a useful intervention. We have written to the Public Accounts Committee to ask it to have a look at this particular PFI, on the basis that it would be a very good one to try to unpick. That might be helpful to the Minister and us.

**Ben Gummer:** I am sure that the Chairman of the PAC will listen carefully to the hon. Gentleman, who is her esteemed colleague. I know that the PAC has looked at the PFI issues many times before, but I would be glad if it were willing to look at them again.

The hon. Member for Dewsbury raised the issue of traffic, as did other hon. Members. Again, it is for the CCG to ensure that it justifies the traffic times that it is putting in the consultation document. I have sympathy with Members who say that these consultation documents are often impenetrable. I cannot speak for this one, because I have not read it in its entirety, but such documents must be written well—especially the parts that will be put to local people—so that they are understandable to people who do not speak NHS-speak. It is not a question of people's intelligence; it is about ensuring that the document is written in normal English in a way that people can understand. As to whether the document could ask, "Would you like your A&E to move?", as long as people are informed about the facts of the case and understand that such a move could improve their children's outcomes, and there is a reasonable case for it, I see no reason why that question should not be put.

The hon. Member for Huddersfield and the shadow Minister, the hon. Member for Ellesmere Port and Neston (Justin Madders), both raised the issue of wider deficits across the NHS. We addressed that point in the urgent question yesterday; there is financial pressure in the NHS and there are reasons why that should be the case, which I will not go into now. The issue is not cuts, because the amount of money going into the NHS is increasing. The NHS faces a raft of challenges, as it has since its foundation, and our job is to ensure that the money is used as efficiently as possible, which is why we have brought in the controls on consultancy spend, locums and agency workers.

What is true is that under the previous Labour Government and the coalition Government, the number of doctors in training went up. I genuinely do not blame the previous Labour Administration for the current shortages, but we have inherited the numbers from decisions made in the 2000s about the length of doctor training, and before that date about consultant grades. The fact is that, in some parts of the country, it is difficult to recruit—sometimes because the clinical base under which consultants, especially A&E consultants, are asked to operate is not safe. Again, I cannot speak, publicly, about the situation in either of the two hospitals under debate, but that is the case elsewhere, while in some metropolitan centres it is easy to recruit vast numbers of doctors. How do we create hospital bases to which we can recruit clinicians who want to work in a safe place, and carry out good procedures—and numerous ones, to keep the rates up? That is one of the challenges for all healthcare systems across the world, and one that we are determined to meet here in England.

Finally, the shadow Minister spoke about the overall control of finances in the NHS. It is important not to link the overall financial performance of the NHS with this consultation, which, as the CCG makes clear, is centrally about clinical outcomes. I know that the shadow Minister cares very much about ensuring good clinical outcomes, as do all hon. Members; to do that, it is important that local people get a full grasp of the facts. Although we might have a broader argument about NHS finances, it is important to focus on the core facts of the situation. This is about clinical outcomes, the difficulty of providing the outcomes on two sites where they are best provided on a single co-located site, and the value-for-money arguments about what that site should be.

If we can have a strong, well-informed and nuanced debate, and take into consideration the surrounding area—a point well made today—local people can come to a good decision that is supported across the patch, which will mean better health services for those living in Huddersfield and Halifax and the surrounding areas, an improvement in clinical outcomes, and better life chances, especially for those who are born with the least.

**Mr Sheerman:** I used to have good discussions with the Minister's father. One thing I know about him is that he, like me, was really interested in good management. The Minister has not come back to us about the quality of management, which is something that CCGs in many places do not seem to have. Good managers in the health service seem to be undervalued. I made what I think was a good point about medical training not containing any management element. I am sorry to remind the Minister of his father's excellent commitment to good management, but I am sure that he shares that view.

**Ben Gummer:** I share the view of the hon. Gentleman. Good management is, of course, vital in the NHS, which is why I am never particularly keen to beat up NHS managers—a predilection of politicians on both sides. But it is true that we have not considered carefully enough the quality of management in CCGs; I agree with the hon. Gentleman about that. That is precisely why we are bringing in a CCG scorecard, just as we have done with the Care Quality Commission rankings for hospitals—that is a well-led domain—that describes precisely how well a hospital is managed.

We want to do similar work for CCGs, which will enable the hon. Gentleman to say, "Empirically, my CCG is poorly—or well—managed compared with neighbouring ones." That will be useful for our holding them to account. I agree with the hon. Gentleman, and I hope that I will be able to deliver, in the next year, precisely what he wants.

3.54 pm

**Jason McCartney:** I thank the Minister for his thorough and detailed response, which we will obviously pick through. I thank him also for his specific commitments. We will have a cross-party meeting with the Secretary of State for Health once the consultation is up and running, which is imminent, as we want to get the best value from it. The Minister's team is considering the PFI deals, including the one at Calderdale. I assure him that he will be seeing a lot more of not just me but my parliamentary colleagues here in the coming months, as the consultation gets under way.

I also thank my parliamentary colleagues for their contributions. I work with the hon. Member for Huddersfield (Mr Sheerman) on so many issues. We co-chair the all-party Yorkshire and North Lincolnshire group. Many people who watch debates in Parliament do not realise that we work cross-party on important issues for our local areas. Such working is not uncommon, and it will continue.

The hon. Member for Dewsbury (Paula Sherriff) gives an extra perspective, and her passion really came across loud and clear today. I thank the shadow Health Minister for his kind comments and support, and the hon. Member for Batley and Spen (Jo Cox), who was

[Jason McCartney]

here earlier. The hon. Member for Barnsley Central (Dan Jarvis) was here, too, for much of the debate, although he could not stay because of other pressing commitments; his presence shows how our region is closely considering the issue. Also, of course, there was the hon. Member for Strangford (Jim Shannon), from Northern Ireland, who talked about similar issues in his part of the world.

The consultation is about to start and this is where the battle begins—with me and my parliamentary colleagues, the community campaign, the volunteers and the 46,000 people who are now in the Facebook group. We have firm, clinical evidence and logical, safe, patient-led reasoning to persuade the GPs on the clinical commissioning group to keep our A&E at Huddersfield Royal infirmary. We will fight all the way. We have worked together so far and will continue to. We will say once again, “Hands off our HRI, we’re going to save our A&E at Huddersfield!”

**Mark Pritchard (in the Chair):** I thank colleagues for their co-operation today. My intervention earlier was due in part to some of the microphones not working today, which is unusual. We will have an inquiry into that. But do not worry; *Hansard* is here and everything was captured on television also.

*Question put and agreed to.*

*Resolved,*

That this House has considered A&E services at Huddersfield Royal Infirmary.

## Telford Co-operative Multi Academy Trust Schools

[SIR EDWARD LEIGH *in the Chair*]

4 pm

**Lucy Allan (Telford) (Con):** I beg to move,

That this House has considered Telford Co-operative Multi Academy Trust schools.

It is a great pleasure to serve under your chairmanship for the first time, Sir Edward. All Members would agree that a good education gives young people, no matter what their background or where they live, the life chances to be the best that they can be. Education is an open door to opportunity, and that is something I want for every child in Telford. The Minister, who is not here, may be aware that in Telford all our academies benefited from the highest level of Building Schools for the Future funding. Every school is newly built with impressive facilities that every student can be proud of. Good education, however, is more than investment in the best buildings and facilities; it is about good leadership, high expectations and enabling students to reach their full potential, giving them a sense of personal responsibility and self-worth and ensuring that they feel cared for and valued.

In my constituency, the education of 2,000 children was affected by the collapse of the Telford Co-operative Multi Academy Trust last year. Following inspections by Ofsted, all four secondary schools within the trust were put into special measures after receiving “inadequate” ratings. All four Ofsted inspections made similar observations. There were widening gaps in the achievement of the most disadvantaged children and a culture of low expectations on achievement, behaviour and attendance. Specifically, Ofsted said that the multi-academy trust had failed to take action to halt the decline in achievement and failed to provide effective support and challenge to the schools.

The “inadequate” ratings were based on far more than merely exam results. The schools failed because of failings at the top and because of the leadership decisions taken by the multi-academy trust. Ofsted was clear in every report that that was the case. It is true that schools within the cluster had very poor GCSE results in consecutive years. Only 20% of the most disadvantaged children were achieving five good GCSEs including English and maths. All four schools within the trust fell below the 40% floor target, with two falling below 33%. In one school, almost three quarters of children failed to achieve five good GCSEs in consecutive years.

In seeking to raise the issue, I speak as someone whose mother was a teacher in a comprehensive school and as someone who has been a governor in schools in areas of significant disadvantage, so I understand the challenges that teachers and governors face. I pay tribute to those at the coalface in Telford who tried so hard in circumstances that in hindsight were far too challenging. However, I also want to speak for the young people who were failed. We can make no mistake: in schools where 80% of children are in receipt of the pupil premium and 80% are leaving school without getting five good GCSEs, we have to ask about their life chances and talk about the impact on their future. Children’s education, particularly that of children from the least advantaged, least educated families, is an important duty of local authorities.

In the case of the Telford Co-operative Multi Academy Trust, the portfolio holder for children and young people was on the board of directors, as was the local authority's assistant director of education. In 2014, it became apparent that there were difficulties. Immediately, the local authority ceased its involvement, leaving behind well-intended, ill-equipped and inexperienced people to shoulder the burden of financial failings and educational shortcomings. After the schools were placed in special measures, councillors brought a motion at a council meeting in Telford in October 2015 expressing

“deep concern and censure of the authority’s...leadership with regards to Education policy, provision and achievement”.

The portfolio member responsible for children and young people claimed that the way Ofsted had conducted the inspections had triggered the problems, but that in any event it was an academy chain, so the local authority had no responsibility. It appeared to many that what had happened was being brushed under the carpet.

The portfolio member could have accepted that the children had been let down. He could have recognised the shortcomings and seen an opportunity to learn lessons for the future. Instead, he criticised those who wanted to find out what had gone wrong. He claimed they were guilty of playing party politics with our children's future. In reality, everyone supported the schools while they were in special measures. Opposition councillors did not raise the issue publicly until students had finished their 2015 summer exams. As the new MP for Telford, I have waited until now to raise the issue, because as the Minister may know, a new sponsor has been found and things are starting to go well.

Whenever something goes wrong there are lessons to be learned. Unless we are prepared to speak out, nothing will change and an opportunity to build a better future for our children will be lost. There are three clear lessons from the Telford Co-operative Multi Academy Trust story. They are on, first, the crucial importance of strong leadership and governance; secondly, the high expectations of students and of teachers; and, thirdly, the willingness of a local authority to intervene quickly when things go wrong and to accept a duty towards every child in the borough. In his response, will the Minister confirm that a local authority has a statutory duty for every child in a borough, academy or no academy? It must be right to ask whether the local authority fulfilled its statutory responsibilities in this case.

**Caroline Ansell** (Eastbourne) (Con): I commend my hon. Friend for securing this important debate. There is surely nothing more important than the next generation and ensuring that they have the very best opportunities going forward. Education and good schooling are absolutely critical to that. She does full justice to the strain and stress around Ofsted and around being in special measures and what that means for the school and the wider community. I subscribe to her plea that the local authority has a duty of care in that. We all have a very important part to play. She talks about school leadership, but I commend her for showing significant political leadership in bringing this issue to light to better help the children of Telford.

**Lucy Allan:** I thank my hon. Friend for her excellent intervention and sensible words. I know how experienced she is in this field, and I am grateful to her.

I believe those asking questions on behalf of the children who lost out are right to do so, and their questions deserve answers. Will the Minister confirm that if things are not working—if leadership and governance are struggling—local authorities should be proactive and get help from the Department for Education and regional schools commissioners? Will he encourage local authorities to intervene early and not to tolerate an inadequate education for any of our children, but particularly the most disadvantaged?

The Minister will be pleased to know that there is good news in Telford. We already have two fantastic academies: Madeley Academy and Abraham Darby Academy. Those schools give their students a good and rounded education. They serve areas with a similar demographic to those served by the Telford Co-operative Multi Academy Trust. Those schools show that no matter where someone lives and no matter what their background is, they can have a good education.

The Telford Co-operative Multi Academy Trust was dissolved. The DFE got involved and a new sponsor was found. The sponsor formally took over in November 2015. It is early days, but the signs are encouraging. The new academy chain has ensured a full staff restructuring, with shared leadership across all schools. New timetables, new day structures, new approaches to behaviour and teaching and new leadership and governance processes have been successfully put in place.

An early DFE monitoring visit saw examples of excellent practice being identified, and there were two successful Ofsted monitoring visits where the positive impact of the new trust and the work of the school-based leaders were recognised. The chief executive told me earlier this week:

“We are still in the early days of school improvement and there is still much to do, but the young people in the schools are getting a better deal.”

A recent Ofsted visit found that the trust

“has played a crucial role in removing barriers to the academy's progress and putting in place a clear strategy for the academy's improvement. The structures, mechanisms and foundations are now in place...to secure sustainable improvements.”

I offer my full support to the new trust chain, the leaders, the teachers and the students as they all move forward on this exciting journey, and I know the Minister will join me in that support.

I will conclude by saying to the Minister that if the Government's education policies are working, the Telford schools will be a benchmark of that success. If in four years' time, given the right leadership and high expectations, the schools have been turned around, and if children from the least advantaged areas in Telford have the same life chances as others, that will show that the Government have got their education policy absolutely right.

As Telford's MP I will pay close attention to the progress of the schools and the students. I will continue to raise their progress with the DFE and with the Minister. As we look to the future, we should not discard the lessons of the past or avoid an understanding of what went wrong. We should all hold on to the belief that young people, no matter where they live or what their background, deserve the life chances that a good education provides and an open door to opportunity.

4.11 pm

**The Minister for Schools (Mr Nick Gibb):** I apologise to you, Sir Edward, and to my hon. Friend the Member for Telford (Lucy Allan) for being a few minutes late for the start of this debate. Never has the journey on foot from the Department for Education to Westminster Hall been as swift as the one that I have just undergone in order to hear my hon. Friend's speech and to be able to respond to it. I congratulate her on securing this debate. I pay tribute to her for her work on this and other education issues, particularly for her work on children in care. She made a powerful speech on children in care in early January, and today she has made another powerful and compelling speech about education in her constituency.

I share the view of my hon. Friend the Member for Eastbourne (Caroline Ansell) that our hon. Friend is showing significant political leadership in taking up these issues in Westminster Hall today. She is right to celebrate the achievements of the Community Academies Trust in improving schools in her area. The trust is a fine example of the success of the academies programme, which is raising academic standards by giving headteachers greater freedom and also greater responsibility. Before 2010, there were just 203 academies, but the Academies Act 2010 opened the programme to every school in the country so that the benefits of academy status were available to any school. Headteachers have seized the opportunity to raise standards. There are now more than 5,000 open academies, and 65% of all secondary schools are academies or free schools.

In 2015, secondary converter academies outperformed national average attainment at GCSE by 7.2 percentage points, with 64.3% of pupils achieving five or more GCSEs at A\* to C, including English and maths. I am pleased that there are already 10 open academies in Telford and Wrekin, and I know that my hon. Friend is encouraging more schools in her constituency to consider the advantages that academy status brings. Despite the overall success of the programme, the performance of some academies falls short of our expectations. Where this is the case, we do not hesitate to intervene swiftly so that the necessary improvements are secured. The answer to the question about intervention that she raised in her speech is that it has to be swift, and it is swift thanks to the academies programme.

My hon. Friend raised particular concerns about the performance of the Telford Co-operative Multi Academy Trust, which was joined by four academies in Telford in April and June 2013: Lakeside, Phoenix, Sutherland and Wrockwardine. At the time of conversion, the schools were performing well. In February 2015, however, all four schools were judged inadequate by Ofsted and serious financial issues were uncovered by the Education Funding Agency. Standards at the schools had dropped

significantly, as cited by my hon. Friend in her speech, and fewer than 40% of pupils were leaving the schools with good key stage 4 results.

Although technically part of the trust, the four schools effectively operated in isolation, losing the benefits of closer collaboration and support for each other. The poor performance of the schools was unacceptable. The Department therefore intervened and secured the trust's agreement for a new sponsor, the Community Academies Trust, with a proven track record of school improvement. CAT was originally formed by two outstanding schools, Polesworth secondary school and Birchwood primary school, in 2012. In all the schools within the trust, there has been significant improvement, and the two founding schools continue to be judged "Outstanding" by Ofsted. At Polesworth secondary school, 64% of pupils achieved five A\* to C, including English and maths, and 38% achieved the EBacc combination of GCSEs in the summer of 2015. At Birchwood primary school, 80% of pupils achieved at least a level 4 in reading, writing and maths.

The Community Academies Trust took responsibility for the four TCMAT schools in November 2015. I am pleased to confirm, as my hon. Friend has said, that recent Ofsted monitoring visits in December and January have noted significant improvements. Ofsted inspectors commented positively on the schools' leadership and governance, and praised the support being provided by the Community Academies Trust. Specifically, Ofsted has said:

"New leaders have acted with drive and determination to alter the culture and ethos of the academy...The clear strategic vision and ambition of the executive head of school and Community Academies Trust, supported by an able team of deputy headteachers, is now beginning to have an impact on standards...The quality of teaching, pupils' attendance and behaviour are improving. This is starting to raise the achievement of some pupils...The signs are that pupil numbers will be up to sustainable levels within the 4 years."

This approach—recognising and quickly addressing underperformance—is fundamental to the academies programme. To date, we have issued 134 formal notices to underperforming academies and we have ensured a change of sponsor in 123 cases of particular concern.

The Education and Adoption Bill will strengthen the Department's powers to ensure that every failing or coasting school, whether maintained or an academy, receives the support that it needs to improve. I am grateful to my hon. Friend for raising these issues today, and I congratulate the Community Academies Trust on the progress it has already made. I wish the schools in her constituency every success as they continue to improve.

*Question put and agreed to.*

4.18 pm

*Sitting suspended.*



## Gender Pricing

4.30 pm

**Paula Sherriff** (Dewsbury) (Lab): I beg to move, That this House has considered gender pricing.

It is a great pleasure to serve under your chairmanship, Sir Edward, for the first Westminster Hall debate I have secured in my own name. Right hon. and hon. Members on both sides of the House will have noted the research recently conducted by *The Times* that shows that items marketed at women are, on average, 37% more expensive than similar items marketed at men. It analysed hundreds of products marketed at men and women, and found only one example of a male item priced higher than a female item—boys' underwear is more expensive than the equivalent for girls—but numerous examples of female items that cost more. Clothes, beauty products and toys for women and girls were found to cost more than the equivalent items marketed at men and boys. Such price differentials were found in some of the UK's biggest retailers, including Tesco, Boots and Amazon.

**Mrs Maria Miller** (Basingstoke) (Con): I congratulate the hon. Lady on securing this debate. Will she join me in welcoming the news that Boots has announced today that it will take action? It is withdrawing two products that it identified are priced in a sexist manner.

**Paula Sherriff**: Of course I welcome the news that Boots announced today that it will withdraw those items and charge a rate equivalent to that of men's items. The onus is now on other retailers to do the same.

Some of the examples brought to light by *The Times'* research are remarkable. Tesco charges double the price for 10 disposable razors simply because they are pink. In fact, standard razors for women cost, on average, a huge 49% more than the equivalent products for men. At Argos, identical children's scooters are £5 more expensive in pink than in blue. Bic sells a range of "for her" ballpoint pens that are more expensive than its ordinary range, even though the products are almost entirely identical. Amazon sells a Playmobil pirate ship for £12.59, while the equivalent fairy queen ship, marketed at girls, costs £14.99. According to *The Times*, neither Amazon nor Playmobil will comment on the rationale behind that price gap.

*The Times'* study follows a similar study conducted by New York City Department of Consumer Affairs in December. It compared nearly 800 products with clear male and female versions from more than 90 brands sold both in-store and online, and found that products for female consumers were more expensive than those for male consumers in all but five of the 35 product categories. Across the sample, the research found that women's products cost more 42% of the time, whereas men's products cost more just 18% of the time. The DCA report remarked:

"Over the course of a woman's life, the financial impact of these gender-based pricing disparities is significant."

In 1994, the state of California studied the issue of the gender-based pricing of services. It estimated that women effectively pay an annual gender tax of approximately \$1,351 for the same services as men.

The Government must ensure that an independent analysis is conducted to identify the extent of unfair gender pricing and marketing practices in the UK. The

full impact of gender differentials in pricing on women must be quantified. Women may pay thousands of pounds more over their lives to purchase similar products to men. Will the Minister commit to conducting such an analysis?

It could be argued that some products for women have additional design and performance features, and that others are priced individually based on factors including formulation, ingredients and market comparison. Of course, a women's jumper might be made with better quality fabric, and a men's jumper might be made with cheaper material, but *The Times'* study indicates that that is often not the case. Frequently, the only difference between the two products is the colour.

In 2012, Development Economics conducted research on gender-based pricing on behalf of the insurance provider Aviva. It found that women pay an average of £200 more per year than men for essentially the same consumer goods and services. The only difference is that the products are specifically designed for and targeted at the female market.

**Mrs Helen Grant** (Maidstone and The Weald) (Con): Does the hon. Lady agree that many women do not have the time to go around shops comparing and contrasting prices? This smacks of retailers taking women for granted.

**Paula Sherriff**: I absolutely agree. There is a sense that exploitation is going on. It is fantastic that we are able to use this debate to bring these issues to the fore.

**Ms Margaret Ritchie** (South Down) (SDLP): I congratulate the hon. Lady on her very fine presentation, her compelling argument and the research she has done. Does she agree that for many women, particularly those on low incomes and those who depend on benefits, it is difficult to purchase the more expensive gender-based products?

**Paula Sherriff**: Once again, I completely agree.

If there is no discernible difference or advantage to purchasing a product designed for women, but the consumer is led to believe that there is, we must ask questions about advertising standards and whether consumers are able to make properly informed choices. What is it about a multipack "for her" ballpoint pen that makes it more custom-fit or specially designed for a woman? If female consumers are told that they should purchase a specific product because it is the only version suitable for women, when in fact there is no discernible difference in the product, it can be argued that they are being misled.

This debate raises concerns about the kind of choices and information available to female consumers when they make purchases and whether discriminatory practices are taking place, but we should also consider the worrying pattern of gender economic inequality under the Government. The UK gender pay gap currently stands at 19.2%—well above the EU average. Low pay and poor employment practices persist in sectors in which women are the majority of employees, including the care, retail and hospitality sectors. Analysis by the TUC found that more than half of the job growth for women since 2010 has been in low-paying sectors, and that 29% of women earn less than the living wage, compared

[Paula Sherriff]

with 18% of male workers. Women are paid less and are expected to spend more on products and services. They are charged more simply for being women.

Will the Minister agree to Labour's calls for a cumulative gender impact analysis of the Government's policies since 2010? If the Government will not do anything to tackle intrinsic gender economic inequality, they must at least not make matters worse. The recently published research raises numerous issues about consumer rights, fair advertising and gender economic inequality. Women are paid less but are expected to spend more on products that are often not discernibly different from the equivalent products for men.

In the absence of a Government gender equality strategy, I ask the Minister to respond to the following questions. Will the Government ensure that independent analysis and further study is conducted to identify the extent of unfair gender pricing and marketing practices in the UK? Will they seek to quantify the full cumulative impact of gender differentials in pricing for women? Will they meet the UK's major retailers to identify what steps they are taking to rectify the situation?

Once again, I welcome the news that Boots has taken steps this afternoon to change some of its pricing, but I have just received an email from Tesco suggesting that its pink razors are significantly more expensive than the blue or black versions because they are produced in smaller quantities. I struggle to see how that justifies the extra cost. We need to meet retailers and have that discussion.

How will the Government discern whether gender pricing differentials amount to discriminatory practice? Will they produce a cumulative impact analysis of their policies on women since 2010 to understand the true extent of gender economic inequality in the UK?

4.40 pm

**Mrs Maria Miller** (Basingstoke) (Con): It is a pleasure to serve under your chairmanship this afternoon, Sir Edward. I commend the hon. Member for Dewsbury (Paula Sherriff) for securing this timely debate. We should all be thanking *The Times* for its investigative skills in uncovering yet another form of sex discrimination that was, frankly, hiding in plain sight: the pricing of similar or the same products. Many women were clearly unaware that stores charge different prices for the same product depending on whether it is marketed at men or at women, and many people find this quite surprising. On a closer look, one can find similar research from France and in the United States. It is surprising that people experience such price differentials not only in the UK, or perhaps we should not be surprised because the manufacturers and retailers mentioned could well be those that have fallen foul of the research done elsewhere, France in particular.

When the report was published by *The Times* some 10 days ago, the Women and Equalities Committee, which includes my friend the hon. Member for Lanark and Hamilton East (Angela Crawley), happened to be meeting that day, and we immediately deemed it appropriate for the Committee to undertake a short investigation into the findings of this piece of journalism. We have written to several of the manufacturers and retailers cited in the report to ask for the rationale behind why

they differentiate their pricing in this way. They could find themselves well out of step with their customers following the exposure of the findings, because there cannot be many customers who visit our supermarkets and expect exactly the same product, whether a razor or any other of the vast range of products put under the microscope, to be charged at a discount to men and a surcharge to women.

Having spent almost 20 years in advertising and marketing before I came to this place, I know first-hand that marketing departments and retail outlets are making such choices. It is not happenstance or a mistake; a conscious choice is being made to price the same products differently depending on whether it is expected to be bought by a man or a woman. I cannot understand why that would be the case. Retailers and manufacturers need to explain themselves clearly and quickly. I do not think that the Government should get involved in this issue, because customers ultimately vote with their feet. If such organisations cannot explain themselves clearly enough, that is exactly what customers will do.

I welcome the swift action that Boots has taken in making right the pricing on two products that were part of *The Times*' research, and I think it is undertaking to look further at the matter, which shows real responsiveness. I thank Tesco for the email I received a few moments ago, which, as the hon. Member for Dewsbury said, did try to explain its product pricing. That is the start of a conversation and certainly not the end of one.

**Mrs Helen Grant:** Does my right hon. Friend agree that this presents a great opportunity for retailers to get off the sidelines and play their full part in the battle for gender balance and fairness?

**Mrs Miller:** My hon. Friend is absolutely right. Gender stereotyping helps no one. It does not help women or men. As we go forward, people will be calling for a reduction in gender stereotyping and far more gender-neutral approaches to the products and services that they purchase.

I again commend the hon. Member for Dewsbury for securing today's debate. I hope that she follows the work of the Women and Equalities Committee as we consider the evidence that we receive and decide what to do next. We may even invite some retailers and manufacturers to give oral evidence if we feel that there are further questions to ask. I thank her for her support in an important area of work for women's equality.

4.45 pm

**Dr Rupa Huq** (Ealing Central and Acton) (Lab): It is a pleasure to serve under your chairmanship, Sir Edward, and an honour to follow the right hon. Member for Basingstoke (Mrs Miller), who served with distinction as Minister for Women and Equalities. I congratulate my hon. Friend the Member for Dewsbury (Paula Sherriff) on securing this important debate. She made her name with the tampon tax, which made waves even if it did not quite get legislative change, so let us hope that such change will result from today's debate.

I agree with everything that has been said. This is an example of everyday sexism. As my hon. Friend pointed out, it hits from babyhood to old age. There are so many examples. It is a great hidden gender swindle perpetrated by the retail trade, which has spotted an

opportunity that many of us do not notice because someone would have to be quite diligent to do the comparison every time.

In 2016, we have been led to believe that gender barriers are dissolving and eroding in many areas, but there are examples of price differentials from toys to toiletries and even in clothing. A white T-shirt for a man in Tesco's F&F range costs a lot less than the woman's equivalent. It just seems wrong that products for her are much higher priced than the equivalent for him. *The Times'* research found that the differential can sometimes be 37%, which is quite a lot, and the total cost of that can rack up over a woman's life, and yet it happens without anyone noticing.

There was a disagreement over whether tampons and sanitary products were luxury items. This is not about those Yorkie bar wrappers saying, "It's not for girls!", which make my blood pressure rise—I am off Yorkies now. The issue will never be one of those things that is emotive in the same way as "Made In Dagenham" and the Equal Pay Act 1970 or the suffragettes, about whom a film was also made recently, because it happens without our noticing. It is not totemic in the same way. When shopping, the relationship is usually between value and quality, but here it has been subverted by gendered commodities. It seems strange to have two different versions of a product. Surely a razor is a razor and a pen is a pen, no matter the gender of who uses it. At Boots—I think—eight women's razors cost £2.29, but it is £1.49 for 10 men's razors. It makes no sense at all. If it is true that Boots has bowed to pressure, that is good news.

The campaigning has been thoroughly modern. The Fawcett Society started a petition that was spearheaded by Stevie Wise of Middlesex University and gathered some 35,000 signatures. This has happened a few times on women and equality issues recently. A constituent of mine ran a petition that achieved nearly 4,000 signatures, protesting that none of the 70 composers on the A-level music syllabus were women, and there has now been movement on that. When the new draft regulations for A-level politics come out, I think we will see that feminism has been reinstated in some form. The petition for that received nearly 50,000 signatures. It is a thoroughly modern, bottom-up way of campaigning that has led to Boots caving in. I said that I would be brief, but I just want to agree and commend my hon. Friend for her initiative. There are things that can be done.

Counterintuitively, in America, capitalist land of the free, they are more progressive than we are. The New York research that was mentioned earlier led to retailers sitting down around the table. We should be doing the same, including with Amazon and other online retailers, even if we think that their tax arrangements are a bit too friendly and they seem to be able to pay what they want. In fact, in New York they have rent control as well. I know that that is not pertinent to the subject of the debate, but on some of these issues, counterintuitively, the Americans have got it right. Surely we can catch up.

I hope that the Minister will have some good news. We thought that progress was being made on women's equality. After all, at Prime Minister's questions at the end of last year, the Prime Minister declared to me across the Dispatch Box that he is now a feminist. He needs to put his money where his mouth is and do something, because it seems like women are viewed as cash cows. One might say that we can vote with our

wallets, but, as the right hon. Member for Basingstoke said, how many people are really going to make the comparison all the time? It happens beneath the radar. It often seems like we are sleepwalking into discrimination. We have anti-discriminatory legislation in this country—introduced by Labour Governments—so this rip-off needs to stop.

**Sir Edward Leigh (in the Chair):** We come to the only other man present.

4.51 pm

**John Mc Nally (Falkirk) (SNP):** It is quite interesting that you say that, Sir Edward. I thank the hon. Member for Dewsbury (Paula Sherriff) for securing this debate on a subject that is very close to my heart. It is always a pleasure to serve under your chairmanship, Sir Edward. I apologise for the gender imbalance today. I think we are outnumbered 8:2, which is never a problem for me—I thoroughly enjoy being outnumbered by women.

As a hairdresser, barber and salon owner, I worked for most of my adult life in a sector with universally accepted gender pricing inequalities. A haircut for a man with short hair could cost 40% less than one for a woman with short hair. An average women's haircut in London is 97% more expensive than the average men's haircut. That difference in average prices caused a lot of debates and arguments—most of them humorous—in my own salons over the years, especially when a man, a wife, a daughter and a son were sitting together, because I had to do some very quick mental calculations to show how I had thought things out thoroughly. I can assure Members that it caused an awful lot of problems, and still does.

The hon. Member for Ealing Central and Acton (Dr Huq) mentioned New York. It is interesting to note that New York addressed gender-differentiated prices. Salons were nudged into harmonising their prices. It has worked for most of them, and there are some great examples. Unfortunately, it can work the wrong way, as when a men's haircut went from \$10 to \$75. It was similar to the difference between the price of a cup of tea in one railway station and another: the prices will never come down; they always go up. There are some cases, particularly in my profession, of a legitimate business need for gender pricing, but the fact is that society is not generally aware of gender pricing inequality, which is of great concern.

We are teaching our daughters, and thereby perpetuating the myth, that being a woman is be more expensive. It is our duty and responsibility as MPs to consider what we could and should do to address such inequality. The example I gave of haircuts is relatively frivolous, but I picked it because it exemplifies the wider social issue: our general acceptance that it is more expensive to be a woman.

As I said in my speech in yesterday's Westminster Hall debate on state pension age inequality, the UK Government's fiscal programme and determination to push through austerity measures has affected women disproportionately. Coupled with a failure to do anything about the gender pay gap and gender pricing, we are left with what is essentially a triple charge on being a woman.

I am proud to be a member of the Scottish National party, as is, I am sure, my hon. Friend the Member for Lanark and Hamilton East (Angela Crawley). We are

[John Mc Nally]

committed in Scotland to the cause of gender equality. The SNP is the only party that is committed to the removal of VAT on female sanitary products—it is in our manifesto.

Recent reports have shown, again, that women pay more than men for nearly identical items in nearly every demographic from childhood to old age. I have a son and a daughter. They are older now, but over the years I have noticed the differences between the prices of something for a boy and something for a girl. Christmas presents were always difficult as I tried to spend the same amount of money on my daughter and my son but, generally speaking, my girl's presents were always far more expensive than my son's.

On average, products marketed at women are 37% more expensive than their male equivalents—from razors to cologne to children's toys and clothing. Hundreds of products are priced higher for women. In the 21st century, when we strive to be a progressive, tolerant and accepting society, that is not something that should be ignored or accepted. There should be no premium on being a woman. It is for that reason that I am keen to hear the findings of the Women and Equalities Committee's investigation into price discrimination if and when it is launched.

I suspect that the findings of any investigation will be self-evident. Retailers charge more for feminine products and services because they can. They charge as much as the customer is willing to pay. However, retailers have a corporate responsibility to treat women and men using similar products and merchandise equally. I hope that some of our large retailers take the lead on this, similar to the lead taken by Boots and similar to the lead taken by John Lewis and Waitrose in reducing the sugar content in their food and drink products.

Let the Government and the Select Committee forgo this political navel-gazing. If the architects of choice—the retailers—do not take the lead, the behavioural insights team employed by the Prime Minister should guide the Government to do the proper thing and take action to legislate against gender-differentiated prices of goods and services. Marketing and commerce can be deeply discriminatory. We must work to build a society in which women are not treated as overcharged second-class citizens. I urge the Government to address the issue of gender pricing and the wider issues surrounding gender inequality.

4.57 pm

**Angela Crawley** (Lanark and Hamilton East) (SNP): It is a pleasure to serve under your chairmanship, Sir Edward. I congratulate the hon. Member for Dewsbury (Paula Sherriff) on securing the debate. This debate is welcome because, surprisingly, it is the first debate on the topic in any Chamber of this House. However, I suspect that if men were paying the premiums that women are, there would be outrage on the Floor of both Houses, and in boardrooms, and perhaps action would have been taken before now. In fact, one of the primary arguments for why we should have more women represented in our Parliament and in our boardrooms is so we can ensure that someone is taking serious action.

The reality is that the gendering of products starts at an early age—pink for girls and blue for boys—and continues throughout our lifetimes. It includes everyday items such as perfumes, deodorants, razors and shaving cream, but it does not stop there. Studies suggest that women pay more for mortgages, insurance premiums and even cars.

I welcome the points raised by other hon. Members. The hon. Member for Dewsbury rightly pointed out that women pay 37% more than men for the same products, which seems ludicrous, yet it is a reality that has an impact on the incomes of women on low pay. The fact that 25% of women earn less than £10,000 a year should be a stark reminder to us that this is something that we should tackle in this House. Although it is the responsibility of retailers, we in Parliament and those in the Government have a responsibility to put pressure on retailers to take serious action.

**Mrs Miller:** Does the hon. Lady share my concern at the fact that just 9% of executive positions in big businesses in Britain are held by women? Does she think that, in some way, that may be part of the reason that these issues are not taken more seriously at a board level?

**Angela Crawley:** Absolutely. It is something that we have looked at closely in the Women and Equalities Committee. Across Parliaments—in Scotland and the UK—action needs to be taken. There is only so much that Governments can do but we need all companies of all sizes to take serious action to ensure that women are represented at every level of the organisation, and not just to have boardrooms full of men. I suspect that that is a large part of why we find ourselves having this debate.

I welcome the fact that Boots has withdrawn two of its lines, and I think Argos recently conceded that a pink scooter had to be repriced on the basis of the price of a blue scooter, but it seems ridiculous that we should have to point out such things and make such comments in a modern-day society.

Gender stereotyping does exist. The fact that I can plainly state that pink is for girls and blue is for boys is absolutely ridiculous. In a society where many people identify as non-binary or do not identify in clear gender stereotypes, why should we have products catering to that market? As the right hon. Member for Basingstoke (Mrs Miller) has previously pointed out, the reality is that this is marketing and it is what people are paying for. Unless we raise awareness of the issue, there will continue to be higher prices for products.

The Government can take action in one regard, in that female sanitary products are subject to VAT and are considered a luxury. Unlike Jaffa Cakes, sanitary products are not a luxury.

**Paula Sherriff:** I was very proud to table the amendment in the House last year calling for the Government to attempt to renegotiate the rate of VAT on feminine hygiene products. We welcome their attempts to do that, but does the hon. Lady agree that we must see that they are putting this on an equal footing with their other EU negotiations and that they are not treating women as second-class citizens in this regard?

**Angela Crawley:** Absolutely. The hon. Lady is a mind reader. My point is that sanitary products are not luxuries. Although I appreciate the difficulties that block the way to change with regard to EU legislation, I am sure that the Government can and must do more. Perhaps while the Prime Minister is renegotiating our position in the EU he could pay some attention to the gender inequalities that exist as well.

The regulation that appears to restrict us from removing the tampon tax has been in place since the 1970s, so this is not a new subject and it is surprising to me that it is only now coming to the fore. Issues such as the use or misuse of the terms “swarms” or “migrants” have become topical in discussions on the EU and yet, the topic of a tax on women has not been a serious issue for the Prime Minister to address, so I hope the Government will do so.

**Mrs Miller:** I thank the hon. Lady for picking that point up, and I am delighted that the Financial Secretary to the Treasury, my hon. Friend the Member for South West Hertfordshire (Mr Gauke), has already started to have these sorts of discussions. I commend him particularly for taking such a strong stand on this issue, and I am sure all our good wishes will be with him to achieve a successful negotiation.

**Angela Crawley:** Absolutely, I think it is in everyone’s interest that there is a successful negotiation. I am only sorry that it has taken so long for this conversation to happen at all, to be perfectly honest.

As has been cited, research conducted by the Fawcett Society indicates that 85% of the cuts have come at the expense of women. Whether we are talking about the welfare cap or cuts to carer’s allowance, women have borne the brunt of the austerity measures imposed by this Government. I say that not to politicise the issue, but simply to make the point that women are paying more than men for some decisions that are taken. The measures that require women to prove that they have been raped are also an abhorrent policy and something that must be addressed quickly and urgently.

The Government have forgotten women on many occasions, and although many actions have been taken by members of the Government to address those points, whether this is about gender pricing or gender-specific policies, we must do more to eradicate the inequalities that exist between men and women. We must do that, so that one day a little girl will not end up earning less than her brother, so that one day our sons and daughters will be equal, and so that one day a person’s gender will not determine how much pay they take home.

In conclusion, although I appreciate that it is the responsibility of retailers to take a lead and to continue to urge all Governments to tackle this issue, serious inequalities do exist between men and women, and I would like to hear what actions the Government plan to take to tackle gender inequality. Beyond rhetoric, there must be action.

5.4 pm

**Kate Osamor (Edmonton) (Lab/Co-op):** It is a pleasure to serve under your chairmanship, Sir Edward. This is the first time I have responded from the Front Bench and I am very grateful for the opportunity to do so.

I, too, pay tribute to my hon. Friend the Member for Dewsbury (Paula Sherriff) for securing the debate and for her eloquent and insightful comments. I also thank everyone from all parts of the House—the right hon. Member for Basingstoke (Mrs Miller), the hon. Members for Maidstone and The Weald (Mrs Grant), for South Down (Ms Ritchie) and for Lanark and Hamilton East (Angela Crawley), my hon. Friend the Member for Ealing Central and Acton (Dr Huq) and the hon. Member for Falkirk (John Mc Nally) —who have all contributed to the debate. This is an important, principled debate, and it should not be a party political issue. I congratulate *The Times* journalists on reporting on this issue and bringing it to the forefront of public and mainstream media attention. Their calculation that gendered products marketed at women are 37% more expensive than their male counterparts reflects a wider reality of how women are expected to engage with the high street.

Women are expected to spend more on their personal hygiene, appearance and presentation than men, which is often reflected in advertising and the everyday pressures that we put on women from a young age to look and dress in a certain way. The overcharging of women for products on the high street is symptomatic of the way in which, more broadly, our economy makes women pay. Women are hit the hardest by austerity, and tampons are taxed as luxury goods.

Our domestic violence rescue services have suffered enormously over the past five years. Ironically, funds were only injected in the spending review through the tampon tax. Like grievances against the tampon tax, this debate is grounded in a principled belief that people should not pay more for products that, beyond the packaging, are identical. High street retailers should not exploit female-marked products in that way. To borrow the title of an article in *The Guardian* on this issue, women are overcharged every day. Imagine if that happened to men.

I applaud the work of campaigns such as “Let Toys Be Toys” that fight against unnecessarily gendered products. Gendered products on the high street are not only harmful to women in terms of pricing but often impose unnecessary gender stereotypes on to products. The Government must ensure that there is independent analysis to identify the extent of unfair gender pricing and marketing practices in the UK. The full impact of gender differentials in pricing on women must be qualified. I call upon the Government also to look at the United States and the action taken in New York and California to see what more can be done to eliminate unfair practices. Legislation has been passed in those two states to outlaw gendered pricing. An encouraging statement was released by Boots today saying that, following a Change.org petition, it has conducted a review and will be taking immediate action to amend the pricing of certain products.

I finish by expressing support for those who have campaigned on this issue, and I would welcome a meeting on this issue with the Minister and leading retailers in Parliament.

5.8 pm

**The Parliamentary Under-Secretary of State for Women and Equalities and Family Justice (Caroline Dinenage):** It is a pleasure to serve under your stewardship, Sir Edward. I welcome the hon. Member for Edmonton (Kate Osamor)

[Caroline Dinenege]

to her place—I look forward to working opposite her. I add my voice to those congratulating the hon. Member for Dewsbury (Paula Sherriff) on securing this important debate and on all her hard work and effort. This is a fundamental issue, and I have listened to all today's contributions with enormous interest.

This is not a straightforward issue. It seems like a case of simple, unacceptable injustice, but the closer we get, the more complex it is. Many people here, and others in the press, have raised interesting and important points about the way that pricing structures can exploit women. The general public have also been active partners in this debate, and rightly so. They are asking whether there is a tax on womanhood in the British high street. I am pleased to hear from my right hon. Friend the Member for Basingstoke (Mrs Miller) that the Women and Equalities Committee will be considering this important issue. She has had to leave, but she and her Committee will display their normal tenacity and insightfulness.

I will first respond to the hon. Member for Dewsbury by explaining that this position is tricky because it slips between equality and consumer law, and I will then set out the more general implications for gender equality. The Equality Act 2010 provides that a retailer must not discriminate against a customer, either by failing to provide goods or services or by providing them on different terms, on the basis of someone's gender. In the cases described in the research that we are discussing, retailers are not refusing to sell goods to female customers; in fact, I am sure that they are only too pleased to sell them, because they make more money doing it that way. Retailers are not applying discounts for men that they are not applying for women. We are all equally able to buy the same products. It is just that the ones marketed at women seem to be inexcusably higher in price. Goods and services that are in the high street can be bought by either sex at the same price, regardless of whom they are designed or marketed for. As long as the treatment is the same for both sexes, we are within the realms of equality law.

With very few exceptions, we do not operate price controls in the UK, and businesses are generally free to set their own prices on the goods that they sell to consumers. It is of course fundamental that businesses listen to their customers and any concerns that they have about pricing. It is very good news, and not a little ironic, that we are now beginning to hear from some of the major retailers that that is indeed what they are doing today. Responsibility for ensuring that markets operate competitively falls to the Competition and Markets Authority. Complaints of market failure need to be addressed to the CMA. I will be speaking to the CMA about this issue and I encourage everyone who has any evidence of this behaviour to do so, too.

There have been calls today for the Government to conduct an independent analysis of gender pricing. I am listening to those calls very carefully. It is important to understand that consumers are a very important priority for the Government. We need to have confident and well-informed consumers, because that drives effective markets and the UK economy. Only last October, the Consumer Rights Act 2015 came into force. It sets out a simple, modern framework of consumer rights. Consumers are also protected by the Consumer Protection from

Unfair Trading Regulations 2008, which ban traders from engaging in unfair commercial practices against consumers—for example, giving them false or deceptive information or descriptions of products, or misleading them by leaving out important information that they need to help to make a purchasing decision.

What about the role of advertising that exploits gender stereotypes? Product advertising is controlled primarily by self-regulation. The Advertising Standards Authority has responsibility for ensuring compliance with “The British Code of Advertising, Sales Promotion and Direct Marketing”. The code is a body of rules by which the advertising industry agrees to abide. It requires all forms of advertising to be legal, decent, honest and truthful and prepared with a sense of responsibility to both consumer and society. The ASA says that it is happy to look into consumers' concerns, and again I encourage anyone who feels concerned about the way products are advertised to speak to it.

When it comes to the law, it is important to consider whether we are talking about selling the same product at a higher price, or similar products aimed at different markets. If it is the latter, no laws are broken, yet it is absolutely valid to feel concerned at what is happening. Some people are asking: are manufacturers and retailers exploiting gender stereotypes to make women feel inadequate unless they pay a premium for products that implicitly or explicitly suggest that they are “for them”? That is the crux of the matter. Personally, I have a slight aversion to pink products that are specifically designed for ladies—maybe I am just a bit contrary like that.

The hon. Member for Dewsbury, who initiated this very important debate, has already given a number of examples of gendered marketing from recent years. Some of those have been largely met with ridicule. I do not know whether any hon. Members remember the stream of online reviews when a certain ballpoint pen manufacturer manufactured a lady's version, in pastel shades. Hundreds of women went online to express their heartfelt gratitude. One said:

“My husband has never allowed me to write, as he doesn't want me touching men's pens...Once I had learnt to write, the feminine colour and the grip size (which was more suited to my delicate little hands)...enabled me to vent thoughts about new recipe ideas, sewing and gardening.”

I am sure that we can all sympathise with that. Men joined in with complaints that the delicate pens were too slippery for fingers calloused from a hard day's shark wrestling, and that they hated the visions of fairies and rainbows that they got whenever they used those pens.

I have seen, as I am sure we all have, special women's Sellotape, dental floss, earplugs, energy drinks and even blenders, as well as the women's haircuts highlighted by the hon. Member for Falkirk (John Mc Nally). A personal favourite of mine is the men's and women's versions of unperfumed deodorant—because people might guess—and let us not forget that old favourite, man-sized tissues for man-sized noses.

However, there is a serious side to the issue, as hon. Members from all parties have pointed out. It is absolutely right that we empower consumers to ask whether there is a clear difference in the products and production costs, or whether the manufacturers believe that women can be persuaded to pay more than men. Consumers are within their rights to ask retailers to explain why.

Why might a pair of women's jeans cost more than men's? Is it due to a larger range of different fits, lengths, colours, types of stitching and qualities of denim, or is it just that they are particularly marketed towards women?

I recently had a constructive meeting with the chief executive of the British Retail Consortium. She informed me that although the consortium is keeping a lookout for the issue, it has not been raised by BRC members. Helpfully, though, a number of retailers have contacted my office within the last few hours to discuss the matter. As my right hon. Friend the Member for Basingstoke and others correctly pointed out, Boots today corrected the price of disposable razors and eye roll-ons, Sir Edward, so we will be paying the same price for those in future.

**Sir Edward Leigh (in the Chair):** Eye roll-ons? I don't normally buy those.

**Caroline Dinenge:** Well, you might now. It seems that the power of the female consumer's voice, once it is brought to public debates such as this, is starting to be heard. We encourage that, of course, and we encourage other retailers to take note. We heard from the British Retail Consortium that non-food prices have fallen continuously for the past 33 months, and that that may be in part because consumers are more informed than ever before. Long may that continue.

Another serious issue is the impact on children, which the hon. Member for Lanark and Hamilton East (Angela Crawley) mentioned. I know from my postbag that many parents are concerned about the impact of gendered marketing on children, which is compounded if, as we are discovering, there is a price differential too. Children learn through play, so it is important that they have access to a wide range of toys and interests, whatever their gender. So what if boys want to wear pink and girls want to play with train sets? At least, as we heard a couple of weeks ago, Barbie has finally put on a few pounds. That is something to make us all feel a bit better. That is why the Government are committed to supporting parents and teachers in raising the next generation of informed consumers by developing media literacy and resilience to restrictive stereotypes.

**Angela Crawley:** Perhaps if we removed gender from children's toys, we might find that young boys and girls could aspire to whatever careers they chose. It might have a large role to play in that as well.

**Caroline Dinenge:** The hon. Lady is absolutely right. Only last week, I was at an event geared towards getting girls into science, technology, engineering and maths. Those sorts of initiative are so important. In order to correct the gender pay gap, which we have discussed, we need women to aim for those higher paid careers.

The hon. Lady also raised the point that if we could get more women on boards, gender discriminatory decisions might not be made. I am pleased to say that we have made enormous progress on that under Lord Davies; the 25% target for women on boards of FTSE 100 companies has now been met, although we agree that more needs to be done to improve the executive pipeline. At the moment, less than 10% of people in the FTSE 100 executive pipeline are women. We have accepted his recommendations to establish a new review focusing on the executive layer of FTSE 350 companies. That is important to ensuring that the retail issues change.

I do not want to make a massive party political point out of this, but I gently say to the hon. Ladies who have spoken about how cuts have hit women hardest that a record number of women are in employment. We all want to see women in higher paid employment, but that record number is a good thing. The female participation rate has increased by more since 2010 than it did during the previous three Parliaments combined. Women's salaries are rising in cash terms. We are cutting tax for nearly 13 million women by 2017-18 and the gender pay gap is at its lowest level. No one should think I am in any way complacent about that. I know that there is still more to do, but we are dedicated to that.

As the Minister for Women and Equalities and Family Justice, I am happy to keep a very close eye on the issue raised today, but I fundamentally feel that is up to us all as intelligent, questioning consumers to demand an explanation from retailers and manufacturers for the different prices, if we have questions or concerns. Actions speak so much louder than words. While women's voices must unite on this issue, it is even more powerful if women speak with the power of our purses. As a result of the growing debate on this issue, I know that more women will understand that they do not have to buy pink razors. The blue ones are just as good, and men are of course welcome to try the pink ones out if they wish, Sir Edward. I know that if the tables were turned, men would be proudly choosing pink earplugs if they realised that they cost a third less.

**Sir Edward Leigh (in the Chair):** Does the hon. Lady wish to sum up?

5.21 pm

**Paula Sherriff:** Thank you, Sir Edward. I will sum up briefly. I thank all the contributors to today's debate. It was refreshing to hear the spirit in which the debate was entered into, and to have representatives from four political parties. I pay special tribute to the hon. Member for Falkirk (John Mc Nally), who has joined us this afternoon.

The Women and Equalities Committee has a significant role to play in this issue going forward, and I welcome its investigation. I completely agree with the Minister that retailers have some questions to answer, but equally, the Government have a role to play, and I urge her to consider the analysis on the cumulative impact on women.

My hon. Friend the Member for Ealing Central and Acton (Dr Huq) made a powerful point about people power. We have seen that this afternoon, with the response from Boots. The hon. Member for Lanark and Hamilton East (Angela Crawley) made a powerful point about the need for more women MPs. The number is going up, but it is not nearly enough. I am proud to belong to a party that practises positive discrimination for women with all-women shortlists. Equally, there need to be more women on boards. I acknowledge the progress that has been made, but until we reach 50%, I will continue to champion the cause.

I thank my hon. Friend the Member for Edmonton (Kate Osamor) for her contribution. She made a valid point on advertising and the pressure on women to look and behave a certain way. I agree that we could definitely learn from some of the research that has been undertaken in America. Like many others, I will be watching the

*[Paula Sherriff]*

issue carefully. I hope that I can contribute going forward by speaking to retailers. Let us see some positive difference in this area.

**Sir Edward Leigh (in the Chair):** Thank you to all those who have taken part in a most interesting debate. It was certainly an eye-opener for me.

*Question put and agreed to.*

*Resolved,*

That this House has considered gender pricing.

5.24 pm

*Sitting adjourned.*



# Westminster Hall

Wednesday 3 February 2016

[MR GARY STREETER *in the Chair*]

## Fuel Poverty

9.38 am

**Derek Thomas (St Ives) (Con):** I beg to move, That this House has considered fuel poverty.

I am grateful for your arrival, Mr Streeter. "My home lets out the heat. My heating fuel is expensive, and I can't afford it. I am in fuel poverty." That is the personal testimony of more people in my constituency than anywhere else in England, and the UK is the leakiest country in the EU, so homes in my neck of the woods could be among the leakiest in Europe. This is a national issue, not an isolated problem for the west country. Fuel poverty affects 10% of the population of England, and the situation is even worse in Scotland, Wales and Northern—may I say that I am so grateful to everyone who has turned up this morning to support and take part in the debate?

Jenny Holland, from the Association for the Conservation of Energy, said this just before the spending review:

"Of the 26 million households in the UK, four out of five have poor levels of energy efficiency, rated band D or below. As today's findings clearly show, this places our nation right at the bottom of the European rankings for housing and fuel poverty and represents an energy bill crisis for UK consumers. Ministers must now embrace the opportunity for a national energy efficiency infrastructure programme".

**Ms Margaret Ritchie (South Down) (SDLP):** I congratulate the hon. Gentleman on obtaining the debate. As an MP representing a constituency in Northern Ireland, I concur with his viewpoint, but does he agree with me that opening up infrastructure funding for energy efficiency improvements has massive potential both to improve lives by reducing fuel poverty and to save the taxpayer money by reducing NHS winter costs?

**Derek Thomas:** Certainly. I thank the hon. Lady for that intervention. She is absolutely right. Reducing the impact on hospitals in terms of admissions, but also creating skilled jobs and reducing emissions, are good reasons to use the infrastructure money to tackle and solve this problem.

I congratulate successive Governments on initiatives that they have introduced to tackle fuel poverty. I also congratulate the many MPs who have addressed this issue in this place. There have already been many Westminster Hall debates on fuel poverty, including one just a few weeks ago. However, my constituency demonstrates that not enough has been achieved. My constituency has more leaky homes than anywhere else in rural England. Cornwall and the Isles of Scilly are in the top three areas in England for homes without central heating; 14% of homes in Cornwall do not have central heating and 22% of homes in the Isles of Scilly, which is also in my constituency, do not.

**David Simpson (Upper Bann) (DUP):** One part of the United Kingdom that the hon. Gentleman left out at the beginning of his speech was Northern Ireland, but we will forgive him for that. It is the case that 42% of the households in Northern Ireland are in fuel poverty. The Government have promised, I think, £640 million or £650 million to go towards efficient homes. We trust—I am sure that the hon. Gentleman will agree with me—that all the regions of the United Kingdom will get their fair share of that.

**Derek Thomas:** Certainly. I thank the hon. Gentleman for the intervention, although I think that I did mention Northern Ireland at the beginning. If I did not, I apologise. It is certainly in my notes, so I apologise if I missed it out. [*Interruption.*]

**Mr Gary Streeter (in the Chair):** Order.

**Derek Thomas:** I am really here for the west country, so I am not too concerned!

**Michael Tomlinson (Mid Dorset and North Poole) (Con):** My hon. Friend mentions the west country; Northern Ireland has been mentioned as well. Dorset and the more rural areas are also affected by fuel poverty. When it comes to improving efficiency, does he agree that there should not just be a fairer share, as the hon. Member for Upper Bann (David Simpson) said, but that the money should be targeted at those who are in fuel poverty in order to tackle this issue?

**Derek Thomas:** Certainly, because that would result in more help for my part of the world. We are not helped by the fact that we have an ageing population. We all know that right across the country the population is getting older and more vulnerable to ill health as a result of poorly insulated homes. Furthermore, the west country is very rural, which means that delivering solutions such as the energy company obligation is expensive and the energy companies have gravitated their efforts towards more urban areas. In my part of the world, ECO measures to help older people have been unremarkable, with only half the national average benefiting from that help.

I have noticed since being elected that it has become a tradition to read out constituents' letters and emails in order to make a point. I now want to do just that, because I have had an email from someone on the Isles of Scilly who sums up exactly the scale of the challenge in my constituency. He says:

"I write from the Isles of Scilly, where I have just moved with my partner and my parents. We have moved into an old property which has little-to-no insulation and thus is extremely cold. I have therefore been researching grants which may be available to help, and in particular the Energy Companies Obligation Scheme...I was extremely disappointed to find that these sort of schemes seem to finish at Land's End and that—as far as I can tell from my research—no energy company will provide free insulation for us on the islands. I understand, of course, that there would be increased costs involved for the energy companies to offer insulation on the islands, but frankly feel that a government-backed scheme should benefit all people in the country, irrespective of geographical location. On Scilly it seems we are hit by a perfect storm when it comes to energy bills. Much of the housing stock on the islands is very old and of traditional construction, so uninsulated. Incomes here are among the lowest in the country. Combine this with the fact we have no mains gas so have no practical alternative to

[Derek Thomas]

inefficient and costly electricity to...our homes, and the fact energy companies will not offer free or subsidised insulation to households on the islands, despite this being a government scheme which should benefit all, and I think you will agree we have a serious problem.”

**Steve Double** (St Austell and Newquay) (Con): I congratulate my hon. Friend on securing this important debate. As he knows, I have strong family connections to the Isles of Scilly so I am familiar with the situation there. The people are heavily reliant on bottled gas to provide for cooking and sometimes for heating. Does he agree that the Government could help the market for bottled gas? They could try to bring down the prices, which are often very high and do not seem to come down when other energy prices fall.

**Derek Thomas:** I welcome that intervention because 57% of homes in Cornwall are off grid. It is the right thing to address, and those bills need to be cut.

I accept that older homes are harder to insulate, that efficient heating systems are expensive, and that it is more costly to deliver ECO in a rural area. In a low-wage area such as mine, households do not necessarily choose to replace their windows and insulate their properties adequately. So, given the scale of the problem, is it really worth the effort? Does it really matter? Why is fuel poverty such an issue?

As we have heard already in an intervention, fuel poverty affects people's health. It is more difficult for people to live full and healthy lives in cold homes and the result is extra demand on acute services and social care. That alone is a good reason for us to deal with the problem. It is difficult for young people living in a cold home to study and succeed as they cannot really concentrate, and it concerns me that people are held back simply through poor housing. We have high energy use and high carbon emissions.

**Chris Evans** (Islwyn) (Lab/Co-op): The hon. Gentleman is making a succinct point but it is important to remember not only young people, but people such as the ex-miners in my constituency, who have chest complaints and need to keep the heating up a bit higher. Unfortunately, a huge number of people also suffer from cancer and have been deeply affected by fuel poverty as they have to keep the heating up because they feel the cold more than other people.

**Mr Gary Streeter (in the Chair):** Just before the hon. Gentleman continues his powerful speech, may I point out that 13 colleagues are trying to catch my eye in the main part of the debate? Wind-ups will begin at about 10.30 am. Do the maths—13 speakers in about 35 minutes. The more interventions there are, the longer it will take and the fewer the colleagues who will be able to speak.

**Derek Thomas:** I take that point and I will speak quicker. I thank hon. Members for all interventions so far because they help to strengthen the argument that more must be done.

I mentioned high energy use and high carbon emissions. We are all now concerned about what we can do to look after the planet and we take that responsibility seriously. However, the real concern for me is that in one of the richest nations on the planet, people are still choosing

to heat or eat. We should resolve that once and for all. I am concerned that as the Government quite rightly push forward with rolling out the smart meter programme—a piece of technology with enormous benefits—there is a potential problem. Some people may be sat in the corner of the room choosing to use nothing but an electric fan heater because of their concern about energy costs. A smart meter might further aggravate the problem, and they might choose to heat their home even less. We need to be careful that we provide the right kind of heating in people's homes as the smart meter programme rolls out.

What am I doing to help? It is not fair for me to bash the Government if I am not prepared to tackle the situation myself. Soon after I was elected, I found a work experience student called Primrose at the local college. She now spends a day a week in my office, looking at the issue of renewable energy and fuel poverty. This Friday, she is bringing together people from my constituency and from further afield who are concerned about the issue, and who have solutions and ideas so that they can help me to understand the issue better. We have a conference on Friday to put forward a strategy for west Cornwall and the Isles of Scilly, which I hope the Government will be able to work with me to deliver.

**Mr Gregory Campbell** (East Londonderry) (DUP): I congratulate the hon. Gentleman on securing this debate. Does he agree that every hon. Member must do more to raise awareness in the wider community of facilities, in terms of energy, insulation and the price of fuel, that are already available but are not being availed of in many cases?

**Derek Thomas:** The hon. Gentleman is right that we have a responsibility to make people fully aware of what is available, and to help them take the matter into their own hands, if possible.

I shall be brief, because I want to bring my speech to an end. This is the time to address fuel poverty. Today, we have better information through research, we have advances in technology and innovation that bring the solution within reach, and we have a Government who believe in reducing energy use, reducing household costs, reducing hospital admissions and investing in infrastructure. I welcome all those things. We are well placed to wage war on fuel poverty.

There are things on which we need to shed some light. The Government's fuel poverty figures state that 1% of fuel-poor households were brought up to band C in every year from 2010 to 2013. At that rate it would take 100 years to bring all fuel-poor properties up to band C. Under the new ECO from 2018, a target of 200,000 hard-to-reach properties will receive low-cost energy efficiency measures. I have 6,924 fuel-poor households in my constituency and I estimate that, within the 200,000 target, only 302 of those households will get help each year, so we have a long way to go to address the problem.

We are also spending £320 million a year on helping vulnerable households with their energy bills. As I understand it, and I am willing to be corrected, that money, although it is a lifeline to those households, does nothing to reduce heat loss; it simply reduces the cost of the heat that we waste. There must be a better way to get value for money.

[SIR ROGER GALE *in the Chair*]

My shopping list, and it is not very long, is that the Government should invest a modest level of capital infrastructure funding in an energy efficiency programme that can deliver those additional economic benefits, boost energy security and economic productivity, reduce fuel bills and save lives—it would also benefit our local economy.

I would like to see a system similar to Scotland's. I have heard what Scottish MPs have said, but it is important to note that it is a devolved issue and local authorities in Scotland receive money on a needs-based formula that they can use to address this problem. I would like to see something similar in England and other parts of the UK, so that we can receive such funds on a needs-based formula, which responds to the point made by my hon. Friend the Member for Mid Dorset and North Poole (Michael Tomlinson), to ensure that all households in the area receive an offer to have the energy efficiency of their home improved.

I would like to see efficient heating upgrades and the installation of renewable heating systems in off-grid households. There are small businesses in Cornwall that have developed the technology to do that, and not only would we dramatically reduce energy costs and pollution but we would create skilled jobs. Porthleven is a fairly contained and important part of my constituency. It is off grid, and residents have been told that eight households will need to put in £3,000 if they want gas to be supplied.

One solution that the Government should enable, or at least support if they can, is a utility that uses ground-source heating. I have been in the building industry, and we have put ground-source heating in barns by simply running pipes into the ground to collect warm water and to take out the heat to heat our homes and supply hot water. It is possible to do that for homes, and it could be possible to do the same for large estates. We could effectively run a new utility, so that people can tap in and pay a standing charge to cover the cost of installation. That is one idea among many that we could use and pilot in my part of the world if the Government are looking for such examples.

It makes sense to invest in addressing fuel poverty—it is a win-win situation. I finish by quoting Ed Matthew, the director of the “Energy Bill Revolution” campaign:

“By far the greatest opportunity to cut energy bills is to invest in energy efficiency infrastructure programme for our nation's leaky homes. Recent research from Frontier Economics shows this would bring an £8.7 billion net economic benefit to the country, comparable to HS2 Phase 1 and Crossrail. This would boost GDP growth, reduce UK reliance on gas imports and help deliver a net increase in employment across the country. It would also help keep energy bills down, reduce health costs and warm up the homes of the fuel poor.”

Thank you, Sir Roger Gale.

**Sir Roger Gale (in the Chair):** The late Sir Roger Gale. I apologise to hon. Members. I am afraid that unavoidable circumstances kept me from the Chair. Apparently I have no power to extend the sitting. I would be more than willing to stay in the Chair, but I have no power to do so, so I am afraid that I have cost you eight minutes by my tardiness. That means, given the number of Members present and wishing to speak, that I will have to impose a time limit. I suggest that we try for three

minutes. I will not be as rigorous as I might otherwise be, but if hon. Members can respect that, we will try to get everybody in, as is my custom.

9.56 am

**Jonathan Reynolds** (Stalybridge and Hyde) (Lab/Co-op): It is a pleasure to see you in the Chair, Sir Roger. I congratulate the hon. Member for St Ives (Derek Thomas) on securing this debate and on a fine speech, the vast majority of which I agree with. I absolutely agree that fuel poverty is one of the most significant social problems in the UK and that more needs to be done, but what I find most frustrating about this debate is that this is an issue that can be solved. The technology and the workforce exist, but this country so often lacks the political will to address the issue. The Government's strategy is not delivering the kind of gains that we need.

As the hon. Gentleman said, the UK has the worst fuel poverty in Europe except for Estonia. In my constituency, like his, some 10% of all households are in fuel poverty. What does that mean? It means that children are going to bed cold, that teenagers are falling behind at school when they should not and that pensioners are afraid to put on the heating when they need it, simply because our housing stock is so old and inefficient. Understanding that point is crucial, because we will not end fuel poverty until we can substantially reduce households' energy consumption—not just the cost of each unit of energy but the overall consumption of energy in each household.

That is different from the Government's approach. The Government often talk about fuel poverty. They talk about more liberalisation of the market and ending subsidies for renewables, but that will not bring us the gains that we need. Every form of new generation will require some form of subsidy. Renewables will need subsidy until they become cost-effective, nuclear will always need subsidy, and new gas will need subsidy as part of the capacity market. The only answer to those problems is greater energy efficiency and cutting consumption, which can be done.

Energy efficiency is the way that we can address climate change while keeping bills affordable, and of course it is far cheaper than any new generation that we could bring into the system. What does that mean? It means sorting out the simple stuff that needs to happen—cavity wall insulation, loft insulation, draft-proofing and modern windows. Energy companies are quite good at getting that out the door and into households, and they have gained considerable expertise in Government policy over the past few years. But energy efficiency also means addressing the very difficult stuff, such as solid wall insulation. Half of all fuel-poor homes in the UK require solid wall insulation, and a Government programme is required because it will never be economical for householders to make such large investments themselves.

In policy terms, we have now lost the green deal and the pay-as-you-save model. We are left with ECO, which I have never liked because it is not fit for purpose. ECO produces huge fluctuations in work for the workforce and in the price received for that work. Fundamentally, ECO does not go to the people who need it most. ECO brokerage will always find people who are in need, but not the most need. It will find people who qualify but who can also make a personal financial contribution,

[Jonathan Reynolds]

yet millions, or at least thousands, of people in the UK desperately need help but cannot make that contribution themselves. The Government changed ECO after one year of operation, and it does not offer anything for solid wall insulation. Now that we do not have the green deal, we are seeing many jobs lost in the energy efficiency sector at a time when we need them more than ever. Big and small companies have gone to the wall under this Government and at the end of the coalition Government's time in office. That is a tragedy, because we need that workforce, those jobs and those skills more than ever.

The Government could pursue many alternatives to make things happen. We should have zero-interest loans, as happens in Germany, where they have been a tremendously successful programme for people who can afford to pay. There should be stamp duty incentives for buying a more efficient home or for turning an inefficient home into a more efficient one.

There should eventually be a degree of compulsion. Measures such as cavity wall insulation and loft insulation are effectively still free under Government programmes. Given our climate objectives, there has to be a point where we say to people, "If you want to move house, you've got to have these programmes in." They are effectively free; it is just a matter of getting them out the door.

There are also a lot of small changes that can be made. In this country, 10 million homes do not even have thermostats. If someone does not have a thermostat, they cannot control their heating to any substantial degree, yet that problem could be easy to solve. In addition, we need to do something about the private rented sector, where I believe standards—particularly on energy—are extremely poor.

There is a lot more that I would like to say, Mr Gale, but I will respect the time limit. I will simply say now that we have the workforce and the technology to deal with this issue, but what we do not have is the political will. I would love to see that situation being addressed.

10 am

**Fiona Bruce** (Congleton) (Con): I recently had the privilege of launching in this House a report entitled "The poor pay more", by the debt counselling charity Christians Against Poverty. It outlines concerns that I want to express today about a specific issue, which is the prepayment metres that 10.8 million people across this country use.

It is a sad fact that the poorest in our country pay more for their fuel. As the CAP report highlights, the reason is that people on prepayment meters face higher tariffs and charges than those who pay in other ways. They simply cannot get on to the best tariffs, so they are forced to pay more, and they often have to turn to payday lenders to do so. Their difficulties are compounded by the fact that prepayment meters are predominantly used by vulnerable consumers: lower-income households, the unemployed, those with long-term disability and often those with mental health challenges, terminal illness or learning disabilities.

I do not have time to cite CAP's statistics, but they reveal how extensive the problem is. Prepayment meter consumers are more susceptible than others to consumer detriment, because they find it more difficult to engage

with suppliers, or to switch to or obtain the best tariff. Higher tariffs are not just a penalty for those in arrears; they affect thousands of people who are unable to engage effectively and switch. Those people need more support to engage effectively, and I hope that the Minister will consider how that support can be provided.

Ofgem estimates that PPM users pay an extra £300 a year compared with those on the cheapest tariff. Moreover, even if those people can engage effectively, they face other significant barriers that prevent them from switching to more competitively priced deals, such as charges for the installation or removal of a PPM, credit card checks and security deposits. Put simply, this is a matter of social justice; the poor should not pay more for such a basic and important commodity.

The unfairness of the situation is starkly illustrated by the statistics in CAP's report, and behind every statistic is a human story: 8% of PPM users never use their heating in the winter, and a quarter use it for less than two hours a day. People miss hot meals, or do not wash themselves or their clothes. Many people fall behind in making payments, or have no energy supply at all.

Official disconnection figures hide the true statistics. In 2015, there were only 192 instances of official disconnection. However, in most cases where a customer falls into difficulties, energy suppliers install a PPM instead of disconnecting a supply. Then when customers cannot afford to put money into their meter, they are classed as a "self-disconnection", so they do not fall within the official figures. The number of such self-disconnections is high. In 2014, approximately 300,000 new electricity PPMs and 320,000 new gas PPMs were installed. Customer Focus estimates that one in six PPM users are self-disconnecting. Current methods of measurement simply do not detect the level of disconnection that exists or the human stories behind each disconnection.

I could go on, Sir Roger—there are other points I would have liked to make, for example the need for clarity about standing charges over the summer months. Currently, when PPM users put money in as winter approaches, they often find that all their money has gone, simply to pay for the standing charges. That situation needs to be looked at, and people need help to understand it.

We also need to ensure that more innovative social and smart tariffs are introduced. Steps should be taken to ensure the introduction of smart meters, which promise infrastructure savings for suppliers and cost reductions for PPM users. They should be given as a priority to those who currently have PPM meters. However, with full smart meter roll-out not expected for another five years, action is needed today to ensure that the price differentials that 10.8 million PPM users currently experience are eradicated.

10.4 am

**Ian Blackford** (Ross, Skye and Lochaber) (SNP): It is a pleasure to serve under your chairmanship for the first time, Sir Roger, although I will point out that if you were 23 minutes late for the jobcentre you would run the risk of being sanctioned.

I will deal specifically with fuel poverty in the highlands and islands. I am grateful to Changeworks, which has estimated the percentage of households in my region

that are in fuel poverty. It bands each locality in the highlands and islands into groups. On its calculation, there is no district in my constituency that has less than 47.9% of households in fuel poverty, and there are a number of districts where fuel poverty is evident in at least 73.5% of households. If I look to the Western Isles, across from my constituency, fuel poverty is at an eye-watering 71% of all households.

The highlands and islands experience the harshest climactic conditions in the UK and record levels of fuel poverty. There is far greater area-wide dependence than elsewhere on electricity for heating, as well as for lighting, but the standard unit price charged is 2p per kWh more than in most other parts of the UK and 6p more per kWh for various “economy” tariffs that are on offer. Perhaps 2p per kWh does not sound much, but it is a price premium of 15%. That is the price set by this Government for living in the highlands and islands of Scotland.

On top of that, there is also far greater reliance on domestic heating oil and solid fuel in off-gas grid areas, which pushes up heating costs still further. The Government must accept that having 14 regional markets in the UK, with consumers in the highlands and islands paying a premium, is discriminatory. We must have a universal market throughout the UK. I must ask the Minister why highlanders and islanders are being penalised. The lack of action on creating a national market for distribution is partly responsible for the high rates of fuel poverty in my constituency. Fuel poverty is made in Westminster, but highlanders and islanders have to pay the price. Fuel poverty is delivered to Scotland from Westminster.

The Government have the responsibility and the power to do something about the situation. I might add that it should have been tackled under the last coalition Government, when Liberal Democrat Ministers such as Danny Alexander sat on their hands.

On 23 December last year, news that was designed to bring Christmas cheer to those of us in the highlands and islands was reported as follows in *The Press and Journal*:

“The UK Government has today announced that it will continue to protect bill payers in Scotland from higher electricity distribution costs.”

The Minister who is here today said:

“It is not right that people face higher electricity costs just because of where they live.”

I agree with that, but let us take the action today that is needed to create a national distribution market.

It is a pity that I do not have the time go through my other points, but that is the most important matter, and the Minister must act on it. Stop this unfairness, and let us create a national market in the UK.

10.7 am

**Rebecca Harris** (Castle Point) (Con): Fortunately, I speak very quickly, so I hope that I can manage to say what I want to in three minutes.

I speak as the co-chair of the all-party group on fuel poverty and energy efficiency, formerly the warm homes group, which tries to tackle the trilemma of fuel poverty, namely high energy prices, low incomes and the very poor energy efficiency of our domestic housing stock.

We saw energy bills falling early last year, with all the major suppliers passing on to their customers—to some extent—savings from the lower global wholesale gas prices. That should have helped many householders make their finances go a little further. I am pleased to say that the Government were also able to reduce energy bills by an average of £50 per household by reducing the green levies that had been placed on bills. However, we must go much further, as hon. Members have highlighted this morning.

I draw Members’ attention to a report by the Turn2us charity, which has highlighted people’s lack of awareness of the financial help and support that is currently available for households. There are many schemes that can provide support for people who are struggling to heat their home, whether directly through their energy supplier or by encouraging people to seek information from the many excellent campaigns, such as the “No Cold Homes” campaign, which ran last December, and the Home Heat Helpline, which I regularly recommend to my constituents—I believe that many hon. Members do the same.

This is cold homes week, when we will consider action on fuel poverty and excess winter deaths. Publicising excess winter deaths is a good way of raising the issue in the papers and getting headlines, but the reporting of such deaths does not cover the whole story. The truth is that cold homes cause excess morbidity and have a personal cost both for young people, who suffer many extra illnesses as a result, and for our older people, which causes extra admissions to our hospitals. The cost to the NHS and our social services must be enormous, and for some reason we never seem to manage to take those two different cost streams for the Government into account. One doctor commented to me, “If only I could prescribe insulation to my patients, rather than expensive drugs. How much more cost-effective that would be, and how many fewer admissions I would have to hospital and my surgery.”

When it comes to measures to tackle fuel poverty and home energy efficiency, one group of people is persistently overlooked, and that is park home owners. I have the biggest park home in the country in my constituency, Kings Park, and I was recently handed a petition by residents calling for park home owners to receive the same home improvement grants as other homeowners. I duly passed it to my right hon. Friend the Secretary of State for a response. Park home owners are overwhelmingly older people on fixed incomes who have often lived rather beyond their savings. It is a superb way of downsizing and a marvellous lifestyle for older people. If we could have more older people in low-rise accommodation such as park homes, it would be a great blessing for social services and all the rest of it, but their issues must be addressed. Park home owners have told me that they are not eligible for the energy company obligation. Frequently, when they apply for it, the companies refuse them.

I conclude by saying that I will not offer any solutions. My hon. Friend the Member for St Ives (Derek Thomas) and the hon. Member for Stalybridge and Hyde (Jonathan Reynolds) have offered suggestions, and it must not be beyond the wit of man to sort the problem out and end the need for an all-party group on fuel poverty.

10.11 am

**Julie Cooper** (Burnley) (Lab): I am grateful to the hon. Member for St Ives (Derek Thomas) for securing this debate on a truly shocking issue. I am shocked that we are still having to debate it, but clearly the Government are not as shocked as me. In my constituency, more than 5,000 households live in fuel poverty. That is 13.5% of all the households in Burnley and Padiham.

What does fuel poverty mean? There has been a lot of talk about it in recent times, but that is all it is: talk. I will tell the House what fuel poverty means. The bottom line is that it means being cold. It means someone spending so much of their income paying for fuel that there is not enough for all the other costs of living. It means misery. It means children coming home from school on a cold winter's day to a cold house. It means old people deciding to spend the day in bed to save on fuel or skimping on food so that there is enough money to pay the gas bill. It means avoidable winter deaths. In the UK, an average of 65 people die each day whose death can be attributed to a cold home. In the past three years, an average of 40 people have died each year in my constituency because they could not keep warm at home.

This weekend, people will die of cold in their own homes in the world's fifth largest economy because they cannot afford to pay the high prices charged by energy companies. Although the cost of fuel to the Big Six energy companies has tumbled, they have not cut prices to match. Rather than make them do so, the Government have chosen to attack renewable power. It is calculated that every seven minutes in winter, an older person dies from the cold. Even relatively mild January temperatures increase heart attacks and strokes. Nearly two thirds of over-65s worry that they will not be able to pay their fuel bills and say that they are more likely to cut back on their energy usage than turn their heating up, even on the coldest of days.

It is not only the elderly, either. More than five million British households live in fuel poverty, and people have to devote more of their income to energy than in any other EU country except Estonia. That is a national scandal. In the past two years, the wholesale price of gas and oil has fallen dramatically, and meanwhile the Government seem content to sit back and let the energy companies maintain ridiculously high prices. As with most things, it is the poorest and most vulnerable households that feel the pain most. They are more likely to have low incomes, more likely to live in damp or poorly insulated houses and more likely to pay through the nose for their fuel courtesy of a prepayment meter. Reform is long overdue, and it is time the Government put a stop to the scandal of our time.

10.14 am

**David Warburton** (Somerton and Frome) (Con): It is a pleasure to serve under your chairmanship, Sir Roger. I echo others in congratulating my hon. Friend the Member for St Ives (Derek Thomas) on securing this timely and important debate. My constituency in Somerset has a huge number of homes in fuel poverty. That is very much part of the unwelcome trend whereby we see a direct correlation between sparsity of population and fuel poverty. That is pretty bad news for the people of Somerton and Frome, scattered as they are across

900 square miles and more than 130 towns and villages. That real sense of isolation is reflected in the way that fuel poverty is often considered a bit of an outlier in debates on energy, and subordinate to the two big issues of renewables and headline energy costs for consumers.

However, I share my hon. Friend's guarded optimism that in tackling the issue, we also create opportunities. Properly insulated homes will reduce carbon emissions and hospital admissions, as well as creating jobs. I am sure that Members of all parties will have welcomed the Secretary of State's recognition that fuel poverty is a particular problem for rural areas, and I very much hope that the consultation that is currently under way will consider how the Government can respond to that correlation sustainably and productively.

The past four years have apparently seen 375,000 people taken out of fuel poverty, but we have much further to go. Recent estimates suggest that a massive 2.3 million households still need to be supported. Fuel poverty is a problem that sprawls across many different areas: deprivation, carbon reduction, health, the cost of living and rural isolation. That makes it all the more difficult to address directly, but perhaps that overlap presents us with an opportunity to have an impact on a variety of different issues that reinforce and entrench disadvantage.

This debate is important, and it is right that we reflect on it and on the representations made by so many constituents, but it is important that we think practically and that solutions are found, whether they are a UK-wide needs-based formula, greater efficiency awareness, insulation drives or stamp duty incentives. Whatever the solutions might be, this is a real and powerful issue on which progress seems rather overdue.

10.16 am

**Jim Shannon** (Strangford) (DUP): I thank you, Sir Roger, for allowing me to speak on this matter, and I thank the hon. Member for St Ives (Derek Thomas) for setting the scene clearly. I think it is the hon. Member for Vauxhall (Kate Hoey) who says that Jim Shannon can get more words to a minute than any other MP. That does not mean that I will talk even faster than I normally do, because that will make it more difficult for the Minister to understand, but I will make a short comment and raise a few important issues. It is a pity that we do not have the time, but that is where we are.

It is a sad reflection on society that in this day and age, people across the fifth largest economy in the world—our United Kingdom of Great Britain and Northern Ireland—are unable to heat their homes. Other Members have said that, but I wanted to put it on record. Despite the fact that fuel poverty has been an issue for many years, it continues to grow across the United Kingdom. The population in my constituency, and indeed across the whole United Kingdom, is ageing, and we are seeing the economic consequences of that in older households. We can talk about protecting the most vulnerable in our society and advocate better treatment of our most vulnerable, but we need to walk the walk and talk the talk.

Average electricity costs in Northern Ireland are 15% higher than on the mainland, so we know the consequences of fuel poverty only too well. Unfortunately, we have the highest levels of fuel poverty in the United Kingdom. The Office of the First Minister and Deputy First

Minister said that 42% of Northern Ireland households experience fuel poverty. That is a rate 13 percentage points higher than in Wales and 27 percentage points higher than in England. We need to look at the regional circumstances, which go some way to explaining why we in Northern Ireland have greater costs for energy and heating.

I know this is not the Minister's responsibility, but to underline the issue the talk on the news this morning was about universal credit. I am not trying to be controversial or adversarial, but the news said that universal credit will cost everybody. It will add to fuel poverty issues, and I put that on the record too.

The Minister knows this, because she has been to my constituency and is a responsive Minister—I know she will be able to answer my questions—but we have had some good news with the natural gas network in my constituency, which will be extended to Ballygowan, Saintfield and Ballynahinch. That is good news, because that will help to bring costs down. We have the winter fuel allowance and the payments to alleviate fuel poverty, but they help only in the short term. We need to look at the long term too.

The hon. Member for Castle Point (Rebecca Harris) spoke about park homes, and I want to put a marker down on that, too. Those aged between 55 and 80 are most likely to live in park homes, and that age group is most affected by fuel poverty. The Minister knows about that issue, but we need to address it. In Northern Ireland, we have looked at quality insulation, boiler systems and how heating systems can be upgraded. We have looked at all those things. In Northern Ireland we have some innovative and exciting projects to address fuel poverty. It is good to exchange those ideas across the whole of the United Kingdom of Great Britain and Northern Ireland.

**Margaret Ferrier** (Rutherglen and Hamilton West) (SNP): Will the hon. Gentleman give way?

**Jim Shannon:** I am sorry; I cannot. It would be unfair. With that I conclude.

10.19 am

**Philip Boswell** (Coatbridge, Chryston and Bellshill) (SNP): It is a pleasure to serve under your chairmanship, Sir Roger. I first want to thank the hon. Member for St Ives (Derek Thomas)—I know his area very well—for securing a debate on such a critical issue. It affects not only his constituents, but the constituents of all Members here today, including my constituents in Coatbridge, Chryston and Bellshill.

As I have previously stated in other parliamentary debates, statistics show that 40% of households in Scotland are considered to be living in fuel poverty. This, to me, is an unacceptable fact that sticks in one's throat. Fuel poverty means more than simply not being able to keep the heating on. Critically, fuel poverty negatively impacts on the educational attainment and emotional well-being of children. It means that household income, which could otherwise be used to purchase healthy, nutritious food, goes to pay for high energy bills. The combination of mental and physical health problems, poor diet, emotional turmoil and diminished educational opportunity caused by fuel poverty is a recipe for condemning

people to the cycle of poverty. In essence, it takes me back to an old Scottish Consumer Council report in 1994, "Poor and paying for it", with 40% of households in Scotland face the consequences of fuel poverty every winter.

Fuel poverty is the result of a combination of, among other issues, low household income, fuel costs and the energy efficiency of homes. There are a number of practical ways in which those contributing factors can be addressed. For instance, lower household income can be tackled through a living wage for everyone. Recent policy developments implemented by this Conservative Government, such as increased benefit sanctions, as touched on by my hon. Friend the Member for Ross, Skye and Lochaber (Ian Blackford), put even more people at risk of fuel poverty because they hurt those in lower-income households. We must provide a fairer deal for hard-working individuals and families, and not force them to bear the cost of letting the producer interest come out on top.

The hon. Member for Burnley (Julie Cooper) touched on the Big Six. We can no longer stand by while those companies make massive profits. That must surely end. The Competition and Markets Authority has in recent times found that energy consumers were being overcharged by £1.2 billion every year. Following its findings, I asked the Secretary of State for Energy and Climate Change what steps would be taken to amend policy in response to this high level of overpayment. To be honest, there has been very little response and a lack of robustness.

Finally, there is huge scope for the Government to assist in making homes more energy efficient. Unfortunately, this Conservative Government do not seem to think such programmes worth while. The Chancellor of the Exchequer recently cut the budget for the Department of Energy and Climate Change by £70 million, £40 million of which will be cut from the budget for energy subsidies. This cut means that the green energy deal and the green deal home improvement fund, as well as solar power subsidies and feed-in tariffs, will be cut. The full impact of those cuts have yet to be seen. We can no longer stand by and allow this to happen. In a modern developed society, the fact that 40% of Scots face this dilemma every winter is a disgrace. Swift, meaningful action must be taken.

10.22 am

**Drew Hendry** (Inverness, Nairn, Badenoch and Strathspey) (SNP): It is a pleasure to serve under your chairmanship, Sir Roger. I congratulate the hon. the Member for St Ives (Derek Thomas) on securing this important debate. He referred to a debate that was conducted in my name in this room in November, when I raised issues and gave solutions to the Minister. I am still waiting for answers, but I hope to get those.

The UK Government's own figures show that 4.5 million people in the UK are in fuel poverty—one in five households. As a highland MP, my hon. Friend the Member for Ross, Skye and Lochaber (Ian Blackford) has already described the situation for our constituents and has called for the sensitive reconstruction of a universal market for people. The Institute for Fiscal Studies has suggested that by 2020 an additional 100,000 children in Scotland will live in relative poverty after housing costs because of the UK Government's

[Drew Hendry]

welfare reforms—a matter that was raised by the hon. Member for Strangford (Jim Shannon)—and this does not include the welfare changes announced in the summer Budget.

I want to ask three specific questions. The wholesale price of fuel is not being passed on to consumers. When prices rise for wholesalers, they rise for consumers; when prices fall for wholesalers, those falls are not passed on to the people, who do not see the drop in energy prices. The wholesale price of gas has fallen by 30% since last year and electricity by 8% in the same period. We are seeing suggestions of a reduction of 5.1% in gas prices from some companies, which is nowhere near enough. The Scottish Government's energy Minister, Fergus Ewing, has written to the UK's leading energy suppliers calling for a fair deal for Scottish energy consumers. Will the Minister commit to taking action now to make sure that cost savings are passed on to customers at the earliest opportunity and to the fullest extent?

Secondly, the majority of the highlands, in common with other areas, is not on the gas grid. LPG is 100% more expensive, heating oil is 50% more expensive than mains gas, and people in off-gas areas are paying on average £1,000 more per annum than the dual fuel national average, according to the Highland Council report. That is a disgrace. Will the Minister commit to extend Ofgem to cover off-grid supply?

Finally, on welfare cuts, we have heard about the charity Turn2us and the staggering statistics—I do not have time to run through them all now, but they are eye-watering. The Scottish Government have done what they can by using millions of pounds. Again, I cannot go through the individual measures, but they were referred to by the hon. Member for St Ives earlier. So my final question—I could ask a whole lot more—is: will the Minister commit to ensuring that everyone has the entitlement to live in a warm home that is affordable to heat?

10.25 am

**Patricia Gibson** (North Ayrshire and Arran) (SNP): Any discussion of fuel poverty must necessarily include calls for the Big Six energy companies to cut their gas and electricity prices. One or two have now started to do this, but it is too little too late. As my colleague has pointed out, the SNP Scottish Government energy Minister, Fergus Ewing, has written to the UK's leading energy suppliers, calling for a fair deal for Scotland's consumers. Wholesale costs savings must be passed on to customers at the earliest opportunity and to the fullest extent possible. No one can seriously believe that that is what has been happening to date. It is an absolute disgrace that some of the most vulnerable consumers, particularly those in remote areas without access to mains gas and those on pre-payment meters, should be paying more for energy costs.

The roll-out of smart meters is to be welcomed, but there must be concern about how the UK Government are planning to implement the programme, particularly when it comes to the costs of the roll-out, which will be borne by all energy consumers.

**Margaret Ferrier:** Will my hon. Friend give way?

**Patricia Gibson:** I apologise, but I have very little time.

In addition, some of the meters being installed are not of the highest specification, and there are fears that this will make it problematic for consumers to switch supplier in the future. Vulnerable customers must be given greater protection, as the SNP Scottish Government have been arguing. The programme must be delivered to the greatest possible number of Scottish consumers at the lowest possible cost, while enhancing the benefits to the most vulnerable in our society and those at risk of fuel poverty.

It is deeply disappointing that the Smith agreement fell well short of the Scottish Government's proposal for joint governance of energy regulation, which would have allowed the Scottish Government to better protect consumers. But make no mistake: the new powers that Scotland has will be used in the strongest possible way to build a better energy market for Scottish consumers.

With £12 billion of further welfare cuts to be imposed, fuel poverty is set to become a deeper and wider problem across the entire UK. The charity Turn2us, which has been mentioned, found last year that one in two low-income households are struggling to afford their energy costs. The Scottish Government are doing what they can to put measures in place, with £104 million to mitigate the worst aspects of welfare reform in 2015-16, but there is still much to do. I hope the Minister will take cognisance of our particular concerns about fuel poverty in this wider context. I urge her to set out proposals that recognise that this is a health issue, a quality of life issue, and an issue that means that far too many of our most vulnerable, those living with disabilities, our children and our families are living in cold houses because they cannot afford both to eat and to heat their homes. I grew up in a home where we did not have the heating on because it cost too much money. I do not want any other child in the UK to grow up in such circumstances.

10.28 am

**Dr Lisa Cameron** (East Kilbride, Strathaven and Lesmahagow) (SNP): I congratulate the hon. Member for St Ives (Derek Thomas) on securing this extremely important debate.

Fuel poverty has wide-ranging impacts. As well as affecting people's ability to keep their homes warm, it can affect their ability to feed their families and to manage other essential bills. It is also a long-standing health issue, in terms of both physical and mental health. The impact and emotional pressures caused by living in fuel poverty have been recognised for decades by researchers, medical professionals and policy makers alike. Turn2us has recently highlighted the fact that one in five people struggling with energy costs have experienced stress and other mental health problems, which compounds their difficulties.

From speaking to Denis Curran MBE, chairman of the Loaves and Fishes charity in my constituency, I have learned that some of the people who use his food bank specifically request food that does not need to be cooked. He is extremely concerned about the effects on children who are not receiving proper nutrition, and highlighted the plight of some desperate parents who are forced to use his service and ask for foods that require only hot water. He is concerned that further welfare cuts will



invariably perpetuate the problem of people having to choose between the fundamentals of heating and eating. Denis told me:

“I have mothers walking three to four miles in the rain with children breaking their hearts in despair, asking for anything at all.”

The UK Government must act now to address poverty and energy prices. Wholesale gas and electricity costs have fallen, but the benefit does not appear to making its way to customers. I consider myself to be relatively bright, but I cannot understand some of the price comparisons, or even the price structures that the energy companies advertise. I am particularly concerned about my constituents who have prepayment meters and pay what appear to be disproportionate amounts. They must be supported with the installation of smart meters. I am also extremely concerned about the difficulties of my constituents who live in rural areas. They have no access to mains gas in the local area and must often choose bottled gas, oil or coal-based heating. Aside from the additional costs, their homes may be older and less insulated. All that contributes to physical health problems and illness in the elderly. There is a significant risk of mortality.

We must address the following issues promptly. We must look at renewable options; we must ensure clear pricing and competitive price comparisons; we must support people by changing their prepayment meters to smart meters; and we must ensure that those in rural areas are adequately assessed and resourced. Fundamentally, we must ensure that the most vulnerable in our society never have to choose between heating and eating.

**Several hon. Members** *rose*—

**Sir Roger Gale (in the Chair):** Order. Members' conduct has been exemplary; you have almost made up for your Chairman's shortcomings. Mr McCaig, if you can confine your remarks to eight minutes, we will be back on track.

10.31 am

**Callum McCaig (Aberdeen South) (SNP):** Thank you, Sir Roger. I am pleased to have the opportunity to speak in this debate and congratulate the hon. Member for St Ives (Derek Thomas) on securing it. We have had an interesting discussion that has taken in both aspects of the issue. First, there is the issue of direct fuel poverty—how we insulate our homes and pay for our bills, and how we can make that better. Secondly, there is the broader issue of poverty—if people cannot afford to pay for anything, fuel poverty is clearly going to happen. I am always somewhat perplexed that we focus our poverty debates not on poverty itself but on specific manifestations of poverty. In this case it is fuel poverty; sometimes it is food poverty or child poverty. The issue is not the individual manifestations but poverty as a whole. Nevertheless, as this is a debate on fuel poverty, I will address my remarks accordingly.

The hon. Member for St Ives gave an excellent speech. The phrase that stood out to me was that it was time to “wage war on fuel poverty”. That is absolutely correct. I was struck by the comment by the hon. Member for Strangford (Jim Shannon) that we need to learn from the different approaches in the UK's different jurisdictions.

I welcome the comments made by the hon. Member for St Ives about the Scottish Government's projects and how they could be replicated in England to deal with rural constituencies such as his. The situation in Scotland is by no means perfect, and we can learn from others. Debates such as this can help.

The hon. Member for St Ives also mentioned making fuel poverty a national infrastructure priority, which is what the Scottish Government have announced. That could bring jobs and support, along with benefits in terms of climate change, but above all it could ensure that people can live in homes that they can afford to heat. The hon. Member for Stalybridge and Hyde (Jonathan Reynolds) mentioned the lack of political will and how many of the attempts to tackle fuel poverty were being directed at reducing subsidies for renewable energy. That is completely and utterly the wrong way to go about it. The cost of the contributions to renewable energy projects is infinitesimal when compared with fuel poverty. Yes, we should be looking to bring down bills, but a far bigger issue is the failure to pass on savings from wholesale prices, as has been mentioned. We risk throwing the baby out with the bathwater and missing some of our climate change targets, which will not help those in need.

The hon. Member for Congleton (Fiona Bruce) and my hon. Friend the Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) both mentioned the scandal of prepayment meters and how those who are in greatest need face the highest bills. I can see no justification for that—I have heard several justifications for it, but none of them cut the mustard. It is unfair and iniquitous and it must stop. There are barriers to switching and it is a trap for people who can least afford to be trapped like that.

A number of Members talked about how fuel poverty is incredibly acute in rural areas. My hon. Friends the Members for Ross, Skye and Lochaber (Ian Blackford) and for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry) mentioned the need for a universal market. In a previous debate, my hon. Friend the Member for Inverness, Nairn, Badenoch and Strathspey secured a commitment from the Minister that she would launch, around the end of last year, a public consultation on the most appropriate level of support for electricity distribution charges in the north of the country. It is clearly now the start of this year, so when will that consultation be coming?

One of fuel poverty's hardest impacts is its effect on people's health, education and lives as a whole. The hon. Member for Castle Point (Rebecca Harris) mentioned a GP talking about prescribing insulation—that really stands out as testament to the scale of the problem. We are tackling the symptoms of fuel poverty and paying millions to deal with its manifestations. Investment at source in the form of insulation is money that will pay itself back many, many times in improved health, education and social outcomes, as well as in reduced bills and less need to seek energy from elsewhere.

**David Mowat (Warrington South) (Con):** I am listening carefully to the hon. Gentleman's arguments. He will be aware that the country that has reduced fuel poverty the most in the world over the past few years—indeed, it has also reduced carbon emissions—is the United States. That is because gas there is now one third of the price of

[David Mowat]

our gas. Does he think that unconventional oil and gas in our country could make a big contribution to relieving the fuel poverty he is so concerned about?

**Callum McCaig:** I have had several conversations with people in the onshore and offshore oil and gas industries. Because of the nature of the European gas trading market, very few people seem to think that such options would reduce the costs here anywhere near as much as they have in the United States. They are also likely to be less cost-effective, so I do not believe that that is the answer to fuel poverty. It might be an answer to another question, but that is for another time.

**Margaret Ferrier:** Does my hon. Friend agree that district heating systems, such as the biomass system that has been installed in the West Whitlawburn housing co-operative in my constituency, can really help to alleviate fuel poverty? Such community-driven initiatives are to be truly commended.

**Callum McCaig:** I certainly do agree. That was one of the things on which I was going to close my speech. Most of the contributions to this debate have been on rural fuel poverty, and of course I accept that it can be more acute in rural areas because of the extra charges and costs. Nevertheless, I represent an urban constituency, and fuel poverty is an issue there as well. One way it has been addressed is through district heating, which is an important way of solving some of the problems. I often look with jealousy at our northern European neighbours, because they do things so much better: properly insulated homes, proper district heating schemes, and a social support network that means people can afford to pay their bills. The solution is not beyond the wit of this country, so it is time we got on with solving the problem.

10.38 am

**Clive Lewis** (Norwich South) (Lab): I congratulate the hon. Member for St Ives (Derek Thomas) on securing this important debate. Alas, this is the second time in my short career as a shadow Minister that I have had to speak about fuel poverty. That underlines just how serious a problem it is. Today's discussion has again been informative and shed light on many pressing matters. Alas, it is not light that millions of our constituents need, but heat.

Let me go through some of the points that hon. Members made. My hon. Friend the Member for Stalybridge and Hyde (Jonathan Reynolds) spoke at great length about his frustration at the Government's lack of action on energy efficiency. I, too, will touch on that issue shortly. Other Members talked about the fact that we have the worst fuel poverty in Europe with the exception of Estonia. I have been to Estonia, and I saw the 1950s Stalinist housing blocks that spread out across the country, so that is a sad fact if true.

Members spoke about prepayment meters and the fact that the very poorest—those least able to pay—are charged more for their energy. That is a perverse state of affairs, if ever there was one. In the highlands and islands of Scotland, some districts struggle with 71% fuel poverty, which is completely outrageous in the sixth-richest country in the world. The hon. Member

for Castle Point (Rebecca Harris), who sits on the all-party group on fuel poverty and energy efficiency, spoke about the trilemma of high energy costs, low incomes and poor energy efficiency. I was struck by the words of a doctor that she quoted, who said he wished he could prescribe insulation rather than medication. We must highlight that not investing in energy efficiency and not having proper fuel poverty strategies is a false economy.

My hon. Friend the Member for Burnley (Julie Cooper) painted a moving picture of the grim reality that fuel poverty represents for millions of people across the country. The hon. Member for St Ives said that our nation has some of the oldest, leakiest housing stock in Europe. Fuel poverty saps people's ability to work and study, and to get ahead in life. It affects people's health and wellbeing. I am keen to hear the Minister address the question whether the Government will make affordable warm homes a basic human right that all people should be able to access.

**Ms Ritchie:** The hon. Gentleman is making some compelling points. Does he agree that we need to include energy efficiency in infrastructure spending to deal with the issue of fuel poverty throughout our housing stock, whether in the social or private rented sector?

**Clive Lewis:** Yes, I agree. I went to see the new head of the National Infrastructure Commission, Lord Adonis, with Frontier Economics and E3G, which have been quoted. We asked him whether energy efficiency could be made a priority in the National Infrastructure Commission's first tranche of spending. I will not say we were given short shrift—he was very polite—but I understand that he will not make the case for such spending in his recommendations. I think that is a missed opportunity. Unfortunately, the Treasury still refuse to see energy efficiency spending as infrastructure spending. Frontier Economics made a compelling case when it said that the characteristics of spending on energy efficiency are exactly the same as those of traditional infrastructure spending on, say, transport or broadband. We will press Lord Adonis on that issue, and I will happily keep the hon. Member for South Down (Ms Ritchie) informed.

I have worked on fuel poverty and participated in debates on that issue, and I am struck by how easy it is to get sucked into the statistics and detail. Other Members made that point, too. Clearly, the detail is an essential to understanding not only the scale of the problem and the sheer depth of the Government's failure, but the resources required to turn the problem around.

Before I get into the stats, let me remind hon. Members that behind every percentile, every missed target and figure and every set of depressingly high numbers there is a fellow human being. Perhaps they are one of the thousands of people expected to die this winter as a result of living in a cold home. Perhaps they are over 65—an age group in which one person is expected to die every seven minutes because of fuel poverty. I am sure someone much better at maths than I am will be able to work out statistically how many will have died over the course of this debate. Perhaps they are disabled, unable to get out of their home, and reduced to living in one or two rooms for the duration of the winter because they fear racking up excessively high fuel bills. Perhaps they

are one of the 1.5 million children living in fuel poverty across the UK. Perhaps they are one of the Prime Minister's strivers, and are working as hard as they can but are still struggling to heat their home. There is somebody in work in more than half of the 2.3 million households in fuel poverty.

That is the reality behind the statistics. Those are the people who, this winter, will pay a heavy price for the Government's failure to tackle this issue meaningfully. I see that failure compounded day in, day out. I sit on the Energy Bill Committee, and throughout our proceedings the Government have routinely used fuel poverty as an excuse for inaction or, worse still, for slashing the UK's renewables industry. They claim to care so much about poorer consumers, yet by attacking the two cheapest renewables—onshore wind and solar—they damage investor confidence, increase risk, and push up the price of renewable investment and, ultimately, our energy bills. At the same time, they are setting an incredible strike price for nuclear-generated electricity and are happy to heap those costs on to consumer energy bills.

One of the most cost-effective ways of meeting our climate change commitments and tackling fuel poverty is to increase energy efficiency, which has been mentioned so many times today, but it is being fundamentally undermined. Any serious attempt to tackle fuel poverty will require serious action to improve our housing stock. Poor-quality housing and fuel poverty are almost inseparable. The figures speak for themselves: 73% of households in fuel poverty live in properties with the lowest energy ratings—E, F or G. Only 2% live in properties with the highest energy ratings—A, B or C. The Government's goal of ensuring a minimum energy-efficiency rating of band C by 2030 is woefully inadequate.

**David Mowat:** I am listening carefully to what the hon. Gentleman is saying on renewables. Is his position on the speed and velocity with which we should go down the renewables route—ours is the fastest, certainly in terms of energy emissions targets, in Europe—the same as that of the Scottish National party, which regards its impact on bills as infinitesimal? Does he think that the Government and Opposition have a duty to match the speed of carbon reduction with cost, so that at the margin there are fewer energy deaths in the short term?

**Clive Lewis:** The Energy and Climate Change Committee is clear that the most cost-effective option for decarbonising our economy is set out in the carbon budgets. We have made it clear in the past few weeks that if we intend to decarbonise our economy, renewables will play a crucial part. Our problem with Government policy is that it is going backwards on renewables. Renewables will play a crucial part in ensuring that this country meets its climate change commitments and carbon budgets cost-effectively. We must have a balanced energy portfolio; the dash for gas and going all out for fracking is not the way forward. The Opposition are calling for a more balanced approach as the best way to achieve our commitments.

Between 2010 and 2013, only 70,000 fuel-poor households upgraded, leaving 95% still to be improved. As the hon. Member for St Ives said, at that rate the Department will miss its own target by 100 years. The Energy and Climate Change Committee estimates that

investment of £1.2 billion to £1.8 billion per annum is needed to attain the Government's fuel poverty strategy for England. The cheapest third of our approach to tackling our climate change commitments is the energy that we never use. Energy saved through efficiency is the cheapest. We talk about energy security, but energy that we never use is the securest. Funding for energy efficiency for the fuel-poor has been cut in real terms by a fifth, and the installation of energy efficiency measures has been cut by a third. As Members are aware, two new Government incentive schemes were introduced in 2013: the green deal and the energy company obligation. Two years later, the green deal has been stopped, and support for ECO is yet to be set beyond 2017 and no new funding is due to be announced until 2018.

Schemes aside, we come to the grim reality of this litany of failures. An estimated 43,900 excess winter deaths occurred last year in England and Wales—the highest number since 1999. Some 27% more people died in the winter months, compared with the non-winter months. It does not take a genius to understand that the situation will get worse the longer this Government refuse to have any semblance of a coherent fuel poverty strategy, and as long as growing inequality and poverty are at the heart of their economic policies.

The hon. Member for Aberdeen South (Callum McCaig) touched on that and we sometimes forget that fuel poverty is often just another term for old-fashioned poverty. Why? The vast majority of the 2.3 million households living in fuel poverty are also on low incomes. The link is inescapable, but rather than tackling it, the Government have opted to lower the bar and reduce their ambition. Dithering, inconsistency, U-turns and failure are the trademarks of this Government on this matter, and I look forward to hearing the Minister explain how they will tackle this most pressing issue.

10.50 am

**The Minister of State, Department of Energy and Climate Change (Andrea Leadsom):** I congratulate my hon. Friend the Member for St Ives (Derek Thomas) on securing such an important debate, and on the conference that he is holding in his constituency this week focusing on what can be done to address the matter. Several hon. Members from across the House have asked me what they can do to help their constituents, and it is fantastic that so many are interested in seeing what they can do on the ground to help. I am thinking about providing some kind of support for Members who want to get involved locally.

Tackling fuel poverty is of utmost importance to the Government and energy security is the No. 1 priority. We have been clear that keeping the lights and heating on while meeting our decarbonisation targets at the lowest possible cost to consumers is a priority in this Parliament. All our policy work since we came into office last May has been resolutely focused on what more we can do to keep costs down for consumers and how technology can enable people to manage their own costs better. The human dimension matters enormously. Better insulation, better heating systems and better heating controls possibly sound a bit dry, but they can make a huge difference to people's lives. Ultimately, this is about people living in warmer homes, paying lower bills and having more control over their own lives and comfort.

[*Andrea Leadsom*]

Several hon. Members, including my hon. Friend the Member for Somerton and Frome (David Warburton), raised the importance of focusing all our schemes on tackling fuel poverty. I can assure him and other hon. Members that we are reviewing all our policies to ensure that they prioritise the fuel-poor in every possible way. We have already made a difference. Since April 2010, Government policies have supported the insulation of 3.8 million lofts and 2.1 million cavities. In fact, the number of households in fuel poverty in England has fallen every year since 2010, but it remains a massive problem. Over 2.3 million households remain in fuel poverty in England alone, and our fuel poverty strategy must and does set stretching goals to continue to address the challenge.

My hon. Friend the Member for Congleton (Fiona Bruce) mentioned the particular problem for those with prepayment meters, and I agree that the challenges are huge. She will be aware that the Competition and Markets Authority is looking at how energy suppliers are behaving towards those with prepayment meters. Smart meters can make a big difference to the cost of a prepayment meter, and I urge all consumers to consider switching. They can seek help from their citizens advice bureau. In previous debate in the Chamber, I was able to highlight some of the cost savings that can be achieved even for those on prepayment meters with the support of the CAB.

**Jonathan Reynolds:** The Conservative manifesto contained a promise to insulate 1 million homes in this Parliament but, as the Minister just said, 5 million homes were tackled in the previous Parliament, which was lower than in the Parliament before that. Can the Minister see why hon. Members of all parties present feel that the target does not represent a particularly ambitious Government objective?

**Andrea Leadsom:** I can assure all hon. Members that focusing on tackling fuel poverty is our priority.

From April 2017, a reformed domestic supplier obligation focused on energy efficiency measures will upgrade well over 200,000 homes a year and tackle the root cause of fuel poverty. Our extension of the warm home discount to 2020-21 at current levels of £320 million a year will help households at the greatest risk of fuel poverty with their energy bills. We will focus our efforts through both policies increasingly on households in fuel poverty and will be consulting within weeks on how we can do that.

The hon. Members for Ross, Skye and Lochaber (Ian Blackford), for Coatbridge, Chryston and Bellshill (Philip Boswell), for South Down (Ms Ritchie) and for Strangford (Jim Shannon) and other Scottish, Welsh and Northern Ireland Members have asked what the UK Government are doing, but they are all aware that fuel poverty is a devolved matter. I am sure that they will be raising their views with their own Parliaments as well as in this place.

It is important to address the point about a single national network charge, particularly for Scotland. We had a debate in this room only recently and I pointed out that Ofgem's recent report shows that there would be winners and losers from a national network charge. Some 1.8 million households would face higher bills and 700,000 would see reductions.

**Ian Blackford:** I am grateful to the Minister for giving way. She said at Christmas that no one should be penalised for where they live. Is it not fair, right and sensible to have a universal market? People should not be penalised for living where they do.

**Andrea Leadsom:** I have just addressed that point. Conceptually, the hon. Gentleman makes a good point, but he must realise that many would be worse off. It is important to note that while fuel poverty is a devolved issue, some of our schemes to help tackle fuel poverty—

**Drew Hendry:** Will the Minister give way?

**Andrea Leadsom:** I will not; this is not really about Scotland per se. Some of our schemes to tackle fuel poverty are GB-wide, including the energy company obligation, which has delivered energy efficiency measures throughout Great Britain. Some 83% of the ECO was delivered in England, 12% in Scotland and 5% in Wales, meaning that 35.3 households per 1,000 homes were treated in Scotland, which is the greatest share of the policy.

The issue of the high energy costs that many face was also rightly highlighted during the debate. For instance, households that are off the mains gas grid are more likely to face higher energy costs and are more than twice as likely to be in fuel poverty as households connected to mains gas. Off-gas grid households pay more for their energy and are more likely to live in a solid-walled property with a low energy efficiency rating. We have announced £25 million in funding through the central heating fund, which will be managed by local authorities, specifically to help support non-gas fuel-poor homes. We expect the fund to deliver up to 8,000 new central heating systems to low-income households in England.

My hon. Friend the Member for Castle Point (Rebecca Harris) and the hon. Member for Strangford mentioned the specific challenge of the energy efficiency of park homes. I can tell them that the ECO is now being offered in park homes. Solid-wall insulation has been provided for a few hundred, with more still to come.

As many have mentioned, support must be available to help people with their energy bills during winter. In the long term, the cheapest energy is that which is not being used, which is why energy efficiency is so important. On that point, I fully agree with the hon. Members for Aberdeen South (Callum McCaig) and for Norwich South (Clive Lewis). People also need help with their energy bills right now, which is why we are supporting 2 million customers a year with the warm home discount. We have increased the level of the discount, and over 1.4 million of the poorest pensioners received £140 off their electricity bill in 2014-15, with more than 1.3 million of them receiving the discount automatically. Some 600,000 low-income and vulnerable households, including families, will also benefit from £140 off their bill. Altogether, a total of £1.1 billion of direct assistance has been provided to low-income and fuel-poor households since the scheme began. The hon. Member for Burnley (Julie Cooper) mentioned the over-65s, and I can tell her that the winter fuel payment, which went to around 12.5 million older people in 9 million households last winter,

will continue alongside the cold weather payment, which is paid to vulnerable people during periods of very cold weather.

I would like to emphasise the point raised by my hon. Friend the Member for St Ives about the importance of local action. The Government also have several energy efficiency schemes that are delivering through local authorities. My hon. Friend the Member for Castle Point mentioned health-focused schemes, and I can tell her that we have provided £1 million of funding to local GPs to provide health-related referrals for local people.

I hope that hon. Members are persuaded that the Government are absolutely focused on tackling fuel poverty, on prioritising those in the greatest need and on doing everything that we possibly can in this Parliament to try to ensure not only that costs come down, but that people can choose how and when to heat themselves.

*Motion lapsed (Standing Order No. 10(6)).*

**Sir Roger Gale (in the Chair):** Would Members leaving the Chamber please do so quietly, and may I again thank Members for their understanding this morning?

## Serious Fraud Office: Bryan Evans

11 am

**Byron Davies (Gower) (Con):** I beg to move,

That this House has considered Bryan Evans and the Serious Fraud Office.

It is a pleasure to serve under your stewardship, Sir Roger. I bring this matter to the House so that Mr Bryan Evans, my constituent, may have his account of events put on the parliamentary record. It is a complex matter that involves many actors, which I hope to make clear. I know that this matter has affected other people, which is made evident by the number of colleagues here today and those who have co-signed a letter to the Select Committee on Business, Innovation and Skills that asked it to examine the ongoing allegations of fraudulent misrepresentation and collusion involving banks and the receivers used by those banks.

I pay tribute to the hon. Members for Cardiff Central (Jo Stevens) and for Ogmore (Huw Irranca-Davies), who have previously brought forward cases from their constituencies for debate and worked hard and with great diligence on the issue. I hope we will continue to make progress on a cross-party basis.

I have known Mr Evans for several years—I first met him when I was his Welsh Assembly Member—so I am well aware of his case. I have been directly involved for some time, so I am aware of the devastating effect that it has had on him and members of his family. Mr Evans is firmly of the belief that he is the victim of fraud, and that he has evidence to substantiate that. Indeed, before he took his evidence to the South Wales police economic crime unit some four years ago, it had been reviewed by two retired senior fraud officers who both confirmed that, in their opinion, a fraud investigation was warranted. However, to this day Mr Evans is adamant that his case has not received the attention it warrants. An investigation into the conduct of Mr Evans's case by the aforementioned crime unit is currently being undertaken by the professional standards department of South Wales police, which endorses Mr Evans's beliefs.

Mr Evans tells me that he, along with his former MP, Martin Caton, and I, as his Assembly Member, had been misled from the highest level. Furthermore, he forwarded his evidence to the Serious Fraud Office two years ago, and here again he says that no proper action was taken.

Mr Evans was the managing director and 50% shareholder in EP Leisure, with the other 50% being owned by Mr Robert Sullivan. The company was a vehicle to develop a prestigious piece of land that it owned on the seafront in Mumbles. The site was, and still is, being run as a car park, grossing approximately £180,000 a year. The land was adjoined by council-owned land and it had been agreed to unify the sites for a comprehensive development.

In 2003 EP Leisure engaged Poolman and Harlow, a firm of valuers. The firm was owned by Roger Poolman and Bob Harlow and the latter worked closely with Mr Evans on all aspects of the proposed development. EP Leisure was funded by Barclays bank. In April 2006 Poolman and Harlow were bought out by a national firm, Lambert Smith Hampton. It is believed that Messrs Poolman and Harlow received a substantial amount of

[Byron Davies]

money for their property portfolio, part of which was EP Leisure's land. Mr Harlow continued to work with Mr Evans under the Lambert Smith Hampton banner.

In 2007 Mr Harlow placed a valuation on EP Leisure's land of between £4 million and £6 million, and that value would increase if certain criteria were achieved. The valuation was so buoyant that Barclays was happy to return equity to Mr Sullivan that had been supporting a loan, so the loan of some £2.2 million became free-standing. In 2008 Barclays introduced a manager, Mr David Little, into the frame. It was at that time that Mr Evans tells me Mr Harlow started liaising more frequently with Mr Little, which led to Mr Evans asking Mr Harlow if he was now in a conflict-of-interest situation. Mr Harlow assured Mr Evans that he was not.

In November 2008 Mr Evans was informed by Mr Little that Bob Harlow had now devalued EP Leisure's land to £1 million, leaving Barclays "significantly under water". Oddly enough, 18 months later, Mr Evans attended a meeting with his solicitor and his accountant where he met Mr Jonathan Hoey of TLT Solicitors and Mr Sainsbury, the head of recovery for Barclays bank. Mr Sainsbury told him that that valuation did not exist, and it is that valuation report that is at the heart of the case.

Mr Evans told me that Mr Little's attitude became extremely aggressive. He tried to pressurise Mr Evans into acquiring the adjacent council land and putting it under EP Leisure's ownership. Mr Evans refused to do that and wrote the first of many letters to the then chief executive of Barclays, Mr John Varley. Mr Evans later wrote to two subsequent chief executives and the chairman of Barclays. Subsequently, Mr Little was removed from EP Leisure's account.

In July 2009, at the behest of Mr Varley's office, Mr Evans, along with his co-director, Mr Derek Morgan, met Mr Steve Thomas and Mr Wynne Walters of Barclays to resolve all issues. However, at that meeting Mr Evans was told that his file had already been sent to London by Mr Little for recovery. Mr Evans said that that was later proven to be untrue in writing from Martin Sainsbury. In September 2009 Mr Evans was written to by Martin Sainsbury, asking him either to sell the land or to refinance the debt. Mr Evans agreed to the latter. Mr Sainsbury also requested that Lambert Smith Hampton take the lead in all future negotiations. Mr Evans explained that that was not possible and Mr Sainsbury accepted that.

Mr Evans had become extremely suspicious of Mr Harlow's actions. He believes his suspicions were borne out when, out of the blue, he received a letter from Mr Sainsbury that stated that he was disappointed that he was not co-operating with Mr Harlow, and that he was placing Lambert Smith Hampton as Law of Property Act receivers over his land. Mr Evans contacted Mr Sainsbury to explain that Mr Harlow was at all times fully informed of all matters and the threat of receivership was withdrawn.

In November 2009, after receiving another report from Mr Bob Harlow, which was to be later referred to as a pre-receivership report, Mr Sainsbury placed Mr Andrew Hughes and Roger Poolman of Lambert Smith Hampton as LPA receivers over EP Leisure's

land. That report is at the heart of Mr Evans's allegation of fraud and of Mr Evans losing his land and Lambert Smith Hampton's gain.

**Mr Steve Baker** (Wycombe) (Con): In a similar case, a constituent of mine has alleged that NatWest committed a fraud by persuading him to surrender a 25-year buy-to-let mortgage in exchange for a 12-month loan in anticipation that he would subsequently receive a 25-year mortgage, but that was not forthcoming. Written agreements are missing and my constituent has suffered material disadvantage. The ombudsman has ruled against my constituent, so I want to ask the Minister what is to be done in such cases.

**Byron Davies:** I am grateful for that intervention, which goes to prove that there are many ongoing cases.

Mr Evans believes that Mr Harlow was determined to prevent him from refinancing with another bank as Lambert Smith Hampton would lose the contract for the development, which could in turn lead to Poolman and Harlow having to reimburse Lambert Smith Hampton for that loss, which is commonly referred to as a clawback.

Mr Evans engaged Geldards solicitors in Cardiff. Over a period of time, Mr Karl Baranski of Geldards discovered that Barclays had no legal charge over EPL's land and therefore its actions to date could be challenged. Mr Baranski also pointed out to Barclays that Lambert Smith Hampton was in a conflict-of-interest situation.

**Huw Irranca-Davies** (Ogmore) (Lab): I congratulate the hon. Gentleman on securing this important debate. As I listen to him laying out the particulars, it seems to me that we are hearing the same plot, although with different characters, as in our recent debate with the Minister and in the point made by the hon. Member for Wycombe (Mr Baker). When I asked the Minister, who is a good friend, about when the Serious Fraud Office gets involved, he helpfully laid out its statement of principle. It considers

"whether there is new species of fraud...whether actual or potential economic harm is significant...whether the actual or potential financial loss involved is high"

and so on. I suggest that that threshold has been passed.

**Byron Davies:** I thank the hon. Gentleman for his intervention.

Mr Baranski also pointed out to Barclays that Lambert Smith Hampton was in a conflict-of-interest situation. In a shocking twist, Lambert Smith Hampton assured Barclays that it had never represented EP Leisure or Mr Evans. Mr Evans says his solicitor then presented Barclays with irrefutable evidence to the contrary, which it subsequently ignored.

At that time, Mr Evans took his case to the police. Detective Inspector Runnells and Sergeant Owen of South Wales police interviewed Mr Evans with regard to his allegations. The two detectives then interviewed Karl Baranski and Jonathan Griffiths of Geldards. As a result of those interviews, Mr Sainsbury of Barclays bank was informed by Sergeant Owen that they would be travelling to London to see a report written by Bob Harlow in October 2009.

On arrival in London, Mr Sainsbury was represented by Mr Jonathan Hoey of TLT Solicitors. Mr Hoey was told that if he sat in on the interview, he could no longer represent Lambert Smith Hampton. He assured the police that he was now "100% the bank's man". As will

be shown later, that was not to be the case. At the meeting, the bank refused to show the police the report, and this is where Mr Evans's story takes a rather unwelcome turn: the police returned to Swansea and decided to take no further action, with DI Runnells stating that he did not think fraud had been committed.

Mr Evans says he has asked the police on numerous occasions how they can conclude there is no case to answer if the evidence at the centre of the fraud has been withheld. He believes that the police have more than enough evidence to seek a production order for that report, but to this day they have shown a great reluctance to do so.

Mr Evans is of the opinion that the police have spent an inordinate amount of time and public funds to avoid seeking a production order, which would have had no financial cost. He has dealt with several senior officers of South Wales police—in fact, they are too numerous to mention. At present, Mr Evans is dealing with a new inspector, Detective Inspector Hough. Mr Evans states that the situation has got to the point where Barclays bank now says it cannot release the report as it belongs to Lambert Smith Hampton, which in turn says that it cannot release the report as it belongs to Barclays—a farcical situation, to say the least. One may ask why, if this report is so innocuous and could vindicate the actions of both Lambert Smith Hampton and Barclays, they will not release it.

Returning to the situation with Barclays, in May 2012, after a lengthy period of negotiations, Barclays, in order to “reflect what had transpired”, offered to reduce EP Leisure's debt by £1 million, lift the receivership and refinance the outstanding balance of around £1.25 million for 12 months. During that period, EP Leisure would seek to refinance with another bank, give Barclays legal charges over the property and make monthly payments of £3,600. The deal was to run until June 2013. Mr Evans also had to sign a confidentiality agreement.

At this point, it should be noted that Mr Jonathan Hoey of TLT Solicitors, despite the assurance he gave to the police in London, was now representing Barclays bank, the two named receivers and Lambert Smith Hampton. Mr Evans tells me that during the negotiations, Mr Hoey tried to force Mr Evans into dropping his allegations against Lambert Smith Hampton as a condition of the deal with Barclays. Mr Evans refused to do so and reported Mr Hoey to the Solicitors Regulation Authority for abuse of power and conflict of interest, but it was unwilling to take any action, saying, “I know you think it's blackmail Mr Evans, but it's just business.” Mr Evans has stated unequivocally that the SRA introduced the word “blackmail” and he did not.

During the following 12 months, Mr Evans discovered that the receivers had acted illegally by signing contracts in the name of EP Leisure and registering for VAT in the name of EP Leisure. That registration has now been voided, but those actions made it impossible for Mr Evans to refinance. He kept Barclays fully informed of the situation and carried on making the agreed monthly repayments after the June 2013 expiry date. Indeed, payments were made in July, August and September and were accepted.

In October 2013, Mr Evans received a letter from Barclays asking for full repayment, otherwise action might be taken to recover the debt. Just two days later, EP Leisure, without any warning, was placed into

administration by Barclays, with TLT once again acting for both the bank and the administrators. EP Leisure's land was sold within days and it has now been wound up, despite Mr Evans telling the administrator that the company could well be owed substantive damages. Mr Evans believes that that is just a sinister ploy to silence him and prevent the truth from being exposed. He intends to reinstate the company and pursue all claims. Furthermore, Mr Evans has reported the circumstances of the sale to the police, who say they intend to investigate, but I am sure Members will appreciate that Mr Evans has dwindling faith in their intentions.

The domino effect of the aforementioned action has resulted in Mr Evans and his family losing absolutely everything, including his house. He poses the following questions, which need to be answered. Why have the police prevaricated and refused to properly investigate serious allegations of fraud? Why have the police refused to seek a production order? Why has the SFO also refused to take any action? How can a solicitor—in this case, Jonathan Hoey of TLT—represent Barclays bank, Lambert Smith Hampton, the two named receivers, Andrew Hughes and Roger Poolman, and the administrators without a conflict of interest?

How can a firm of valuers that had been representing EP Leisure for many years devalue EP Leisure's assets significantly then become receivers and take control of EP Leisure's land and income? How can Jonathan Hoey of TLT, as an officer of the court, negotiate a settlement with EP Leisure on behalf of Barclays bank with the knowledge that the settlement could not be honoured? For instance, he would have known that the receivers had possibly acted illegally, hence his insistence that as a condition of the settlement, Mr Evans would take no action against them.

This case and others give rise to wider questions surrounding the motives and actions of the banks and receivers involved in such cases, and whether there has been collusion and fraudulent representation. What we are dealing with here has had a devastating effect on the victims and their families, with a trail of devastation and ruined lives. These cases must be answered, and it must be ensured that the law on such matters is upheld by the Government.

In conclusion, Mr Evans believes there has been a conspiracy to defraud, but to date, no one has been held accountable. He continues to seek justice for himself and to reinstate his business. The whole episode remains, frankly, a mess that could easily have been resolved by the relevant actors performing their roles with transparency and diligence throughout the whole sorry affair. It is not too late, and I have secured this debate in the hope that we will receive positive action for Mr Evans.

11.17 am

**The Solicitor General (Robert Buckland):** It is a great pleasure to serve under your chairmanship, Sir Roger. I pay warm tribute to my hon. Friend the Member for Gower (Byron Davies), who brings his case to the House with passion as not only a constituency Member of Parliament but a former senior police officer, with a degree of insight into the matters we are discussing. I think he would agree that the thrust of his speech, which I listened to carefully, dealt with issues relating to

[*The Solicitor General*]

the police, their involvement in this case and—I will put this neutrally—the lack of positive progress made for his constituent, Mr Evans.

My hon. Friend asked some specific questions, in particular why the police refused to seek a production order from the bank. Of course, I am aware that Mr Evans complained to South Wales police about the outcome of the original investigation, and that its professional standards department is currently investigating that complaint, which I very much hope will be concluded. It would be inappropriate for me to comment on the merits of that, or indeed the merits or otherwise of the case. From what I have heard, however, it must be a deeply troubling and huge problem for Mr Evans. Stepping into his shoes for a moment, I can understand why he feels as he does.

As one of the Ministers with a superintendary role over the independent Serious Fraud Office, it is important, in the context of the debate, that I outline as succinctly as I can the principles and guidelines that the SFO applies in determining whether to embark upon an investigation and a prosecution. As I said, having an independent agency is vital, bearing in mind the constitutional importance of having an independent prosecutorial authority, but I remind hon. Members that the SFO was created under an Act of Parliament—the Criminal Justice Act 1987—to deal with the top tier of serious and complex fraud cases. We know the sort of cases that the director, David Green, has taken on—cases such as Rolls-Royce, GlaxoSmithKline and Tesco, to name but a few. They are high-profile and high-risk, involving huge sums of money, great numbers of victims or species of fraud. That is not to understate the seriousness of the loss that my hon. Friend's constituent has suffered.

**Mr Baker:** Is it not the case that there might be in aggregate a very large sum of money involved in similar cases?

**The Solicitor General:** I am grateful to my hon. Friend for that intervention, and I listened with interest to his earlier intervention and that of the hon. Member for Ogmore (Huw Irranca-Davies). I know the point he is making, and the straight answer is that the SFO keeps the matter very much under review. If there is indeed a cumulative effect and a clear *modus operandi* that suggests widespread and similar frauds of this nature, the circumstances will clearly change.

To answer directly the question that the hon. Member for Ogmore asked, I do not quite think we are there yet, but let me explain further—I know he is very familiar with this issue, because he has asked written questions, to which he will get very swift answers, I promise. However, he gives me the opportunity to outline the statement of principle.

The decision by the director of the SFO on whether to launch an investigation has to be made on the facts and circumstances of each case. Being overly prescriptive would not be appropriate, bearing in mind the unique circumstances of every case. Many factors are taken into account, but for guidance, the statement of principle sets out that when considering cases for investigation, the director will consider the following: first, whether the apparent criminality undermines UK plc commercial or financial interests in general and in the City of

London in particular, causing reputational damage to the country; secondly, whether the actual or potential financial loss involved is high; thirdly, whether actual or potential economic harm is significant; fourthly, whether there is a significant public interest element; and finally, whether there is a new species of fraud.

“That is not a tick-box exercise where, if every one of a set of measures is met then the SFO will open an investigation. That would inevitably lead to cases being taken on by the SFO which did not require its unique model of investigators, prosecutors and other professionals working together in one organisation or its set of powers.”

I will quote from the “Protocol between the Attorney General and the Prosecuting Departments”, which sets out that the decision for the SFO to investigate and prosecute is

“a quasi-judicial function which requires the evaluation of the strength of the evidence and also a judgment about whether an investigation and/or prosecution is needed in the public interest.”

That will not always be an easy decision, but for the vast majority of financial crimes, the traditional model of a police investigation and a Crown Prosecution Service prosecution is the best model. That is because the police, as my hon. Friend the Member for Gower knows, rightly have primary responsibility for investigating crime in this country, and Action Fraud has been established as the national reporting centre to which reports of alleged fraud should be referred in the first instance.

I repeat that the SFO's role is limited to investigating and prosecuting cases of serious or complex fraud, so it cannot and should not take on every case referred to it. To give that some context, the SFO takes on between 10 and 20 cases each year. It receives nearly 3,000 reports of fraud directly from the public each and every year, so the vast majority of referrals are not about matters that it can properly investigate. Complainants are then advised that the complaints will be referred on to Action Fraud for dissemination to the relevant police force where appropriate.

The SFO retains the material and uses it for intelligence purposes, and that is the point that hon. Members have made. That intelligence material is part of the SFO's work in building an intelligence picture, and through that information and material it can properly identify the top-tier cases that are appropriate for it to investigate. In other words, debates such as this are invaluable in bringing into the public arena information that can then be collated and properly reviewed. I said that to the hon. Member for Ogmore in September and I repeat that assurance today.

**Alex Cunningham** (Stockton North) (Lab): My constituent, Michael Fields, who has suffered, is part of a large network of people—I know he has been touch with the Minister personally. The Minister talks about not being quite there yet. Do we know how far off we are? Are we halfway up the hill? Have we much further to go? That network is working hard to identify other people who are similarly affected, to try to build the critical mass that may well lead to consideration of the matter by the SFO.

**The Solicitor General:** I know that the hon. Gentleman raised that point in an intervention in the September debate, so he has consistently advocated on behalf of his constituent. It would be wrong of me to start



prejudging or second-guessing what the independent prosecutorial authority should do—that would be inappropriate—but I can tell him that the co-ordinated work that he, his constituent and other similarly affected people do, of course, improves the intelligence picture. It cannot do anything but assist the authorities in understanding the true extent of frauds of this nature, so I am grateful to him.

**Huw Irranca-Davies:** The Solicitor-General is giving a very helpful answer. Is he struck, as I am, by the incredible system similarities between the case outlined today by the hon. Member for Gower (Byron Davies) and the case that my hon. Friend the Member for Cardiff Central (Jo Stevens) and I outlined? The parallels between the two cases are incredible, and I know of at least half a dozen more out there that other Members of Parliament have raised.

**The Solicitor General:** I have heard the hon. Gentleman and my hon. Friend the Member for Gower. Although I do not want to start making evidential judgments about similar fact evidence, I take the point.

In the brief moments I have left, I turn to the specific allegations that my hon. Friend has made today. It is, of course, unusual to comment in detail on specific allegations, but I want to say a few brief words about the case.

As has been explained, Mr Evans had obtained a secured loan from the bank in relation to a land development in 2007 on the basis that the land would be turned into a mixed leisure development. It was valued accordingly at between £4 million and £6 million. However, by 2009, due in part to some planning permission issues, the development had not been carried out. The bank appointed a receiver and the value of the land,

which was security for the loan, was reassessed and subsequently put at the dramatically different figure of £1 million. The allegation is that this was an orchestrated devaluation by the bank and the receiver.

The reason why the SFO has not opened a formal investigation relating to Mr Evans's allegations is that they do not, of themselves, amount to the type of matter that the SFO is there to investigate. That is not to minimise the seriousness of the allegations. The situation would have a significant impact on most of us if it happened to us, but in the context of the SFO criterion, the potential scale of the loss is somewhat limited and the allegations are not complex. They relate to one surveyor falsifying a valuation on behalf of a bank, and therefore I have to be honest and frank and say that the issue of the wider public interest does not actually apply, so the situation would not call for an SFO investigation.

However, as I have said, the SFO will keep the allegations and the information that it has received on file, and will consider the matter again if further information comes to light. In particular, given the points that hon. Members have made today, if there is evidence to suggest that the allegation is part of a more widespread issue, the matter will be revisited.

I hope that what I have said gives my hon. Friend the Member for Gower some assurance that the Serious Fraud Office has fully considered the allegations referred to it and will consider any further evidence, but, for perfectly proper reasons, at this stage has decided not to investigate the allegation.

*Question put and agreed to.*

11.29 am

*Sitting suspended.*

## Local Government Funding

[PHILIP DAVIES *in the Chair*]

2.30 pm

**Liz Kendall** (Leicester West) (Lab): I beg to move,

That the House has considered changes to the level of local government funding.

It is a pleasure to serve under your chairmanship, Mr Davies. I want to start by paying tribute to councils across the country that are doing amazing work in very difficult circumstances to get better results for their citizens and better value for taxpayers' money. I am a long-standing champion of reforming public services, and over the last 12 months I have seen countless examples of innovative councils rethinking what they are doing by joining up local services, shifting the focus towards preventing problems in the first place and giving local people more say and control. But welcoming and supporting the excellent work that many local authorities are doing must not obscure the brutal reality that councils now face.

My own council has suffered grant cuts of 37% in real terms since 2010 and has had to make £100 million of annual savings. Over the next four years, Leicester City Council will have to find an additional £55 million of savings.

**Catherine McKinnell** (Newcastle upon Tyne North) (Lab): I thank my hon. Friend for securing this very important debate. In the light of the Prime Minister's recent letter to Oxfordshire County Council, does she share my concern that the significance of the problem seemed to take him by surprise?

**Liz Kendall:** I indeed find it ironic at best that the Prime Minister is writing to complain to his own council about the cuts his Government are forcing it to make. Many councils, including mine, are considering making very difficult changes in future. Even if they do that, as my council is trying to, and use up virtually all their current reserves, they will not be able to fill the gap, and the impact on vital local services will be severe. This picture is being repeated up and down the country.

If the Minister does not believe me or thinks I am biased because I am a Labour MP, he should listen to the Conservative chair of the Local Government Association, Lord Porter. After the spending review, he said:

"Even if councils stopped filling in potholes, maintaining parks, closed all children's centres, libraries, museums, leisure centres and turned off every street light they will not have saved enough money to plug the financial black hole they face by 2020.

These local services which people cherish will have to be drastically scaled back or lost altogether as councils are increasingly forced to do more with less and protect life and death services, such as caring for the elderly and protecting children, already buckling under growing demand...Local government has led the way at finding innovative ways to save money but after five years of doing so the majority of savings have already made."

He finished by saying:

"Tragically, the Government looks set to miss a once in a generation opportunity to transform the way money is spent across the public sector and protect the services that bind communities together, improve people's quality of life and protect the most vulnerable."

I agree.

**Mr Gregory Campbell** (East Londonderry) (DUP): I congratulate the hon. Lady on securing this debate. Does she agree that while the big political picture often passes people by, what does not pass them by is when front-line services, often delivered by their local council, are impinged upon and restricted, as they seem to be in her local area? That is when hard-core political issues affect ordinary local people and they complain bitterly to their elected representatives.

**Liz Kendall:** The hon. Gentleman is absolutely right.

This huge problem is clearest in the hugely important area of adult social care. Already under this Government, 400,000 fewer older and disabled people are receiving publicly funded social care. That is a fall of 25% at a time when our population is ageing. More than 1 million people who struggle with the very basics of daily living—getting up, washing, dressing, feeding and going to the toilet—now get no help at all from paid carers or their families. Last year, the Care Quality Commission found that one in five nursing homes does not have enough staff on duty to deliver good quality care.

The latest survey from LaingBuisson shows that, for the first time ever, more older people's care beds closed than opened. Five of the largest care providers predict significant provider failure over the next 12 to 24 months. I want to issue a warning that another failure of a big care home provider could be on the cards. Three of the larger home care providers have already withdrawn, or signalled their intention to withdraw, from providing publicly funded care.

**Steve McCabe** (Birmingham, Selly Oak) (Lab): My hon. Friend is making a powerful case. Does she agree that if councils like mine in Birmingham or hers in Leicester followed the Chancellor's advice and raised extra money through the precept for social care, they would still have the problem that the King's Fund identified? If every council in the country did that every year for the next four years, we would still have a social care funding gap in excess of £3 billion.

**Liz Kendall:** My hon. Friend has hit the nail on the head. I will come to the social care precept. These problems will not go away. In fact, they will get far worse. Far from what the Government would like us to believe, there is a growing gap in funding for social care, which will have dire consequences for elderly and disabled people, their families and the NHS.

**Chris Davies** (Brecon and Radnorshire) (Con): I thank the hon. Lady for bringing this debate forward. I remind her that in areas such as mine, which is run by her party in a devolved Administration, we are suffering great difficulties with local authority handouts. My local authority is suffering a 4.1% cut and delivering rural services exactly as she was describing. The cost of delivering those services to rural areas has doubled, if not trebled. That massive problem has been delivered by the hon. Lady's Administration in my area.

**Liz Kendall:** I thank the hon. Gentleman for his intervention, but I know where I believe responsibility lies. It lies with the current Government. They say more money for social care will be provided, first, through the better care programme, although this money is not what it seems and is arriving far too late, when the sector is already in crisis. There will be no increase in better care

programme money until 2017 and even then there will be only £105 million extra. The full additional £1.5 billion that the Government said social care is getting will not be available until 2020.

That will not all be new funding, because £800 million of it is supposed to come from savings in the new homes budget. Due to the way the money is distributed, a handful of councils will receive no additional better care programme cash and others will lose more in their new homes bonus than they gain. It is completely unclear whether the full £1.5 billion extra in the better care programme will still be allocated if the Government do not achieve the saving in the new homes bonus.

New powers to raise council tax by up to 2% to spend on social care—my hon. Friend the Member for Birmingham, Selly Oak (Steve McCabe) referred to this—were announced in the spending review, but they will be nowhere near enough to fill the gap in social care funding.

**Neil Coyle** (Bermondsey and Old Southwark) (Lab): I congratulate my hon. Friend on securing this debate. Having faced £156 million of cuts over the last five years, Southwark Council has to find £70 million in cuts over the next three years, and that is expected to include about £30 million in social care services. Is she aware that the social care precept will contribute only £1.7 million per year if Southwark Council chooses to implement it?

**Liz Kendall:** I thank my hon. Friend for his intervention. He is absolutely right, and I will say more about that in a moment. In Southwark Council, like mine, there is no way that the social care precept will fill the gap.

**Catherine McKinnell:** My hon. Friend is being generous in taking interventions and is making a brilliant speech. Does she share my concern not only about the funding shortfall, but about the gross unfairness of the 2% council tax precept? Areas such as Newcastle, with the greatest social care needs, also contain the people who are least able to pay that additional sum of money. Once again, the Government are hitting the most vulnerable the hardest.

**Liz Kendall:** My hon. Friend is absolutely right. Even with the social care precept, the King's Fund says that the gap in the funding required for social care will be about £3.5 billion by the end of the Parliament once the costs of increasing the national minimum wage in the social care sector are taken into account. And as my hon. Friend says, the social care precept could actually end up disadvantaging deprived areas and further widening inequalities, because the councils with the greatest need for publicly funded social care tend to have the lowest tax bases.

Leicester City Council and, indeed, Southwark Council will be able to raise only about £6.50 per head of population from the 2% social care precept, whereas Richmond upon Thames will be able to raise almost £15 per head. How can that be fair when Leicester, Southwark and other councils like that have a greater need for publicly funded adult social care than better-off parts of the country? In total, Leicester faces increased costs for adult social care of £21 million by 2020, but according to the Institute for Fiscal Studies, which has modelled this—I would be happy to give this information

to all hon. Members—the council will be able to raise only about £7.5 million. That is only one third of what is needed. Where will the extra money for vulnerable elderly and disabled people come from?

**Barbara Keeley** (Worsley and Eccles South) (Lab): My hon. Friend is making an excellent case. Does she, like me, wonder how the Minister will square the fact that adult social care has lost £4.6 billion since 2010 with the fact that the £3.5 billion that is being talked about will come in at a maximum of £400 million a year, as she is so carefully pointing out, and the fact that the better care funding will be only £1.5 billion by 2019-20? What we have is a gap that is widening by £700 million a year and money that is so risky, back-loaded and late.

**Liz Kendall:** My hon. Friend is absolutely right. Once again, we see the difference in the funding deal that social care gets compared with the NHS, where the money is more front-loaded. The social care funding is back-loaded, and what are councils supposed to do in the meantime?

These cuts to services are morally reprehensible and economically illiterate. They will leave elderly and disabled people without the help that they need. They will push families to breaking point and force even more people to give up their work so that they can look after elderly or disabled relatives because they cannot get the support that they need. That will deprive the economy of their skills and increase the benefits bill, and all of that will pile further pressure on an already struggling NHS, which will cost the taxpayer more.

We now have the second highest ever number of delayed discharges from hospital since data were first collected. One third of those are due to a lack of social care. In the last year alone, there has been a staggering 65% increase in delayed discharges due to a lack of care in the home. That makes sense for no one. The Government must urgently rethink their immediate support for council care services in the upcoming Budget, to ensure that people get the support that they need, and they must grasp the nettle of the long-term reforms that we desperately need to truly join up the NHS and social care, so that we finally have a single budget for these local services that people depend on and we stop the farce of continuing to rob Peter to pay Paul, pushing the costs up for everyone.

**Steve Double** (St Austell and Newquay) (Con): The hon. Lady is making a passionate speech highlighting what she thinks the problem is. Will she enlighten us on what the solution is? Will the solution be more borrowing, or which other Departments will she take the money from?

**Liz Kendall:** If the hon. Gentleman had listened to what I said, he would know that the first point is that we are spending more money unnecessarily because we do not have a fully joined-up NHS and care system. We are spending more on elderly people ending up in hospital and getting stuck in hospital when they could be cared for at home. Also, we need a fairer funding formula. If the most disadvantaged communities, who most need publically funded care, do not get it, we will increase costs and demands because people will end up in the NHS. We need proper reforms of the system to get the best results for the people who use it and the best results

[Liz Kendall]

for taxpayers' money. My worry is that the Government are thinking, "The NHS and social care? Job done," which is to be completely ignorant of the crisis that is unfolding and not take seriously the reforms that we need for the future.

I know that many hon. Members want to speak, so I will finish by asking the Minister some questions about the Government's plans to change the way local councils are funded in the future and to give councils additional new responsibilities as a result. As a strong supporter of devolving more powers to local councils, I welcome the spending review announcement that councils will be allowed to keep 100% of their business rate growth by 2020. That will help to give councils some of the tools that they need to boost jobs, growth and investment and for which they have been arguing for many years. However, there is a real risk that that change, combined with the total abolition of grants, will exacerbate existing inequalities between different parts of the country and further harm deprived areas, which have already been hit hardest by the Government's cuts. Once grants are abolished, how will the Government ensure a fair distribution of resources, especially when more deprived areas, with higher levels of need, may be less able to raise funds from business rates and council tax?

Can the Minister confirm that the additional responsibilities that the Government are considering giving councils by 2020 include funding all of public health services, attendance allowance and the administration of housing benefit? How will the Government ensure that future revenues from council tax and business rates keep pace with demand for the services for which councils already have responsibility, such as adult social care, and the new responsibilities that they may gain, such as attendance allowance, especially when our population is ageing?

The Government must work closely with local councils to provide proper answers to those questions and, crucially, to hardwire fairness into the system to ensure that the local services that my constituents and those of all hon. Members here today value and depend on continue to get the support that they need in the future.

Several hon. Members *rose*—

**Philip Davies (in the Chair):** Order. As everyone can see, there is heavy demand to speak in this debate. I do not like setting time limits, but to try to accommodate everyone fairly, I will have to impose a time limit of three minutes each.

2.47 pm

**Sir Edward Leigh (Gainsborough) (Con):** It is always a pleasure to see you, with your acerbic wit, in the Chair, Mr Davies.

I thank the hon. Member for Leicester West (Liz Kendall). We all know that there is not enough money in the pot. I accept that cuts have to be made, but I want to make the case for fairer funding. I know how wasteful government can be, although generally, local government has delivered broadly the same service over the last five years despite having to face considerable cuts. I want to make the case for fairness between urban and rural government.

For my local district council, West Lindsey, Government-funded spending power—the overall funding available for local authority services—was £76 per head for 2015-16. The Government propose to cut that to just £52 for 2019-20. Many hon. Members here represent urban councils. Let us take Wolverhampton as an example. For 2015-16, Wolverhampton's funding was £559 per head. It is being cut to £455 per head over the same period. That means that the people of Wolverhampton face a reduction of just 18.6%, while my constituents in West Lindsey will have to bear cuts of 31%.

The facts are just as bad at county level. The average amount awarded in Government grant per head across urban England is £486, while the grant per head in rural Lincolnshire is just £385. Metropolitan non-fire authorities face cuts of 19% over this five-year period, while shire counties, non-fire, are being saddled with an average of 34% cuts, and predominantly rural unitaries, non-fire, face cuts of 30%.

We have to face the fact that the sparsity allowance is totally inadequate. It does not even meet the higher operating costs of running essential services in rural areas. Urban residents are receiving a grant settlement from a Conservative Government that is about 50% higher than that received by rural residents. It is a double blow, as we in rural areas face higher council tax burdens, which have to be extracted from people who, on average, earn less than those in cities.

**Steve Double:** Does my hon. Friend share my concern that, despite the Government's intention to narrow the gap between local government funding in rural and urban areas, the new formula seems to widen the gap and make the matter even worse?

**Sir Edward Leigh:** Yes, it widens the gap. We are asking the Minister not for more money but for fairer funding between rural and urban areas, which is precisely the point that my hon. Friend makes.

I have worked alongside Lincolnshire County Council and West Lindsey District Council for decades, and they are not spendthrifts. They count every penny, but they are being penalised for having saved so much in the past. They know the needs of our people far more than anyone in Whitehall does. We have already given up much of our invaluable network of local libraries, and got rid of our magistrates courts and our police stations. Are we going to get rid of our fire stations now? How much more does Whitehall really expect that rural England can take?

Closing the gap between the Government grant to the urban dweller and to the rural inhabitant by just 5% over five years would make a huge difference to service provision in rural areas. In Lincolnshire, it would mean an extra £13,130,000 per annum at the end of a five-year period. Right now, good, hard-working people in rural areas are subsidising much better provision of services to people in urban areas, and that has to change.

**Barbara Keeley:** Does the hon. Gentleman think it is a good idea to keep robbing Peter to pay Paul, as my hon. Friend the Member for Leicester West (Liz Kendall) said in her speech? As she laid out so well, adult social care has been cut by 31% across the urban councils that the hon. Gentleman is talking about. It is really necessary to cut funding for those councils more to bring fairness to the councils he is talking about?

**Sir Edward Leigh:** Obviously that is the argument that those representing urban areas will make. I do not deny that the Minister has a delicate balancing act to make, but let right be done. Let there be justice. How can we have such an extraordinary discrepancy? People think of rural areas as fundamentally prosperous. I represent Gainsborough, a small industrial town, and the south-west ward of Gainsborough is one of the most deprived wards in the entire country under any measure.

**Imran Hussain** (Bradford East) (Lab): Will the hon. Gentleman give way?

**Sir Edward Leigh:** No, I must finish now. Rural areas nowadays are not like some Gainsborough or Constable painting. There are real areas of deprivation, and we ask for justice. We know that it is not practical to have absolute parity per head across the country, but it is totally unacceptable that, in a time of tightening, we are not bearing the burden equally. Are we not one nation? The settlement is totally unfair to the rural taxpayer and our rural authorities. It must be revisited.

2.52 pm

**Sue Hayman** (Workington) (Lab): It is a pleasure to serve under your chairmanship, Mr Davies.

I will raise just a few of the significant concerns that Cumbria County Council has spoken to me about regarding the provisional local government finance settlement. I am sure that everyone is aware that Cumbria suffered very badly in the flooding before Christmas, but what people perhaps do not realise is that it is ongoing. Another bridge collapsed last week. Our problems are not over. The amount of money with which the Government propose to support us is so woefully inadequate that it will add to the difficulties we have with the settlement.

I will speak about rurality and the fact that we have a super-ageing population. Rural residents on the whole—certainly in west Cumbria—earn less than their urban counterparts, yet they pay more in council tax, get less in Government grants and receive poorer and fewer services, which often cost residents to access them because they might have to move. It is not a fair system.

**Imran Hussain:** Although I have some sympathy with the argument regarding the rural and urban comparison, surely this is not a matter of rural versus urban. This is a matter of some of the most deprived authorities, whether they are rural or urban, being hit the hardest. My district of Bradford will face up to £260 million of cuts by 2018. Does my hon. Friend agree that the most deprived authorities, regardless of whether they are rural or urban, are the worst hit, and that that will increase inequality and deprivation and decrease opportunities?

**Sue Hayman:** The fundamental point of argument, which I will come to, is about the way that funding is decided on need. That relates to what my hon. Friend says.

Cumbria has one of the fastest-growing populations of older people in the whole country, which will put extra pressure on the council in the future. This is about not just the funding formula now but the proposals for future years, and that is not taken into account.

The timing of the announcement and the consultation process is important, but it often gets glossed over. The announcement of the provisional settlement came very late in the year, more than three weeks after the autumn statement and the announcement of the spending review. Inevitably, that resulted in a short consultation period, which happened over Christmas. I understand that that was done to keep to the timetable for the announcement, but it is not helpful when councils are trying to manage their budgets and prepare for the future. There were significant changes, which should have meant a proper consultation, as Government guidance states that “12 weeks or more” is appropriate when significant changes are being made. The consultation fell well short of that. I urge the Minister to look at how we can improve consultations and their timings.

On the proposed approach to allocating the funding, I appreciate what my hon. Friend the Member for Leicester West (Liz Kendall) said, but the methodology does result in rural areas losing a significant amount of funding.

**Steve Double:** As the hon. Lady may know, I represent a constituency in Cornwall that faces many of the same challenges as her constituency. Does she agree that part of the problem—this is not a party political point, because this has been true under successive Governments—is that deprivation is not measured in the same way in rural areas as it is in urban areas? It is often hidden, but it is just as much of a real issue.

**Sue Hayman:** The hon. Gentleman makes an extremely pertinent point. People who live in rural areas often have very low expectations of the level of service they should receive, so they often put up with receiving an awful lot less. That is not sufficiently taken into account.

I will briefly touch on the topic of social care, about which my hon. Friend the Member for Leicester West made some powerful points. My understanding was that the Government’s stated desire—the Minister may put me right on this—is for greater protection for councils that provide adult social care. Therefore, it does not make sense to me that that money is diverted away from the county areas, such as Cumbria, that have a larger proportion of ageing people and a faster-growing elderly population. It has a profoundly negative impact on the stability of an already very fragile care market, and will have a knock-on effect for the wider health sector.

The distribution of funds for councils should take into account not only resources but needs. The proposals do not reflect that, and it is important to address that for the future. If we do not reflect need, where are we going, particularly with regard to social care? Cumbria County Council struggles to deliver social care and mental health services. To come back to my first point, social care and mental health care will be under increased pressure because of the impact of the floods. I urge the Minister to consider how he can support us in those areas.

2.58 pm

**Jo Cox** (Batley and Spen) (Lab): It is a pleasure to serve under your chairmanship, Mr Davies. I congratulate my hon. Friend the Member for Leicester West (Liz Kendall) on securing this important debate. She and I serve together on the Select Committee on Communities

[Jo Cox]

and Local Government, and we have received deeply worrying briefings of late on the future of local government finance, some of which I will touch on.

It is right, as a principle, to offer councils a four-year funding settlement to help them plan for the future. I welcome the Government's initiative. However, when councils simultaneously face rumours about huge new services, such as the attendance allowance or public health, for which they may be expected to take responsibility over the same timeline, they are left with no security in their financial planning. I speak to council finance directors who are struggling to understand what will be expected of them over the next four to 10 years, which means it is incredibly difficult to plan.

The reality is that many councils have very little room left for long-term financial planning. My council tells me that it is firefighting from budget to budget without long-term certainty, and that it will be 2.5% worse off in 2020 than today, compared with national average cuts of about 0.5%. That figure does not seem very big, but it is about the size of the entire libraries budget, and let us not forget that it comes on top of incredibly severe cuts over the past four years that mean that Kirklees Council will be spending about 15% less than it spent in 2010.

I do not believe that anyone becomes a councillor to cut local library services by 32%, to cut children's music services by 94%, to remove £700,000 from the budget to cut grass or to completely scrap community events and festivals, which is what is happening in Kirklees. Many of my constituents are feeling the even sharper end of council cuts to adult social care and other important services. My fear is that the Government want to blame local councillors.

I am struck by the fact that families living in a £70,000 terraced house in Batley in my constituency will now be getting £60 less per family member in council services than they did in 2010, but families living in a £2 million home in Oxfordshire will be getting £50 more per family member. That seems blatantly unfair, and my constituents struggle to understand it. That disparity in core spending power over the course of this Parliament is staggering and seems to be growing. For councillors such as mine in Kirklees, it does not feel like we are all in this together.

I welcome the intent behind the proposed business rate growth retention, but the Government's announcement leaves many unanswered questions. In Kirklees Council, the potential funding gap—

**Philip Davies (in the Chair):** Order.

**Jo Cox:** Can I just finish this point?

**Philip Davies (in the Chair):** No; I do not like doing it, but I have to cut the hon. Lady off in her flow.

3.2 pm

**Helen Hayes (Dulwich and West Norwood) (Lab):** It is a pleasure to serve under your chairmanship, Mr Davies. I congratulate my hon. Friend the Member for Leicester West (Liz Kendall) on securing this debate. There can

be no doubt that local government has been hit harder than almost any other area of the public sector over the past six years of the Government's austerity programme. Among local authorities, councils with the most deprived populations have been hit the hardest of all. I represent part of Lambeth and part of Southwark. For simplicity, I will talk about Lambeth today, but exactly the same picture is played out across the border in Southwark.

Lambeth Council is the 29th most deprived area of England, and it has experienced the 13th highest level of cuts to date, with tens of millions of pounds of cuts still to come. Councils have been through six rounds of efficiency savings, and Lambeth has consolidated the number of core office buildings from 14 to two, reduced the number of staff by 1,000, cracked down on fraud to raise an additional £3.6 million and innovated to deliver more services online and share services with neighbouring boroughs, but it has lost more than 56% of its Government funding since 2010. Despite efficiency savings and innovation, cuts of that scale mean that the council still faces further impossibly difficult choices.

As the Prime Minister is aware, cuts to front-line services are hard to bear. Councils are increasingly forced to make a kind of Hobson's choice between: the essential statutory services upon which our most vulnerable residents rely, such as the safeguarding of children and social care for older residents; the services that bind us all together, such as libraries, parks and street cleaning; and the services that help us build for the future, such as planning and school places.

The Government have taken a system designed to allocate resources to councils on the basis of need and turned it on its head, so that the councils with the greatest needs are dealt the greatest cuts. While the Government have cut, needs have continued to grow. The Government's disastrous approach to housing has resulted in a dramatic increase in families presenting as homeless and needing temporary accommodation. Lambeth's expenditure on temporary accommodation has increased from £2 million in 2011 to £11 million last year, and an ageing population means that the need for social care continues to grow.

By 2020, councils will receive no revenue support grant from the Government and will be funded entirely from council tax and business rates, with 55% of funding coming from business rates. That is a fundamental shift from a system of local funding based on allocation according to need to a system that will benefit councils with strong council tax raising abilities, a large business sector and the capacity for economic growth. Although there will undoubtedly be some winners in that system, there could potentially be some very big losers. There are big questions about how the Government will redistribute funding to councils with significant need to ensure that those with limited capacity to raise additional business rates do not face unacceptable consequences.

There is limited time today, and I will finish on time, but I hope that the Minister will answer some of those big questions about the mechanism for redistribution, and about the better care fund and how it will be distributed across the country. Without those clarifications, this major reform of council funding is a big leap into the unknown, fraught with risk.

**Philip Davies (in the Chair):** Order. I call Jack Dromey.

3.5 pm

**Jack Dromey** (Birmingham, Erdington) (Lab): It is a pleasure to serve under your chairmanship, Mr Davies. I pay tribute to my hon. Friend the Member for Leicester West (Liz Kendall) both for securing this debate and for her excellent contribution. Birmingham is the city of Chamberlain, the workshop of the world, the birthplace of municipal governance and municipal enterprise, and the biggest council in Europe. It is an ambitious city with immense potential, but it is also a city of high need. The constituency that I am proud to represent, Erdington, may be rich in talent but it is one of the poorest in the country.

Birmingham is suffering from the biggest cuts in local government history. Some £567 million has gone already, and £258 million will go over the next four years—£90 million will go this year. More than half of Birmingham's spending power has gone, with serious consequences for a caring city struggling now to care. I was at the Royal Orthopaedic hospital last Friday and was told about its desperate difficulties in discharging patients into the community precisely because there are no people there to care for them.

School crossing patrols have been put at risk; home starts supporting vulnerable families, likewise. It is not just the council but our police service and our fire service that have suffered enormous cuts and been treated unfairly. A grotesque unfairness of approach has been common throughout. In relation to the police, for example, Surrey has been treated twice as favourably as the west midlands. The National Audit Office has frequently criticised the Government's approach to the council, and the provisional settlement this year sees Birmingham's spending going down by £100 per household, which is much more than the average—in Oxfordshire, after the intervention of the champion of Chipping Norton, the figure is but £37.

That is why all the parties have come together in our city. In the words of the *Birmingham Mail*, which has been championing the campaign for a fair deal, "No More #Brumcuts". This is a well-timed debate because the local government and police settlements will be announced next week. Birmingham MPs of all political parties recently met the Secretary of State for Communities and Local Government and made the kind of case that my hon. Friend the Member for Leicester West made for a fairness of approach. We argued that we need a more sensible, longer-term approach. Of course it is about quantity, but it must also be based on need, and not pretending that the social care precept will address the problems of the mounting costs of social care. We also made the case that if fairness is acted upon now, it would see our city £85 million better off.

**Steve McCabe** (Birmingham, Selly Oak) (Lab): Does my hon. Friend agree that it would be helpful to hear today that, where councils and NHS providers are willing to propose innovative ideas to try to address some of the social care problems, the Government will put up some extra funding now to make that a possibility?

**Jack Dromey**: My hon. Friend makes a powerful point. When we met the Secretary of State for Communities and Local Government to discuss the immediate problems, we also discussed the wider and longer-term problems. My hon. Friend the Member for Birmingham, Selly Oak

(Steve McCabe), my right hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart) and the right hon. Member for Sutton Coldfield (Mr Mitchell) will be working together at the next stage on a sensible integration of health and social care, which we badly need nationwide, and particularly in our city. We want to make progress, but it will take time because we are confronted by an immense task.

There are big wider and longer-term problems, but here and now the plea from Birmingham is simply for a fair approach. If Birmingham is treated fairly, it will suffer but £5 million cuts this year, as opposed to £90 million cuts. If Birmingham is treated unfairly—I say this with all earnestness—children going to school will be put at risk, vulnerable families will be let down, and those badly in need of care, likewise. Those who wish to come out of hospital to rejoin their loved ones at home will be stuck in hospital. I therefore urge the Government to listen to the case for the fair treatment of our city.

3.9 pm

**Stephen Twigg** (Liverpool, West Derby) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Mr Davies.

I congratulate my hon. Friend the Member for Leicester West (Liz Kendall) on securing this important debate and I start by paying tribute to Liverpool City Council, the councillors and, in particular, the elected Mayor of Liverpool, Joe Anderson, who have provided outstanding leadership over what has been a very difficult period—almost six years—since they took office.

Liverpool faces funding cuts from central Government of 58% and the first response of Joe Anderson's administration has been to seek efficiency savings. Another response has been to find innovative solutions to problems. For example, the council is undertaking very significant community asset transfers to ensure that savings can be made and services protected.

Liverpool City Council is working with the other Merseyside councils and it has been determined to achieve serious devolution through the agreement that was reached for Liverpool city region devolution. It is not a council that is turning its back on efficiency, innovation or reform. Far from it—Liverpool wants to achieve all those things—but even with efficiencies and measures such as community asset transfers we are left with a massive gap, and it is a very similar story to the one that my hon. Friend the Member for Birmingham, Erdington (Jack Dromey) has just told with regard to Birmingham.

**Imran Hussain**: Like Liverpool, many councils in that situation are looking, first, towards making efficiency savings and, secondly, towards innovative ideas. However, those things only go a certain way and then something must give. Most of those councils are now in that place where front-line services—libraries, cleaning services and all those important community services—are on the verge of closure. Once again, does my hon. Friend agree that this situation will have the biggest negative effect on those people who are already living in deprivation and poverty?

**Stephen Twigg**: I thank my hon. Friend, who has anticipated the next part of my speech, because his argument is exactly the one that I want to make, and that a number

[Stephen Twigg]

of our hon. Friends have already made. It is precisely the poorest areas of the country that are being hit hardest by the scale of the cuts in local government spending that we are witnessing. Efficiencies take us so far, and innovation can save money and sometimes improve services, but we are still left with a very wide gap.

My hon. Friend the Member for Leicester West spoke about the challenges in social care. Liverpool City Council, like other local councils, has been allowed to increase the council tax for the coming year to pay for social care. That will raise about £2.5 million, which is a fraction of the money that Liverpool will need to plug the gap in social care.

One of the biggest challenges facing us is how to ensure that those who most need support in social care are getting the support they deserve. As my hon. Friend the Member for Leicester West said, the saving in council money is not necessarily a saving in overall public spending, because a lot of those resources then have to be spent by the NHS in treating people who might otherwise be out receiving social care.

Therefore, when the Minister responds to the debate, my plea to him is to understand why it is that in some of the most deprived parts of the country, such as Liverpool, there is so much anger about the scale of the cuts that are being faced. Liverpool has said, and I believe is saying this genuinely, that it will struggle to meet its statutory responsibilities as a local authority if cuts on the scale being proposed go ahead. Liverpool has had a 58% cut in central Government funding since 2010, which is simply not sustainable. I urge the Minister—working, of course, within the constraints that his Department is operating under—to look again, especially at those authorities that are facing the largest scale of cuts.

I welcome the fact that my hon. Friend the Member for Leicester West has given us this opportunity today to air these important issues.

3.13 pm

**Simon Danczuk** (Rochdale) (Ind): It is a pleasure to serve under your chairmanship, Mr Davies, and I thank the hon. Member for Leicester West (Liz Kendall) for securing what is a very important debate.

Under this Government and the previous one, local authorities have faced enormous cuts to their budgets while receiving an ever-increasing workload. Rather than power, the only thing that seems to have been devolved is austerity. The Chancellor's spending review and the recent local government settlement were further blows for Rochdale.

During the last Parliament, Rochdale was hammered. The council was forced to cut more than £200 million from local services, which was almost half the available budget. The council leader, Richard Farnell, has been preparing for a £40 million cut over the next two years, but he will now have to plan for a further 4.5% cut to spending powers after the local government settlement, when the average cut across England was only 2.8%.

**Jeff Smith** (Manchester, Withington) (Lab): I am grateful to my borough neighbour for giving way. Like others, he has made an important point about the

unfairness of the cuts. To illustrate that unfairness, if Manchester had had a fair share of cuts over the course of the last Parliament—not being protected from cuts but just suffering our fair share of them—we would be £1.4 million a week better off. Surely that is unfair to the really deprived boroughs in this country.

**Simon Danczuk:** The hon. Gentleman makes an important point about the unfair way that these cuts have been spread across the country.

Services in Rochdale have already been stripped back to the bare bones. For example, £8 out of every £10 in Rochdale is spent on children, the elderly and the disabled. The cuts to our budget will have a devastating impact on the most vulnerable people in our town.

I do not say this lightly, but Rochdale is one of the most deprived communities in the United Kingdom. Unemployment is higher than the national average; people in the town are earning £635 less per year than they were in 2010; and on top of that, under this Government we have to accommodate more than 1,000 asylum seekers every year.

Rochdale has repeatedly been one of the three councils in the country that have been hardest-hit by successive cuts under this Government. There are proposals to cut the public health grant, despite the grant providing vital support for preventive services around drugs and alcohol, and for community health improvement. We are struggling with these issues in Rochdale, and such a cut would be devastating.

As has already been mentioned, measures in relation to the social care precept are welcome. I welcome the concept but there is an added problem, because these measures are just scraping the surface in terms of the problems facing local government. The measures will disproportionately benefit wealthy areas, not least because most of Rochdale's housing is in council tax bands A and B, which means it only raises £1.3 million for the local authority. That money will go nowhere in terms of meeting the demand for social care. It will not even meet the increases to the minimum wage for workers in care homes; that is how inadequate the policy is.

Let me briefly turn to the point about the 100% retention of business rates, which gives Rochdale a similar problem to the one I have just described. We do not have the ability to generate the same level of resources locally for the services the area requires compared with councils with a higher tax base.

I will finish by saying that if we truly want to empower our local communities, we need to fund them properly. A one-size-fits-all policy will not deal with the issues that we need to tackle: health, education, jobs and local regeneration. Rochdale needs and deserves a better funding regime than this Government are currently creating.

3.18 pm

**Colleen Fletcher** (Coventry North East) (Lab): It is a pleasure to serve under your chairmanship, Mr Davies, and I congratulate my hon. Friend the Member for Leicester West (Liz Kendall) on securing this really important debate on local government funding.

It is clear that Government cuts to local authorities have impacted on the authorities' ability to deliver services. That is certainly true in Coventry, where Government



cuts are hollowing out our local communities. Since 2010, Coventry City Council has lost £94 million from its budget and by 2020 its Government grant will have been cut by a massive 65%. As a result, the council is being forced to consider proposals that will further reduce its ability to deliver the services that my constituents deserve and depend upon.

Coventry City Council has rightly prioritised the needs of vulnerable people, and despite the pressure on its budgets the council has found more than £10 million to invest in children's services, to help to turn around a service that is overwhelmed by children who need support from the social care system.

Like many other local authorities, however, Coventry City Council is also seeing a significant rise in the number of elderly residents requiring support from adult social care. While I recognise that the Government have permitted local authorities to add a further 2% to council tax as part of the adult social care precept, that simply does not go far enough. Social care budgets are facing a perfect storm of rising demand and rising cost, but funding is not increasing far enough to cover that.

**Steve Double:** Will the hon. Lady give way?

**Colleen Fletcher:** No, I will not. I am going to finish in a bit, as I only have a minute. In Coventry this year, adult social care budgets are predicted to have been overspent by £6.7 million, but the social care precept will add only £2 million. That leaves a massive gap that the council will need to cover by reducing spending elsewhere, and it is to that expenditure that I now turn.

Many have spoken about the "graphs of doom" that show local authorities ceasing to be able to provide anything other than the most basic of statutory services and social care. Those predictions are becoming a reality in Coventry. The council has made a frank assessment that in future it will be unable to fund, among other things, libraries, community centres, voluntary agencies and road repairs to the same level that it has in the past. That means that the colour and lifeblood of our communities will begin to dwindle as support that they once received from the council is no longer there. If the Government want to help people escape poverty, tackle poor levels of productivity and deal with the long-term problems associated with worklessness, they must provide local government with the resources it needs to let our communities grow and flourish.

3.21 pm

**Justin Madders** (Ellesmere Port and Neston) (Lab): It is a pleasure to serve under your chairmanship, Mr Davies. I first commend my hon. Friend the Member for Leicester West (Liz Kendall) for the clear way in which she set out the issues, in particular the impossibility of councils' social care obligations being met. For all the talk of devolution, the reality is that the Government have shown contempt for local democracy. They are devolving not only power, but cuts, risk and blame. Worst of all, they do so in the most cynical and Machiavellian way, using sleight of hand at every opportunity. Indeed, they have got so good at spinning on these issues that they have even managed to fool the Prime Minister, as my hon. Friend the Member for Newcastle upon Tyne North (Catherine McKinnell) pointed out earlier.

One consistent concern that I have heard from local government is about how the Government keep moving the goalposts. The most recent autumn statement contained a total of 10 changes that have left my council, Cheshire West and Chester, £8.4 million worse off. That is on top of a funding formula error that means the council will receive £2.3 million less than previously indicated. Overall, the council will lose £90 million of central Government grant over 10 years, and in-year cuts such as those to public health not only make planning difficult, but will cost us all more in the long term.

There is widespread agreement that devolution is a good thing, but I do not believe the Government are so good at putting it into practice. True devolution means central Government trusting local government. An example of where they have not done that is the proposal to deny councils the new homes bonus where planning permission has been granted on appeal. That is a blatant attack on local democracy. It seems we have a transfer of responsibility, but not a genuine transfer of power.

The council tax reduction scheme is a classic example of the Government passing on a cut locally, but dressing it up as a new power to be enjoyed by local government. It is an invidious choice for councils: do they cut local services or take money off some of the poorest people in their communities? Another example is the Housing and Planning Bill, which proposes an annual raid on council housing revenue accounts. The retention of business rates is in principle a welcome measure, but in its current form it passes on risk and uncertainty while failing to pass on the power and flexibility to allow councils to grow their local economies.

There has to be greater consistency in the powers given, so that it does not look like local government is just getting the difficult decisions that central Government want to swerve. The Communities and Local Government Committee has just published a report on devolution, and I want to draw attention to one comment in it:

"We also believe that the Government's approach to devolution in practice has lacked rigour as to process: there are no clear, measurable objectives for devolution, the timetable is rushed and efforts are not being made to inject openness or transparency into the deal negotiations."

I hope the Government will take heed of those comments, as they not only apply to devolution, but rather neatly sum up many of my criticisms of how the council funding regime operates. Local government is full of great innovators, and they should be given respect, true freedom and fair funding.

3.24 pm

**Mr George Howarth** (Knowsley) (Lab): I, too, congratulate my hon. Friend the Member for Leicester West (Liz Kendall) on the clarity with which she presented her case and the characteristic forcefulness of her argument.

I mainly want to say a few words about Knowsley Council and how it is affected by the settlement, but before I do that, it is worth looking at the context of the past 10 years. My hon. Friend the Member for Liverpool, West Derby (Stephen Twigg) referred to our city region. Over the past 10 years, the support to local authorities in the Liverpool city region has been cut by a staggering £800 million. In Knowsley, that has meant a cut of £90 million, which I calculate to be £1,500 a household. He rightly mentioned devolution, which the local authorities and he and I welcome, but any pretence that it will

[Mr George Howarth]

resolve the problems we are confronting with funding for local government is fraudulent, because all it brings with it is £30 million a year in extra funding for infrastructure problems, and it will not resolve any of the issues that concern us in some of the most deprived parts of the country.

The hon. Member for Gainsborough (Sir Edward Leigh) talked about the difficulties that his local authority is experiencing. I have every sympathy with him, but his area has not been subject to the reductions in grants and support over the past 10 years that areas such as Knowsley, Liverpool, Manchester and Birmingham have. He sets up a slightly false dichotomy between rural and urban areas. The dichotomy is between the areas with the greatest need and those with less need.

I want to say a few words about some of the issues that the Minister might mention when he comes to reply. We welcome the additional 2% flexibility on social care, but in Knowsley's case that produces only £550,000 a year, when we face pressures of £3 million a year. There will be a massive reduction in the resources available. With the new homes bonus mechanism, for every pound that is withheld, we only get 38p back, so that is not much of a help. Finally, we do not even know what the figures on public health are at the moment, but it is likely that there will be a reduction there, too, and that is disgraceful.

3.27 pm

**Tulip Siddiq** (Hampstead and Kilburn) (Lab): It is a pleasure to serve under your chairmanship, Mr Davies. I, too, congratulate my hon. Friend the Member for Leicester West (Liz Kendall) on securing a debate that is close to my heart. I was a councillor before I entered Parliament, and I saw at first hand the effects of the Government's policies because I was in charge of a £22 million budget. The Chancellor will often talk about making tough decisions to secure economic stability, but when it comes to direct attacks, such as cuts to tax credits or police budgets, the Government make embarrassing U-turns. However, when it comes to cuts to local government, they persist, because they can shove the blame on to local councillors and local councils, who then have to face angry residents.

When I was on Camden Council, we were told to find £80 million of cuts between 2010 and 2014. That level of cuts cannot be found just through efficiencies and cutting the fat and discretionary services. We had to cut front-line services. Consider this: by 2018, Camden Council will receive half of what it receives from central Government. In a few years' time, the council will have to have cut £180 million from its budget. That represents one year's spending on adult social care—including mental health services—at £99 million, homelessness support at £33 million and waste services at £36 million.

Parts of Brent are in my constituency, and that borough has had an £80 million shortfall. It will face further cuts of 25% over the next three years, and it is considered to be one of the four most vulnerable boroughs in London. It ranks in the top 10% of vulnerable boroughs in the country. Some 31% of children in the borough live in families that are dependent on tax credits. One third of residents live on salaries below the London living wage, because of our low-wage economy.

**Liz Kendall:** My hon. Friend mentions the difficulties and cuts in social care services. Has she seen in her local NHS the problems of more elderly people going into hospital and the delayed discharges from hospital, which, as I have argued before, cost the taxpayer more?

**Tulip Siddiq:** I thank my hon. Friend for her intervention. Yes, I have seen real-life examples of the situations she describes. We could focus on many vulnerable groups, but I particularly want to mention people with mental health problems. The Prime Minister has said over and over that we should have a frank discussion about people with mental health problems and not talk about them in hushed tones or whisper around the topic. Well, let me tell the House: people with health problems are the ones who are shouting the loudest, because local services are a lifeline for people with mental health problems. One constituent of mine tells me that the day centre she relies on—which helps her to handle her mental health problems and helps her with independent living and support—will not be there any more because it will be receiving £100,000 of cuts in the next few years.

We cannot talk about fixing the roof when the sun is shining if we crush the roots of local democracy, which is what is happening by disfranchising people and taking away the services they rely on. I urge the Minister to think carefully about how local councils are struggling and suffering as their budgets are hit over and over by national Government. If we have to make tough decisions, we have to take it on the chin in national Government and not simply push the blame on to local councillors and councils that are dependent on handouts from national Government.

3.31 pm

**Rosie Cooper** (West Lancashire) (Lab): It is a pleasure to serve under your chairmanship, Mr Davies. I wish to congratulate my hon. Friend the Member for Leicester West (Liz Kendall) on securing this debate on the far-reaching, deep and savage cuts to local government funding.

My involvement with local government goes back many years. I was elected to Liverpool City Council in 1973 and remained there until 2000. I had a front-row seat during the Thatcher years, witnessing the devastating effects of a Government determined to bring local government to its knees. Today, sadly, I see that happening all over again, but I fear it will be even worse this time. The Government are pushing local authorities to the financial brink, to the limits of their organisational capacity, and pushing even statutory services to the point of collapse. The Government explain the need for cuts and assure us that front-line services should not be affected. We have heard it on the NHS and policing time and again, but the reality is very different.

Lancashire County Council had projected to make £65 million in budget reductions this year, with a £263 million funding gap by 2020. The Government formula, imposed without consultation or any transitional arrangements, means that the council is required to make £76 million in savings, and by 2020 will face a £303 million gap. Those are staggering sums of money, but it is often difficult to know what it really means. Besides cuts in social services, in West Lancashire there is a long list. Vital bus services, such as the 3A and 5, are facing the axe. Schoolchildren and people wanting to go

to the doctor's, the hospital or social events are being abandoned. Eroding the principle and availability of public transport has a direct financial and sometimes personal cost. There is an irony in offering people a bus pass when there are no buses to use them on. It is like giving people a free TV licence and confiscating the TV. Public transport is an absolute lifeline.

The Government talk about choice in education, but there is no choice if people cannot get a bus there. In West Lancashire, the Environment Agency's budget has been cut, and now there is talk of turning off pumps, which will mean that the area is flooded even more. We have been subject to the most savage and awful flooding in recent weeks.

I do not think it is dramatic to say we are facing a crisis in local government. The Government need to make the right decisions—fair decisions—and they cannot stand by, tie the hands and feet of local government, kick them into the river and stand back and say, "Look, they can't swim." Now it is clear that the Conservatives know the cost of everything and the value of nothing.

3.34 pm

**Mr Iain Wright** (Hartlepool) (Lab): As my hon. Friend the Member for Leicester West (Liz Kendall) has mentioned, areas of deprivation have suffered more in cuts to council funding than more prosperous areas. Inner London boroughs, metropolitan areas and councils in the north have seen disproportionately harsh cuts. Hartlepool Borough Council's grant has been reduced by 40% since 2010, and, as per the 2010 index of multiple deprivation, Hartlepool is the 24th most deprived local authority out of 354 areas in Britain. I see the consequences of austerity and deprivation every day.

For Hartlepool Borough Council's budget over the five years to 2015-16, there has been a cut in spending power of £313 per person, the highest of any local authority in the north-east, which is itself the region with the highest cuts to council funding. In December, it was announced that the local authority would lose a further £2.1 million in Government grant in 2016-17, on top of an anticipated £2.8 million. How does the Minister think that areas such as Hartlepool can have such levels of unfair cuts? Why has he moved the funding formula away from a needs-based approach for the provision of local government services?

My second point relates to business rates and the unusual, if not unique, position of Hartlepool and the nuclear power station. Hartlepool is the second smallest unitary authority in the country, although there is nothing wrong with being small. About £33 million comes from council tax generated locally. Business rates are a bigger provider of local government finance, with a total rateable value of nearly £100 million. The nuclear power station in my constituency provides about a third of that entire business rate income, at just over £33 million. So the business rates bill equates almost identically to the council tax revenue.

The unique position of Hartlepool is two-fold. First, there is nowhere else in the country that has such a large payer of business rates proportionate to the rest of the business rate base. Secondly, the nuclear power station has often quick and unexpected shutdowns for health and safety purposes, with a consequent loss of business rates that cannot be collected, and the council has no ability to manage or plan for that. In addition, there has

been a revised valuation of business rates, which means that the power station pays less—£3.9 million this year and every year in perpetuity. To put that in context, to make up this shortfall of income, there would need to be an increase in council tax of about 11%, or the construction of 2,700 properties paying band D council tax: the equivalent of increasing the size of the town by 12%. That is simply not going to happen.

The Secretary of State was kind enough to meet with me, the leader and the chief executive of Hartlepool Borough Council to discuss this matter. Will the Minister continue to look at this so that Hartlepool residents do not suffer?

**Philip Davies (in the Chair):** Just to confirm, the Front-Bench spokesmen are not subject to the same time limits, but I want to get to the Minister before 10 minutes to 4, to give him time to answer the points raised and also for the hon. Member for Leicester West to briefly sum up.

3.38 pm

**Alison Thewliss** (Glasgow Central) (SNP): It is a pleasure to serve under your chairmanship, Mr Davies. I thank the hon. Member for Leicester West (Liz Kendall) and my colleagues from the Communities and Local Government Committee for their contributions this afternoon. It seems absolutely clear that there is a serious crisis in local government in England in terms of funding and the resources allocated according to the funding formulas that are in place. I cannot say that I am greatly familiar with how the funding formulas operate in England, but it seems clear that, regardless of which part of the country Members come from, there seems to be a sense that the funding formula does not work.

The hon. Member for Gainsborough (Sir Edward Leigh) made clear his concerns about the funding formula, and the hon. Member for Birmingham, Erdington (Jack Dromey) and Members from other places, both urban and rural, raised concerns about how it works for them. The Minister really ought to look more closely at the formula to see whether there is another mechanism that could be used, because there clearly is a problem.

The disproportionate level of cuts that local councils face in England is stark. We are having a debate in Scotland about local government funding, and we have been able to protect it in Scotland to a far greater extent than has been possible here. What is happening here is a choice. The Government have chosen austerity and they are passing the blame for austerity on to local government, which is completely unfair and unjust. That really should be looked at again.

The hon. Member for Ellesmere Port and Neston (Justin Madders) talked about cuts being passed on in the guise of powers. That is true and really quite stark. It is a very sleekit way for the Government to duck their responsibilities and pass on cuts. It is really unfair for them to pass on the social care precept as a tax rise for local government to carry out.

The hon. Member for Hampstead and Kilburn (Tulip Siddiq) spoke movingly about vulnerable people and areas of deprivation. People are already suffering great injustices and there are great societal imbalances in how people live that are now being compounded. I very much agree with what the hon. Member for West Lancashire (Rosie Cooper) said about the Thatcher years, when

[Alison Thewliss]

councils were brought to the brink. We are coming round to that again. In parts of Scotland, particularly parts of Glasgow, we are still living with the social impact of those cuts, and that will be true for constituencies throughout the country. Many families have already lived through that. We do not want to see it again if it is in any way avoidable, because it seems completely unfair.

With some exceptions, such as the hon. Member for Gainsborough, there are relatively few Tories present. The House of Commons Library debate pack provides some evidence that Conservative MPs and councillors throughout the country have concerns about these matters, so it is a shame that that was not reflected in the balance of the debate.

I do not want to take up much more time because I know that Members will want to the Minister's response.

**Mr Jim Cunningham** (Coventry South) (Lab): This is the first time I have attended a debate for which you have been in the Chair, Mr Davies, and we have known each other a long time. I thank the hon. Lady for giving way. I want to give her an idea of what is happening in places such as Coventry, which by the end of the decade will have lost something like 60% of its budget to cuts. Over the next three years it has to find about £28 million. That is a hefty sum in anyone's language. She made a telling point in her opening remarks: we have to remember that the Conservatives always pick up from where they left off the last time they were in government. If people do not see that, they must be blind.

**Alison Thewliss:** The hon. Gentleman is absolutely correct. The Government are making a choice. I hope that councils throughout the country will challenge them very strongly on this. The Communities and Local Government Committee hears concerns from across the country about the range of policies that are coming and the funding gaps that are emerging. We have to be extremely careful, because it will be our constituents who come back to us and say, "What's happened to the service provision in my area?" It is this House and the Government's austerity obsession that are causing all these problems locally. We need to challenge that wherever we can.

3.43 pm

**Mr Steve Reed** (Croydon North) (Lab): It is a pleasure to serve under your chairmanship, Mr Davies. I congratulate my hon. Friend the Member for Leicester West (Liz Kendall) on securing this important debate and thank the many Members who have turned up to take part.

I really hope that the Minister is in listening mode today, because my goodness, he has had a powerful lesson in the impact of his decisions on communities right across the country. I predict that when he responds he will claim that he and the Government have protected local government funding, but they have not. In fact, they have cut £1 in every £3 available to councils as the settlement funding assessment falls by 34%. They have cut some NHS budgets, handed them over to local government to take the blame and included that figure in the core spending power so that it does not look like spending has fallen by so much overall.

To partly fill the gap, the Government's funding assumptions expect councils to increase council tax by 1.7% a year, every year, and on top of that impose a 2% social care precept. That still leaves a giant £1 billion social care funding gap, which will hit the poorest communities in the country the hardest. All that adds up to a 20% council tax rise over four years—a council tax rise that was designed in Downing Street. The scale of the Government cuts that are being imposed means that council tax payers will be forced to pay more while getting less.

**Justin Madders:** Would my hon. Friend be surprised to learn that the Conservative party's manifesto for last year's general election promised to keep council tax rises to a very low minimum?

**Mr Reed:** Given the rest of what the Government are up to, I am not surprised at all, but I share my hon. Friend's disappointment.

As we have heard this afternoon, local government funding under this Government is deeply unfair. That is illustrated by the fact that the 10 most deprived councils in England have been hit by cuts that are 18 times higher than those for the 10 least deprived councils. Research by the Joseph Rowntree Foundation found that during the last Parliament, social care spending fell by £65 per person in the most deprived areas. We have more frail and older people in need of care, but less and less money to pay for the services they need.

Even the Tory-led Local Government Association has warned that after the local government settlement, social care will still face a giant £1 billion funding black hole by 2020. That can mean one of only two things: either more older and disabled people will be denied the vital services that they need, or other vital public services will be cut back even harder to make up the difference. That means services such as keeping street lights on at night, filling in potholes, repairing broken pavements, sweeping the streets, removing dumped rubbish, emptying the bins, maintaining parks, providing youth services and children's centres and keeping libraries and museums open. All those things that affect the quality of life of every community are under threat because of the Government's decisions on funding local services. I urge the Minister to explain whether it is his Government's policy to close the funding gap and ensure that older people get the care that they deserve—or will he stand back and watch as services are decimated?

The Government have come up with a cunning plan to cut the NHS while pretending to have kept their promise not to. Services have been taken out of the NHS and then cut before being handed over to councils in the clear expectation that the councils will take the blame for the chaos that will follow. Particularly affected will be treatments for drug and alcohol abuse and work to tackle the country's obesity crisis and to prevent sexually transmitted infections. Not only is that a bad idea in health terms, but it makes absolutely no sense in financial terms. We will all be made to pay the cost of dealing with health crises as they get worse because of short-sighted, short-term funding cuts. In the words of the LGA, which, let us remember, is led by the Conservative party, these

"drastic cuts will have a major impact on the many prevention and early intervention services carried out by councils."

Labour welcomes the Government's proposal to allow the full retention of business rates, although we are disappointed that that will not happen before 2020. Nevertheless, without an effective equalisation measure, the Government's plans for business rates devolution will make the system even more unequal. Without certainty about what further services will have to be paid for, there is no knowing whether it is simply cover for yet more Government cuts. Westminster City Council accounts for 8% of England's entire business rates intake—that is more than Birmingham, Manchester, Sheffield, Liverpool and Bristol combined. The Minister promised me in the main Chamber that the Chancellor would make the equalisation mechanism clear during the autumn statement, but the statement came and went with no announcement. Worryingly, the *Municipal Journal* quotes a senior official saying that the Department for Communities and Local Government has done "no thinking" about how the system will work. Will the Minister explain why not? Does the fact that the Department has done no thinking explain why the Chancellor did not make the announcement that the Minister told me he would?

The entire financial crisis stemmed from the irresponsible behaviour of the banks, but instead of being open about their response to dealing with it, the Government are cutting councils harder and harder while coming up with ever more ingenious ways to try to cover up what they are trying to do. By the end of this Parliament they will have cut council funding by more than two thirds, with Britain's poorest communities suffering the biggest cuts. Unfair funding, council tax hikes and an assault on the quality of life of every community in the country—that is the Tory record on local government funding. It is simply unacceptable.

3.49 pm

**The Parliamentary Under-Secretary of State for Communities and Local Government (Mr Marcus Jones):** I congratulate the hon. Member for Leicester West (Liz Kendall) on securing the debate, and it is a pleasure to respond to it. Before I proceed, I want to acknowledge the hard work and dedication of councils across the country over the past five years and the contribution they have made to improving local services in challenging times. However, we need to make more savings as we finish the job of eliminating the largest deficit in post-war history.

We listened carefully to councils when preparing the provisional settlement that was recently consulted on. I thank everyone who took the time to respond to the consultation and made considered comments about our proposals. I and my fellow Ministers spoke to local government leaders from across the country and many colleagues in the House. Although the hon. Lady did not make representations to that consultation, I am pleased to be able to discuss these issues with her today. I thank all Members who took the time to respond to the consultation, and I thank councils for their detailed and considered comments on our proposals. We are reflecting carefully on them at the moment.

We have previously had one of the most centralised states in the world—almost 80% of council spending was financed through central Government grants at the start of the previous Parliament—but councils will be entirely financed by their own resources by 2020. Local government will retain 100% of the business rates, fees and charges raised by councils, leaving them fully

accountable to the electorate rather than Whitehall. Those huge changes will not be made without careful consideration and consultation in the coming months. Hon. Members will have the chance to have input into the design of the new business rates retention process, which is the other side of the Government's devolution agenda.

**Mr George Howarth:** The Minister might recall that that was almost exactly the argument that was used to justify the poll tax—[*Interruption.*] Oh yes, it was. Does he accept that local authorities with lower tax bases will not benefit from the changes unless there is a proper recognition of need? If anything, the situation will get worse.

**Mr Jones:** I have got very little time, but I have made my views on that point very clear to the House in recent months.

Hon. Members will have the chance to get involved in the process of business rate retention in the coming months. The Government do not underestimate the challenges. Local government representatives consistently tell me, as they told my predecessors over many years, that greater certainty about their income over the medium term would enable them to organise more efficiently and strategically, and put their safety-net reserves to more productive use. This settlement will for the first time ever offer a guaranteed budget to every council that desires one and can demonstrate efficiency savings for the next year and every year of the Parliament. Four-year settlements will give local government more certainty and confidence. Councils will also be able to spend 100% of capital receipts from asset sales to implement cost-saving reforms.

As we move to a world of full localisation of income, it does not make sense to talk simply about Government grants, as a number of Opposition Members did. As colleagues know, the revenue support grant will be phased out by 2020, but local government will still spend significant sums of money. Therefore, it makes more sense to talk about the wider measure of council spending power, which we improved after listening to the Public Accounts Committee and the Communities and Local Government Committee. We no longer include the NHS-scored better care fund or the ring-fenced public health grant in the calculation, since councils cannot spend those funds as they wish.

Overall, our proposals are fair. Councils' core spending power will remain virtually unchanged over the Parliament—it will go from £44.5 billion in 2015-16 to £44.3 billion in 2019-20.

**Sir Edward Leigh:** Will the Minister give way on the issue of rural areas?

**Mr Jones:** I am sorry, but I have not got time to give way again. There are a number of things I need to talk about, but I will come to the issue of rural areas in a moment to address my hon. Friend's earlier point.

Real-terms savings of 6.7% are required over this spending review period, compared with the 14% savings announced in the 2010 spending review. Even the Institute for Fiscal Studies recognises that that is substantially lower than the spending reductions that councils had to deliver between 2009-10 and 2015-16.

[Mr Marcus Jones]

On adult social care, we responded to the clear call from all tiers of government and many colleagues in the House to recognise the importance of the growing cost of caring for our elderly population. The Local Government Association and the Association of Directors of Adult Social Services asked for £2.9 billion by 2020 as a contribution to the cost of social care. In the settlement, we make up to £3.5 billion available by that year. It will be distributed fairly to local authorities with social care responsibilities. There will also be a package of support for councils working with the local NHS to address pressures on care, a dedicated social care precept of 2% per year, and a fund of £1.5 billion by 2019-20 to complement the new precept. We recognise that councils providing services in rural areas face additional costs, so we have proposed that the rural services delivery grant should be quadrupled from £15.5 million this year to £65 million by 2019-20 to address those issues.

Let me cover one or two of the points that the hon. Member for Leicester West made. She and a number of other Opposition Members spent a lot of time talking about the effect that the reduction in central Government spending will have on local government. They have very quickly forgotten that their election manifesto clearly set out a path for reducing local government spending. They may wish to take that into account. The core spending power measure is the most accurate way of measuring councils' expenditure. Leicester has a core spending power of £2,003 per household this year, compared with the English average of £1,829, so I hope that reassures the hon. Lady that Leicester is not getting a bad deal.

On the point made by the hon. Member for Croydon North (Mr Reed) about council tax, the Conservative party will not listen to any lectures from the Labour party. Council tax is 11% lower in real terms than it was five years ago. I remind the hon. Gentleman that council

tax doubled under the Labour Government between 1997 and 2010, so the Labour party clearly says one thing in opposition and does something else in government.

We recognise the challenges that have been raised today and those that lie ahead. This is a time of big opportunity and expectation for local government reform. We are moving to a world long desired by local government, in which councils are financed by local sources. Whitehall's apron strings will be cut. Central and local government are decisively addressing social care pressures, and we are beginning to design long-term integrated care and lasting local solutions.

I know that these changes require a lot of hard work from councils, but changes always do. However, I am confident that, after we have carefully considered the consultation responses before announcing the final settlement, and after we have undertaken a further period of meaningfully engaging and working with local government to design a 100% business rates retention scheme, hon. Members will agree that a better future of proper local control is becoming a reality at last.

3.59 pm

**Liz Kendall:** With the greatest respect, that was a head-in-the-sand denial of the problems. The Minister said that, overall, the Government's proposals are fair. They are not. The areas with the greatest need and the most deprived communities have been hit hardest.

I ask the Minister to look again at what is happening to adult social care. I am deeply concerned that care home providers will fail and that vulnerable elderly people will not get support. That will pile pressure on the NHS, and in the end we will have to pay the cost, but it will be more expensive and done in the least efficient way. Opposition Members will continue to press the case for fair funding for our councils and communities.

*Motion lapsed (Standing Order No. 10(6)).*

## Bootham Park Mental Health Hospital

[MR PETER BONE *in the Chair*]

4 pm

**Rachael Maskell** (York Central) (Lab/Co-op): I beg to move,

That this House has considered the closure of Bootham Park mental health hospital.

It is a pleasure to serve under your chairmanship, Mr Bone. It has taken four months to secure today's important debate about the circumstances surrounding the sudden closure of Bootham Park hospital. I am still waiting for the round table that I requested with the Minister, and for the vital independent investigation into what really happened at Bootham. Although City of York Council and NHS England are carrying out an operational review, but not a strategic review, we must remember that NHS England is not independent of what happened at Bootham.

Today, I will describe the story behind the headlines of how the system failed mental health patients in my constituency and put their lives at risk, why the issues cannot be ignored any longer, and how what happened at Bootham has national implications. Without urgent change, the problems could be replicated anywhere in the country. Two successive Care Quality Commission inspections in 2013 and 2014 highlighted risks at the 240-year-old hospital, including the line of sight around the quadrangle wards, ligature points and doors that presented suicide risks, and not enough staff. Those issues should have impressed upon all involved in the service that the setting was not safe and urgent action should have been taken, but even with the CQC report, inertia followed.

First, too many bodies were involved at Bootham Park. NHS Property Services Ltd owned the site. The commissioning was done by Vale of York clinical commissioning group. Leeds and York Partnership NHS Foundation Trust was the provider. York Teaching Hospital NHS Foundation Trust provided maintenance. English Heritage—now Historic England—had an interest in the listed buildings. Tees, Esk and Wear Valleys NHS Foundation Trust—TEWV—became the new provider from 1 October 2015. By the end, other bodies, including City of York Council's health overview and scrutiny committee, NHS England, Monitor and the CQC, had a role in proceedings but, strangely enough, the safeguarding board did not.

The problem with the system was the unbelievable scope for too many organisations to blame one another for the lack of progress in addressing the CQC's safety demands. I do not have the time today to run through each authority's lack of action, but their cumulative inaction put lives at risk. There should be one authoritative body and one controlling mind, not different jurisdictions with different lines of accountability and different interests that do not relate to one another as they need to. They did before 2012. There must be a place where such matters can be settled. The Health and Social Care Act 2012 gives scope for confusion, which is admitted by those involved and evident from what happened. There are conflicting authorities, so there must be one clear and authoritative oversight of decision making in the NHS, so that everyone knows where responsibility lies. If clarity is needed, it should be quickly and easily established. This is about good governance.

Secondly, there was an issue with making things happen. Why did years pass without the CQC recommendations being implemented? How was that allowed to happen? The CQC stated the necessary improvements, but then the very bodies criticised are the ones who have to implement the repair plan. The lack of external oversight of the work meant failure and delay. External leadership must be provided, to ensure that the right solutions are expedited. Assignment to NHS Improvement would seem the obvious choice. The CQC's enforcement policy is clearly not working, and who polices it? The CQC has powers, including when there are repeated breaches and when action has not been taken to remove risk, but they were not used. If an effective system was in place, there would be no slippage, confusion or blame, and patient safety would be at the forefront.

Thirdly, the service was to be recommissioned. There was clear dissatisfaction with the provider's performance and an alternative provider was selected. However, a board member at the time has reported that the Leeds and York partnership trust did not invest in the required upgrades

“in case it did not win the contract”.

In other words, the contract interests of the provider outweighed patient safety, the problems were not addressed expediently, and the hospital was left in an unsafe condition.

**Julian Sturdy** (York Outer) (Con): I thank the hon. Lady, who is my neighbour, for giving way and congratulate her on securing the debate. I agree with what she has said so far. Does she agree that the Leeds and York partnership not only failed at that point, but had failed for many months down the line? That is why we have to get to the bottom of how it behaved throughout the whole system at Bootham Park.

**Rachael Maskell:** The hon. Gentleman makes an excellent point. We need to get to the bottom of why there has been continual failure not only at Bootham, but in the general delivery of clinical services.

The board member's revelation was shocking and demonstrated that the current system allows for interests other than that of patient safety to be put first. Leeds and York did not invest in mental health in York, which was noted by staff and patients alike, and let the service be deemed unsafe by the CQC not once but twice, and then a third time, following a third inspection, which I will come on to later. It is also clear that the other bodies involved were not able to accelerate the inactivity. It is not that nothing was happening; discussions were ongoing, and the CQC and the Department of Health knew that a plan was slowly being drawn up by the CCG-led Bootham Park hospital programme board to address the CQC report's findings, but “slippage” was evident. However, it is clear that frustrations existed between the bodies and blame for inaction was passed from one to the other. People hid behind jurisdictions and clear leadership was lacking once again, which is why there must be external oversight.

How can we have a health system in which there is scope for other interests, lack of focus, delay, lack of enforcement and blame, and in which CQC findings are not managed as a priority? We are back to poor governance and poor frameworks, which is what this debate is really all about. Leeds and York lost the contract to provide mental health services for the Vale of York CCG to TEWV.

[*Rachael Maskell*]

The trust appealed the decision to Monitor last June. Leeds and York then ran a highly public and politicised campaign that showed it was not interested in improving patient safety at Bootham, only in contractual matters, as I witnessed when I met with its chair. Monitor rejected the appeal and TEWV became the new provider. However, TEWV understandably wanted to inspect the plans for the building from which it would be delivering its services. I stress that the Bootham Park hospital upgrade could only ever be a temporary step, as I outlined in my maiden speech on 2 June 2015. The only safe solution will be a new build.

The CQC made an unannounced inspection on 9 and 10 September 2015. I have been unable to ascertain if this was at their instigation or that of Leeds and York partnership, but it is clear that the 20 weeks' notice for Bootham to be removed as a suitable location was shortened due to the Monitor appeal process requested by Leeds and York, which the CQC told me impacted on its processes. However, as soon as it was clear that Monitor had turned down the Leeds and York appeal, the CQC knew that the trust would deregister, and that TEWV would have to be registered. The CQC also knew of the safety risks at Bootham, and that repairs had not been made. The CQC therefore knew that it would not be able to register Bootham as a location for TEWV to deliver services. That prompts two questions. First, why did the CQC leave the inspection until September, which then led to a rapid closure? Secondly, why did it then wait over two weeks to announce the inspection's outcome? A longer run-in would have given more time for transition. We must keep remembering that mental health patients were put at serious risk.

The third inspection found a worsening situation. In addition to the safety risks already identified, staffing levels were worse and unsafe, record-keeping was poor, the water was found to be at a scalding temperature, and the kitchen, lounge and activity rooms gave access to an urn, electrical wires, scissors and knitting needles. A long-standing leaky toilet was leaking urine and foul water to the ward below and there was a risk of Legionella. There were other poor maintenance issues—as the CQC's inspectors were assessing Bootham, a piece of masonry fell from the ceiling.

The CQC reported more than two weeks later, on Friday 25 September, that Bootham Park hospital must close because of the ongoing safety risks. The need for closure by midnight on 30 September 2015 was because the CQC could not re-register the facility against the new provider as being safe, because it was not. However, if the current provider were to continue to deliver the service, other options would be available.

The Leeds and York trust chief executive said on that same day that if the Vale of York CCG at the eleventh hour did not transfer over the service at the end of the month and let Leeds and York continue to provide it, it could keep the hospital open as it would not have to re-register. He said it was important that that was achieved for months until repairs were addressed. Even as patients were being cast out of their beds and out of our city, contractual issues were being placed above patient safety. The hospital was given five days—including a weekend—to close.

The CQC fulfilled its registration remit, but that meant that the building's registration was placed above the unsafe environment that sudden closure and relocation would place service users in. That highlights how process was the factor that closed the hospital. Patients were put at risk. There was no scope for review of the decision, no one to assess the balance of risks and transitioning arrangements and no one to agree more time despite the clinicians, patients, families and their MP all highlighting the risks.

Let me mention some of those risks: the closure of the place of safety, section 136 suite, so people in a crisis have to travel at least to Harrogate for an assessment and then on again for a bed for their own safety; the closure of acute beds, with in-patients moved as far away as Middlesbrough, creating a huge risk and insecurity; patients moved away from their support networks and families to strange environments; and the moving of 400 people engaged in out-patients' services to new locations. I heard how one service user's condition became so exacerbated on hearing about their move that they became seriously ill, and that is not the only story.

I have heard from a parent how their child totally withdrew—from food and from them—because he was very frightened, and they were fearful for him. I have since supported frightened service users and family members. Out-patients who were suddenly discharged were confused and one senior clinician said it would be a miracle if someone does not die.

The situation continues. We have the place of safety back and we hope that out-patients will also be back in the near future. The acute in-patients' service will be placed in temporary accommodation from the summer, all being well. However, serious risks resulted from the decision and the deterioration of service users' mental health occurred. Safety was put after process, with some of the most vulnerable service users placed in an unsafe situation. There was no one in the NHS under the 2012 Act who had the authority to weigh up the balance of risk and decide, when greater risk to the lives of service users could occur with the sudden move, that an alternative call could be made, such as properly planned transition. No intervention was made, not even by the Minister—in other words, no one has overarching responsibility for patient safety in the NHS. That was confirmed by all the bodies. This must change immediately.

The reason I am so vexed is that four months have passed and nothing has been done about the system. Lives remain at risk, were such events to happen elsewhere. My constituents ask me, and I ask myself: is it because we are in the north? Is it because it is mental health? Or is it because the Government are too proud to admit that their Act has created that risk, as before 2012 there was someone who made such decisions?

I know that the circumstances at Bootham Park are exceptional and I trust that this will not happen again, but it could. The lives of my constituents were put at risk, and harm to their health occurred. The system failed them. That is why I and my constituents are focused on the need for a fully independent strategic investigation. Through my work and the health overview and scrutiny committee's processes and now their operational local review, issues have come to the surface, but an independent review must occur. Lessons must be learnt of the failures in the way that health bodies relate to one another, and the problems that there are with governance. My constituents deserve to have answers.



Serious risks to patients were created in the NHS, and that cannot be ignored. No one died, but do we always have to wait until it is too late for someone before problems are taken seriously and situations are investigated? Agreement to an independent investigation is overdue.

In closing, I want to thank the service users and their families and carers for their continual pressure to get answers as to what happened to their services. They have been extraordinary in these very difficult times and deserve a confirmation that their concerns about the system will be addressed. I again invite the Minister to meet them. I also want to praise the outstanding efforts of all the staff involved in trying to support this unnecessary crisis, and in particular Martin Barkley for providing the leadership as the chief executive of TEWV. After 40 years of working in mental health, Martin is standing down, but I trust that his legacy will be a new, state-of-the-art mental health facility on the Bootham site for York by 2019.

Minister, four months is too long to wait to meet, too long to wait to undertake an independent review of the situation, and too long for my constituents to get the answers they deserve. Lives were put at risk and harm occurred. I trust that we can move the situation forward today.

4.16 pm

**The Minister for Community and Social Care (Alistair Burt):** It is a pleasure to serve under your chairmanship, Mr Bone, especially in the circumstances of the powerful case put forward by the hon. Member for York Central (Rachael Maskell), with whom I have been in contact pretty much since this incident started. We spoke on the telephone around the day things happened and I have been in regular contact since. It is true that we have not met in a round table, but that is not a decision of mine. We agreed that when there was a point to meeting all together, we would, but things had to happen and we had to go some way down the line before that. My door has always been open and the hon. Lady has always been able to speak to me.

**Rachael Maskell** *indicated dissent.*

**Alistair Burt:** If she would like to deny that, I will be happy to sit down, but she knows full well that I have spoken to her regularly and I have been available. I will happily see her and her constituents at a time that is entirely appropriate: when there is something to discuss. I do not think that her charge is particularly fair.

**Rachael Maskell:** I am confused because I have been trying to get a meeting with the Minister—I have got correspondence for three months. I am therefore sorry if his office has let him down, but we have been trying to get a meeting, which senior clinicians also want to hold.

**Alistair Burt:** Let me be clear. I spoke to the hon. Lady at an early stage and first I advised that a debate would not be a bad idea to bring issues out. I was concerned that there might be delays with the trust in terms of what may happen with the new premises, but at the time of the incident there was no point in having a meeting about what would happen next. Since then I have genuinely not been aware of a request for a meeting. I am very happy to have such a meeting, but at the time it seemed sensible that we would wait until there was a

point in having a meeting. We have met and passed each other pretty regularly in the meantime and, had there been a delay that had caused grave concern, it would have taken a matter of a second to say, “How about that letter—are we going to meet?” but I have not had that conversation.

May I thank my hon. Friend the Member for York Outer (Julian Sturdy) for his interest? We have spoken on this subject from time to time.

Those issues, however, are incidental. The hon. Lady’s interest has been sincere and consistent, and she highlights a pretty unhappy story in which there are circumstances that cause me genuine concern. I will first say a little about what we know about the circumstances and then what we can do next.

Bootham Park hospital could provide care to about 25 to 30 in-patients and about 400 out-patients. The Vale of York CCG had previously announced its intention to commission a new, state-of-the-art facility and is working with NHS Property Services Ltd and NHS England to press for funding. I understand that the intention is to provide a new hospital in York to replace Bootham Park by 2019. At this stage, I have heard no suggestion that that will not be the case.

**Julian Sturdy:** On that point, will the Minister highlight what discussions he has had with the new trust, TEWV, about the new hospital, and whether the timelines are still on track?

**Alistair Burt:** I have not had those discussions at this stage, because my understanding is that the timelines are on track. I suggested to the hon. Member for York Central that if there were concerns about foot-dragging, I was very willing to have that conversation with other colleagues in the room, to ensure that the original stated timetable was stuck to. I was interested in whether there was any opportunity to bring that forward, but my understanding is that that is not the case. I will come to what happens next in a moment.

Until recently, as the hon. Lady said, the hospital was operated by Leeds and York Partnership NHS Foundation Trust. In October 2015, the Vale of York clinical commissioning group ended the relationship with that trust and asked Tees, Esk and Wear Valley NHS Trust—TEWV—to take over the provision of services.

Bootham Park is a very old building, at 200 years old, and is probably one of the oldest buildings in use for patients in the NHS. It is also a grade I listed property, which has not necessarily made things any easier over time. The hon. Lady said in her maiden speech:

“Bootham is not fit for purpose and the CQC concurs.”—[*Official Report*, 2 June 2015; Vol. 596, c. 512.]

She was entirely right. As such an old building, Bootham Park had a number of problems that modern buildings designed for healthcare services normally avoid, one of which was ligature points—in other words, fixtures or fittings that someone could use to hang themselves from. As the hon. Lady knows, that was sadly not a theoretical problem at Bootham Park, since a lady was found hanging in her room at the hospital in March 2014.

The inquest heard that in December 2013, CQC inspectors had already identified the ligature point that that lady later used, along with a number of others, and asked that it be removed. The CQC’s report, published

[Alistair Burt]

in 2014, clearly said that there were a significant number of ligature risks on the ward, but that work was unfortunately not done by the trust. The coroner noted at the inquest that he would have expected management to see that the work was done.

The Leeds and York Partnership NHS Foundation Trust fully accepted that it should have done the necessary work. However, when the CQC returned to inspect the hospital in January 2015, it again identified risks to patients from the building infrastructure and a continuing need to improve the patient environment. Refurbishment had been taking place both before and after the January 2015 inspection. Work carried out since February 2014, at a total cost of £1.76 million, included a number of improvements. Among those was an attempt to remove all the ligature points, as well as an overhaul of the water hygiene system and other repairs.

The CQC inspected the hospital again in early September 2015. At that point, it once more recorded a number of familiar problems, although it acknowledged the effort the trust had made to deal with them. The CQC found insufficient staffing numbers; areas with potential ligature points that could have been remedied without major works; poor hygiene and infection control; poor risk assessments, care plans and record-keeping; an unsafe environment due to ineffective maintenance; areas deemed unsafe or found unlocked; and poor lines of sight on ward 6. Furthermore, part of the ceiling had collapsed in the main corridor of the hospital. The debris was cleared away but the area was not cordoned off, which meant people were still at risk of harm.

The building's listed status meant that it was not possible to remove all potential ligature points. The quadrangle-shaped wards meant there could never be a constant line of sight for nurses to observe patients. Despite the money already spent, the systems for sanitation and heating were outdated. The CQC felt that despite repeated identification of problems at inspections, not enough had been done—the hon. Lady was quite right to point that out—or perhaps could be done to provide services safely at the hospital. Patients remained at risk. The CQC therefore took the decision, as the regulator, to close the hospital with effect from October 2015. The CQC and the Vale of York CCG both agreed, as the hon. Lady said, that the current estate was not fit for purpose.

The timing of the closure was unfortunate. Mental health and learning disability services in the Vale of York were due to transfer from the Leeds and York Partnership NHS Foundation Trust to TEWV on 1 October 2015. That meant the new provider was taking over as the facility was being closed down for safety reasons. However, when the CQC, as the responsible regulator, comes to the conclusion that a building is so unsafe for patient services that they cannot continue and that it cannot be made safe, the local NHS has no choice in the matter.

The hon. Lady spoke about the number of different organisations involved. I understand her frustration, and I am interested in looking at how that has happened. Different bodies have different responsibilities. Bodies' not having separate responsibilities for regulation, supply, commissioning and so on runs other risks. She is quite right, however, that having such separation and so many different parties involved means we run risks.

If people are ducking and diving to evade responsibility—I will come to that in a second—that is a risk too. There is no easy way to do this, but I am quite clear that bodies have specific responsibilities that they should live up to; I do not think that that is necessarily wrong, provided they all know what they are doing. This situation was particularly difficult.

Nearly two years had passed since the CQC identified serious safety issues at the hospital, which seems more than adequate notice of the problems. The CQC said that it could not allow the service to continue indefinitely or allow a new application to open services at the hospital until the risks to patient safety had been addressed. Ensuring continuity of services for patients immediately became a priority. By midnight on 30 September, eight patients had been transferred to facilities in Middlesbrough, two went to another facility in York and 15 were discharged home. Arrangements were made for some 400 out-patients to continue to receive services at other locations in York. That was a considerable undertaking for the local NHS and achieved under great pressure. It was, of course, not what patients needed or wanted. The change and speculation about what would happen was inherently unsettling.

The NHS had to get matters back to an even keel as soon as possible, and that is what has been happening since. As the hon. Lady said, there has been a recovery of the section 136 services at the hospital. The NHS now has an interim solution in the adaptation of Peppermill Court. The in-patient service for older men with dementia, formerly provided at Peppermill Court, will now be provided at Selby. TEWV started work this week on the development of Peppermill Court as an adult in-patient unit and intends the refurbished 24-bed in-patient unit to be completed by the summer. Out-patient clinics continue to be held at a number of locations in York, and TEWV hopes to move all out-patient appointments back to Bootham Park hospital later this month.

That is where we are, with one further caveat: the business of trying to find out what has happened and why. My understanding is that an external review has been taking place, involving a number of different bodies that have had responsibility and are now looking at this. It seems almost impossible for the review to be concluded without its findings being made public, which would be a good opportunity for people to examine exactly what has been done. I want to see that review's findings. I want to see the questions that the hon. Lady has raised today answered, and I want a good, clear line of sight as to what has happened, how it happened and, as far as lessons learned are concerned, how to ensure that this could not happen again in the rest of the system, as she says.

Based on what the review says, I will have further thoughts about the questions the hon. Lady has asked. Until we see the review's findings, we will not know how complete it is or the answers to all the questions. Let us see the review's findings first. If it is plain that the review is inadequate and leaves things unsatisfactorily handled and dealt with, with questions still arising, we will need to have a conversation at that stage. It might be appropriate, after the review has concluded, to have a round table and use it as an opportunity to have that conversation. However, until I have seen the review's findings, I cannot decide whether there is anything further to be done at this stage. I want to ensure that the

questions are answered, and that there are ramifications across the system. We also want to make progress with the new hospital. Let us see what comes out of the review, and then we will meet again.

On the hon. Lady's request for a meeting, I have just been handed a note—we had an email from her office on 15 January. We are now going through the invitation process but have not responded.

**Rachael Maskell:** I was chasing up.

**Alistair Burt:** If there has been correspondence that has not been answered, I apologise, but as the hon. Lady knows from my previous contact with her, she can come and see me, and we will sort that out as soon as we can.

**Mr Peter Bone (in the Chair):** Order. I thank Members for a very important debate, but I am afraid time has beaten us, and we must now move on.

*Motion lapsed (Standing Order No. 10(6)).*

## Cycling: Government Investment

4.30 pm

**Chris Green (Bolton West) (Con):** I beg to move,

That this House has considered Government investment in cycling.

It is a pleasure to serve under your chairmanship, Mr Bone. As you may be aware, the debate was preambled by an online digital debate, supported by parliamentary outreach. Between us, we managed to reach more than 2.1 million Twitter accounts, the highest number ever for a digital debate. I wish to put on record my thanks to everyone who took part. It created a forum a lot of interesting and important questions about how we can deliver the Government's ambition to support and promote cycling.

It is important to point out that the benefits of cycling reach across many different areas. There is a strong business and economic case for both local and national Government to invest in cycling. Sustrans has calculated that investment in cycling returns the equivalent of £9.76 for every £1 spent. Cycling also alleviates congestion and will help us cope with the forecast pressure on our roads due to population growth, particularly in northern cities—current estimates suggest a 55% increase in road congestion by 2040. Cyclescheme estimates that the national health service could save £2.5 billion if 10% of car journeys were made by bicycle instead, and that inactivity costs the United Kingdom economy £20 billion every year.

**Henry Smith (Crawley) (Con):** Will my hon. Friend join me in paying tribute to the many private sector companies that are encouraging cycling? For example, Evans Cycles, which is headquartered in my constituency, has done a fantastic job locally and nationally to ensure that we all get on our bikes and live a healthier lifestyle.

**Chris Green:** I agree entirely that the work of Evans and other organisations in the private sector is absolutely key to making sure that we have a healthy society. The contribution of responsible employers is vital to that.

For the reasons that I have highlighted and for many others, it is vital to have investment in cycling and to include it as part of an effective transport policy. I will touch on the benefits in my speech later. I wish to allow plenty of opportunity for other Members to make contributions as well, because I know that this is a really popular debate.

During the past five years, the Government have invested more in cycling than any of their predecessors, through cycling ambition grants and the local sustainable transport fund to name but two measures. I hope to see investment in cycling increase and continue on that trajectory. Despite the increase, more can always be done to improve the situation further. During the last Session, the Select Committee on Transport reported that although investment had increased, the splitting of funding between initiatives can make it difficult to be clear about the total budget for cycling. It was initially estimated at £2 per head, but with further investment it is now £4 per head of the population, compared with an estimated £75 per head for motorised transport.

**Julian Knight (Solihull) (Con):** I congratulate my hon. Friend on securing the debate, particularly as I invested in my fourth road bicycle this weekend, much to my wife's

[*Julian Knight*]

chagrin—[*Interruption.*] Only my fourth. Will he reflect on the health benefits of cycling for a moment, considering that the British Heart Foundation has found that cyclists live an average of three years longer than those who take no exercise whatsoever? Admittedly, those extra three years are spent clad in skin-tight Lycra.

**Chris Green:** I am not sure that I want to comment on Lycra yet, but the health benefits of having an active lifestyle are well recognised.

I am now a member of the all-party cycling group. Its report called for the budget to be increased from its current very low level to a minimum of £10 per head, with the spending then increasing further to £20 per head of the population.

**Dr Sarah Wollaston** (Totnes) (Con): Having been a member of the all-party group, which produced the report on how we “Get Britain Cycling”, I wonder whether my hon. Friend agrees with me, with the report’s findings and with the Select Committee on Health that the benefit of cycling is that active travel is the type of physical activity that people are most likely to sustain throughout their whole lives. We should really focus on that if we really are going to get Britain moving as well as cycling.

**Chris Green:** I absolutely agree, and this debate is a great opportunity to reinforce that message to the Minister.

The members of the all-party group are not the only ones who want investment at £20 per head; a Sustrans survey suggests that the public want to see investment of £26 per head on an annual basis. More important than pinpointing an exact figure for investment is ensuring that current investment provides good value for money and is adequately utilised by the main practitioner of the funds, which is local authorities. Making cycling ambitions a reality requires collaboration at all levels of government.

The Department for Transport is giving local authorities significant amounts of funding to improve their road infrastructure and to support cycling at a local level. That funding is not ring-fenced and allows local authorities to decide on and implement solutions that best suit their needs. I am pleased that the Government are encouraging all local authorities to have a cycling champion—an official to take cycling development forward in their area and to champion cycling in their area.

**Julian Sturdy** (York Outer) (Con): My hon. Friend is making an important argument. With regard to the cycling champions and cycling in the north, does he agree that one of the biggest boosts to cycling in the north came from the Tour de France being held in Yorkshire? That boost has now continued with the Tour de Yorkshire being set up. Does he agree that that is pressing the need for cycling and giving a boost to tourism locally?

**Chris Green:** Fantastic events such as the Tour de France do a wonderful job in promoting cycling. I will mention the different aspects of cycling that we perhaps need to focus on a little bit more.

**Chris White** (Warwick and Leamington) (Con): Following the intervention by my hon. Friend the Member for York Outer (Julian Sturdy), I want to report that the route for the women’s cycling tour in June, which was announced today, includes a stage through my constituency. It is the first time that has taken place in Warwickshire. Does my hon. Friend the Member for Bolton West (Chris Green) think it is a good idea for such events to be spread throughout the country, as it provides an opportunity to promote the benefits of cycling across the UK?

**Chris Green:** I absolutely agree. It is vital that we have those events across the country. Seeing the beautiful Yorkshire countryside was wonderful, and I am sure that we will be inspired by the countryside in Warwickshire as well.

**David Rutley** (Macclesfield) (Con): I feel greatly honoured not only to be able to participate in this debate, but to sit next to the former Sports Minister, my hon. Friend the Member for Maidstone and The Weald (Mrs Grant), who was there when the Tour de France came to Yorkshire and who did so much to help promote cycling. Importantly, she also paved the way towards making sure that outdoor recreation, of which recreational cycling is a very important part, was fully integrated into our new sport strategy, which focuses on outcomes, including physical activity. Does my hon. Friend the Member for Bolton West (Chris Green) agree that the new sport strategy in its integrated form will be a major boost in helping to achieve many of the things that he seeks to achieve?

**Chris Green:** I absolutely agree. It is so important that we integrate the strategies with other policies and the work that various Departments are doing. It is absolutely vital to have that integration, because things can be so much more effective in that way.

**Huw Irranca-Davies** (Ogmore) (Lab): Well done to the hon. Gentleman for securing the debate, and I declare my interest as a long-term cyclist. I have withdrawn my name from the speakers list to allow others to speak.

May I ask the hon. Gentleman to commend civil society as well? That includes the Rhondda Tunnel Society, which is aiming for a huge project to establish the longest tunnel for pedestrians and cyclists in the whole of Europe, connecting the Rhondda and Afan valleys as part of the massive network for cycling that we have in the south Wales valleys. It is a tremendous initiative, just like the one in the lower Llynfi, which is trying to connect up urban settlements along strip valleys. Will he commend all those who put their petitions and their weight behind those campaigns?

**Chris Green:** I absolutely agree. It sounds like a wonderful idea—imagine going through a tunnel and having a beautiful environment ahead of you. It is such a wonderful thing to see happening.

I was talking about cycling champions, and it would be interesting to hear from the Minister just how many cycling champions are now in place. I dare say that many people do not recognise their own cycling champion; perhaps local authorities have not always implemented the idea.

As we move towards further devolution with the establishment of mayors—as a Greater Manchester Member of Parliament, I particularly appreciate that—we would all do well to follow London’s example of investing in infrastructure to make the roads safer for cyclists. In conjunction with that, we must ensure that our planning system makes cycling and walking an early consideration in any new street design, housing development or business park, and encourages local authorities to design road improvements with cyclists in mind. Although that is contained in the national planning policy framework as a mechanism for sustainable development, the existence of cycle lanes alone is not enough. The quality of cycle lanes in new developments can and should be improved.

A key factor in getting more people into cycling is the condition of roads and the availability of cycle lanes. Badly designed cycle lanes force cyclists to use the road. Too often, they are just half a path, and many cyclists choose to use the road because it is dangerous to weave in and out of pedestrians. Such paths also tend to stop at every junction, but cyclists want to maintain their momentum and not stop and start all the time.

**Amanda Milling** (Cannock Chase) (Con): I congratulate my hon. Friend on securing the debate. He talks about cycle lanes on roads. Does he agree that what we need includes investment in cycle trails, such as those around Cannock Chase? They are an excellent facility to encourage leisure cyclists and families.

**Chris Green:** Absolutely. We need a whole range. Emphasis on the roads is important, because people use them to go to the shops and so on, so there is a lot of functional utility to them, but we also need to encourage families to spend time together on their bicycles. It is a great way of having a sustainable cycling environment and culture.

**Ruth Cadbury** (Brentford and Isleworth) (Lab): I, too, congratulate the hon. Gentleman on securing the debate. He gave the excellent example of cycle routes on main roads. Does he agree that in many areas, particularly residential ones, rather than dedicated cycle routes, what works well is quietening back streets to reduce through traffic? My hon. Friend the Member for Hackney South and Shoreditch (Meg Hillier) explains how her local authority has done that. That makes the environment safe for cyclists and pedestrians without the need for dedicated cycle routes.

**Chris Green:** I appreciate that. It sounds like a great use of local initiative. We must be very careful about prescribing too much and telling local authorities, “This is what you must deliver and how you must deliver it.” They must reflect local circumstances and ideas for the local community, because they can make a huge difference.

Many cyclists see how much priority councils sometimes give to maintaining cycle lanes—if a cycle lane is unusable, is it really a cycle lane? We often see overhanging branches, impassable potholes, large puddles, parked cars and poor-quality surfaces, which are especially noticeable for those on racers. I have a racer, and I cannot use some cycle lanes. I have to go on the road, simply because of the nature of the bike. I wish I had four bicycles so that I could choose one appropriate to the road surface. All cycle lanes should conform to the Department’s design guidance, but too often it seems the bare minimum is done rather than what most cyclists

want. The design should be centred on cyclists’ needs. It would be better if more people cycled—if those who made decisions about cycle tracks were cyclists, they would understand better what should be implemented. It is particularly important to have good cycle tracks for disabled people who are able to cycle and use a bike as a mobility aid, but find that the infrastructure is working against them.

As a cyclist, I am acutely aware of the lack of good-quality bicycle racks, which, by their presence alone, promote cycling. If we create the right environment, the cyclists will come. Our local authorities have a duty to provide an environment suitable to support and promote cycling.

**Sir Oliver Heald** (North East Hertfordshire) (Con): Does my hon. Friend agree that good-quality cycle racks, in quantity, are important at railway stations so that people can interact with another form of transport that might take them to London or another city?

**Chris Green:** Absolutely. It is important that cycling is part of a daily routine, perhaps as part of a journey if not the whole journey. I was thinking earlier about Bolton station, a major station serving many of my constituents, who have to travel all the way through the station to one of the platforms to drop their bike off at the cycle rack. Then on the return trip, instead of just being able to just pick it up at the entrance and off they go, they must make an awkward journey through rush-hour passenger traffic. It is important to have the right facilities at railway stations.

Naturally, interest in cycling naturally peaks with the Olympics and the Tour de France, which generate a great deal of interest in cycling as a sport, but we need to ensure that people feel that they can cycle as part of their daily routine. Good governance is essential in improving investment in cycling and the execution of that investment in local government and communities. Many hon. Members will be aware of the Government’s cycle to work scheme, which operates as a salary sacrifice employee benefit. Employers buy or lease cycling equipment from suppliers and hire it to their employees. Employees who participate in the scheme can save up to about 40% on the cost of a bicycle and cycling safety equipment. More than 600,000 employees have participated in the scheme to date. I have heard anecdotally that councils have a slightly lower take-up rate than the private sector, which is not only a concern for the health of council workers but is perhaps suggestive of councils’ enthusiasm for cycling.

The cycle to work scheme provides a mechanism to change the perception of cycling and sustainable travel and behaviour towards it. The Cycle to Work Alliance’s recent survey showed that 62% of participants were non-cyclists, novice cyclists or occasional cyclists before joining the scheme. Having joined, 79% of respondents described themselves as enthusiastic cyclists.

**John Stevenson** (Carlisle) (Con): I congratulate my hon. Friend on securing the debate. In Pendle, a huge number of firms have taken advantage of the Government’s scheme. One is Carradice cycle bags in Nelson, in my constituency. It has seen a huge increase in the number of employees cycling to work thanks to the Government’s initiative, so it is important to continue it in the years to come.

**Chris Green:** It is fantastic to hear about the impact of the Government's scheme in the private sector, and about bosses encouraging people to live healthy lives on daily basis, which will make a difference to people. There will be all kinds of other benefits.

In setting out the process and timescales for the first cycling and walking investment strategy, the Government are seeking to ensure that local government and business partners design places and routes for people travelling by bicycle or on foot at a local level across the country. Members will be aware that funding for the strategy, which has not been done before, is to be allocated on the same basis as that for rail, motorways and main A roads, with £300 million dedicated to cycling and walking over the next five years.

**Mrs Helen Grant (Maidstone and The Weald) (Con):** I, too, congratulate my hon. Friend on securing the debate. Although a lot more people are cycling, which is good, does he agree that more effort needs to be made to ensure that people from black and minority ethnic communities and deprived communities also have that opportunity?

**Chris Green:** Absolutely. There is a perception that cycling is for young to middle-aged white men. Those who cycle in competitions and on the sporting side are representative of those who cycle in society as a whole, and we need to encourage people throughout society to cycle. That is why it is so important that London and our cities develop cycle routes.

**Greg Mulholland (Leeds North West) (LD):** I congratulate the hon. Gentleman on securing the debate. I share his passion. In Otley, we are proud to have the women's road cycling world champion, the wonderful Lizzie Armitstead, who was nominated for sports personality of the year. We welcome the fact that we have the first women's Tour de Yorkshire starting in Otley this year. We must use that to get more women and girls cycling both recreationally and for sport.

**Chris Green:** That sounds like a fantastic opportunity to promote women's cycling. So much more can be and is, I am pleased to hear, being done to promote role models to show that more people from all kinds of backgrounds can and should participate in cycling, both on the recreational side and for its utility in daily life.

I emphasise that the strategy is about a desire for walking and cycling to become the norm for short journeys or as part of longer journeys. Cycling does not need to be reserved exclusively for exercise—in other words, people pursue it as a sport and have to spend a huge amount of money on a bicycle and wear Lycra. In fact, it is the non-Lycra side of cycling that we need increasingly to promote. Cycling should be seen not as an expensive sport, but as a normal activity that people can undertake while wearing normal clothes and on an affordable bicycle.

Through the promotion of cycling, the Government are creating a catalyst for attitudinal change towards modes of transport and an active lifestyle. Integrating cycling into routines for small journeys, whether that involves popping to the local shop for groceries or cycling to work each day, can have a profound effect on health.

Sport England has reported that 27.7% of adults in England do less than 30 minutes of moderate physical activity a week. It is now feared that, for the first time, children's life expectancy will be lower than that of their parents because of physical inactivity. Shockingly, one in six deaths is now linked to physical inactivity, which is on a par with smoking as a cause of death. Only yesterday, in the Select Committee on Science and Technology, we heard Professor Dame Sally Davies, the chief medical officer, giving evidence and describing us as living in an "obesogenic environment"—that does not sound very positive.

I hope that in this short time I have highlighted the considerable benefits of investment in cycling for the national economy, local government and community wellbeing and the considerable health benefits that people of any age, gender, fitness level, income or background can get from cycling. It is encouraging to know that, as a country, we are improving on our investment in and promotion of cycling. However, we must keep pressing the issue to avoid complacency and build on the achievements thus far. There is no quick fix or easy solution to create a change in cycling. We need strong leadership from central Government and commitment from local government. There is a great deal more that we can do to get Britain cycling.

I ask the Minister to respond by giving us an update on the Government's cycling policy and by explaining his intentions and ambitions for the cycling and walking investment strategy, which will be published this summer, and what more the Government can do to ensure that the aim of a "cycling revolution" is achieved.

**Mr Peter Bone (in the Chair):** Nine hon. Members have put in to speak, and we will try to get through as many as possible. I am therefore happy to impose a three-minute limit on speeches. The House is likely to divide at 5 pm, in which case the sitting will be suspended for 15 minutes if there is one vote, but if we can get back here earlier, we will start earlier.

4.53 pm

**Mr Ben Bradshaw (Exeter) (Lab):** I shall be brief to allow as many colleagues to speak as possible. I congratulate the hon. Member for Bolton West (Chris Green) on securing the debate and on the very salient points that he made. This is the umpteenth debate that we have had in the House since I was elected in 1997, and I want my remarks to focus on the financial commitment to this agenda.

The report by the all-party group in the last Parliament was an important report that all the Back-Bench members signed up to. The Prime Minister declared that he wanted to see a cycling revolution in this country. The Minister is a man who, thankfully, has been in the job for some time, so he knows about it. I believe that he is sincerely committed to this agenda.

We made it clear that the essential components of a successful cycling strategy were political leadership and a sustained funding commitment. The hon. Member for Bolton West was partly right when he talked about the level of funding that the Government have now committed, but the figure that he referred to included London, and London massively skews the overall figures. The overall amount that we are currently being offered in terms of cycling investment is still little more than £1 per head per

year, in contrast to the £10 per head per year that the all-party group report said was a starting point, leading to £20, which is equivalent to what most other European countries spend.

We will not deliver the cycling revolution that the Prime Minister spoke about without significant extra resources for cycling. My one request of the Minister is that he explain something that he and predecessors have not really been able to explain to me. We are talking about such a tiny amount of money—a fraction of his roads budget, for example, and a fraction of his overall strategic transport budget. All he would need to do is reallocate a very small amount of money that is already committed to other things—we are not asking for more money from the Treasury—to cycling, and he would deliver the cycling revolution that the Prime Minister says he wants, so my simple question for when the Minister responds is: why can they not do that?

**Mr Peter Bone (in the Chair):** When the House divides, could I see the Minister, the shadow Minister and the Scottish National party spokesman here?

4.55 pm

**Alex Chalk** (Cheltenham) (Con): I, too, congratulate my hon. Friend the Member for Bolton West (Chris Green) on securing the debate and on his excellent speech. I declare an interest: I am a cyclist and I am a co-chair of the all-party cycling group. But as has already been intimated, the problem is that I am far too typical. The reality of cycling in the UK is that it is disproportionately the preserve of young to middle-aged males. We will be sure that we have done a half-decent job on cycling only when we have as many women as men cycling in our country, and we will know that we have done an excellent job only if the sight of women cycling with their children becomes far more routine than it is now.

The case for cycling is not some ill thought out, muddle-headed notion; it is hard-headed, practical and robust. As we have heard, the economic case is clear, particularly when it comes to utility cycling—by that I mean the daily commute or short journeys. A healthier population places a smaller burden on the NHS and, as has been said, people who cycle regularly in middle age typically enjoy a level of fitness equivalent to that of someone 10 years younger. That makes my hon. Friend about 25, I think—close.

There are so many advantages to cycling, but I cannot go through them all now. However, when we are calling for more funding, it is in reality a call for investment that over time will yield a good return for our society, for the taxpayer and for the planet. I believe that the Government are committed to increasing cycling participation. We have had very useful and constructive meetings. However, I gently suggest that funding sources for cycling are not as clear as they might be, because they are divided across various pots: the Highways England cycling fund, the Bikeability pot, the cycle city ambition grants, the access fund and the local growth fund. I invite the Government to clarify the available funding, so that we can be absolutely clear on what funding exists for cycling and what scope exists for improving it in our country.

The key ask, the bottom line, is that we will get a step change in cycling participation only if we invest in segregated highways on our urban arterial routes. Cyclists need that physical separation to feel truly safe. There is

no way I would take my children out in a cycle trailer without one, and that is a shame. We need to look at segregation and at 20-mph speed limits in residential areas if possible.

I am very grateful for the work the Government have done so far. I urge them to go further and, in particular, to clarify the funding streams, because the prize for our society, for taxpayers and for the planet is great indeed.

4.58 pm

**Jim Shannon** (Strangford) (DUP): It is a pleasure to speak in the debate. I congratulate the hon. Member for Bolton West (Chris Green) on initiating it and thank him as well.

Cycling has been a somewhat surprising and unsung hero of the emerging leisure industry in Northern Ireland. When I come to this Chamber to speak on anything, I always try to give a Northern Ireland perspective. I know that this is a devolved matter, but we are aware of the importance of cycling. We have come from the dark days to host the start of the famous Giro d'Italia, which went through my constituency, which attracted many people for the charity ride—those who perhaps were not ardent cyclists, but wanted to participate in the charity part—and which attracted many people to watch it as well. There is a plethora of outstandingly beautiful routes, including the Comber Greenway in my constituency. We have one route from Comber through to Dundonald. It was organised by and paid for by Sustrans. The great thing about it was that it gave people on bikes as well as pedestrians a chance to follow their sport in a safe fashion.

We have the Mourne coastal route and a whole host of coastal roads across the area of outstanding natural beauty in my constituency of Strangford. North Down Cycling Club regularly has its races up and down the Ards peninsula. Cycling provides a boost not only to the leisure industry, but to tourism. We are part of the fight against obesity.

Just this week, my party colleague Michelle McIlveen, an MLA and Minister for Regional Development, has launched what has been hailed by local cycle campaigners as a “cycling revolution.” It is always good in Northern Ireland—and, indeed, in Ireland—to say we are having a revolution that involves not guns, but cycling. We have spent some £800,000 on the trial scheme, which includes three cycling routes through Belfast. One route links the east to the west, which is important because it unites Unionists and nationalists. It brings the communities together. Cycling has not just been a leisure activity; it has united the communities of both sides of Northern Ireland.

Northern Ireland Greenways campaigner, Jonathan Hobbs, hailed the plans as a “radical” shift in the right direction, commenting:

“These plans were produced by a dedicated Cycling Unit which is now working across government with a growing budget”.

Belfast Bikes recently received its 150,000th journey, so there is an impending cycle revolution. Cycling lanes in Belfast are clearly used, and cycling is a popular pastime for enjoyment and recreation.

All those things provide the momentum that has led to cycling taking off in Northern Ireland. As well as all the positive developments, the Stormont Assembly has an all-party group on cycling. Only by investing in safe cycle routes, as many of my party colleagues have done

[*Jim Shannon*]

in Belfast, can we begin to promote cycling not only as a recreational activity, but as a viable alternative form of transport. I wholly support this debate and congratulate the hon. Member for Bolton West on securing it. I look forward to hearing other thoughts from people across the whole United Kingdom of Great Britain and Northern Ireland, where we are better together.

5.1 pm

*Sitting suspended for Divisions in the House.*

5.22 pm

*On resuming—*

**Mrs Flick Drummond** (Portsmouth South) (Con): I thank my hon. Friend the Member for Bolton West (Chris Green) for securing this debate.

As a cyclist myself, although I do not wear Lycra, I am fortunate to live in Portsmouth, a compact, flat city in a beautiful setting, with the sea, two harbours and the Hampshire downs behind it. Portsmouth should be a paradise for cyclists, but in fact its casualty rate for cyclists is one of the highest in the country; indeed, it was second only to London in 2014. During a five-year period, 157 cyclists were killed or seriously injured on our streets, and quite rightly local cyclists are lobbying strongly for improvements to our roads, and for cultural change to bring that terrible figure down.

We have some great national groups fighting for cyclists, such as the CTC, but the figure I have just quoted comes from our excellent local cyclists group, the Portsmouth Cycle Forum. It has produced a strategy document called “A City to Share”. The vision of that document, and mine, is to make Portsmouth the cycling capital of the UK, and given what I said a moment ago about the city’s geography, people will see why that makes sense. The strategy document identifies five goals: a safer city; improved health outcomes; a stronger local economy; a better environment; and a more liveable city for everyone, not just cyclists.

Another source of inspiration for everyone is the Tour de France, which Portsmouth City Council hopes to bring back to our streets. We were lucky to be visited by the Tour over 20 years ago, and I know that the cyclists and organisers had a fantastic time touring our historic streets in Portsmouth and the beautiful Hampshire countryside. Since then, Portsmouth has seen a huge amount of renewal and the city would like to have le Grand Départ in 2019, to coincide with the 75th anniversary of the D-day landings. Any help the Minister can give to ensure that that event comes to Portsmouth would be helpful, not least to tourism. Any help—financial or otherwise—would be great.

I hope that, through the access fund, it will be possible to get support for a thorough survey in Portsmouth, so that we can match up the vision set out in “A City to Share” with the city council’s road strategy. We need to do that because the roads in Portsmouth are under growing pressure.

Finally, while we are debating cycling here in the context of what the UK Government can do, I want to remind everyone that there are all sorts of cycling schemes operating across the EU. Having recently pointed Portsmouth City Council in the direction of one such

scheme, called FLOW, I want to make sure that everyone is getting the best out of the various programmes in Europe. We can learn a lot from best practice on the continent but, as with many other areas of policy, I am not sure that we are yet very good at ensuring that we tap into all the resources that are available through the European Union.

5.24 pm

**Greg Mulholland** (Leeds North West) (LD): I congratulate the hon. Member for Bolton West (Chris Green) on securing this important debate and I look forward to working with him and all hon. Members to push this agenda forward.

I am very proud to represent a region that has clearly become the UK capital of road sport cycling, with the incredible success of the Tour de France being followed up by the Tour de Yorkshire. We also have the inspirational Lizzie Armitstead, who is from Otley and who has become the women’s road race world champion, having won the silver medal in the women’s road race at the London Olympics; in fact, hers was the first medal won by a Team GB athlete in the 2012 games. Of course, we also have the Brownlee brothers in the triathlon, one of the three disciplines being cycling. To see them out cycling inspires local people.

One message coming out very strongly today is that we need to invest in cycling, both at the sporting level and in terms of infrastructure and recreational cycling. They are linked, because one leads to the other, if the first is properly inspired. However, the infrastructure must be there.

The “bang for your buck” that comes from investing in cycling is really quite remarkable. The cost of staging the three days of le Grand Départ of the Tour de France was £27 million, of which £10 million came from a Government grant, which was much appreciated. The staggering boost to the UK economy from that investment was worth £130 million.

Regarding infrastructure, I was delighted that the coalition Government backed the Leeds and Bradford Cycle Superhighway. When that route is completed, it is expected that 9,000 trips will be made on it every single day. The coalition Government put in £18 million towards it. Again, that shows the change that such investment can make.

Of course, we need to make sure that the success in the sport of cycling, which is welcome, leads to more people just getting on their bikes to go to work, to school or to the shops. I pay tribute to the Leeds Cycling Campaign for the work it does, because that work is part of the real legacy when it comes to changing the culture in a society, which is what we need to do. We need education as well as investment in infrastructure.

Where we can have cycling lanes, we should have them, and we should plan them into both road schemes and light rail schemes. I want to see more of those schemes as well. However, where that is not possible we need more innovative solutions, such as the Superhighway and cycling-friendly routes across medieval cities.

My final plea to the Minister is this: will he back the four-day Tour de Yorkshire next year, because that event will make a huge difference and get even more people in our beautiful county and our wonderful country on their bikes, which is clearly what we all want to see?



5.27 pm

**Pauline Latham** (Mid Derbyshire) (Con): It is a delight to serve under your chairmanship again, Mr Bone.

I congratulate my hon. Friend the Member for Bolton West (Chris Green) on securing this important debate. I wish to follow on from my hon. Friend the Member for Cheltenham (Alex Chalk), who talked about women and children cycling. In my constituency, I have literally hundreds and hundreds of cyclists, but they are not families. Families are frightened to go out on bicycles. The most amazing world heritage site—the Derwent Valley Mills—is in my constituency, but cyclists cannot get to it. We cannot encourage tourists in, because they cannot get to it. To reach it, cyclists have to go up the main A6. There is no sensible place to put a cycle route, so we need an off-road, dedicated cycle route, but one that can be used by walkers and others as well, so that it is multi-use.

I have got a group of local people working towards plotting such a cycle route. They are working with all the local authorities, who are mainly on board, apart from Derbyshire County Council, which does not like to do anything in a Conservative area. Everybody else is on board.

We need that cycle route, so that we can encourage tourism into Belper and other places. We can get people cycling for leisure, instead of having to put their bikes on their cars to drive out into the countryside to go on the various trails. I do not have a cycle route in my constituency at all, which is a real deficit for people who genuinely want to get out and take their families out, without having to make a major journey to do it. They want to be able to just take their kids out for a cycle on a Saturday or Sunday afternoon. That dedicated route would help that happen and encourage more and more people to cycle.

**Mary Robinson** (Cheadle) (Con): I congratulate my hon. Friend the Member for Bolton West (Chris Green) on securing this debate. I wholly agree with my hon. Friend the Member for Mid Derbyshire (Pauline Latham) on this point. It is great that we get the investment—in Greater Manchester there has been £40 million of investment in 100 km of cycleways, and there have also been smaller schemes, such as the cycle friendly district centres scheme—but it is crucial that we also have the feeling of safety. Perhaps we could increase driver awareness—their consciousness of cyclists on the road and their safety.

**Pauline Latham:** My hon. Friend is right that we need to raise awareness, but with a road such as the main A6, which is just a two-lane road with huge lorries—sometimes those lorries are coming from quarries and going all over the place—it is dangerous for anyone, whether man or woman, and definitely so for a child.

I implore the Minister to look at how we can get more people off the road in my constituency and on to cycle routes, because I know that there is demand. That would not only help the leisure cyclist, but commuters coming into or going out of Derby—some do commute out for work. Removing cyclists from the main road could benefit the whole population by making cyclists' lives safer and helping prevent traffic congestion caused by cyclists weaving in and out. They can cause hold-ups. I would like to see that dedicated cycle route happen,

so I hope that the Minister will give us a crumb of comfort that he might look at investing in that route in Mid Derbyshire.

5.31 pm

**Drew Hendry** (Inverness, Nairn, Badenoch and Strathspey) (SNP): It is a pleasure to serve for the first time under your chairmanship, Mr Bone. I congratulate the hon. Member for Bolton West (Chris Green) on securing this important debate, which is on an issue we can all get behind. Time does not allow me to go into a lot of detail, but the Scottish Government are committed to the largest transport investment programme that Scotland has ever seen. That includes investing in cycling infrastructure. Cycling is beneficial, not only for the local environment but for health and wellbeing, too. There were pilot schemes in Scottish towns between 2008 and 2012 under the “Smarter Choices, Smarter Places” programme. Under those schemes, which aimed to encourage cycling, it was found that attitudes towards the local community and neighbourhood became much more positive and ratings of the area improved, too.

**Margaret Ferrier** (Rutherglen and Hamilton West) (SNP): Will my hon. Friend join me in congratulating community initiatives such as CamGlen Bike Town in my constituency and organisations such as Healthy n Happy and Cambuslang Community Council on the work they do in promoting cycling and safe cycle routes?

**Drew Hendry:** I certainly will. I hope to mention briefly a couple of such schemes in my constituency, but there are many such schemes in all the nations of the UK, and they are to be congratulated. Studies have found that cyclists spend more in local shops. They are good at consuming locally, because they pass those places.

This is a life and death issue. I was pleased to be present when Sir Harry Burns, a former chief medical officer of Scotland, gave us a presentation on the causes of early death. We might expect those to include a range of diseases, such as cancer and heart disease, and those are important and should be tackled, but by far the biggest factor is a lack of exercise. Cycling is a great way to challenge that and to get people to be healthy again. We must encourage people to live healthier lives. In Scotland, cycling as a main mode of travel has seen a 32% increase since 2003. The UK Government published their own strategy in December, but I hope that they will also look at the successful work of the Scottish Government in this area.

Inverness aims to be Scotland's cycling city. Some 5.6% of people make their journeys to work by bike. We have four out of the top 10 council wards in Scotland for cycling to work. Nairn, Badenoch and Strathspey schools have received funding for projects through the Scottish Government's “Cycling, Walking and Safer Streets” initiative, and that has also helped. Some 64,000 people have used the Millburn Road cycle route since November 2014, which is a massive indication of the importance of that route.

In my constituency, we have the Velocity cafe and bike workshop. It is a social enterprise running several projects, such as “Women's Cycle to Health”. The bike academy teaches mechanics in its shop. The Go ByCycle project works with four Inverness schools and offers workplace sessions on bike mechanics and safer routes

[*Drew Hendry*]

to encourage people to get on their bikes. Kingussie was selected by Cycling Scotland to help develop a new cycle friendly community award. Next week I will be attending the launch of a new vision, “Cycling INverness: Creating a City Fit for the Future”, and I hope the Minister will join me in welcoming that initiative. Finally, I make a plea to him to protect the salary sacrifice scheme. It is a tax-efficient and beneficial scheme, which helps create better outcomes for health and wellbeing. I hope he will commit to ensuring that it is protected.

5.35 pm

**Andrew Stephenson (Pendle) (Con):** It is a pleasure to serve under your chairmanship, Mr Davies. I congratulate my hon. Friend the Member for Bolton West (Chris Green) on securing this important debate and other Members on their contributions.

In the time I have represented Pendle, cycling has become an ever more important part of everyday life, whether that is as an activity that people participate in or through events that provide amazing spectator opportunities. In my maiden speech back in 2010, I made reference to the national road race championships, which showcased Pendle’s wonderful countryside and villages to potential future visitors. That major sporting event paved the way for similar events, such as the Colne grand prix that sees my home town centre turned into a race track for a night of racing every July. Most notably, stage 2 of the Tour of Britain last September showcased Pendle and Ribble Valley in all their glory.

Such events are more than just fun memories; they contribute to the local economy. The Tour of Britain itself brought more than £3 million into Pendle and Ribble Valley. Pendle is lucky to have many vibrant businesses linked to cycling, such as Hope Technology in Barnoldswick, which the Prime Minister visited in April 2013. It is a fine example of a firm that is benefiting from the increased interest in cycling in the UK. More than 2 million people now participate in cycling at least once a week. The interest is so great that the company has ambitious plans to build a velodrome to aid its research and development and to create an amazing facility open to the community. I think it would be the first velodrome built in the UK outside a major city.

I cannot let the opportunity pass without mentioning our Olympic hero and gold medallist, Steven Burke. His success at the London 2012 Olympics continues to be an inspiration to many aspiring riders, young and old, in Pendle. That is nowhere more evident than at the Steven Burke cycle hub, a 1 km enclosed floodlit cycle track that opened in 2015 thanks to funding from British Cycling and Sport England’s inspired facilities fund. From that excellent community facility, Cycle Sport Pendle continues to train the next generation of cyclists.

Cycling is of course much more than a spectator sport and an enjoyable pastime; it is a mode of transport. That is why I particularly welcome the Department for Transport’s announcement in December 2015 that £50 million would be provided to fund Bikeability training in our local schools. I had the pleasure of attending a Bikeability session at Sacred Heart Primary School in Colne, where I spoke to the young people involved. They told me how important it was to learn how to ride

safely on our roads. Teaching young people to ride safely is important. The Government’s Cycle to Work scheme, which my hon. Friend the Member for Bolton West mentioned, is also important.

I urge the Minister to ensure that we take the opportunity to improve our cities, towns and villages for cyclists, so that we continue to see an increase in the number of people taking to two wheels.

**Mr Peter Bone (in the Chair):** The Front-Bench spokesmen have been gracious in reducing the time they will take, so I call Ruth Cadbury and ask her to be brief, please.

5.38 pm

**Ruth Cadbury (Brentford and Isleworth) (Lab):** It is a pleasure to serve under your chairmanship, Mr Bone. Along with the hon. Member for Cheltenham (Alex Chalk), I co-chair the all-party parliamentary cycling group, and I refer the Chamber to its 2013 report, “Get Britain Cycling”.

I want to try and resist using the term “cyclists”, as it might imply that people who ride bikes are in some way a protected category. Most households have at least one bike in their shed or garage. Many people cycle occasionally and some cycle regularly. Many more would cycle regularly if they were encouraged to and if they felt their route was safe.

The advantages of cycling for people’s health, the economy and the public purse are clear and have been alluded to by other speakers today. However, to increase cycling, we need to see not only financial investment from the Government, but investment in political leadership and policy development and the setting of a good example. If the Dutch Government can make the journey that they have made over the past 30 to 40 years, there is no reason why the UK Government cannot follow.

Safety is at the heart of the investment strategy, for people will not get on their bikes unless they feel safe. There are a number of examples of improvements that need not cost the public purse anything but which could be described as investment in cycling. Transport for London has trained 20,000 heavy goods vehicle drivers in cycle awareness and many thousands of cyclists in HGV awareness. The “Exchanging Places” programme educates HGV drivers and cyclists in London about the problems of visibility from the driver’s cab of a cyclist trying to pass. That is now being rolled out in other cities.

There has been work in London to improve the mirrors installed in drivers’ cabs, and also to install alarms, but we ask the Department for Transport to make those mandatory. If TfL can enforce such standards in London, the Department and police authorities can surely work together to do that nationally. It would be really helpful if the DFT required all HGVs to install full-length windows on their left-hand cab doors—a small expense if it can save a life. While waiting for EU law to catch up, the DFT could set an example by requiring all contractors on major transport schemes to use such cabs.

The all-party group on cycling has invited the Secretary of State for Transport to see for himself a new generation of HGVs—I invite the Minister to see them too—as used by a company called Cemex; the lorries are made by Mercedes. We hope to bring a demonstration model into the precincts of the Palace of Westminster so that all parliamentarians can see it.

Many Members will join me in expressing deep concern about today's story from Nottinghamshire that the Crown Prosecution Service is unable to prosecute the driver of a hire car who was filmed carrying out a brutal and deliberate hit and run attack. There is not a good defence. Nottinghamshire police can surely work out who drove the car and enforce the law.

We seek a single, national set of design guidelines, building on the excellent work of TfL and the Welsh Assembly. I hope the DFT will put aside a modest budget to house a repository of good practice knowledge.

5.41 pm

**Stewart Malcolm McDonald** (Glasgow South) (SNP): It is a pleasure to serve under your chairmanship for the first time, Mr Bone. Like other Members, I congratulate the hon. Member for Bolton West (Chris Green) on securing the debate this afternoon. In his opening remarks, he noted that cycling is an important part of transport policy, and he is absolutely right to mention that. Although there is a good story to tell on cycling across the UK, it could be so much better, as has been highlighted by every contribution made.

There might be a question as to why Scottish Members wish to contribute to a debate on an issue that is entirely devolved, but I hope the fact that Sir Chris Hoy comes from our part of this island puts to bed any question over our interest in cycling.

We are meeting here in the great cycling city of London. On Friday morning, I will take the Eurostar train to Paris. To take my bicycle, I would have to box it up and pay a fee of £30 to get to another great European cycling city. That would cost me more than the ticket cost me to get there in the first place—I happened to find a good deal in a sale, but it is more expensive to take a bike on Eurostar, so I hope the Minister will have discussions about that.

In my constituency in Glasgow we had the Commonwealth games, as a result of which there has been an enormous interest in cycling. Cathkin Braes in my constituency overlooks the entire city of Glasgow. There is a fantastic new development there involving the national lottery and Ardenglen Housing Association to create a new mountain biking facility. The great thing about it is that there is a special interest in making sure that it is available to local people and not just the middle-class, middle-aged men who we have heard about this afternoon. I invite all Members in this debate to come to Menock Road in my constituency and look at some of the hellish cycle lanes put down by Glasgow City Council. They will have to cycle through bins, bus stops, lamp posts and people's driveways to have a safe cycle up and down that street.

The ambitious target in Scotland of 10% of all journeys being made by bike is an example to the UK Government. My hon. Friend the Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry) has already outlined some of the things the Scottish Government are doing and the fact that cash has been put in place to get more people on to their bikes. There is therefore no need for me to rehearse that, but it is something that central Government and devolved and local government can work well on, so that we start to look more like European cycling cities than we do at the minute.

The hon. Member for Brentford and Isleworth (Ruth Cadbury) rightly mentioned the Dutch example, which has been an excellent example of a cycle-friendly place for many years. I think Members of all parties want to see the UK Government catching up with that.

5.44 pm

**Daniel Zeichner** (Cambridge) (Lab): It is a pleasure to serve under your chairmanship, Mr Bone. I congratulate the hon. Member for Bolton West (Chris Green) on securing this debate.

We have heard a wide range of strong contributions today, including from my right hon. Friend the Member for Exeter (Mr Bradshaw), who asked the Minister exactly the right question: why can't we do it? Let us hope the answer is "Yes, we can". We also heard from both co-chairs of the all-party group. I want to follow up on the comments that my hon. Friend the Member for Brentford and Isleworth (Ruth Cadbury) made about safety.

I recently met Kate, who is here watching the debate today. Her husband, Martyn, died in 2011, while on a charity cycle ride, after hitting a pothole and ending up in the path of a car. The Government said in their recent road safety statement:

"Behind each and every collision statistic there is an individual story."

They are right: these are real policies that affect real lives. That is why investment in cycling infrastructure and safety must never be an afterthought. Kate is here today because she is passionate about making sure that we do everything possible to make sure that what happened to Martyn does not happen to others.

**Mr Andrew Smith** (Oxford East) (Lab): I am grateful to my hon. Friend for giving way. Does he agree that we really do need concerted action to make sure that urban design guides—street scene manuals—factor in safe and, wherever possible, segregated provision for cyclists, because it does not happen enough?

**Daniel Zeichner:** My right hon. Friend is absolutely right.

A few years ago, buoyed up by the fantastic British cycling achievements in the 2012 Olympics, the Prime Minister promised a cycling revolution, but as so often he has failed to deliver on that promise. He has back-pedalled. There is a real gap between the Government's rhetoric and the reality for cyclists.

The Government say that funding for cycling in our country has risen to £6 per person per year, and that it is at over £10 per person in London and the eight cities that secured cycle city ambition grants. The figure of £10 was recommended by the all-party group in its excellent report, "Get Britain Cycling", and I pay tribute to my predecessor, Julian Huppert, along with my hon. Friend the Member for Dudley North (Ian Austin), for their work. So far so good. What the Government will fail to mention is that while funding levels in London and the cycle cities lift the country's average, funding for cycling outside those areas, after the spending review, is projected to be around just £1.39 per person.

Furthermore, the cycling and walking investment strategy is slowly making its way forward not at a cycling pace, nor at a walking pace, but at perhaps a snail's pace. How will it be funded? Cycling has apparently been allotted £300 million in funding until 2021, but as

[Daniel Zeichner]

we push for further detail, we seem to repeatedly run into a brick wall when attempting to get from the Government how much they actually intend to spend. In fact, in answer to a written question that I tabled about funding levels outside of London and the cycle cities in November, the Minister said:

“It is not possible to predict the geographical distribution of other funding for cycling at this stage.”

It therefore seems that the Department for Transport is unable to predict the outcomes of its own spending commitments. Indeed, funding has been disconnected, as others have said—split between various initiatives, bundled into grants, not ring-fenced—and data on local authority spending are no longer centrally collated.

What we do know is that the £300 million that has been promised for cycling over this Parliament includes the £114 million for the cycle city ambition grants and continued funding for Bikeability training, which we support. What funding, if any, will be left over to fund the investment part of the cycling and walking investment strategy?

There is a real danger that the Government are drawing up an investment strategy with no investment. That matters, because the strategy to improve infrastructure, which was included in the Infrastructure Act 2015 after a powerful campaign, is key to increasing cycling safety. The Conservative party promised in their election manifesto, “to reduce the number of cyclists and other road users killed or injured on our roads every year”,

but the Government have failed to set national road safety targets, claiming that it is a matter for local authorities and thereby trying to absolve themselves of responsibility.

This debate is really important, because cycling safety is a key factor in encouraging people to get on their bikes in the first place. Anxiety and fear about safety stops many people cycling, especially women and older people. In London, three quarters of those aged 65 and over can ride a bike, yet only 6% ever do. Two thirds of non-cyclists and half of all cyclists say that it is too dangerous for them to cycle on the road. We must put in place the right measures to make cycling a safe, accessible mode of transport for all, whatever a person’s age or gender.

5.49 pm

**The Minister of State, Department for Transport (Mr Robert Goodwill):** I congratulate my hon. Friend the Member for Bolton West (Chris Green) on securing this important debate on investment in cycling. Indeed, as part of the Greater Manchester cycle ambition programme, new cycleways are being built in his area: there will be some in Bolton town centre and a route towards Salford along Archer Lane. I also congratulate the hundreds of Twitter users who helped to instigate this debate.

This subject is as close to my heart as it is to the public’s, as I am a self-confessed sprocket head. Indeed, I have made three cycle journeys already today, and before joining the Government I was an active member of the all-party group on cycling. Last week, I spoke in front of that group for an hour, so although my time today is very limited, many of the Members present will have heard what I had to say on that occasion. Also, I was proud to be at last year’s Tour de Yorkshire finish line in Scarborough.

The short answer to the questions asked by the right hon. Member for Exeter (Mr Bradshaw) and the shadow Minister is: yes, we can. But we are of course in an era of devolution of power and budgets. We need to trust the people in the local enterprise partnerships, local authorities and combined authorities to understand the importance of cycling. The evidence so far is that that is working. Indeed, I had a meeting with some LEPs today and made it clear that cycling should be central to some of their work.

The Government want to create a walking and cycling nation, where cycling and walking become the norm for short journeys or as part of a longer journey. Our vision is of streets and public places that support walking and cycling, and a road network where infrastructure for cycling and walking is always being improved. The evidence tells us that more people would cycle if cycling on the road was made safer—incidentally, the risks in London are about the same per kilometre for cycling as they are for walking, but we do not hear people saying, “You must be crazy to walk in London.” The evidence also suggests that the greatest opportunity to increase the levels of cycling in England is to focus investment on providing infrastructure in dense urban environments and towns. Cities that have invested in infrastructure have seen significant increases in cycling.

The cycling and walking investment strategy will go some way to delivering our vision for cycling. In February 2015, the Government introduced through the Infrastructure Act 2015 a duty on the Secretary of State to set a cycling and walking investment strategy in England. Our first publication, “Setting the first Cycling and Walking Investment Strategy”, was published on 17 December 2015. It set out the timescales for publication and our intended structure for the strategy. We aim to consult on a draft first strategy in the spring, with the final strategy published in the summer.

In 2010, under the Labour party, for every person in this country £2 was spent on supporting cycling. Spending on cycling is currently around £6 per person across England and, as we have heard, around £10 per person in London and our eight cycling ambition cities. In future, long-term funding will be available from a wide range of sources, including the new access fund, the integrated transport block, the highways maintenance block and the local growth fund. That means that everywhere that wishes to invest £10 per head will be able to. Local enterprise partnerships are also doing what they can.

In conclusion, the Government understand the importance of a cycling revolution. We absolutely back the Prime Minister in wanting to have that revolution, and we are delivering it with both money and policies.

**Mr Peter Bone (in the Chair):** I congratulate the hon. Member for Bolton West (Chris Green) on securing the debate. We have had 13 speeches and 16 interventions in an hour.

*Question put and agreed to.*

*Resolved,*

That this House has considered Government investment in cycling.

5.52 pm

*Sitting adjourned.*

# Westminster Hall

Thursday 4 February 2016

[MRS CHERYL GILLAN *in the Chair*]

## BACKBENCH BUSINESS

### Preventing Violence Against Women: Role of Men

1.30 pm

**Gavin Newlands** (Paisley and Renfrewshire North) (SNP): I beg to move,

That this House has considered the role of men in preventing violence against women.

It is a pleasure to serve under your chairmanship, Mrs Gillan.

I am proud to be an ambassador for the white ribbon campaign, which was started by men to help to end the scourge of violence against women by encouraging men to take responsibility for the issue. I am proud that this is the first debate held in Westminster looking specifically at what men can do to end violence against women. I am not proud that in the 21st century, in this highly developed country of ours, a woman suffers an incident of domestic abuse every 22 seconds.

Some 1.4 million women were abused by a partner in 2013-14, and the vast majority of those cases were not reported to the police. In addition, 28% of women report that they have suffered abuse in the home since turning 16. The horrific scale of those figures highlights the size of the problem, so I am grateful to the Backbench Business Committee for granting us the opportunity to bring this important issue to Westminster Hall. I also thank the hon. Members for Birmingham, Yardley (Jess Phillips) and for Brigg and Goole (Andrew Percy) for supporting the application.

My contribution to the debate will focus largely on male violence against women. I do not wish to imply that men are not victims of domestic violence; they are. However, the vast majority—about 80%—of domestic violence cases are perpetrated by men on women. All of us in the House should be concerned that the incidence of male victims of domestic violence in Scotland is on the rise, increasing from 11% of all victims in 2005-06 to 18% in 2014-15. Parliament may want to debate that important subject in the future, but today we are debating violence against women.

There have been significant positive legislative steps both north and south of the border, and the Scottish Government currently have an open consultation on establishing a new domestic abuse offence. It is hoped that the offence will be similar to, but wider in scope than, the new law recently enacted in England and Wales. Alongside physical abuse, the offence may include acts that are not currently viewed as criminal in the eyes of the law, including abusive behaviour that is likely to cause a victim to suffer psychological harm. That behaviour includes the deprivation of liberty and autonomy; isolating an individual from friends, family and wider society; withholding or controlling access to resources, including

money; psychological control and manipulation; threats and the creation of a climate of fear, including threats towards children; and controlling or withholding access to healthcare, education or employment opportunities. The move would be welcome, and it follows on from the introduction of the Abusive Behaviour and Sexual Harm (Scotland) Bill and of Clare's law, which allows people to contact the police and request information on a partner's background if they suspect him of a history of domestic abuse.

I have been asked by some why I am so interested in the issue. The truth is that until a few months ago, I was not. I had not realised that the statistics were so shocking, and I had not even heard of the white ribbon campaign. In September last year, I was playing rugby for Parliament's Commons and Lords team. I actually only played for three minutes before I was carted off to A&E for what was eventually diagnosed as a bruise, which is quite embarrassing in rugby. When I eventually went back to the ground, we were posing for pictures and someone put a lapel badge on me. I did not know what it was, but it was put on my shirt by a team mate. If I were allowed to say that that team mate is now sitting in the Public Gallery, I would, but I am not allowed to say that so I will not. He put the badge on me and we all smiled for the pictures, but I thought, "I'd better look this up." I was a new MP, and the *Daily Mail* does not need any excuses to write stories about Scottish National party MPs so, just to make sure I researched the badge straight away and was pleased to discover the white ribbon campaign.

In further research, I discovered the shocking statistics. Like many others, I had just assumed that domestic abuse was on the decrease, but I was shocked to discover that it was not. The fact was, I had been involved in politics at an activist level for such a long time and I had played rugby—where the white ribbon campaign is fully active—for 17 or 18 years, yet I had not heard of the campaign, so I thought I would use my voice as a new MP.

**Greg Mulholland** (Leeds North West) (LD): I congratulate the hon. Gentleman on securing the debate, and I am delighted to be working with him on this important campaign. I am sorry to hear of his experience with the Commons and Lords rugby team, and I apologise for having to leave the debate early because I am going to the start of the super league season in the other code—rugby league. Does he agree that sports stars such as Ikram Butt—the Leeds, Featherstone and England rugby league star—and strong sporting heroes from all sports are ideal role models for showing that strong men are absolutely against violence against women in all its forms?

**Gavin Newlands:** I could not agree more with the hon. Gentleman. Later in my speech, I will call on sportsmen, celebrities and MPs—men of all persuasions—to support the white ribbon campaign.

I am a father of two young girls, and I always worry about their futures—about how they will grow up and who they will settle down with when they are much, much older. As a father and as a citizen, I want to do all I can to stamp out the abhorrent use of violence and bullying that puts down and disempowers women, and I will work with anybody from any party in trying to achieve that.

[Gavin Newlands]

In Scotland, the stark economic cost of failing to address domestic violence is said to amount to £1.6 billion. A 2009 study completed by Sylvia Walby of Lancaster University suggested that in England and Wales, domestic abuse alone costs society more than £15 billion a year in costs to services and economic output. However, regardless of the sums involved, failure to tackle domestic violence is simply not an option. The figures that I have just read out do not quantify the human and emotional cost that arises from violence against women.

At the very heart of it, this debate revolves around the premise and reality of equality. Some argue that we live in an equal society, that men and women are treated equally and that young girls are provided with the same opportunities as their male counterparts. Those people are sadly wrong. We are not living in an equal society, and still today, in the 21st century, too many men think they are in a position to overpower women and treat them as they see fit.

In England and Wales, abusive partners cost the lives of two women every week. Back home, Police Scotland spends 20% of its operational time dealing with instances of domestic violence. Domestic rape almost doubled in 2013-14, with an increase of 81%. Politicians are known to bandy about figures and statistics, and I do not intend to use too many more, but these are not just numbers; they are horrific and often life-changing experiences suffered by women across the country. The statistics show that we do not live in an equal society. They indicate that for too many women, this is still a broken society. With one voice, this Parliament should say, "Enough is enough."

If there were any doubt that this debate is needed, by chance it falls in the week in which we have witnessed an angry outcry across the UK about the ridiculous and attention-seeking pro-rape blogger Roosh V. This small, pathetic excuse of a man has some of the most abhorrent views that I have come across, and is endangering the lives of women to further his own career. The views he expresses highlight the long journey that we still have to travel to ensure real, not perceived, equality for women.

A lot of good work is being done to tackle the effects of domestic violence and to enable authorities to charge and convict offenders. Efforts to prevent it from occurring in the first place have also increased. Both the UK and Scottish Governments are committed to eradicating domestic violence from our society and have adopted preventive strategies in combating it.

In 2010, the coalition Government launched their strategy entitled "A Call to End Violence against Women and Girls", which committed to challenging the attitudes and behaviours that cause many women and girls to live in fear. The strategy is aimed at providing the authorities with the tools that they need to bring perpetrators to justice. The desire behind it is to adopt a partnership approach to preventing violence from happening in the first place. That is the correct approach to take—working across organisational boundaries to achieve a common goal. We need to intervene early, preventing violent acts against women from becoming the norm and working with all bodies to help eradicate domestic violence from our society. I will come back to the subject of prevention work.

The UK Government are providing funding to local groups that perform services that help to tackle violence against women. However, earlier this week Women's Aid informed me that the current crisis funding for women's refuges in England will come to an end on 31 March. The Minister sidestepped this question in the Chamber this morning, but when she responds, will she commit to a long-term, sustainable funding solution for women's refuges?

**Dr Rupa Huq** (Ealing Central and Acton) (Lab): The hon. Gentleman is making a powerful speech. He talks about cuts to services. Does he agree that the Government are often clever in defraying those cuts on to local government? In my borough, Southall Black Sisters does very good work for black and minority ethnic communities on issues such as forced marriage, female genital mutilation and the impact of religion and culture. The organisation is being stifled at the moment because the grant to Ealing Council has been cut drastically, which is affecting its ability to deliver those services.

**Gavin Newlands:** Absolutely. It is often the people who need such services the most who suffer as a result of cuts. I will return to funding, but the hon. Lady's remarks are welcome.

I welcome the fact that the Scottish Government share the approach of seeking to intervene early and to work with others to help create a society in which women and girls are free from abuse. The "Equally Safe" strategy, launched in partnership with the Convention of Scottish Local Authorities, is aimed at preventing and eradicating violence against women and girls, and creating a strong and flourishing Scotland where all individuals are equally safe and respected. One positive aspect of the strategy is that it not only sets out to prevent violence against women from ever occurring, but seeks to address the daily inequalities and injustice that women face.

The Scottish Government have supported the strategy with sizeable financial support. In March 2015 the First Minister announced that £20 million would be invested in a range of measures to address all forms of violence against women and girls, in addition to the £11.8 million provided as part of the Scottish Government's equality budget for 2015-16. More than £2 million of that funding has been allocated to prosecutors and the courts service to ensure that cases involving abuse are heard more quickly. Some £1.8 million has been awarded to Rape Crisis Scotland over the next three years to allow it to expand its advocacy services across the country, including by having rape crisis services in Orkney and Shetland for the first time. Less than a week ago, the Cabinet Secretary for Social Justice, Communities and Pensioners' Rights, Alex Neil, announced a further £0.5 million to help build stronger and more resilient women's support groups across Scotland by helping to improve their infrastructure.

That investment by the Scottish Government amounts to a 62% increase on the previous Administration. Last week, during a hearing organised by the all-party parliamentary group on domestic violence, many groups raised concerns about funding for the services that they provide. Can the Minister assure those groups that not only will their funding not be cut but that they might see similar uplifts to the ones their Scottish counterparts have received?

I have spoken about prevention and about adopting a joined-up approach to addressing the issue, and I have said that eight out of 10 cases of domestic violence are committed by men on women. That basic premise is what led me to secure this debate. For the past few months I have been proud to be an ambassador for the white ribbon campaign, a worldwide organisation with active groups both north and south of the border. The campaign concentrates on working with men to speak out and challenge male violence against women. It urges men and boys to wear a white ribbon and sign a personal pledge never to commit, condone or remain silent about violence against women. Some 25,000 men have signed up to that pledge, and last year I tabled an early-day motion calling on all Members to support the work of the white ribbon campaign. I make that call again today and urge all MPs to sign the pledge, but this is not just about increasing the number of pledges; it is about creating positive male role models.

Other MPs have been long-standing supporters of the white ribbon campaign, including the hon. Member for Leeds North West (Greg Mulholland), who tabled an early-day motion in November welcoming its 10th anniversary. As MPs, we need to show leadership on this issue. As public figures and representatives, we have a duty to lead by example. Not only should we sign the pledge ourselves, but we should recruit others to the cause. I urge all MPs to go back to their constituency and draw up a list of 20 male figures who are influencers in their local community. They could be faith leaders, community activists, business owners, teachers, sportsmen or celebrities. Target those individuals and urge them to support the white ribbon campaign and to pledge to challenge violence against women in whatever form it takes.

Unfortunately, unlike in Australia, Ireland and Scotland, where central Governments have helped to fund the white ribbon campaign, the UK body receives no state funding. The Government might be interested in learning more about the white ribbon campaign's work, and I invite the Minister to meet me and representatives of the campaign to learn more about its campaigns and to look at ways in which the UK Government might be able to support that work.

Other organisations are working with young boys to prevent violence against women. That is the key battleground in prevention, and one project that I want to spend time talking about involves going into schools and working with pupils on the issue of violence against women. It might shock Members—it certainly shocked me—to learn that police figures suggest that between 2012 and 2015, more than 5,500 sexual offences were recorded in schools, including 600 rapes. That is an appalling state of affairs and underlines the point that much more preventive action is required.

We need to understand the reasons why a young boy grows up to commit such violent acts. I believe that no one is born a violent person, but along the way something happens that makes them become a violent individual. Working with schools is one way that we can help to address that issue. In 2012, the End Violence Against Women coalition published a schools guide to address violence against women and girls, which includes a factsheet setting out the different forms of abuse that women and girls disproportionately experience. The guide helps parents, students and local women's groups

to work with their schools to promote girls' safety. The coalition also accepts that we need to intervene early to prevent violence against women from ever occurring and, in addition to producing its schools guide, it has called on the Government to commit to long-term investment in public campaigns to change harmful attitudes and behaviours; and to ensure that all survivors of abuse have specialist support, whether or not they report it.

The End Violence Against Women coalition's young people's service focuses on interventions with young people who use violence and abuse in close relationships. That work targets young people aged between 10 and 25 years old and focuses on relationship abuse, parent violence and abusive behaviour within the family. That is an important area of work as it helps to change young people's attitudes and behaviours and create more positive relationships between young men and their peers.

Some fantastic work is being done in schools by teachers and by groups such as Respect, which goes into schools to intervene when there are signs of abusive behaviour. However, a lot of that necessary work is interventional in nature. We should be looking to use the expertise of groups such as Women's Aid, the white ribbon campaign and others by letting them go into our schools early and often to speak to young children about relationships, respect and domestic violence. There is evidence to suggest that boys' attitudes harden when they reach their teenage years, so to get through to them, engagement needs to be either early in high school or later on in primary school, or in my opinion, both.

Will the Minister expand on some of the other work going on in schools that is aimed at preventing violence against women? That is an important area, as we want our boys to treat girls with respect and as equals from a young age. Can she assure us that she will consider implementing a formal national programme of engagement, rather than the current fractured localised work? I would also like her to respond to the calls from Women's Aid and others for the Government to make sex and relationships education and personal, social, health and economic education a statutory part of the national curriculum. That would help to ensure that all boys and girls had the opportunity to learn about healthy, mutually respectful communication and the meaning of consent, and to be encouraged to develop broader, more flexible gender roles.

The Government have made progress and have done reasonably well in some areas, but they need a helpful shove in others. If we are to achieve the success that we all want in ending violence against women, we need an effective justice system that truly understands the issue and punishes those who commit such atrocious acts. That includes working with those who are serving time in the justice system as a result of committing violent acts against women.

Respect works with perpetrators of domestic violence, and as well as running an advice service for male victims of domestic violence, it runs a series of specialist domestic violence prevention services. Those services focus on changing perpetrators' behaviour and managing their risk, and the safety of victims, including children, is at

[Gavin Newlands]

their heart. Such services help to prevent repeat cases of domestic violence and help us gain knowledge of why people resort to violence in the first place.

A four-year study conducted in the United States evaluating a similar service to Respect's specialist domestic violence services showed a clear de-escalation of re-assault and other forms of abuse over time, with the vast majority of men reaching sustained non-violence. The services that Respect provides are extremely important, and I urge the Government to work with it, because we need to do more work with perpetrators. We need to help change their behaviour to prevent repeated abuse and to gain knowledge of the causes of domestic violence. All perpetrators of domestic abuse should be encouraged to enter rehabilitation programmes during and after their incarceration.

My final point is about the ratification, or lack thereof, of the Istanbul convention. The Government signed that document on 8 June 2012. Three and a half years is a long time to delay ratifying something to which they have already agreed. This morning, the Minister reassured us that the convention will be ratified once the one remaining issue with the devolved Administrations is resolved. What is that issue, and is she in a position to give Members an indication of when it will be resolved so that ratification can take place? The convention is important as it argues that no single agency or institution can address violence against women alone. The legally binding framework stresses the need for partnership working, intervening early and having a series of integrated policies that stretch across all Government Departments and across sectors. Ratifying the convention will send a clear and strong message about the UK Government's commitment to eradicating violence against women from our society.

Tackling and defeating violence against women is one of the rare issues that unifies this Parliament. However, we should not allow that consensus to foster complacency. There are still too many women who are afraid of doing or saying anything at home in fear of violent repercussions. There are still too many young teenage girls in abusive relationships who are too afraid to get out of them. There are still too many children who go to bed at night and cannot sleep because they hear the violence that is poisoning their home. I for one have had enough. I pledge never to commit, condone or remain silent about men's violence against women in all its forms. Today, as Members of this House, we must resolve that we can, should and must do more combat the abhorrent violence inflicted on women in homes across our constituencies and across the UK. It is an inexcusable shame and a national scandal that these violent acts persist in our society. We have a duty to fight back and eradicate this scourge once and for all.

Several hon. Members *rose*—

**Mrs Cheryl Gillan (in the Chair):** Order. I intend to call the other two movers of the motion now, starting with Mr Andrew Percy.

1.50 pm

**Andrew Percy (Brigg and Goole) (Con):** It is a pleasure to serve under your chairmanship, Mrs Gillan. I apologise that I must leave this debate early. I mean no discourtesy

to the House, but I am chair of a governing body and we are discussing the new school uniform this evening, which is somewhat controversial, so I must be there.

It is a pleasure to follow the hon. Member for Paisley and Renfrewshire North (Gavin Newlands); I agreed with much of his speech. Given the time constraints and the fact that I am leaving early, I shall endeavour not to repeat much of it. I pay tribute to him and to the hon. Member for Birmingham, Yardley (Jess Phillips), who also sponsored the motion. I have been a member of and an ambassador for the white ribbon campaign for two or three years now; it is great to see them here at this debate. The issue is important.

Having said that I would not repeat what the hon. Member for Paisley and Renfrewshire North said, I will now do so. We are aware that domestic violence does not affect only women; in fact, sadly, sometimes when I have posted on social media about this particular campaign, I have been instantly attacked by people saying, "Ah, but what about the men who are victims?" Nobody involved in any of these campaigns is trying to brush that under the carpet. We know that it is not the case that all women are victims, or that all men are perpetrators, but it is a fact that the majority of people who suffer domestic violence are women, and the campaign seeks to address one particular element of that: the role that men can play in tackling violence against women.

Actually, as the hon. Member for Paisley and Renfrewshire North said, it is about men and boys, because boys are an important part of the campaign. I know as a former high school teacher that unfortunately, teenage boys in our communities sometimes have views of women and girls that are entrenched from an early age. It used to sadden me often in the community where I taught. It was a difficult community; we had considerable social problems. Unfortunately, one of the biggest problems that we had to deal with was boys' views of women and girls, often because the person they came up against most in their lives, such as their primary caregiver, was a woman. Their behaviour towards them became unacceptable, and their view of women was concerning. We used to deal with that quite a lot.

I am open-minded about personal, social, health and economic education—I used to teach it—but I am not sure that it has a particular impact or value in schools. As a result of the new workload agreement, it is often not taught by teachers but delivered by others within the school. Unfortunately, when a subject is not examined—even when it is statutory, as religious education is throughout the English curriculum—the priority given to it by the school and the quality with which it is delivered are sometimes questionable. I would argue that equality should be embedded throughout the school curriculum, in both the pastoral role that tutors play and through delivering the curriculum. That is the most effective way to deliver on a theme across schools.

We heard from the hon. Gentleman about the cost of domestic violence, which is estimated at about £23 billion to the United Kingdom and £3.1 billion to employers. Of course, putting a figure on it does not do justice to the real cost of domestic violence, which is human and emotional suffering by the victims and their children. We also heard from him that one in four women will experience physical abuse, and almost half will experience



some form of domestic violence, sexual assault or stalking. As he said, two women a week in the United Kingdom are killed in that context.

Although progress has been made, and in many respects it is encouraging that women now feel able to report far more than they used to, it is worrying that back home in Yorkshire, one in five cases of reported domestic violence are not pursued any further. Public interest issues are sometimes claimed, as are other reasons. That is a major concern, but progress has undoubtedly been made. The hon. Gentleman talked about that, so I will not repeat it, but domestic violence has more repeat victims than any other crime in the United Kingdom, and we should bear that in mind.

The hon. Gentleman also outlined much of the Government action that has been taken. I am pleased that this is the sort of debate that unites people across the House. We all want to go in the same direction. We may debate and discuss how to get there—comments have been made about local government funding and all the rest of it—but I think that the issue unites us politically, and we should pay tribute to this Government and the previous Government for the progress that they have made and the action that they have taken on the issue, some of which he reported.

I will not repeat what he said, but I will mention my local authority. The reason why I became a white ribbon ambassador involves Steven Marshall, the South Australian Liberal leader, of all people, who is a good friend. I noticed that he was involved with the white ribbon campaign in Australia. I thought that it looked like a thoroughly good thing to do. He signed up on behalf not only of his constituents and his party but ultimately, if his party forms one, of the Government, to support the campaign. I thought that that seemed sensible, which is why I approached the white ribbon campaign a couple of years ago to ask how we could engage in it better in my own area. My area is served by two local authorities: the East Riding of Yorkshire and North Lincolnshire.

I approached our leader—Baroness Redfern, as she now is—in North Lincolnshire and asked if she would sign up the council to become a white ribbon council and Scunthorpe to become a white ribbon town. She was pleased to do so. I encourage other Members to ask their local authorities to do the same. Local authorities are already undoubtedly spending a lot of money and engaging a lot of time and effort to tackle domestic violence, but what the white ribbon campaign can bring is important, including getting councils to rethink how they view the issue.

We have engaged Scunthorpe United, which I am pleased to say has now hosted us for two signings. However, it is not just about signing up, getting an award and all the rest of it; it is about what the local authority is actually doing. My authority is now rewriting all its policies, and there are some progressive examples that would read across to other authorities. The entire domestic violence policy is being reviewed in light of the white ribbon campaign.

Importantly, the council is also reviewing its code of conduct for employees. The current code of conduct states that employees must not behave in work or outside work in a way that calls into question their suitability to work for the council. We do not think that that is tightly defined enough, so the local authority is seeking to

make it absolutely clear by writing it into the code of conduct that any employee who engages in domestic violence is never suitable to work in North Lincolnshire. I would say that they are not suitable to work anywhere, particularly if they deal with other vulnerable people.

When commissioning and procuring services, the council will ensure that the principles of the white ribbon campaign are written into new contracts as much as possible, so that anybody with whom the council contracts is aware of them too. The council is also considering a youth engagement strategy, which is important. I agree with what the hon. Member for Paisley and Renfrewshire North said. I know what it is like, as a former teenage lad and a teacher of teenage lads. The people they look up to are, frankly, not Members of Parliament. I am sure that the public generally look up to and respect Members of Parliament, but a really good way to teenage lads is their role models in sport—in the local football team, in rugby and, I hope, increasingly in American football, a proper sport. That is how to engage lads of a particular age, which is why a youth engagement programme run by the local authority with sports teams—not just football, but other sport clubs—is important.

There is no doubt that in northern Lincolnshire, we have a big ethnic and minority population who can be difficult to reach on this issue. We have teams operating in those communities, and the council is looking to engage them to find role models there as well, which will be important. Getting the local leaders to take a stand is important, so we have engaged with people in business and local solicitors, and we are encouraging all the elected members in the cabinet to sign up and become ambassadors for the campaign. Then, of course, there is the training for staff and all the rest of it, which is so important.

There is a lot that the council can do. I am really interested to see whether one idea comes to fruition. It is to consider a graduate placement or apprenticeship opportunity in this field, specifically to promote the white ribbon campaign in North Lincolnshire, which I think would be really innovative.

A lot is being done; there is a lot more that could be done. Local authorities have a really big role to play in this area, as do schools. The NHS is also important, because one issue that still comes up repeatedly is whether or not the training on domestic violence provided within the health system is as widespread or as sufficient as it should be.

I will not say much more than that, Madam—Mrs Gillan. It is a pleasure to take part in this debate. I believe that this issue unites the House. As I have said, a lot is being done. I pay particular tribute to the white ribbon campaign. If we can get Government working more closely with campaigns such as that, it will be all for the better. I agree that we need to look at the Istanbul convention and consider where we are with that.

There is a real leadership role here for Government, but we will never tackle this problem from the top down; we will tackle it from the bottom up. That means men taking a stand and making it absolutely clear that we will not remain silent whenever there is domestic abuse or violence perpetrated against women, or tolerate it. We have a responsibility. Those of us who are not involved and never will be involved in domestic violence

[Andrew Percy]

have a responsibility to make it absolutely clear to those of our gender who are involved that we will not stay silent if they engage in that sort of behaviour.

**Mrs Cheryl Gillan (in the Chair):** I call the other sponsor of the motion, Jess Phillips.

2.1 pm

**Jess Phillips (Birmingham, Yardley) (Lab):** Thank you for calling me to speak, Mrs Gillan—Madam Gillan—the many variations on what you have been called today—

**Mrs Cheryl Gillan (in the Chair):** Order. Madam Chairman or Mrs Gillan will do.

**Jess Phillips:** Madam Chairman, Mrs Gillan, it is a pleasure to serve under your chairship.

**Mrs Cheryl Gillan (in the Chair):** Thank you.

**Jess Phillips:** When we look at the fight to stop violence against women in the UK, we see protest after protest by women: reclaiming the night; laying down red shoes to signify the women murdered at the hands of their partners; and women with banners and signs. I know from all my work and from endless academic studies that tackling women's rights issues here and around the world is always best organised and best realised when women self-advocate. We will not be given a break; we will have to take it. I know that men should not lead this fight, but we women will achieve nothing without the world's men joining in and helping us.

It is a shame that I have to say this, but I am glad that, as a man, the previous speaker—the hon. Member for Brigg and Goole (Andrew Percy)—also felt he had to say it. Time and time again, people with egg-faces on Twitter accuse me of thinking that all men are rapists. So, for the record, I will say that I do not think that all men are rapists. I am sure that it is strange for many people out there to hear that I am married to a man, and I have never said that I think all men are rapists, regardless of how many times it has been quoted as something that I have said.

I do not think all men are sexist and I do not think that all men commit violence against women, or against anyone for that matter. Most men are absolutely smashing. Most men would gladly stand up, shoulder to shoulder with their sisters, and demand better. In fact, in a recent Survation poll undertaken by the Fawcett Society, nearly nine in every 10 men surveyed said that they wanted women to have equality in all areas of their lives, which was a higher proportion than the proportion of women who said that. The truth is that men out there want equality, and now we have to help them to act on that.

Unfortunately, a very tiny minority of very vocal men are not like that. A tiny minority of men rape women; a minority of men hit their partners. In any group, there is a tiny minority who let the majority down. It is the same tiny minority of men who get incredibly defensive when women speak up about this issue. I am here to say to them, "Dude, don't always assume that we're talking about you."

It would be fair to say that sometimes I can be clumsy with my words. Sometimes, my emotions and frustration pour out in words that perhaps I should consider just a little more, but I get angry because it is an unpalatable truth that women are sexually harassed and assaulted and physically abused hundreds and hundreds of times every day in this country, and always have been. For every man who has tweeted me, emailed me and called my office this week to say that that is total rubbish, three times as many women have sent me messages telling me their experiences. The most wonderfully heartening messages this week, and I think they were the messages that I received most frequently, were those from hundreds of men showing their support for the women in this country.

Violence against women is not something that just happens on a TV drama or in one section of society; it is everywhere. I have worked with women who have the most horrific tales to tell and I have tried to retell their stories; stories of rape as a weapon of war, and stories of a life of torture and fear. This violence exists—it happens—but the reality of violence against women is far less bombastic, and far more pedestrian and everyday, and that is what people find so hard to believe.

Here are some of the stories from my life, and from the lives of others who have been in touch with me this week. I will start with my own story.

When I was 19, I was having a drink in a bar and a man pinned me against the wall, and stuck his hand up my skirt and inside my knickers, in full view of all of his mates. I slapped him in the face, as I am sure everybody in this room today would expect me to do, and I was thrown out of the bar, even though I told the security staff what had happened. The man and his mates laughed at me as I was ejected. I was terrified, and I am sad to say that that was the not the one and only time that I have been terrified by a member of a tiny minority.

Following my recent outing on "Question Time"—an occasion when my words could possibly have been chosen better—I received hundreds of messages from around the country. Here are just some of them:

"I was dancing on the dance floor. A group of lads started to lift up my skirt and try to pull down my pants. I just walked away."

"I am a beautician and I was in a consulting room with a client. He asked me if I offered extra. I said no, he exposed himself to me and started to masturbate. I asked him to stop, he said sorry, he couldn't control himself. I am visibly pregnant. It didn't stop him. He's been in since as if nothing happened."

"I was on the tube this week. A man kept putting his hand on top of mine on the rail, every time I moved it he did it again. I moved my hand, to tip-toe and reach the handle above me. I'm not tall so it was difficult. He then stood so close behind me that his groin rubbed against me. I couldn't do anything."

"I stopped going to clubs because I was fed up of being touched inappropriately by strangers. Now, as a barmaid, I just have to deal with 'banter' in a work context!"

"I first got my bottom groped in a pub when I was 15. I thought nothing of it. When I was 20, I woke up from a nap on a long-haul flight to find the man in the neighbouring seat with his hand inside my blanket. I was too shocked to respond."

She said she just sat there with him the whole way. She continued:

"At 21, I was on a train when a man knelt on the floor in front of me and ran his hands up my legs—again, I did nothing."

This story is from a teacher:

“Last week in the corridor at school, I overheard a girl tell her boyfriend to wait while she just went to the loo. After she walked off, the boy’s two mates laughed at him. One said to another, ‘Don’t let her order you around, keep that bitch on a leash.’ They were 14.”

My story and every one of the hundreds of stories that I have read this week have one thing in common—the victim never mentioned the incident to their parents, their partners and certainly not the police. Figures will never show the reality; this is just part of our everyday normal life. Women shrug it off—“Just one of those things.” For most women, this is an accepted part of life; we think of it as an annoyance. Having to tell a man, and I have done this repeatedly in my life, “No, I don’t want to get into your car”, is a pain but no biggie.

I have met girls who did get in the car. Certain men know where to look for the vulnerable girls who will get in. They are the girls in Rotherham, Rochdale, Oxford and—before we congratulate our own areas—pretty much every town and city pretty much everywhere in the country.

Violence against women is everywhere; on every street, a woman is taking a beating, or just keeping quiet and waiting for the ordeal to be over. In every nightspot in the country, some teenage girl is being groped and shamed. Every school in the country has a kid whose time there is respite from what they see at home. When a problem is everywhere, we need everyone to join in the fight to stop it.

The first part of this fight is for us to ask the question a lot more. I ask every person in this room, both men and women, to ask the women in their lives—their daughters, wives, sisters and friends—if they have ever been frightened by the behaviour of a man. You will be shocked and surprised by what you hear.

We need action. We need every man who sees his mate touching a woman’s bottom to speak up—don’t laugh; it is not just one of those things. We need every man who hears another man referring to a woman as a worthless bitch, a whore or a slag to speak up. No man should ever let the statement, “She was asking for it”, pass without comment. If men think their mates, their sons or their dads are being a bit lairy, tell them to pack it in. Most of all, when a woman says, “It happens,” do not tell her she is wrong. Do not think that it means she thinks all men are like it or that it means she thinks you are like it. Just listen.

The white ribbon campaign is brilliant. It gives a space for men to pledge to fight against violence. If every man who was on our side spoke up, it would drown out the very loud minority who do not support women’s rights. As I am speaking, hundreds of the noisy men are taking to the internet right now to shout at me and say things like, “She wishes someone wanted to rape her”. Let us not let them be the voice that stands out.

Here in Parliament, I have been proud to stand shoulder to shoulder with men in the fight to protect refuge funding. My right hon. Friend the Member for Wentworth and Dearne (John Healey) and my hon. Friend the Member for Pontypridd (Owen Smith) have fought valiantly to protect domestic violence refuges across the country. My hon. and learned Friend the Member for Holborn and St Pancras (Keir Starmer) dedicated much of his previous life as the Director of

Public Prosecutions to improving the harrowing situation for victims of domestic and sexual violence in the criminal courts. He now stands shoulder to shoulder with me and the hon. Member for Paisley and Renfrewshire North (Gavin Newlands) and many of our female colleagues from all parts of the House in trying to improve how women and children cope with the family courts.

**Dr Huq:** My hon. Friend is making a powerful speech. She referred to the courts. Last week, the Court of Appeal found against the bedroom tax for discriminating against domestic violence victims. Does she agree that it beggars belief that the Government seem more intent on fighting that decision than protecting those victims and compensating them?

**Jess Phillips:** I could not agree more with my hon. Friend. There is one particular man seemingly fronting up the case to take the issue back to the courts and to try to damage women who have been put in specialist supportive accommodation. I ask that particular man, the Secretary of State for Work and Pensions, to stand with me and pledge, as part of being a white ribbon ambassador, to do his bit to stand against violence against women. Unfortunately, I fear that that request will fall on deaf ears.

Our network of specialist services is under threat, and I ask everyone in this place to stand with us and fight for them. I ask Ministers today, as my colleague from over the border, the hon. Member for Paisley and Renfrewshire North, asked, to answer how we can make our safe spaces and refuges sustainable for the future so that they are not merely living hand to mouth every year. I ask all the men in Parliament and Parliament itself to sign up to the white ribbon pledge. How councils have done that and the definite beneficial effects have been outlined.

This is not an us and them issue for women and men. Women fighting for their rights to live free from violence are not attacking men; they are defending women. The more men who join us in the fight against violence against women, the less it will happen. More women will speak up and more women will be free to go out dancing, to settle down with a partner and to live full lives. We must encourage every woman who suffers violence to report it to the police. I wish I had. All I ask of every man is simple: please just tell us that you believe us. Otherwise, we will just keep keeping it secret; just taking it as if we deserve it. I want to give a massive thank you to the men in the Chamber and especially to my colleague the hon. Member for Paisley and Renfrewshire North for calling the debate. Men are brilliant, funny, kind and caring. We do not just want them in our lives, we want them in our fight, too.

2.14 pm

**Fiona Bruce (Congleton) (Con):** I want to speak about one specific issue: the need for this country to have a sex buyer law. Sex buyers are a key reason why vulnerable young women are lured by traffickers into Britain to be brutally exploited in the sex trade. They are a key reason why sexual slavery is worth at least £130 million annually in the UK. They are a key reason why in 2016 we must continue our fight against human trafficking. One way to do that would be to criminalise paying for sex. At this stage, I pay tribute to the Minister

[Fiona Bruce]

for all the work she has done in the fight against human trafficking, and I know she continues to work on that and that she will be listening carefully to what I have to say.

Even if they do not agree on many other issues—the hon. Member for Birmingham, Yardley (Jess Phillips) and I have smiled about such disagreements on more than one occasion—no one of fair mind could fail to be moved by the heartrending accounts of young girls lured to the country by the promise of work in a nail bar or a hairdresser, only to have their passport confiscated by the person who accompanied them through passport control. Often that person is an apparently charming young man who suddenly changes once they reach this country. He takes her to a place where she is effectively imprisoned, and then she is repeatedly, horrendously abused. She is often fed with drugs and often raped by several men until she is broken down. She is then told that to repay the debt she owes for having entered this country, and effectively to gain her freedom, she must service countless other men for an interminable time. I say countless; one anti-trafficking organisation that I know well and does excellent work supporting such victims told me of one girl who decided that she would count the number of men she was forced to service with sex in one day. It was more than 100.

Most men do not pay for sex, but most of those who do pay for sex are men. Many men recognise that transaction—paid-for sex—for what it is: sexual exploitation. Sex buyers are the critical link in the human trafficking chain, so far as these women who are exploited are concerned. If we can break that link, we can do so much to change their situation and the lives of countless other young women who otherwise will continue to be exploited and brought into this country in that way.

Right now, paying for sex in this country is legal. As Alan Caton, a former detective superintendent of Suffolk constabulary, said:

“Sex buyers feel the current law gives them licence to exploit vulnerable women—and they are right.”

We have to remove that licence to exploit. The legality of paying for sex is a crucial factor in whether a country is an appealing destination for sex traffickers. An analysis of up to 150 countries found that reported human trafficking inflows were bigger—much bigger in some cases—in countries where prostitution is legal. Countries such as the Netherlands and Germany which have legalised paid-for prostitution now face the challenge of continued exploitation and high rates of trafficking. A retired police detective from Germany has described the country as a traffickers’ magnet and a

“centre for the sexual exploitation of young women from Eastern Europe, as well as a sphere of activity for organised crime groups from around the world.”

In a moment, I will explain why there is such a contrast between such countries and countries where paid-for prostitution has been criminalised.

Britain needs a sex buyer law: a three-pronged legal framework that criminalises paying for sex, decriminalises selling sex—we have to recognise that these women are victims—and supports those who are exploited through the sex trade to exit. When Stephen Harper’s Government

introduced that approach in 2014, Peter MacKay, Canada’s former Justice Minister, explained that those who are paid for sex are decriminalised

“not because it authorizes or allows selling it, but rather because it treats sellers as victims of sexual exploitation, victims who need assistance in leaving prostitution and not punishment for the exploitation they’ve endured”.

Such a law here in the UK would send out a strong message, backed by legislative sanctions, that to exploit a person by trafficking them for sex is totally unacceptable and that those who do so will face consequences.

Sweden was the first country to adopt the sex buyer law in 1999. Under that law, by which it is an offence to buy sex, there have been approximately 3,000 convictions. The message has gone out loud and clear that there is no point trafficking people to Sweden to sell sex. Conversations between traffickers have been intercepted in which they have said, “Don’t bother sex trafficking to Sweden.” An official evaluation of its impact noted in 2010 that,

“according to the National Criminal Police, it is clear that the ban on the purchase of sexual services acts as a barrier to human traffickers and procurers considering establishing themselves in Sweden.”

Norway followed suit by adopting the sex buyer law in 2009. Again, an assessment of the law’s impact, which was commissioned by the Norwegian Government, concluded:

“A reduced market and increased law enforcement posit larger risks for human traffickers. The profit from human trafficking is...reduced due to these factors. The law has thus affected important pull factors and reduced the extent of human trafficking in Norway in comparison to a situation without a law.”

The nation to most recently adopt the sex buyer law was Northern Ireland. Proposed by Lord Morrow in his Human Trafficking and Exploitation Bill, it entered into force in June 2015. At a parliamentary event that I chaired to mark its introduction, I had the privilege of listening to the powerful testimony of prostitution survivor Mia de Faoite, who had testified before Northern Ireland’s Committee for Justice during their deliberations on the legislation. She very movingly told us that

“prostitution is the systematic stripping of one’s human dignity, and I know that because I have lived and witnessed it.”

Mia spent six years in prostitution on the streets of Dublin. The sex buyer law, she said,

“is about the protection of human dignity”

and

“the protection of freedom”.

As a member of the Modern Slavery Bill Committee in 2014, it was clear to me that to end sexual slavery we must end the demand driving it. That requires adopting a sex buyer law. Although the Modern Slavery Bill did not offer the legislative vehicle for this reform—the Committee did discuss it—it is crucial that we now move quickly to provide one. As I said in Parliament when speaking on that Committee,

“the majority of people who sell themselves for sex are incredibly vulnerable and subject to real exploitation.”

Whether or not they have been trafficked, they are

“often homeless, living in care and suffering from debt, substance abuse or violence. They have often experienced some form of coercion either through trafficking or from a partner, pimp or relative.”—[*Official Report, Modern Slavery Public Bill Committee*, 4 September 2014; c. 203.]

In adopting this reform, we would bust a business model for pimps and stop Britain being a lucrative destination for sex traffickers.

I welcome the Home Affairs Committee's current inquiry into prostitution laws. It is possible to obtain a consensus across parties on this issue, and I hope that MPs of all parties will support the proposed sex buyer law and take this opportunity to stand up for vulnerable women from across the UK and, indeed, the world.

2.22 pm

**Ronnie Cowan** (Inverclyde) (SNP): It is genuinely a great pleasure to serve under your chairmanship here today, Mrs Gillan. I am also grateful to my hon. Friend the Member for Paisley and Renfrewshire North (Gavin Newlands) for securing this debate.

The debate is timely, given all that has transpired in Scotland over the past week and the media coverage that has focused on a certain individual whom we have come to know as Roosh V: a name that many people would not have been aware of until this week. Judging by the overwhelmingly negative public reaction to his media coverage, I can confidently declare that the vast majority of men are appalled at his suggestion that rape should be legal on private property. Roosh V's views are clearly abhorrent, but the events organised in his name offer us an important reminder. No matter how much progress we have made or continue to make on preventing violence against women, we can never become complacent.

Unfortunately, the views of too many men remain stubbornly fixed in the ancient past, and sometimes such views will become uncomfortably apparent to us. We have all been there when—some day, some place—a person makes a joke that we find offensive. When we do not laugh or we perhaps express our dismay, the response is usually the same: “It's just a joke”. However, we know better; it is not just a joke. It is a reflection of something deeply hidden: a misplaced and perhaps unintended view against a person, situation or aspect of life that we believe is not suitable to be mocked or laughed at.

Why is it, though, that I believe one thing and another person can be comfortable believing another? You may think in this Parliament that we might have a greater understanding of a person's views and how they originate. After all, we as parliamentarians spend practically all our waking moments expressing our views, opinions and beliefs. But dissecting an opinion into its constituent parts to find the root cause is not an exact science. And so we all go on, stumbling in the dark, trying to understand the human condition.

What makes a man violent? What makes a man violent against a woman? Is it nature or nurture? Is violence a fundamental part of the male psyche? Does it emanate from prehistoric times when the leader of the tribe felt that violence was an acceptable tool at his disposal? If that were a simple truth, all men would be violent against women, and we know that that is not the case. So, rather than making excuses for the unforgivable behaviour of a minority of men, we need to address nurture and the reasons why some men are violent.

Violence is a choice. It is something undertaken by some men who continue to accept outdated views of women: views that should never have been tolerated in the first place. Other factors undoubtedly contribute to this choice, whether that is mental health issues, stress or substance abuse. Studies also suggest that exposure to domestic violence as a child increases the likelihood that an individual may be violent within their own family. We should be adamant, however, that while it is

important to understand these factors, they can never be used to excuse or justify violence against women. Equally, we must recognise the scale of the problem, and the ramifications for individuals, families and the country if we fail to take effective action.

The white ribbon campaign reports that one in four women in the UK will experience physical abuse in their lifetime, with almost 1 million children in the UK witnessing domestic violence every year. Across the EU, it is estimated that around 62 million women have experienced physical or sexual violence since the age of 15.

A consultation on a specific offence to tackle domestic abuse across Scotland was launched last December. The consultation is a significant leap forward in tackling domestic abuse in our communities. It will make Scotland world leading in responding to this most heinous of crimes and protecting those who are some of the most vulnerable in our society. Scotland will be one of only a handful of countries across the world to introduce dedicated legislation that will not only capture forms of conduct that are already criminal, but other types of psychological abuse and control that cannot usually be prosecuted under the existing criminal law.

There is also Clare's law, which is being implemented across Scotland. Clare's law allows people to contact the police and request information on their partner's background if they suspect that they have a history of domestic abuse. The scheme was trialled for six months in Ayrshire and Aberdeen, with a total of 59 applications received and 22 disclosures made. Each case is considered carefully by Police Scotland and other agencies to determine whether disclosure is lawful, necessary and proportionate to protect the individual from their partner. The initiative was named after Clare Brown, who was murdered by her violent ex-boyfriend in Greater Manchester in 2009. She was unaware of his history of violence against women. The initiative was brought about as a result of a campaign led by Clare's father, Michael Brown. It is a powerful example of men's constructive role in preventing violence against women.

At a national level, the Scottish Government have shown a firm commitment to tackling domestic abuse. Between 2012 and 2015, more than £34 million has been invested in a range of measures to tackle all forms of violence against women and girls. Although this financial support is welcome, if the Scottish Government, or any Government, are to achieve its long-term goals of bringing about social, cultural and attitudinal change, men need to take a more active and positive role.

The role models of our young men should not be those who threaten and attack women. It must be those who are caring and take their family and community responsibilities seriously. Men are in a unique position to speak out and step in when male friends or relatives insult, abuse or attack women. By doing so, we can create a culture of zero tolerance and a culture that reflects the position of those who think that domestic abuse can never be justified.

Roosh V and his handful of supporters want us to regress to an earlier age. I stand alongside the vast majority of men who reject his views. It is encouraging that a growing number of men are finding their voice on this issue. With effective action, we can permanently change attitudes and ensure that violence against women is consigned to the past for ever.

2.29 pm

**Chris Bryant (Rhondda) (Lab):** My delight at serving under your chairmanship is absolutely undiluted, Mrs Gillan—unless you intervene in some way that I do not like very much. I apologise, because I know it is unusual for a member of the shadow Cabinet to take part in a debate such as this, but I remember that when you were in the shadow Cabinet you used to do so occasionally, so I am following in your footsteps. Indeed, I remember that you took forward a private Member's Bill at one point.

**Mrs Cheryl Gillan (in the Chair):** Mr Bryant, I have called you to speak, and we are looking forward to hearing what you say.

**Chris Bryant:** I wanted to speak in this debate for the simple reason that in my constituency, the Rhondda, probably the single biggest issue that takes up the most police time and causes the most damage to the individuals and the community I seek to represent is domestic violence against women. Every Thursday, Friday and, in particular, Saturday night is a tough night for the police in the south Wales valleys, and certainly in the Rhondda. They often have to deal with issues for many days afterwards. Sometimes things are very complicated because somebody makes a complaint and then wants to withdraw it. There are many complicated issues relating to whether and how the police should pursue such matters, let alone how the Crown Prosecution Service acts. In my 15 years as an MP, the majority of murders in my constituency have involved one partner killing another, and there have been several cases in which the man has killed both his girlfriend, wife or partner, and the child or children. There is no issue that is more important to my constituents. Unfortunately, in recent years we have seen a dramatic rise—by some 23%—in violent crime in Wales, particularly south Wales.

Some weekends are far worse than others for domestic violence in Wales. It is not because of the sport that we all love in Wales, rugby—I do not think there is a direct causal relationship—but it is a simple fact that when there are big international rugby matches on, and sometimes football matches as well, the number of domestic violence incidents rises dramatically. That is why we in Wales in particular have to look deep into our souls when it comes to domestic violence in our country. I am a great rugby fan. I go to matches and I enjoy it—I broke my leg playing rugby at Twickenham once—but we need to look very hard at the cultural issues in Welsh life that affect violence against women.

Some public attitudes in the valleys do not help, such as the attitude towards alcohol—that it is best to drink lots and lots and get absolutely blotto on a Thursday, Friday and Saturday night, and if you can do it all day Sunday as well, so much the better. Then there is the belief that young people prove themselves by drinking large amounts of alcohol. Not everyone participates at all. In fact, I recently surveyed all 16 to 18-year-olds in my constituency, and the percentage of youngsters who drink alcohol to excess is lower in my patch than in many others. None the less, that strong attitude is imbued in many people from an early age.

There is a similar attitude towards the perfect male shape, which is often influenced by anabolic steroids. The use of steroids in many gyms is well documented.

Successive Governments have found it difficult to deal with the problem, which perpetuates the image of what a real man should look like: physically strong, silent, not necessarily very good at communicating, but good at communicating with their fists and prepared to take physical action if they want to. That whole concept of being a real man—of manning up—is a serious part of the problem. It is bad for men as well, and not only because of the fights outside pubs on weekend nights, some of which have led to deaths in my constituency; it is also bad for them on the rugby pitch. All too often, when someone has a concussion, they are determined to go back on. We need to change that attitude to concussion in sport. It is not the manly thing to go back on or to force somebody back on. The manly thing is for people to be responsible about their own health and take sage advice: if ever in doubt, sit it out.

I raise all those points because there is one issue that particularly troubles me. The six nations starts this weekend, and that is wonderful, but when there is a rugby match, we on the Welsh terraces will all sing “Delilah”. I know that some people will say, “Oh, here we go, he’s a terrible spoilsport,” but the truth is that that song is about the murder of a prostitute. It goes right to the heart of the issues we are discussing. There are thousands of other songs we could sing. We Welsh know every song in the book—we even know some of the words. “Cwm Rhondda” is a pretty good one to start with. I have sung “Delilah” as well—everybody loves doing the “She stood there laughing” moment—but if we are really going to take this issue seriously in Wales, we have to change how we do things.

In some years, the Welsh Rugby Union has been involved in really effective campaigns. Last year’s was called “Not In My Name”, and I am glad to say that several Welsh rugby clubs have signed up to the white ribbon campaign, but it is a shame that it is not every year and throughout the year. The decision about when the big internationals should be played is made entirely around money and broadcasting. Perhaps it should also be made taking into account the effect on people’s drinking habits and what they will do to their partners when they get home.

I am enormously grateful to the hon. Member for Paisley and Renfrewshire North (Gavin Newlands) and the other Members who have secured the debate, who are from different parties. I should also mention bullying in schools towards not only girls as a whole but lesbians and trans people. I have tried so many times before, but I want to say to the Government that we will never be able to address these issues unless we have proper sex and relationship education. I know that some people will think, “That means you’re going to teach kids how to have sex.” It is quite the reverse. It is about making sure that every young person has the self-confidence to make good decisions for themselves—whether about alcohol, or friendships, or when they want to have their first sexual experience.

All the evidence from every country in Europe and around the world suggests that where there is good sex and relationship education, kids delay their first sexual experience, the number of boys who are violent towards girls is cut, relationships between boys and girls are improved and bullying is cut. I cannot see why we are prepared to continue with a situation in this country where some schools do it brilliantly and many schools

do it abysmally; and where it is the one class that a teacher dreads having to teach and kids dread having to go to. We have to have a whole-school approach, and it has to be on a statutory basis. Of course individual parents should be able to say that they do not want their kids to engage in it, but no schools or set of governors should be able to say, "Sorry, we are just not going to do that," because in the end, when that happens we are consigning kids to bullying and more girls and women to violence in their lives. It is about self-confidence and respecting one another.

I have never wanted to live in a tolerant society, because that always sounds like people are simply tolerating those who are different from them. I want to live in a society of respect, where we respect one another's sexuality, one another's right to say no, and one another's right to say yes. We will never have that unless we look deep into our souls when it comes to these cultural issues. I am deeply grateful to have had this opportunity speak, and I am glad to stand with others who seek to end the violence that has been perpetuated through the centuries, with women and children being called chattels and treated as things to be thrown around and used and abused. One day, we will put a stop to it.

2.38 pm

**Patricia Gibson** (North Ayrshire and Arran) (SNP): Like all the speakers before me, I am delighted to serve under your chairmanship, Mrs Gillan. I am grateful to my hon. Friend the Member for Paisley and Renfrewshire North (Gavin Newlands) and the other Members who were involved in securing this debate.

Gender-based violence is a function of gender inequality and the abuse of male power and privilege. It takes the form of actions that result in physical, sexual and psychological harm or suffering to women and children, or of affronts to their human dignity, including the threat of such acts. It is men—not all men, but a tiny minority—who predominantly carry out such violence, and it is women who are predominantly the victims of it.

Talking about gender-based violence highlights the need to understand violence in the context of women's subordinate status in society. It cannot be understood in isolation from the norms, social structures and gender roles in the community, which greatly heighten women's vulnerability to violence. For far too long the issue has been confined to the shadows, and what has gone on behind closed doors has remained private. Violence should never be considered private. An attack on one woman by a male perpetrator is an attack on all women, because it goes to the heart of how the perpetrator views women and their relation to men. How we recognise and respond to such violence goes to the heart of the kind of society we seek to build. Violence against women should never be confined to the shadows, and it is shocking that it ever was. Thankfully, times have changed and our society is beginning to shine a bright light on the issue. No woman should ever feel trapped in a cycle of violence, and no man should ever feel that perpetrating violence against his partner is a private matter.

Shamefully, in 2013-14 almost 60,000 incidents of domestic abuse were recorded by the police in Scotland, and that figure increased by 2.5% in 2014-15. As we know, the real figure is likely to be much higher, because

domestic abuse is under-reported for a variety of reasons. The latest figures show that women make up the overwhelming majority—80%—of victims of domestic abuse. The overwhelming majority—94%—of serious sexual assaults are carried out by men, 83% of victims know the offender and 54% of victims identify the perpetrator as their partner. That is a matter of deep concern to all of us, because violence against women—indeed, violence against anyone—is a fundamental violation of human rights.

We must recognise the role that men can and must play in preventing and countering violence, particularly violence against women. It is important to acknowledge, as other hon. Members have pointed out, that the vast majority of men are not violent towards women, but the evidence shows that such violence is perpetrated overwhelmingly by men. Although it is important to deal with the aftermath of such violence, we must confront its root causes and reflect on the role of men. Specifically, we must address the attitudes, behaviour, identities and relationships of men who exhibit violence. Many men understand that it is important that we engage them in this debate, and we must underline the fact that they have a positive role to play in helping to prevent violence against women.

It is heartening that so many men across Scotland, the UK and the globe support the white ribbon campaign. The campaign aims to raise awareness among men and boys, promote discussion and provide information and resources to support personal and collective action by men. I am delighted that my local authority, North Ayrshire Council, participated in and supported the white ribbon campaign's 16 days of action. It joined millions across the world in that international crusade. North Ayrshire Council has its own comprehensive violence against women strategy.

**Steve McCabe** (Birmingham, Selly Oak) (Lab): Several Members have referred to the importance of teaching positive relationships and personal, social, health and economic education in schools. Does the hon. Lady agree that we need to think seriously about the process of the socialisation of young men—particularly those who grow up without a role model, those with violent or serial fathers and those who have no access to information and no role models other than people who are violent in relationships? We must concentrate on that crucial area if we want to make a sea change.

**Patricia Gibson:** The hon. Gentleman makes a very valid point. In Scotland we are trying to recruit more male primary school teachers to provide positive role models for young boys who lack them at home and in their wider family circle. I understand that that is happening across the United Kingdom, and it is to be encouraged and supported. There other social outlets, too. For example, schools can identify children who do not have positive male role models and direct them towards activities such as football clubs.

Our ultimate goal must be to create a society in which women are equal to men and feel safe and respected. I am proud that the Scottish Government have committed to achieving that goal in Scotland. They have provided record levels of funding and introduced legislation to ensure that Scotland works towards the prevention and eradication of all forms of violence against women.

[Patricia Gibson]

I will not go over the ground that my hon. Friend the Member for Paisley and Renfrewshire North covered, but there have been many funding initiatives in Scotland to tackle the issue. The Caledonian system works with men convicted of domestic abuse offences to address the underlying causes of their behaviour and to further protect women. Only a few days ago, the Social Justice Secretary in the Scottish Government, Alex Neil MSP, announced more funding for women's support groups across Scotland, but there is clearly much more to do.

If a mother is not safe in her own home, it is extremely unlikely that her children will be. Children frequently come to the attention of agencies when the severity and length of the mother's exposure to abuse compromises her ability to nurture and care for her children. Make no mistake, living with domestic abuse is a form of emotional abuse for children. Many children can vividly describe incidents of violence in the home and their feelings of terror, powerlessness and fear. Children may also witness coercive, intimidating or manipulative behaviour, or direct threats. Such behaviour is as frightening and harmful as physical violence, and its long-term effect on children cannot be measured.

Although some women manage to escape from their violent partner, that can have a profoundly damaging effect on their children and can leave them distressed and confused. That deep sense of loss can cause lifelong emotional scars. Therefore, when men inflict violence on their partner, they harm people other than the woman against whom the violence is directed.

The Scottish Government are committed to Clare's law, which my hon. Friend the Member for Paisley and Renfrewshire North spoke about. I will not go over that ground again, but that is a powerful example of the constructive role that men can play in preventing violence against women. In Ayrshire—my neck of the woods—interesting things are happening. Individuals who have committed domestic violence are monitored by the police. At times when spikes in domestic violence are anticipated, such as the festive period, the police deploy domestic abuse cars manned by officers dedicated to dealing with domestic abuse. Visits similar to interventions are paid to those known by the police to have a history of committing domestic abuse, to proactively let them know that such behaviour will be pursued and to divert them from it.

I urge the Minister to reflect on the fact that to escape from domestic abuse, women need to be financially independent from their partner. Women experiencing domestic abuse face many barriers when trying to escape from that situation. Universal credit will replace benefit payments that are paid separately to each member of a couple with a single payment to one claimant in the household. That will increase women's financial dependence, prevent them from leaving abusive homes and increase the risk of harm to them and their children.

It is essential that we engage positively with men—our important allies in tackling the problem of men who exhibit abusive behaviour. Rather than imposing a sense of guilt and shame on all men, we must make every effort to ensure that men understand that they are able to play a crucial part as positive role models in the prevention of violence against women. By challenging the attitudes of peers, by teaching our children from a

young age about equality between the sexes and by refusing to condone the objectification and commercial sexual exploitation of women at any level, the prevention of violence against women can be achieved through the positive engagement of non-perpetrating men, who make up the vast majority of men out there.

2.49 pm

**Naz Shah** (Bradford West) (Lab): It is an honour to serve under your chairmanship, Mrs Gillan. I congratulate the hon. Member for Paisley and Renfrewshire North (Gavin Newlands) on securing this debate, which is timely given the urgent question earlier today about the visit by the rape apologists from—

**Jess Phillips:** I don't know where they're from.

**Naz Shah:** When we consider violence against women, we always look at the woman and the family, but there are wider implications. As someone whose mother served time in prison for killing an abusive partner and as a woman whose own forced marriage is well documented, I want to provide a cultural narrative to the debate from a BME perspective and to enlighten people about the issues around women in prison. In this country, two women a week are murdered by their partners, but some women are driven to kill because they see no other way out and have nowhere else. Services are not responsive due to language barriers or a lack of understanding. As my hon. Friend the Member for Birmingham, Yardley (Jess Phillips) mentioned, some women are still not believed. My experiences happened over 23 years ago, but many women face the same issues and obstacles. Language barriers and cultural differences are a double whammy, leading to more hurdles to overcome to access services. We must be mindful of the barriers that women face.

I am pleased to see Ikram Butt, the first Asian rugby player to play for England, present today. He is a white ribbon champion and has come all the way from Yorkshire. He has canvassed me many a time about wearing my white ribbon, which is important because he is a role model for Asian people and Asian young men in sport. Sport is one way in which we need to engage with young people and young men in particular.

I had a natural hatred of men and of my own community because of my experiences, but my hatred was alleviated by the good men whom I came across and worked with, who taught me that our communities do contain decent men. However, that fact does not take away from the inequalities that women suffer. Turning to women in prison, the majority—nine out of 10—of women incarcerated in our prisons committed a crime because they were a caregiver or because they suffered some form of abuse. When women with children are imprisoned, the system not only incarcerates the woman but punishes the whole family. The entire family, including the children, are set up to fail because services are not geared correctly towards children. I was lucky that I was 18 and not in the care system and was able to look after my siblings, but the experience of prison affects young people as well. When discussing violence against women, we should not talk only about the woman who has been violated. Whole families and communities are affected. When a man commits violence,



he is perpetrating a crime against a whole community or people. It is not just about the woman who is physically hurt or controlled, whether financially or mentally.

I am disheartened by the Government cuts that have affected charity organisations. Last year, I led a debate on cuts in the voluntary sector in this very room. Since my election, Bradford has seen the closure of two local charities that helped women. Both the Blenheim Project, which was a refuge, and the Manningham Mills Community Association, which was a place for women to come together and seek support, have closed. In addition, more than a third of the women who go to Women's Aid are unfortunately turned away because of the cuts since 2010. There has been an increase in reports of rape this week in my local area alone. We need to address the cuts to local authorities, police forces and organisations such as Women's Aid. It is fantastic that we are empowering men, and it heartens me to see so many men taking part in this debate and that the debate was led by a man. However, we are setting our communities up to fail if we do not address the wider issues of the funding that should be available to communities.

I urge the Minister to consider the implementation of the Istanbul convention, which has been signed by the United Kingdom but has not yet been ratified. I also advocate making awareness of gender-based violence the focal point of our school curriculums. I am unsure whether we are doing enough to address children's anxieties about the role of women and power and control. If we are to address the matter, we cannot just address what is currently happening; we need preventive work for the long term. Young people have even more issues now, such as body image, and I have an 11-year-old daughter, so I am familiar with the pressures that young people face and I am exasperated by them.

Social media has a massive part to play in violence against women. My hon. Friend the Member for Birmingham, Yardley has been persecuted, and such action is unacceptable. I have experienced Twitter trolling, but nowhere near that of some of my colleagues. I stand by my hon. Friend and I retweet things, as do many others, but we need more men to do that. I encourage the men in this room to troll the trolls. I would like the Minister to commit to embed such issues in our curriculum, so that we can empower young people and teach them that the way to get real power and control is not through the persecution of others but through being comfortable and by empowering women. Like my hon. Friend, I thank the fantastic men out there. I have two sons of my own. Men are wonderful, but we need more of them to help us. Be the majority, not the minority.

[MR CLIVE BETTS *in the Chair*]

2.57 pm

**Alan Brown** (Kilmarnock and Loudoun) (SNP): It is a pleasure to serve under your chairmanship, Mr Betts. I am trying not to be a paranoid politician, but the previous Chair left just as I was about to speak.

I congratulate the Backbench Business Committee on granting this debate. All the Members who have contributed have made really powerful speeches. It is a pleasure to follow the hon. Member for Bradford West (Naz Shah). Her life experiences and the comments made in earlier speeches tell us everything that we need

to know about today's debate. I also commend my hon. Friend the Member for Paisley and Renfrewshire North (Gavin Newlands) for his commitment to the white ribbon campaign.

One of my senior caseworkers used to work for Women's Aid and I pay tribute to its work and that of similar organisations. We cannot forget that some situations are so grave that support workers actually put themselves at risk in their quest to help others, which is a forgotten consequence of violence against women. My final tribute is to the hon. Member for Birmingham, Yardley (Jess Phillips) who has worked in this field and continues to campaign on the subject and for women's rights in general. She made another strong speech today, but her contribution on the impact of housing benefit was really powerful and the lack of response from the Minister that day was shameful. I hope that we can get that addressed today.

Everyone here abhors domestic violence, no matter who the perpetrator or victim, but I must admit that I sometimes wonder in these days of heightened equality whether we should differentiate between genders in domestic abuse. The blunt facts speak for themselves: 80% of domestic violence perpetrators in Scotland are male. Clearly, therefore, for a significant reduction in this abhorrent crime, or to break what can be a vicious circle of repeat behaviour with different partners or perpetrators' children becoming future offenders, we need to tackle men's attitudes and behaviours.

In fairness, society has come on leaps and bounds since the time of such oft-used phrases as "a woman's place is in the home" or "a woman's place is in the kitchen", which perpetuated women's status as second-class citizens, fuelling bad behaviour in the demands of men. Equally, although we have not completely eradicated such views, we have to remember that it is not even 100 years since women were first deemed worthy of a vote. Without doubt, we have come a long way.

We politicians have a real job to do on women's place in society, in particular in international relations. One of our big middle east allies, Saudi Arabia, has a poor attitude towards women's rights—women are not even allowed to drive. I have mentioned that before, in a human rights debate in the main Chamber, but we have to keep the issue to the forefront, because too many people have blind spots when dealing with Saudi Arabia.

In the UK, to change attitudes and prevent violence against women in a domestic situation and men's role in that, education is clearly the most important tool. With education, we need to remember that most men have grown up to see hitting a woman as disrespectful or even unmanly—in Scotland it is often said, "You never hit a woman"—but we know that it happens. So there is a bit more to education—it is about getting people to understand how they change their moral compass and justify things. Vigilante mobs can justify their violent actions, but cannot see the irony in them doing violence.

3.1 pm

*Sitting suspended for a Division in the House.*

3.8 pm

*On resuming—*

**Alan Brown:** I was talking about men and changing their attitudes. That is why campaigns such as the white ribbon one are so vital—it is about making men see

[Alan Brown]

what domestic abuse is, as well as what the figures for it are. In that, I commend previous adverts from the Scottish Government that highlight how domestic abuse can be not only about violence but about controlling behaviour. Phrases such as “You’re not going out dressed like that”, or suggesting not meeting so-and-so or not going to a certain place, are controlling behaviour, which is a form of abuse that erodes self-esteem and can even lead in the end to domestic violence. As men, we need to recognise such behaviours and speak out against them.

To give an example of controlling behaviour, one of my constituents ended her marriage early due to domestic abuse but, some years later, she still has not managed to get a divorce settlement, because her ex-partner is deliberately dragging matters out, preventing her from truly moving on. He is now seeking an unrealistic settlement with regards to her property, towards which he has not paid one penny. We need a better support system in terms of the law and to assist women to move on. I realise that that is an “after the event” scenario, but it would help victims, confirm that they are the injured party and, importantly, put down a marker about unacceptable behaviour.

In terms of general court support, I pay tribute to the Scottish Government, who have allocated nearly £2.5 million to increase court capacity, reduce delays and expand access to legal advice as well as £1.85 million to Rape Crisis Scotland. We have heard that the Scottish Government are committed to rolling out the disclosure scheme known as Clare’s law. The need for that law underlines what we as men have to do to bring about social, cultural and attitude change in the coming years.

We must get to the heart of gender equality and engage in and support equality issues. Women being seen and treated as equals might not eliminate violence, but it will go a long way to changing the behaviour of many men. We also need to stand against people who use the derogative term, “That’s just the PC brigade” when we speak out. Those who use and hide behind such phrases are demonstrating that they have the wrong views and attitudes in the first place.

We must also speak out when misogyny occurs on social media. I welcome the general abhorrence of the Return of Kings event and I must put it on record that for Roosh V to advocate that rape should not be defined as such when a female willingly enters a property beggars belief. We cannot allow the spreading of such views, which tie in with some men seeing women purely as objects, which we must resist at all costs.

We also need to ensure that women do not feel that they have caused themselves to be victims. Over the years we have heard horror stories of court rulings in which judges have ruled that the way women dressed or the fact that they had had too much alcohol were mitigating factors. We need to fight those attitudes at all costs and, frankly, those judges need to be flushed out of the legal system.

As politicians, we must support initiatives such as the Scottish Government’s desire for gender-balanced boardrooms, recognise Scotland’s gender-balanced Government and understand why we have women-only shortlists in politics. We need a proper, equal society.

On governance, we need to understand wider policies and strategies and how they are interlinked, such as the Scottish Government’s proposals for minimum unit pricing for alcohol. We know that alcohol cannot be used as an excuse for violence, but no doubt it is a contributing factor. In Scotland, we have too big a dependence on alcohol—I feel a slight hypocrite as I was at the bar last night—so we should commend the Scottish Government for trying to tackle the subject head-on. The UK Government should think about that, because that is another subject on which the Conservatives have done a U-turn in the past.

Another unintended consequence from policy is the state pension equalisation fiasco, which in some cases has caused women to be more dependent on their partners as they struggle financially. That is clearly unhealthy, creates tensions and limits the choices women can make in controlling their destinies. I have touched on the housing benefit limit and the cuts imposed by the Government. The effect that that policy may have on women’s refuges means that it needs to be rethought or, as a minimum, that some form of exemption needs to be made. We cannot possibly tackle the scourge of domestic violence if the safe havens are at risk of closure. That is wrong from both a moral and a long-term financial perspective—the proposals do not make sense.

To return to Scottish statistics, there was a 2.5% increase in reported crimes in 2014-15 compared with the previous year. Increases are often attributed to the fact that victims are more likely to come forward, so I hope that that is the main reason for the increase, but we need to be careful not to use that as a comfort blanket. We need to understand trends fully and ensure that we keep on top of them if we are to make true inroads into ending violence against women. I am confident that continuing education, the calling out of misogyny in social media, listening to women and encouraging them to speak up, and having better joined-up Government policy will help us get there and eradicate violence against women.

3.15 pm

**Angela Crawley** (Lanark and Hamilton East) (SNP): It is a pleasure to serve under your chairmanship, Mr Betts. I congratulate the Members on bringing forward this important debate, which is the first of its kind, from the Backbench Business Committee. Considering the number of years this place has been dominated by men, it is refreshing that the debate was led by a man. None the less, the fact that domestic violence continues to occur both here and internationally highlights that Governments of all nations must make a strong statement.

The white ribbon campaign is a prime opportunity to give men that voice and allow those such as my hon. Friend the Member for Paisley and Renfrewshire North (Gavin Newlands) and the hon. Member for Brigg and Goole (Andrew Percy) to have their say. It will take positive male role models such as Members of Parliament, sportsmen, celebrities and other high-profile figures in public life to condemn violence against women and girls and make a strong statement about what men’s role is in preventing and eradicating violence against women.

This conversation is not new. For years women have been speaking out loudly, and feminists have been condemned as outspoken, radical and extremist simply

for saying something that should be common sense to all of us: violence against women and girls should not and cannot be tolerated. Men and boys need to take an active role on their contribution to violence, but we also have to accept that it goes the other way. Many Members have mentioned that there are occasions—they are few—where women are the perpetrators of violence, so it is about educating girls and boys, and men and women about their role and their relationships with one another, because as we have heard this is not a women's issue; it is a human rights issue. I am glad that this debate is happening today.

The first priority is to ensure that our educators and local figures are making that strong statement condemning violence in all forms. One of the most alarming statistics I have read has been touched on but not covered. The title of the report published by Women's Aid this year is "Nineteen Child Homicides", which brings home the wide range and impact that domestic violence can have on women and girls and children. Violence does not happen just to women; it affects fathers, husbands, sons and brothers. In fact, perhaps no member of a family is untouched by violence, and that is why it will take all voices across the community to advocate the removal of violence in all forms.

We have heard a lot about different laws and policies as well as the law of unintended consequences of some of the policies that are affecting women's lives, which needs some acknowledgment from the Government. While much of the debate has centred around heterosexual relationships, statistics show that there is the exact same level of violence in same-sex relationships. Broken Rainbow has sought to highlight in its campaign that domestic violence is not unique to one relationship. It happens across all relationships and across all genders and sexualities.

I thank my hon. Friend the Member for Paisley and Renfrewshire North and the hon. Members for Birmingham, Yardley (Jess Phillips) and for Brigg and Goole for securing the debate and highlighting this truly important issue. I hope that we will go some way towards eradicating violence.

3.19 pm

**Cat Smith** (Lancaster and Fleetwood) (Lab): It is a pleasure to serve under your chairmanship, Mr Betts. I pay tribute to the hon. Members for Paisley and Renfrewshire North (Gavin Newlands) and for Brigg and Goole (Andrew Percy) and my hon. Friend the Member for Birmingham, Yardley (Jess Phillips) for securing this debate.

I would like to particularly mention the comments made by my hon. Friend, whose experience is unrivalled in this House in terms of the work she has done year after year with women who have been victims of domestic violence. I thank her for her contributions on everyday sexism, which highlighted the experiences to which even we, as MPs, are not immune. The story of a man reaching to touch a woman's hand on the tube when she grabbed the rail sounded very familiar. Like my hon. Friend, I experienced an incident of groping not that long ago. Unlike her, I did not go for physical violence, but I certainly gave it quite a bit of verbal.

It is clear that violence against women remains a hugely significant problem in Britain, with 900,000 calls relating to domestic violence made to the police in the

12 months up to March 2015. That equates to a staggering 100 calls every hour of every day. Recently released figures show that 33% of crimes involving violence against the person were linked to domestic abuse, as were 12% of sexual offences. Women are overwhelmingly more likely than men to be victims of domestic violence, and it is vital that we work to tackle violence against women and girls. I welcome the opportunity today to discuss the role that men can play in that.

I would like to ask the Minister some specific questions. If she does not feel able to answer them today, I am happy to receive answers by letter. What measures is she taking to ensure that community rehabilitation companies fulfil their contract requirements to provide better offending behaviour programmes, and in particular the Building Better Relationships programme? What steps will be taken to hold them to account if that provision is not made available to all men who require it? What assurances will she give to the courts and the judiciary that any sentence they impose on a perpetrator of domestic violence will be delivered in full and will involve attendance on the Building Better Relationships programme if they choose to impose that sentence?

The campaign to end violence against women has historically been led by women. Women have campaigned energetically for many years for improved legal protection from gender-based violence and have been largely responsible for the delivery of support services, including women's refuges and rape support services. The leadership role of women in ending gender-based violence is vital. For a subject so intricately linked with female disempowerment, it is crucial that women are at the forefront of those efforts.

However, the leadership role of women does not and must not preclude the involvement of men in the campaign. Gender-based violence has been recognised by both the United Nations and national Governments as a human rights issue. Violence against women is almost always perpetrated by men. Those harmed are men's wives, mothers, daughters, sisters and friends. Violence against women cannot for a moment be considered an issue only for women.

There is an unfortunate tendency to seek to deflect from discussions of violence against women and girls by pointing to statistics on male victims of domestic abuse. That often presents an obstacle when discussing the role of men in ending violence against women and girls. It also decidedly misses the point. There are, of course, a significant number of male victims of domestic violence. That group, like any other, needs and deserves our support and attention. We can and should support victims of domestic violence, whatever their gender or sexual orientation, but we must also not ignore the substantial imbalance between male and female victims of domestic violence.

The full involvement of men and their active engagement with the campaign brings significant benefits. Men are best able to challenge the attitudes of their peers, who may condone or even engage in violence against women. Unless men are encouraged to speak out, we cannot hope to confront the attitudes and cultural norms that underpin gender-based violence.

Challenging negative gender attitudes also benefits men directly, as articulated by my hon. Friend the Member for Rhondda (Chris Bryant). The negative stereotype of a "real man"—tough and emotionally

[Cat Smith]

distant—is as damaging for men as it is for women. The suggestion that for a man to be open about his emotions is somehow unmanly can cause real harm. That attitude is pervasive and can be a significant barrier to men seeking help. The benefits of men's involvement in ending violence against women requires productive engagement. Rather than impose a sense of guilt or shame or resort to a view of men as only perpetrators, we must instead help men to understand the important role they can play as allies and role models. Organisations such as the white ribbon campaign have made real strides in that area, but work remains to be done.

So how best can men help to confront this insidious problem? First, as I previously alluded to, men can challenge the attitudes of other men and confront their peers. Where anyone—man or woman—witnesses abuse or harmful attitudes, they must not remain silent or offer excuses. As Members may be aware, the virulently misogynist organisation Return of Kings had planned to hold events in the UK on 6 February. The group has called for women to be banned from voting, described a woman's value as dependent on her "fertility and beauty", and claimed that women with eating disorders make the best girlfriends. Articles posted on the group's website have included "5 Reasons to Date a Girl With an Eating Disorder", "Don't Work for a Female Boss" and "Biology Says People on Welfare Should Die". Furthermore, the group's founder has publically advocated legalised rape.

Those views will be abhorrent to the vast majority of men and cannot be allowed to go unchallenged. It is welcome that in the face of vocal and sustained objection to those events, the group was forced to cancel its plans. That shows clearly the difference we can all make when we make it clear that misogyny will not be accepted. I thank the Minister for her response to the urgent question in the Chamber this morning on that topic.

Sexist attitudes can be seen as harmless, and some men may remain unaware of the impact of destructive attitudes they may hold or of their behaviour. Gender-based violence is often underpinned by sexism. Where sexism is challenged, it frequently elicits the same response: "Get a sense of humour." Let us be clear: sexism is not harmless and it is not funny. It is deeply damaging and must be confronted. It is important that we all—men and women—learn to recognise abuse when we see it. Physical violence may be the most visible form of abuse, but emotional violence and coercive control can be just as damaging. If we learn to spot abuse in all its forms, we can make a real difference.

We must also introduce compulsory and universal education programmes on healthy relationships. There is currently no statutory requirement for all children to be taught about what a healthy relationship is and what abuse is. Current provision is piecemeal at best, and that cannot continue.

Men should also have the courage to look inwardly and confront their own attitudes. That can of course be problematic, and many men may become defensive or feel under attack, but if we are to truly end gender-based violence, we must address the mentality that allows it to be perpetrated or ignored. We must encourage men to understand themselves and to work to change attitudes that may knowingly or inadvertently perpetuate violence.

Unfortunately, where men express sympathy for or an understanding of what are perceived as women's issues, they are often met with questions about their own masculinity. That can prevent men from speaking up. We must challenge damaging assumptions about men as much as we must confront negative attitudes to women. We must encourage men to have the confidence to speak out.

What role can politicians play? We can lead by example, as men and women who are not afraid to speak out on gender-based violence or confront the attitudes that allow it to continue. We desperately need role models to make it clear to men that they should never stand idly by or condone violence. Influential men in all walks of life, including MPs, can play a part in that by pledging their support.

Men can and should play a full role in ending gender-based violence. We must ensure that we do not resort to inflicting a sense of guilt, but instead encourage men to become involved and help them to understand that they can play a crucial part in securing real change. If we work together, we can consign violence against women and girls to history.

3.28 pm

**The Parliamentary Under-Secretary of State for the Home Department (Karen Bradley):** May I start by saying what an honour it is to serve under your chairmanship, Mr Betts, and what an honour it was to serve under the chairship of your predecessor, Mrs Gillan? I congratulate the hon. Members for Paisley and Renfrewshire North (Gavin Newlands) and for Birmingham, Yardley (Jess Phillips) and my hon. Friend the Member for Brigg and Goole (Andrew Percy) on securing this important debate. I also congratulate all Members on the thoughtful and constructive points raised.

I want to start by saying that any form of violence against women or girls is absolutely unacceptable. The physical, psychological and emotional impact of domestic and sexual violence on victims cannot be overestimated. As the Minister for Preventing Abuse, Exploitation and Crime, I have the ambition to end those terrible crimes. We owe it to victims of domestic and sexual violence to do everything we can to afford them the protection and support they need. I will work closely with victim support services and police and criminal justice agencies to ensure that we are doing just that.

Many points have been raised today and I will do my best to address as many as possible, but if I fail to address any I will endeavour to respond in writing, as the shadow Minister invited me to do, and particularly as some of her questions were about technical criminal justice matters and are probably better addressed in correspondence.

It is important to reflect that—the hon. Member for Paisley and Renfrewshire North started with this—both women and men may be victims of domestic or sexual violence, forced marriage or stalking. It is also important that the response for all victims is as good as it can be. The hon. Member for Lanark and Hamilton East (Angela Crawley) talked about lesbian, gay, bisexual and transgender relationships. We realise that there is abuse in all forms of relationship and the measures we have in place are available in all forms of abuse in all relationships.

However, we need to say that women and girls are far more likely to be victims of such crimes and we recognise that inequality and gender play fundamental roles in violence against women and girls. We all have important roles to play in challenging the cultural norms and stereotypes that underpin violence against women and girls.

The hon. Member for Rhondda (Chris Bryant) talked about women being used as chattels. When I was training to be a chartered accountant and filling in tax returns, women's earnings were her husband's. There was an extra column on the tax return. Only in 1990 did women have their own taxation system. It is unbelievable that I am standing here having filled in tax returns when a woman's income was her husband's. She was her husband's chattel and that was how she was treated in law.

Gender inequality manifests itself in ways that can limit women's and girl's aspirations and life chances, and put pressure on men to act in certain ways, as the hon. Member for Rhondda said: to be physically powerful, emotionally detached and in control. The relationship between gender and violence is complex, but we must never forget that in the most extreme cases we are working to save people's lives. It is a sad fact that over 80 women a year still lose their lives to domestic homicide. We must never think about the matter just in terms of numbers, as the hon. Members for Paisley and Renfrewshire North and for Rhondda both said. We need men, women, girls and boys to work together to end violence against women and girls in all its forms.

Before responding to the contributions to this debate, particularly those on the role of men in ending violence against women and girls, it is important to address some of the concerns about increases in domestic abuse and sexual violence. We all want the prevalence of these terrible crimes to fall and ultimately to end, but we know that they are hidden and under-reported.

At least in the short to medium term, we want increased police recording of crimes of violence against women and girls. The Office for National Statistics clearly states that increases in police recorded rape, sexual offences and domestic abuse are due to greater victim confidence and better recording by the police. We should all welcome that. That these increases are a positive development is reinforced by our best measure of the prevalence of all crimes or how many people experience domestic and sexual violence, which comes from the self-completion module of the crime survey of England and Wales. That data show both the general downward trend in sexual assaults since 2005-06 and the fact that 8.2% of women were the victim of any domestic abuse in the last year. That is the lowest estimate since these questions were first asked in the 2004-05 survey.

We need more of the increased number of reports leading to effective police and criminal justice action. Again, while there is undoubtedly more work to do to bring perpetrators to justice, it is important to reflect that the number of police referrals to the Crown Prosecution Service, the number of prosecutions and the number of convictions for all crimes were all higher in 2014-15 than ever before. For example, prosecutions for domestic abuse have increased from just over 30,000 in 2004-05 to over 90,000 in 2014-15. That is the highest level ever. However, let me make it clear that 1.4 million women

experiencing domestic abuse every year is still unacceptably high. Over 300,000 victims of sexual assault is unacceptably high. We need collectively to do more to prevent these terrible crimes from happening, and the role of men is critical.

I met the white ribbon campaign—many of us are wearing our white ribbons—with my colleague, the Under-Secretary of State for Women and Equalities and Family Justice. We heard about its inspiring work with boys and its programme of actions to challenge abusive and violent behaviour by men and boys, as well as its continuing work to increase the number of organisations accredited with white ribbon status. The Government will continue to promote the campaign's work and to support greater co-ordination between existing groups of men and boys who act as change agents, develop evidence of what works to engage men in challenging violence against women and ensure full understanding of appropriate, safe and effective action to give men the confidence to speak out and challenge unacceptable behaviour.

When I was on the Select Committee on Procedure, we looked at introducing iPads in the Chamber. I am pleased to have my iPad in the Chamber because it has given me the chance to look at the white ribbon campaign's latest figures; 24,377 pledges have been made and I hope that that will start to go up as people watch this debate. I want to make a few points about the website. The hon. Member for Rhondda and others talked about the importance of sport to young boys and men. I know from my two young sons that if a footballer says something, they tend to listen, so it is great to see that Juan Mata has signed up. A comment on the website states:

“Most men are not violent towards women, but many of us ignore the problem, or see it as something which doesn't have anything to do with us.”

That sums up what we have been talking about in this debate. I congratulate the white ribbon campaign. We will continue to work with it. It is great to see so many women wearing the white ribbon, but I want to see more men wearing it. I am sure that the hon. Member for Paisley and Renfrewshire North and my hon. Friend the Member for Brigg and Goole, as great champions of the campaign, will make sure more of their colleagues wear it and make the point.

I want to touch on the Return of Kings group, which was raised by a number of Members and was the subject of an urgent question today. I repeat that we condemn in the strongest terms anyone who condones rape and sexual violence or suggests that responsibility rests with victims. Responsibility for such crimes always, unequivocally rests with the perpetrator. The shadow Minister and many others have made the point that the vast majority of men do not share the views of the group, which are laughable. If the individual concerned did not take them seriously, we would laugh at him because they are utterly ridiculous.

The point has been made that we need to engage with young men. Our “This is Abuse” campaign was talked about during discussion of the urgent question and included specific messages to boys about abusive behaviour. It is an approach informed by research into what works in changing boys' behaviour, like the Boys to Men project of Professor Gadd at Manchester University. It is vital that those of us in a position to speak out about violence and abuse do so, but we also need to realise

[Karen Bradley]

that, sad as it may seem, teenagers may not listen to politicians. We must engage credible voices that young people will listen to.

Our previous campaigns accordingly used vloggers—video bloggers—to produce online video blogs to reach thousands of young people through social media and online platforms, and to help young men to understand what constitutes abusive behaviour. I will talk later about some of the other work we have been doing to deal with perpetrators and to change that behaviour. We have also worked through the campaigning partnership with MTV to develop adverts with a wide range of high-profile celebrities to act as a counter narrative within the sometimes highly sexualised environment of music TV.

Evaluation of the campaign's impact showed that 67% of boys who saw its adverts were more likely to seek consent as a result, 70% said they felt more likely to recognise if someone does not want to have sex and 80% agreed that the videos made them understand that abuse is not always physical. We have invested £3.85 million in the next phase of the campaign, which will continue to build teenagers' awareness of key issues, such as consent and healthy relationships, including engaging with boys and young men.

I also want to make the point about young women. One thing that we have been working on through our ending gang violence and exploitation programme—that is the new stage of our original ending gang and youth violence programme—is about the exploitation, including sexual exploitation, of young women by gangs. It is incredibly important that we educate young women that they should not expect to be treated in that way. Being part of a line-up is not acceptable. They should not be made to perform sex acts on boys. That is something they should say no to.

It is also important that we treat the young men and make them understand that. Last year, I had a powerful visit to one of the London gang charities. A young man who had been in a gang said that until he was spoken to by that charity, he had never understood that such behaviour was wrong. No one had ever told him that it was not the way to treat women. No one had ever said to him, "Women need to be respected." That was because unfortunately he had grown up in a household where domestic abuse was the norm. It was what he had seen all his family and friends do. He thought that it was normal. Only when there was an intervention did he understand that it was not the way to behave. It is so important that we do all we can to educate both young girls and young boys, and I will say more about education shortly.

My hon. Friend the Member for Congleton (Fiona Bruce), who I know cannot be here now because she is taking part in the debate in the main Chamber, talked about prostitution. We debated that topic at length during the passage of the Modern Slavery Bill last year—we are approaching the 12-month anniversary of that becoming an Act—and of course we now have new measures to protect victims of trafficking and criminalise those who traffic them. We are looking at the evidence that is available. My hon. Friend referred to, and the hon. Member for Birmingham, Yardley is a supporter of, the Nordic model. There is no unequivocal view on

that; there are different views on it, and we need to understand how it works. Northern Ireland is a Province that we will be looking at carefully—because it has a very similar legal system to the UK—to see how it works, but there are conflicting views on the Nordic model. I will also be taking a great interest in the inquiry by the Select Committee on Home Affairs on this topic, because I know that many hon. Members are very interested in it.

How can we effect change? How can we change people's views? In every area of life, we need to see everyone, including men, playing their part in challenging violence and abuse. I am encouraged by the many promising initiatives to engage professionals, friends, family and the wider public in tackling what is unacceptable and criminal behaviour.

These are just a few examples of what is happening. Citizens Advice has trained front-line staff to ask about violence and abuse. I visited Citizens Advice in Harlow recently. The volunteers are asking questions of people who have come in to talk about debt problems, because the debt problem could be the result of domestic abuse. It is very powerful to be able to see the training that volunteers at Citizens Advice have had to enable them to recognise what might be a domestic abuse situation.

Public Health England and the University of the West of England have been working on a bystander programme to help to challenge sexual abuse on campus. Housing providers can play a critical role in identifying those carrying out domestic abuse and those at risk, including children, and a nationwide alliance is working to improve the housing sector's response. The alliance is arming professionals with the necessary knowledge and skills to support residents to live safely and free of abuse.

I am pleased that, as this debate has definitely demonstrated, our understanding of what constitutes abuse is becoming more sophisticated. For example, the new offence of domestic abuse, which was commenced on 29 December 2015, not only addresses a gap in the law to tackle controlling or coercive behaviour but can be used as a vehicle to build wider public awareness that domestic abuse extends beyond episodes of physical violence, and that patterns of psychological manipulation and control can be just as harmful. I am interested to hear that the Scottish Government are looking at introducing a similar measure.

Refuge, in partnership with the Co-operative bank, has launched a powerful new campaign called "My money, my life" to raise awareness of financial abuse in intimate relationships. Its research found that one in five people in the UK report that they have experienced financial abuse within an intimate relationship. That campaign is informing those experiencing financial abuse about their rights and empowering them to make positive choices about their own financial future.

A number of hon. Members raised the Istanbul convention, and we also discussed it during the urgent question today. The UK Government signed the Istanbul convention in 2012 and have since been putting in place all the measures that are required in order that we can comply in full. There is one article—article 44—that we are not yet in compliance with. That is the extraterritoriality measure, which basically means that the criminal law in the UK would extend to conduct abroad. I hope that hon. Members from Scotland and other devolved

Administrations will understand why there may be some problems in ensuring that the two jurisdictions' legal systems work with that particular issue. We will need to introduce primary legislation in the UK to put that in place, but when we have done that we will be able to ratify the Istanbul convention. We do not wish to ratify a convention until we are absolutely confident that we comply with it 100%.

A number of contributors raised the topic of PSHE, and it is fair to say that there were slightly different views about whether it should be on a statutory basis. My hon. Friend the Member for Brigg and Goole perhaps disagreed with the hon. Member for Rhondda as to whether—

**Chris Bryant:** Well, he was wrong, and he left.

**Karen Bradley:** My hon. Friend the Member for Brigg and Goole is a teacher with great experience of such things.

We do need there to be education. The Government have made it clear in the introduction to the framework for the national curriculum that all schools should teach PSHE, and we are committed to working with schools and other experts to ensure that young people receive age-appropriate information that allows them to make informed choices and stay safe, but the point is that it must be good-quality PSHE across the board and not, as my hon. Friend said, the add-on that no teacher wants to do.

It is probably worth mentioning the tools that we have introduced for prevention and protection, which, as I have said, apply to all relationships—LGBT, men to women and women to men. Domestic violence protection orders and the domestic violence disclosure scheme were rolled out across England and Wales from March 2014, and those tools put the responsibility for violence and abuse squarely with the perpetrator.

DVPOs can prevent the perpetrator from returning to a residence and from having contact with the victim for up to 28 days. Latest figures show that magistrates have granted more than 2,500 DVPOs. The domestic violence disclosure scheme, also known as Clare's law, which a number of hon. Members have referred to, enables the police to disclose to the public information about previous violent offending by a new or existing partner where that may help to protect them from further violent offending. The latest figures show that more than 1,300 disclosures have been made. The Government will build on those achievements by evaluating Clare's law and DVPOs to identify how we can strengthen those important tools.

We have also strengthened significantly the law on female genital mutilation, including through FGM protection orders, and last year we introduced two new measures—the sexual harm prevention order and the sexual risk order—to make it easier for the police and courts further to restrict and monitor the activities of individuals who pose a risk, including when they have not been convicted of a previous offence.

I want to touch on the issue of stalking. Being stalked by a stranger can have terrifying consequences, so we are consulting on the introduction of a stalking protection order. That will explore whether positive requirements can be placed on perpetrators at an early stage, to help

to stop their behaviour. By that we mean a perpetrator being forced, for example, to attend mental health sessions so that we can try to stop the behaviour before it becomes criminal. We are ensuring that new measures include a focus on the perpetrator—disrupting their activity, removing them from the home where necessary and ensuring that they engage with appropriate interventions to help to stop their offending before it escalates.

Hon. Members have made a number of points about the right approach to take. The question is, what is justice for a victim of domestic abuse? What will help that person to get control of their own life, and what is the right outcome for that individual? There are many different ways to tackle the problem, and it is clear that one size does not fit all.

Refuge provision has been discussed at length. The Government are committed to refuge provision. We have announced £40 million between 2016 and 2020 for domestic abuse services including refuges, and a £2 million grant to Women's Aid and SafeLives to support early intervention, but refuge is not the answer for every victim. The hon. Member for Bradford West (Naz Shah) talked about victims being turned away from refuges. I have spent time with refuge providers, who have told me that often a victim has such complex needs and so many difficulties that the refuge they go to is not the right place for them, and they may need different provisions and support.

I am committed to ensuring that refuges provide the appropriate safety net for people. However, for some families a better outcome might be achieved if a woman can stay in her home with her family, and if the perpetrator is removed from that home and is not just allowed to move in with the next partner to start the cycle of abuse all over again. I do not pretend that that will always be possible, but it is a better outcome for some victims. The hon. Member for Birmingham, Yardley knows better than anybody that there are many different needs, and I have enjoyed our conversations on the matter. We need to think about how we can tackle the problem and break the cycle, and that means dealing with perpetrators.

**Alan Brown:** The Minister is saying that refuges are not the only answer, but they are important and required just now. Given that the local housing allowance cap is a threat to refuges, does she support protecting them from it?

**Karen Bradley:** As I said, the Government have committed £40 million to provisions, including refuges. I want to ensure that refuges are available to victims for whom they are the right answer. Organisations have told me that victims sometimes do not feel that they can come forward because they do not think the services are there. We want victims to have the confidence to come forward, and we need to tell them that they will be supported and looked after so they can get the support they need and we can break the cycle.

Preventing abuse depends on changing the attitudes and behaviours of perpetrators. Addressing the root causes of violent offending forms an integral part of our refreshed strategy. There is evidence that experiencing adversity, including violence and abuse, can have serious consequences. We need only consider that 41% of the prison population have witnessed or experienced domestic

[Karen Bradley]

abuse to understand the wider social harms such crimes cause. We are working with agencies and in local areas to ensure the availability of appropriate perpetrator programmes, prison and probation rehabilitation approaches and, where needed, mental health interventions that may lead to a reduction in offending and sustainable behaviour change.

National organisations SafeLives and Respect have formed a partnership to create a new type of intervention for perpetrators of domestic abuse. The model, referred to as the Drive project, will involve working with perpetrators of domestic abuse on a one-to-one basis to reduce their offending, using support and disruption where appropriate, and ensuring that victim and family safety is embedded within the response.

The troubled families programme that we ran in the previous Parliament worked with 120,000 families. We found that a high proportion of families in the programme had experienced domestic abuse, even though that was not a reason for families enter the programme. Domestic violence is therefore now a specific criterion for identifying families for support in the next stage of the programme. For families who suffer domestic violence, it is seldom the only problem affecting them. The “Understanding Troubled Families” report showed that 39% of families who experienced domestic violence included a young offender, 37% had drug or alcohol dependencies, 62% had a truanting child, and 60% included an adult with a mental health problem, compared with 40% in families where there was no domestic violence.

**Patricia Gibson:** In the light of the Minister’s comments, will she specifically address the changes to universal credit? Given the statistics she just mentioned, the changes will only increase a woman’s financial dependency on her partner, because the payment that is made will be changed to a single payment to one person in the household, which we know will usually be the man.

**Karen Bradley:** I was a member of the Select Committee on Work and Pensions when universal credit was being discussed, and that point was made at the time. I am sure that changes to the benefit system will not cause a reduction in levels of support for victims of domestic violence and abuse, and they will provide help towards housing costs. Those living in supported accommodation that meets the definition set by the Department for Work and Pensions will receive funding outside universal credit, and we will continue to provide flexible funding to help to meet the higher costs that sometimes arise from providing refuge to women escaping domestic abuse. I understand the hon. Lady’s point about financial control. It is important that we make people understand, through the work of Citizens Advice, Refuge and the Co-operative Bank, that they can have control of their money and that they should not be controlled by their partner when it comes to financial matters.

The hon. Member for Bradford West talked very powerfully about her own experiences. If she would allow me to, I would like to sit down with her at some point to talk about the work we are doing, particularly on the forced marriage unit, which the Home Office

runs jointly with the Foreign Office. Perhaps we can learn from her experiences and her knowledge what more we can do to help women in that situation.

I am proud of the progress we have made in getting to grips with complex offending behaviour, the effects of which can be deep and long-lasting for victims, but there is more that we can collectively do. The Government are working closely with experts on violence against women and girls to develop a refreshed strategy later in the year. Today’s debate has been timely, helping to inform what more can be done to engage men and boys in the agenda and to support their crucial role in preventing violence against women and girls. I congratulate the hon. Members who secured the debate, and I congratulate the white ribbon campaign on its work. I assure Members that, as the Minister responsible for preventing abuse, exploitation and crime, I am determined to do everything I can to protect victims and bring perpetrators to justice.

3.57 pm

**Gavin Newlands:** It is a pleasure to serve under your chairmanship, Mr Betts. I thank the Minister for her thorough response, but there were a few holes in it, which I will come back to at the end of my contribution.

I thank all hon. Members who have contributed today, and I thank the white ribbon campaign for attending the debate. It has been a good debate that has included many varied points. To highlight the breadth of the debate, I will touch on a few of the contributions that were made. The hon. Member for Brigg and Goole (Andrew Percy) made strong points about local authorities and the power of sport in getting the message across to young men. My hon. Friend—I will call her that—the Member for Birmingham, Yardley (Jess Phillips) spoke about her undying love for all men, perhaps bar the hon. Member for Shipley (Philip Davies). She also gave us a powerful account of her own experiences and those of others, reminding us of how far we have to go.

My hon. Friend the Member for Inverclyde (Ronnie Cowan) made a powerful point about subconscious misogyny and whether violence against women is nature or nurture, and my hon. Friend the Member for North Ayrshire and Arran (Patricia Gibson) spoke of abuse as a fundamental abuse of human rights, and of the good work of her local council.

The hon. Member for Bradford West (Naz Shah) gave her own deeply personal story, giving us a different cultural perspective by talking about misogyny and abuse in the black and minority ethnic community. My hon. Friend the Member for Kilmarnock and Loudoun (Alan Brown) paid tribute to Women’s Aid for its work and shared his concerns about our relationship with countries such as Saudi Arabia, whose record on gender equality is atrocious.

My hon. Friend the Member for Lanark and Hamilton East (Angela Crawley) spoke about the importance of education and the powerful Women’s Aid report, “Nineteen Child Homicides”, and highlighted the fact that the issue exists just as prominently in the LGBTI community. The shadow Minister reminded us that the UN views tackling violence against women as a priority and listed a number of detestable posts by Roosh V, who has been renamed in Scotland as Sssh V.



The Minister, in her lengthy response, spoke about the “what’s hers is his” nature of tax collection as recently as 1990. She spoke about promoting the white ribbon campaign but stopped short of promising any funding. Will she look at that again, and will she meet me to talk about a national prevention strategy in every school? She spoke about the Istanbul convention, which the Scottish Government are keen for the Westminster Government to get on with ratifying.

On refuges, nobody said that they are the only answer, but I ask the Minister to give the groups involved some certainty. The funding ends on 31 March, and they

would like to know whether they will have any funding thereafter. It is clear that, despite some small differences, we can and will move forward together to end violence against women.

*Question put and agreed to.*

*Resolved,*

That this House has considered the role of men in preventing violence against women.

4 pm

*Sitting adjourned.*



# Westminster Hall

Tuesday 9 February 2016

[MR PETER BONE *in the Chair*]

## Emergency Services: Closer Working

9.30 am

**Richard Fuller** (Bedford) (Con): I beg to move,

That this House has considered closer working between the emergency services.

It is a pleasure to serve under your chairmanship, Mr Bone. You and I share a passionate interest in the NFL and American football, so I am glad to see you here. I do not know whether you made it to the Super Bowl, but hopefully one day we will be at the Super Bowl at Wembley.

Today's debate focuses on emergency services, and—by way of background—it follows a debate secured by my hon. Friend the Member for Cannock Chase (Amanda Milling) on 3 November 2015 at the beginning of the consultation period. There were a number of contributions to that debate, and the Minister was rightly somewhat reticent to explain his beliefs on what the Government would propose—he was waiting to see what the consultation would say. I have looked at the Government's response, and it is clear that there was widespread participation, with more than 300 responses from organisations across the country. Today is our first opportunity to raise questions with him on the specifics of the Government's recommendations and to probe him for more details on the Government's thinking and on his next steps to take the matter forward. This debate is also timely because we will shortly be having police and crime commissioner elections across the country, so this will be a live issue as people make their democratic choice.

In their response, the Government say that

“the picture of collaboration around the country is still patchy and there is much more to do to ensure joint working is widespread and ambitious.”

It would be helpful if the Minister pointed to some examples today to give us a sense of what he thinks the direction of travel in collaboration is likely to be. If it has been patchy, we do not want to go into a sort of organised patchiness. We need a sense of what the Government think are good ways to collaborate and of where they feel the case has not been made so significantly.

**Steve Brine** (Winchester) (Con): I congratulate my hon. Friend on securing this important debate ahead of possible legislation. He mentioned where collaboration is already happening, and I think he will concede that Hampshire is a good example. Some 750 staff now work across shared services between Hampshire constabulary, the Hampshire fire and rescue service and Hampshire County Council in the innovative H3 programme. We think that we are doing many things right, and hopefully we are letting other areas learn lessons for the future, so would he concede that Hampshire is a place to see where collaboration is already starting?

**Richard Fuller:** As a proud son of Bedford, and therefore Bedfordshire, I hate to give credit to other counties, but my hon. Friend is right that Hampshire is demonstrating a clear path, as evidenced by the fact that a significant number of Hampshire Members of Parliament are here today. One reason why I am pressing the Minister is that there are good examples. The PCC position is still new, and we should be honest about the record of PCCs across the country. Some have been very good and some—again, I speak from direct experience in Bedfordshire—have been less good, so we need a sense from the Government about what level of collaboration they believe makes sense.

The Minister will know—I do not—what is meant by “a high level duty to collaborate on all three emergency services”.

That is what he intends to propose, so will he tell us today what it means? It would be helpful for us to know that before the Government introduce their legislation. What sanctions do the Government expect to impose on organisations that do not collaborate?

The Fire Brigades Union has spoken to me about same-service collaboration. For those of us who believe that we need to do more to reduce public expenditure to deliver public services more efficiently—I count myself as a fiscal conservative—a whole range of savings are available in the fire service through combinations of fire services across the country. One fear that the FBU and I have is that, by concentrating control through PCCs, the Government are giving up the opportunity for cross-border collaboration and the savings that will come from that. What is the Minister's answer to the FBU?

One of my two main points is on the duty to collaborate with ambulance services. Other hon. Members are extremely disappointed, and I certainly am, by the half-hearted response of the ambulance services to this opportunity for them to participate in collaboration between the emergency services. On other issues raised in the consultation, page 19 of the Government's summary states:

“By far the most commonly stated view was the need for ambulance services to engage more with the police and fire and rescue services.”

That is absolutely correct. There are many people in the fire and rescue services who believe that their humanitarian mission is much more closely aligned with those in the ambulance services, yet the ambulance services seem to drift along on their own thinking that it is okay to stay within their own silo and not participate in the Government's positive and welcome change. Is collaboration by the ambulance services central to the Minister's vision, or is it a “nice to have”? On the surface, it looks like a “nice to have.” If PCCs are to be the central organising point for emergency services, the Government have missed a step in not using this opportunity to propose measures to drag parts of the ambulance services into the overall responsibilities of the PCCs.

**David Rutley** (Macclesfield) (Con): My hon. Friend is making a characteristically passionate and well thought-through speech. I understand his point about the importance of ambulance services being better involved in the debate, but it could be argued that there are unique pressures on them. In Poynton, to the north of Macclesfield, there is an interesting model of co-location between fire, police and ambulance services in an emergency

[David Rutley]

hub. Does he agree that there are options, maybe at the margins or on the periphery, where ambulance services could play a more integrated role?

**Richard Fuller:** Not only do I agree, as usual with my hon. Friend, but I would take his idea and move it another step forward. There are opportunities not only for co-location but for training, skills development and establishing career paths that enable people to join a fire and rescue service and an emergency medical responder service and then determine whether they want to have a pure firefighter career path or whether they want to have a career path that includes achieving medical qualifications that make them capable of being EMRs. Such opportunities are relevant to the vision that the Minister wishes to outline, but the Government's proposals give a free pass to the ambulance services to continue thinking in their own silo. There is an imperative on the Government to bring that under the overall arch of their recommendations.

**Ian Lavery (Wansbeck) (Lab):** I spoke to firefighters on the frontline in my constituency last week about that point, and it is not a difficulty—they have a pilot with the ambulance service. Last week alone, the fire and rescue service saved two people's lives in Northumberland because of that joint approach. However, there is a huge difficulty with amalgamating with the police service, which is quite different.

**Richard Fuller:** I have a lot of empathy with what the hon. Gentleman says, which is another reason why the lack of effort, as it seems from the Government's proposals, to try to bring in the humanitarian, ambulance and EMR capabilities will store up problems for later. There is a concern that it will be not a merger but essentially a takeover of the fire services by the police. I know that that is not the Minister's intent—I am sure that as a former firefighter himself, he has a passion for the fire service and understands the unique skills it has better than many hon. Members—but unless the Government introduce stronger measures on collaboration requirements for the ambulance service, the fears outlined by the hon. Gentleman are likely to continue. It is the Government's responsibility to try to cut them off.

A number of points in the proposals deal with governance and PCCs, and with management. When I read the consultation document originally, I thought that on governance issues, a pretty straightforward case could be made for or against, but that the management issues involved quite a lot of detail and potentially some weeds that we would not wish to get into. In their response, the Government rightly clarified the issues for chief fire officers, such as that the position of chief officer in a combined service is now open to them. It is now clear that they can take part in that way, but what about the terms and conditions for the bulk of the workforce in the two arms of the police and fire service? What will the single-employer structure mean for them?

The Government has rightly considered potential back-office savings. That is quite right, and we know all about co-location—those are the easy bits—but a single employer also has responsibility for human resource management, training and development, terms and

conditions and pay. What is the Government's plan on that? Can they give us some reassurance on terms and conditions that the changes are not a stepping stone to a substantial change in working relationships and opportunities for the fire service and police?

I am sure that there will be questions about force boundaries, as there were in the debate in November. As the Government have moved forward with their proposals, I can see instances working where multiple fire authorities are under a single PCC, because the PCC is the apex, but what are the Government's proposals for the admittedly limited number of areas where the PCC is not the apex of the fire authority? It is not just that the boundaries are not coterminous; they go beyond the scope of the apex. Can the Minister address those issues? For example, Cornwall and Devon police forces are merged, but Devon and Somerset fire services are merged and Cornwall is independent. What does he suggest there? It is also proposed to merge Wiltshire and Dorset fire services, but there will be two PCCs for those areas. Can he give us some thoughts about that?

**Steve Brine:** The H3 project that I mentioned in Hampshire also now combines its back office with Oxfordshire County Council. Clearly, that is outside the county boundary and the PCC boundary, but it proves that if local collaboration happens without being forced, where there is a will, there is a way.

**Richard Fuller:** That is right, but sometimes there is no will; what is the way then? PCCs are democratically elected figures, and they have a responsibility to the people who elected them to maintain their range of services. The proposals in the legislation are not clear about how that will be managed. It would be helpful to hear that from the Minister, because it will not apply to the vast majority of places across the United Kingdom. The number of places affected is small, but they are important. The people of Devon, Cornwall and Somerset will want to know the Government's intentions, because in a few weeks' time, they will be voting for someone who may well have that responsibility if Parliament passes the legislation.

I would like to make a few points about PCCs, starting with finance. All Members of Parliament will be aware that chief constables have made the case for a number of years now about the financial pressure involved in maintaining the desired levels of policing. Many of us on the Government Benches have pressed chief constables and others to look for savings and, sometimes reluctantly and sometimes positively, they have engaged with us. Guess what? Effective policing can be delivered with lower budgets. Who would have thought that possible? However, there is admittedly still pressure across the board on public and police financing, which is why my right hon. Friend the Chancellor was right to maintain police budgets in the autumn statement.

I am sure that we all look forward to that maintenance of funding, but I was concerned, not for the first time, by comments made by the police and crime commissioner in my county of Bedfordshire. Just last Sunday, the *Bedfordshire on Sunday* led with a story headlined, "Takeover threat for fire service". It began:

"Help us with our funding or be taken over", is the warning to the fire service from the county's cop boss."

The PCC may well be jumping the gun, because he does not have those powers yet, but I think that many of us would be alarmed to hear such an aggressive statement from a PCC who might be given responsibility for the fire service. The fire service is not a piggy bank for police and crime commissioners to raid for their budgets.

**Lyn Brown** (West Ham) (Lab): But it is.

**Richard Fuller:** The PCC ought to know, and have responsibility for knowing, that he must—

**Mr Peter Bone (in the Chair):** Order. If Front-Bench Members want to intervene on the hon. Gentleman, they can, of course, but otherwise, they should be quiet.

**Richard Fuller:** I am not sure whether the shadow Minister was speaking out in support of the PCC raiding fire service budgets. Perhaps she was; perhaps that is new news. Who would have known? Perhaps she would like to clarify.

**Lyn Brown:** I am grateful to the hon. Gentleman for allowing me to clarify, and I congratulate him on securing this debate and on the tenor of his contributions. I was merely agreeing with his suggestion that some PCCs may well see the fire service as a piggy bank from which to fund the police service, and I wonder whether that was the Minister's intention.

**Richard Fuller:** I am grateful to the shadow Minister, who came to my constituency last year just before the general election. She was very welcome in Bedford. The issue is not so much that some PCCs may be incapable of managing their budget effectively and who therefore think that this is an opportunity to take money from our firefighters—as the Bedfordshire PCC appears to think—but that they should not be permitted to do so. On that, I think she and I agree. We want to ensure that the funding for our fire service cannot be raided by PCCs such as the one for Bedfordshire, who wishes to get his hands on it.

**The Minister for Policing, Crime and Criminal Justice (Mike Penning):** Judgment is an important issue for PCCs, especially as they come before the electorate in May. I would argue that the judgment of the Bedford PCC has been flawed—I wonder whether my hon. Friend agrees—in that, with huge reserves, the PCC still went to the electorate and asked for a 15% increase in the precept, which was rightly rejected. He was trying to raid the piggy bank of the electorate, rather than that of the fire service. Perhaps he should concentrate on his own financial situation.

**Richard Fuller:** I am tempted by my right hon. Friend to go further and talk about the PCC for Bedfordshire, but that is a bit parochial. I have one final point, which I think is relevant for all Members of Parliament. In Bedfordshire, we consider the fire stations that exist around the county. In my constituency, we have one in Bedford on Barkers Lane and one in Kempston. My concern is that the PCC will close that station. If he is already firing the gun and saying that he wants to take money from the fire service, that could mean real reductions in fire service coverage for my constituents.

Can the Minister tell us a bit more about the financing for the new arrangements that he is seeking? In particular, council tax is in separate precepts at the moment. Will a single precept be charged? Secondly, what accountability will there be within the PCC organisations to ensure that one budget is not raided for another? If there is no clarity that people are being charged separate precepts for fire and police, and there is no oversight in the service about how that money is used between fire and police, that is of great concern.

In their response, the Government say that they are quite rightly considering the issue of an inspectorate and how that should roll. My personal view is that that inspectorate needs to have a very strong mandate and, in particular, needs to see itself as maintaining the correct financing for both the fire service and the police service. That should be a specific requirement in the inspectorate's brief and it should not have an overall brief to ensure that money is being used effectively by the PCCs. If we do not maintain that idea of separation, the predations of certain PCCs will be too strong.

**Richard Drax** (South Dorset) (Con): I will be very careful what I say, because Dorset's PCC is a man who I respect a lot and he does a very good job within his remit, but it would be fair to say that this whole argument is made even more difficult by the fact there is still a lot of doubt about the role of the PCC. Personally, I have always thought that we politicised the police force in one straight swipe and now there is a danger of doing so with the fire service. Does my hon. Friend agree that this issue is adding angst to an argument that is very difficult to resolve?

**Richard Fuller:** That is a fair comment, but there is no better person to alleviate angst than the Minister himself and I am sure that at the end of this debate the angst will be significantly lessened.

Overall, I hope that Members welcome both the consultation process undertaken by the Government and the broad thrust of their proposals to take these measures forward. There is a lot of good stuff in these recommendations and I think that all hon. Members want to help the Minister identify where there are perhaps ongoing concerns, so that he can consider them and refine his thoughts before he introduces legislation, and to encourage him on the path that he has set, which is most welcome for the people of Bedford and—I am sure—for many people across the country.

**Mr Peter Bone (in the Chair):** It is my intention to call for the two winding-up speeches no later than 10.40 am and I have seven Members who have indicated they wish to speak. My arithmetic tells me that means about seven minutes per person. I do not want to impose a time limit because that is not my way, but I ask Members to bear that guidance in mind.

9.52 am

**Jim Shannon** (Strangford) (DUP): It is a pleasure to speak in this debate, Mr Bone, and I thank the hon. Member for Bedford (Richard Fuller) for setting the scene very well, as he always does, with his knowledge and experience. We thank him for that.

[*Jim Shannon*]

We look forward to hearing the responses from the Minister and the shadow Minister, the hon. Member for West Ham (Lyn Brown). There is no pressure on the Minister whatsoever—he just has to absorb all the angst in the room and come up with the answers. Knowing him as we do from when he was a Northern Ireland Minister, we know that he has a great interest in his job and a passion for it.

I look forward to giving a Northern Ireland perspective. I know that the issue has been devolved to us in Northern Ireland, but it is always good for the House to hear about experiences from across the United Kingdom of Great Britain and Northern Ireland, and in this particular case from Northern Ireland. I know that the Minister will encompass that in his response.

Just last September, a poll commissioned by the Police Federation of Northern Ireland was released. It found that 96% of those who took part believed that morale was at its lowest. That indicates how the pressures of budgets, the pressures on jobs and the changes in police officers' circumstances have all lead to a reduction in police morale. The significance of the survey cannot be overstated. Some 2,527 serving police officers in Northern Ireland, which is just over a third of the total number, responded to it. Budget cuts, pension fears and internal changes have been blamed for the slump in police morale. We have also seen the hard-pressed Northern Ireland ambulance service declare major incidents, as it has been unable to cope with a combination of rising demand and cuts to funding.

What we are considering in this debate is closer working between the emergency services. I want to give a perspective from Northern Ireland, where the three services can work together, do better and respond to events because of some of the things that we have done in the Northern Ireland Assembly, to which power in this area is devolved.

We live in tough times economically, and all Departments are being asked to tighten their belt, but the statistics on police morale, and issues affecting the ambulance service and the fire service, are all causing concern. It is good to discuss how we can use co-operation between the emergency services to help those affected by the tightening of the purse strings to do more with less.

**Mr Gregory Campbell** (East Londonderry) (DUP): My hon. Friend is coming to a point that will hopefully command widespread support across the House and the nation. People want to see a pragmatic, sensible and practical series of co-operations between the emergency services, not just to raise morale among the staff in those services, important as that is, but, even more importantly, to deliver a more efficient and effective service to people across the United Kingdom.

**Jim Shannon:** As always, my hon. Friend and colleague makes a very focused intervention. Yes, we need to have that co-operation, and that is what this debate is about. It is not about attacking anybody or giving anyone a hard time; it is about considering how better we can have that co-operation. In Northern Ireland, we have done some things better than elsewhere, and some things have been done better on the mainland. We can exchange views, and it is important that we do so.

The answer lies in innovation—learning to do things differently. Reducing bureaucracy and red tape is a simple measure that would make co-operation between our emergency services easily obtainable. It is the attractive thing to do and the right thing to do, and if we encourage that process we could see some real results.

I know that the issue of how the three services can come together and help each other when it comes to training is a different one for a different debate. A previous debate in Westminster Hall addressed such training. However, in Northern Ireland we have taken some steps towards achieving that joint training. A location has been identified for it, but we do not yet have the training school to bring the three services together. I know that the Minister is aware of that approach, because I think he will have overseen it during his time in the Northern Ireland Office. Once again, there are some good steps being taken forward.

We have already seen what innovative approaches can do in Northern Ireland. The Northern Ireland fire and rescue service adapted to a tighter budget rather than simply doing things as it had always done them before. Reallocating shift patterns, having less bureaucracy and providing more autonomy for local stations and fire service men and women are just a few of the steps that the command of the fire and rescue service in Northern Ireland has taken to adapt to the challenging financial environment.

The most interesting part of all the changes that have taken place, and of those that will be made shortly, is that they have come from those within the fire service themselves. They have acted rather than waiting for Government. The initiatives came from people within the fire service—they want to provide a better fire service, as they are part of it. If we can do things better, let us do so.

In Northern Ireland, fire stations that would otherwise have closed are now staying open, and fire service personnel who would have otherwise been out of a job are part of a fire service that is looking forward, despite the challenging circumstances. There is real innovation and there are real ideas, and people are working together. Replicating that innovation in the other emergency services, and sharing the methods by which improvements can be made, will surely go some way toward alleviating the pressure of cuts to our emergency services.

We do not have any Scottish colleagues here today, but I always say that we are better together, in every sense of the phrase, and we want to stay together. However, we also have emergency services across the whole of the United Kingdom of Great Britain and Northern Ireland that do a good job. If we are doing things well in Northern Ireland, let us share that, and if there is something in Scotland, Wales and the rest of the mainland that we can learn from, let us do so.

However, while it is encouraging to see what can be done, there is no replacement for funding. Cuts have been made to our front-line services, and particularly our emergency services. We have to look at those cuts again—surely there are other areas in which the Government, and indeed the Northern Ireland Assembly, should focus attempts to save money. Greater co-operation, while always desirable, cannot be a smokescreen for cuts. The people will not be distracted, and the figures cannot be swept under the carpet.

I return to my comments about the police service survey. Of those surveyed, 96% said that morale is low in what has to be one of the most important institutions for Northern Ireland's future. We need law and order in place, and it is good that we have it, but we also need the emergency services to work together better. The fire and rescue service, the ambulance service and the police can do that. Co-operation is desirable and always beneficial, but it will not always be a good enough smokescreen to cover the fact that our emergency services are facing cuts to their budgets. What matters is how those cuts happen, how budgets are then brought together and how we deliver a service that our people can depend upon.

9.59 am

**Richard Drax** (South Dorset) (Con): I congratulate my hon. Friend the Member for Bedford (Richard Fuller) on securing this interesting debate. I shall ask my hon. Friend the Member for Cannock Chase (Amanda Milling) to bash me when I get to six minutes; I would be most grateful if she did so.

I will quickly touch on the overall picture in Dorset, then I will give the views of four representatives in Dorset—the chief constable, the police and crime commissioner, the chief fire officer and the chief executive of the south-western ambulance service, Ken Wenman. I asked my team to tell them that I was going to participate in the debate and that I wanted to hear from the coalface, as it were, exactly what people in Dorset thought.

In Dorset, we already have close collaboration between the police and the fire service—it is already a fact of life. The Dorset police and fire services already share seven buildings and facilities, and two years ago Dorset police and fire became the first 999 blue light street triage service—I think that is the jargon—in the country, with police officers, fire officers and mental health professionals working together. First-aiders with in Dorset police advanced training will respond to life-threatening emergency calls on behalf of the ambulance service if the latter's attendance is unduly delayed and police resources are closer. That is the overall picture in Dorset.

The view of Chief Constable Debbie Simpson is that blue light collaboration is not helped by the ambulance service being regional. The police and fire services are not regional, so who partners with whom? That is a question for the Minister. The chief constable says that although there will be some efficiencies, the majority of those working in each emergency service train for entirely different functions, and that

“we struggle to put together teams across forces, let alone across different blue light disciplines.”

She would prefer the police to look at the criminal justice family—courts and probation—as an area for closer collaboration. She thinks that the police have a closer affinity with those organisations than with the other blue light services.

Martyn Underhill, who I mentioned in my intervention on my hon. Friend the Member for Bedford, is the Dorset police and crime commissioner and also the national representative for PCCs to the Government. He says that there is a natural synergy between the police and fire services nationally and that the idea of the PCC being responsible for fire and rescue services is

good. However, he feels that in Dorset it will not work. We already have the combined Wiltshire and Dorset fire services, which will merge on 1 April 2016. The merged service will be associated with two police forces and two PCCs, for Wiltshire and Dorset, but they are not coterminous—that is a dreadful word, but I think you understand what I am trying to say, Mr Bone. Will the Minister comment on how that situation can be resolved in the interests of further “efficiency and effectiveness”? In Dorset's case, the PCC supports the chief constable's view that collaboration across the criminal justice system might be more fruitful.

Darran Gunter, our excellent chief fire officer, and the new authority that has been formed—the shadow Wiltshire and Dorset fire authority—unanimously reject the proposal that the fire service should be governed by the PCC. They are concerned about over-complexity, but they support localism, local democracy and accountability. The fire service's first priority is prevention and behaviour change, and only then responding to save lives. Joining up should not be viewed solely in operational terms.

Darran Gunter is not sure that there is any proven evidence of efficiencies from combining the blue lights, which have different vehicles, equipment, competencies, conditions of service, personal protection kit and so on. His view is that closer control of fire services in the past has failed. I cannot remember how many millions it cost, but I know the Minister is aware of the disastrous case of the past attempt to regionalise the fire service. The fire and rescue service area is shared by two PCCs—Dorset and Wiltshire—so how will overall responsibility be addressed? The PCC posed the same question. If the PCC takes control of the fire service, how will the fire authority, which is already elected and has a duty to the community, be consulted? What about the views of the community? There should be a demand-led culture.

Mr Gunter says that the fire services does not want to alienate other public services, such as those for children, families and adults, and health partners, by exclusive collaboration with other blue light services. It is disappointed that the duty of collaboration is limited to the three emergency services. He says that local authorities, clinical commissioning groups, the Maritime and Coastguard Agency, the voluntary sector and others should be included.

Responsibility for the fire service has now moved to the Home Office, which is responsible for the police. How will future funding work? Police budgets are protected, while the fire service is to be reduced by 30% over the next four years. In Dorset, 85% of operational vehicles are crewed by retained firefighters—one of the highest levels in the country. Some fire services are still in county councils, some are in combined fire authorities; and some are in metropolitan fire and rescue services. Further changes; could come with the new arrangements for mayors. There are significant challenges in combining services, so does the Minister agree that that is one area in which the Government should offer a blueprint?

I turn to the views of Mr Wenman, who is the chief executive of the South West Ambulance Service Trust and a trained paramedic who still goes out today. He is an extraordinarily nice man, and an affable and very able paramedic. His view is that the ambulance service “is the emergency arm of NHS, not the medical arm of the blue light services.”

[Richard Drax]

There is a big difference. Each regional ambulance service deals with anything from 750,000 to 2 million calls a year—10 times the activity of the fire service. The ambulance service provides a broader response than conventional fire and police services, with its responsibilities including the 111 and 999 services. Its services are aimed at “hear and treat”, with clinicians giving advice over the phone and pointing patients in the right direction. Some 85% of the response is urgent rather than emergency care.

I will make a few final points, so as not to go over my seven minutes and interfere with colleagues’ time. As far as first aid is concerned, the fire service is currently trained to “plug holes” and “manage airways”, backed up by paramedics from the ambulance service. Mr Wenman can envisage there being fire service paramedics, with three years’ training, and understandably many firefighters are keen to do that. In 2006, the ambulance service saved a significant amount of money through the reduction from 34 ambulance services to 10 statutory NHS ambulance trusts. Money could also possibly be saved through localism in services.

That was a quick sketch, covering the views of four professionals who deal with the very business we are talking about, and right hon. and hon. Members will see that their views are mixed.

10.6 am

**Kate Hoey** (Vauxhall) (Lab): It is a great pleasure to serve under your chairmanship, Mr Bone. I congratulate the hon. Member for Bedford (Richard Fuller) on his great speech. He has given so much support to the firefighters and the fire service. I declare that I chair the Fire Brigades Union parliamentary group, so I have a real interest in the issue.

First, I want to point out how disappointing I found the announcement in January that responsibility for the fire and rescue service was to be transferred from the Department for Communities and Local Government to the Home Office. That is no reflection on Home Office Ministers, or the shadow Minister. I was in the Home Office way back when the fire service was the responsibility of that Department, and if anyone spoke to my right hon. Friend the Member for Knowsley (Mr Howarth), who was the Fire Minister at that time—at the beginning of the century—it would have been clear to them that fire not only got a minimal share of resources but suffered a kind of neglect. It was very much the little bit of the Home Office, and that was characterised by the big issues, such as immigration and criminal justice, getting so much more priority.

**Mike Penning:** Will the hon. Lady give way?

**Kate Hoey:** Yes, I will give way to the Minister—he was not around then.

**Mike Penning:** The hon. Lady is absolutely right. In those days, in the Home Office, the Fire Minister was separate from the Police Minister, and that is exactly why the Prime Minister has made me the Police and Fire Minister, to ensure that the mistakes of the past do not happen again.

**Kate Hoey:** I am sure that the right hon. Gentleman will be a very good Minister, particularly given his background. He was an FBU representative at one time, I think. For me, however, this is about all the emergency services working together, and somehow the ambulance service and the whole medical side have been left out. That will genuinely affect the very good work that firefighters do in prevention and protection. The level of that work is already falling, and there will be fewer school visits and that kind of thing—I can see that that is the way it is going.

I am also a little disappointed in the consultation. There is no substantial evidence in the document for bringing about the change, and it has the usual kind of civil servant feel to it, with questions being asked to get an answer that coincides with the preferred outcome, because the decision had already been taken. The document did not ask the crucial question, whether having a single employer for the two services is a good idea. I do not think it is. The public have great trust and confidence in firefighters, even when, unfortunately, they occasionally have to withdraw their labour. Support from the public has been enormous, unlike in many other areas where strikes have led to huge public dissatisfaction. There is huge confidence in them, and they are seen as independent and impartial lifesavers. The hon. Members for Strangford (Jim Shannon) and for East Londonderry (Mr Campbell) have left, but firefighters in Northern Ireland had to work hard for all the communities during the many years of difficulty, and there was confidence in them.

I have a lot of confidence in my local police, particularly Commander Richard Wood, but there is no doubt that the public do not feel the same way about the police as they do about firefighters. I genuinely think that the reforms could damage the reputation that firefighters have built up in their neighbourhoods over decades, so I am concerned. Co-operation will come about if people want it to happen, not because it is made to happen from the top down. The Hampshire examples are good, and the system works there because everybody wanted to work together.

The example that my hon. Friend the Member for Wansbeck (Ian Lavery) mentioned of the fire and ambulance service working together shows that it can work, and that it does not have to be just about saving money. Of course we all want to save money, but I am keen to hear from the Minister what is really at the bottom of the reforms—unfortunately, I will have to leave slightly early.

I particularly want to pick up on the point that the hon. Member for South Dorset (Richard Drax) made about the role of the PCCs. They are not popular, as the turnout at their elections showed. It is crass to try to lump the two services together. It means we will lose accountability, which is very important in London. We need democratically elected people who have an overview and a link into the community. We need to be able to feel that people can be got rid of, which I do not think people feel at the moment.

There are many questions I could ask the Minister, but I do not have time. The Minister should look at this matter again. As enforcers of the law, the police do not have the universal access that the fire service has to people’s homes and to the many hard to reach communities.



It is vital that the fire service retains its distinctiveness to ensure continued trust in it. That is my most crucial point.

**Ian Lavery:** Does my hon. Friend agree that the fire and rescue service and the ambulance service could do a lot of business together? Those services are humanitarian services that have the confidence of the people in their communities. The police service, which seeks out crime, is not a life-saving organisation, and it does not have that same confidence of communities. Further integration will jeopardise any community spirit in the places we are trying to secure.

**Kate Hoey:** I could not agree more with my hon. Friend. He sums up why I feel so unhappy about this move. It has been rushed through, and I do not think it will work. Even people who felt that there was a role for PCCs are now beginning to say that their introduction was a mistake. If the reforms go ahead, I think we will be back here in a few years saying that they were a mistake.

10.13 am

**Mrs Flick Drummond** (Portsmouth South) (Con): It is a pleasure to serve under your chairmanship yet again, Mr Bone. I congratulate my hon. Friend the Member for Bedford (Richard Fuller) on securing this debate. It is a great pleasure to praise the example that we have in Hampshire of how the emergency services and the local authority—Hampshire County Council—can work together. We already have some of the finest services in the county, with Hampshire constabulary leading the way in efficiency and focusing on the priorities of policing. I was sad to hear of the departure of Chief Constable Andy Marsh, and I know other Hampshire MPs will want to join me in paying tribute to him. His successor will inherit a strong and effective force, which I will be pleased to support in Parliament.

However, I must sound a note of concern about the plan that the police and crime commissioner has unveiled to close police stations in Portsmouth. I am going to be parochial for a couple of minutes to illustrate a point. The city faces unusual challenges of geography. We have only three main roads on to Portsea Island, and they lead into the most densely populated space outside London. It is unthinkable that we should be left without a fully supported police station and I hope that Mr Hayes will reconsider his options. The first that any of us heard about this plan was through our local newspaper, which is no way to manage a service that we all depend on for public safety. In the light of the proposals for the police and crime commissioners to take on greater responsibility, it is a real cause for concern. I know from my postbag that the closure plan is alarming to constituents, and I will continue to oppose it.

However, to get back to positives, in the fire service we have had the recent consultation on its future as a service in Hampshire, and how it can adapt to a changing physical environment and capitalise on a steady improvement in fire safety. We know that over the past 10 years, the number of call-outs to domestic incidents has halved. Call-outs overall are down by almost a third, and Hampshire fire and rescue is in the best-performing quartile in the country for response times.

As has been mentioned, in Hampshire we already have a highly evolved co-operation between the emergency services. It is called H3: Hampshire fire and rescue, Hampshire County Council and Hampshire constabulary. The sharing of facilities between Hampshire fire and rescue service and the police has been achieved without radical surgery to governance; it is all about common sense. The fire service works with the South Central ambulance service as a co-responder, and they share buildings in parts of the county, too. There is a genuine willingness to co-operate in Hampshire, which is perhaps at a more advanced stage than that assumed by the proposals to legislate. So I hope that any legislation does not impose unwieldy structures where there is flexibility at present. I know from the Hampshire fire and rescue service consultation response that that is of concern. It also makes the excellent point that there is the potential for co-operation nationally in bringing ambulance services into the mix. That is a very powerful argument from a service that already knows so much about collaboration.

Indeed, it is important that the differing roles and competences of our emergency services are respected when it comes to matters such as accountability for complaints and personnel. There are plenty of areas for potential integration, such as communications and service planning, and in outreach and safety issues of all kinds. Let us make sure we focus on what is practical first and keep that flexibility for our emergency services to design the best services for their particular region.

10.17 am

**Jim Fitzpatrick** (Poplar and Limehouse) (Lab): It is a pleasure to follow the hon. Member for Portsmouth South (Mrs Drummond), who demonstrates that some local authorities are ahead of the game on this issue. It is also a pleasure to see you in the Chair this morning, Mr Bone. I congratulate the hon. Member for Bedford (Richard Fuller) on securing the debate and on the eloquent way in which he described the conundrums and dilemmas facing the Government.

I should declare an interest. I was a member of the London fire brigade for 23 years. It celebrates its 150th anniversary this year. I was a former Fire Minister. I am secretary to the fire and rescue service all-party group and am chair of Fire Aid. I am also a Member's representative on the House's Fire Safety Committee. If colleagues have not done their online fire training yet, go on to the intranet. Only 30 out of 650 Members have done the training for their own safety, let alone the safety of the staff and constituents who come in, and it takes only 10 minutes.

There are two key questions for me: governance and the question of operational issues. As has been mentioned, the Government recently changed control of the fire service back to the Home Office from the Department for Communities and Local Government. As the Minister has already said, it was there before. Government moves things around; I do not think that matters too much. We have had a national fire service and we have had local government controlling the fire service. In London we have had the London County Council, the Greater London Council, the Greater London Authority, the London Fire and Civil Defence Authority, the London Fire and Emergency Planning Authority, and now control is going to the Mayor. Do the public know? Do they care? I do not think it matters at all.

[*Jim Fitzpatrick*]

The key question, raised by my hon. Friend the Member for Vauxhall (Kate Hoey) and others, is about accountability. Having someone to go to to make a complaint or to congratulate and praise is the most important thing. Given the state of the fire service in recent years with the disputes and strikes, we have hardly had a model of a successful operation of the fire service. I do not think the integrity of the service will be affected by a transfer to police and crime commissioners, although my hon. Friend the Member for Wansbeck (Ian Lavery) made a powerful point about the integrity of the fire service, which was accepted by my hon. Friend the Member for Vauxhall and which the Minister knows is out there in the public domain. I am not a big supporter of PCCs. Police and fire services would be better located with local government, along with some health matters, as many colleagues know, although I do recognise the points made about shared services.

More important for me is operational effectiveness. As the Minister knows, the fire service will always respond. A great recent example is its response to the floods. There is a suggestion that the fire service should have a statutory flood duty, allied to those of the Environment Agency and the water companies. The Government's response so far has been that we do not need a statutory duty because the fire brigade will always turn up. Well, the fire brigade always turned up to fires before it became a statutory duty. The point is to make somebody responsible, and for it be somebody's job to do the planning and argue the case to Government for the resources for a particular job. That is another question that is out there.

The fire service is a victim of its own success. The reduction in the number of fires, deaths and injuries has led to reductions in the number of fire engines, fire stations and firefighters. The service is being cut because it has been successful. The Minister knows all the reasons why that has been the case: better building construction, double glazing, central heating, and fewer candles and paraffin heaters. As my hon. Friend the Member for Vauxhall said, there has also been much better fire protection, with the fire service reaching out to communities. That is another important factor, which goes back to the Fire Precautions Act 1971.

**Ian Lavery:** We need to be clear about the suggestion that there are now fewer fire deaths. That is generally the case in some regions, but regions such as Merseyside have seen a huge increase in fire deaths, and the trajectory is likely to go up over the next couple of years.

**Jim Fitzpatrick:** My hon. Friend makes a good point. If we cut services when the service has been successful, at some point it hits rock bottom so it has to start bouncing back. The statistics demonstrate that we do not have enough police officers or firefighters, but they show that only after there has been a rise in crime or in the number of fire deaths.

The hon. Member for Bedford made a powerful point about the number of fire brigades. One reason why the last Labour Government's botched attempt at regionalising the fire service failed was the intrinsic opposition of so many fire empires throughout the country. The Minister knows only too well who I am talking about.

This is a missed opportunity: it is not until question 15 of the consultation document that the ambulance service is even raised. That is despite the successful operation of combined fire and medical services in most states in the United States of America and the fact that most European Union states have combined fire and emergency medical services. That is despite the greater need for first-aid skills in firefighters; despite the arrival of idiot-proof defibrillators—I am not saying that they have to be idiot-proof for my fire colleagues to be able to operate them, but it makes it easier for us all; and despite the 2013 report from the Government's fire adviser at the time, Sir Ken Knight, called "Facing the Future", which looks mainly at the more developed area of co-working with ambulance services. That ought to be a key recommendation.

The fire brigade in London has been cut because of its success. We see the London ambulance service under pressure, with a rising number of calls. It is criticised for not making its call times and is under budget pressures. More lives could be saved in London through the more efficient use of the emergency services, particularly the ambulance and fire services—frankly, if the Minister wants to add the police to that list, that is not the most important issue to me. More savings could be made in London through co-location, the disposal of property assets and closer working. I have not seen any of the candidates for the mayoral election bring that up, but I have been feeding it out to them and am still hoping.

In conclusion, I congratulate the hon. Member for Bedford again. He says that the Minister intends a higher level of collaboration. I look forward to hearing what both the shadow Minister, my hon. Friend the Member for West Ham (Lyn Brown), and the Minister, with his excellent knowledge of the fire service, have to say. I am interested to hear whether the ambulance service and the fire service can be brought together.

10.24 am

**Amanda Milling** (Cannock Chase) (Con): It is a great pleasure to speak in this debate under your chairmanship, Mr Bone. I congratulate my hon. Friend the Member for Bedford (Richard Fuller) on securing the debate. At this time on a Tuesday morning we would normally be sitting in the Business, Innovation and Skills Committee, so this makes an interesting change.

Since I was elected to this place, the issue of closer working between emergency services—particularly police and fire—has been a priority for me, so I am incredibly grateful for the opportunity to speak today. Since I secured a Westminster Hall debate on closer working between the police and fire services in November 2015, there have been some welcome developments. In December 2015, Staffordshire fire and rescue agreed to undertake a review of how it could work more closely and collaboratively with Staffordshire police. That was welcome news, as it was something for which I, along with some of my Staffordshire colleagues and our police and crime commissioner, had been calling for some time. I was, however, disappointed that it took around six months to reach that point.

More recently the Minister, whom I am pleased to see in his place today, published the Government's response to the "Enabling Closer Working Between the Emergency Services" consultation. I was particularly pleased to see

the Government's proposals, which include two matters that I shall discuss further: a statutory duty for blue light services to collaborate to improve efficiency and effectiveness, and police and crime commissioners' taking over responsibility for fire and rescue services, where a local case is made.

First, I welcome the proposals on a statutory duty for blue light services to collaborate, because, as has been mentioned a few times, collaboration has been patchy to date—Sir Ken Knight highlighted that in his 2013 review of fire and rescue authorities. That is not to say that there are not some excellent and successful examples of collaboration. We have heard examples from Dorset and Hampshire from my hon. Friends the Members for South Dorset (Richard Drax) and for Portsmouth South (Mrs Drummond), but sadly that is not the case universally. As my hon. Friend the Member for Bedford said, there has not always been the will locally to collaborate. That is a challenge that must be overcome.

It is absolutely right that blue light services have a statutory duty to investigate where they can share control rooms, back-office staff, offices, human resources, payroll and procurement—I could go on. It is just common sense, as my hon. Friend the Member for Portsmouth South described for Hampshire. Eradicating duplication, which often exists at a local level, even within towns, will mean better outcomes for the public and taxpayers, and will ensure that funding can be targeted to front-line services.

Secondly, in the Westminster Hall debate that I secured in November 2015, I expressed my concerns that PCCs would take responsibility for fire and rescue services only where a local case was made. As the Minister may remember, I called for it to be mandatory. My concerns were based on the potential for resistance to considering such a transfer—again, there is the issue of patchiness and the possible lack of will locally. Although I look forward to seeing more detail, I am reassured to some extent by the Government's proposal to enable cases to be put to the Secretary of State where parties are not in agreement about the transfer. It will then be up to the Secretary of State to make a final decision based on local consultation and an independent assessment of the business case. It is important that local priorities drive decision making, but equally important that decisions can be scrutinised if necessary.

Ultimately, I am keen to see police and crime commissioners universally develop into a broader role, potentially becoming public safety commissioners. In the first instance, they should incorporate fire services, but over time things could go further—for example, we have been discussing ambulances. That said, I do recognise that there are some complexities and that the regional structure of the ambulance service makes things more complex.

As the role of PCCs develops, might there be a need to consider whether their title should evolve? There are several reasons for that: we need to ensure that there is no perceived police takeover, as my hon. Friend the Member for Bedford said earlier, and that the public are clear about the role of these individuals. In terms of the latter, it will be particularly important to build on the benefits of the electoral accountability of PCCs. They, like Members of Parliament and local government councillors, are directly accountable to the public, and members of the public can express their satisfaction or

dissatisfaction with them at the ballot box. To date, such direct, clear accountability has been lacking for fire authorities. Although I appreciate that elected councillors serve on those authorities, they are appointed to those positions, rather than elected by members of the public. We must ensure that the public are clear about who and what they are voting for. I think the name “police and crime commissioner” can cause confusion; are there any plans to create a new title for the commissioners in recognition of their broader remit?

I am a keen advocate of greater collaboration and I welcome the positive steps that have been taken in recent months to ensure more collaborative working across the blue light services, but I recognise that we can go much further. I look forward to seeing more detail when the Government's proposals are brought before the House.

**Mr Peter Bone (in the Chair):** Before I call the shadow Minister and the Minister, I remind Members that it is now tradition that the Member who moves the motion gets a couple of minutes to wind up.

10.31 am

**Lyn Brown (West Ham) (Lab):** It is a genuine pleasure to serve under your chairmanship, Mr Bone. We have had an excellent, well-informed debate and hon. Members have made many good points.

Labour supports close collaboration among the emergency services, but we fear that these proposals come with significant risks and are being carried out in a cavalier fashion. The consultation exercise that preceded the proposals gives us the distinct impression that the Government decided that they would make radical changes before they spoke to the key stakeholders. In any serious consultation, stakeholders would be asked what they think of the substance of the proposals. Instead, they were merely asked to comment on the process by which PCCs will gain control of their local fire service, not on whether the process has any merit, and they were asked a litany of leading questions.

The proposed process by which a PCC takes control of a fire service is rather authoritarian. Although they must seek agreement from the local fire authority, if agreement is not forthcoming the matter will be arbitrated by the Home Secretary, who will decide whether a change is

“in the interests of economy, efficiency and effectiveness or public safety”.

That is a recipe for hostile takeovers.

**Ian Lavery:** In Northumberland, the police and crime commissioner was opposed to further integration with other blue light operations. Will my hon. Friend comment on the position there?

**Lyn Brown:** That one passed me by, but I will come to Northumberland and have a conversation about it. I am sure the Minister has an answer.

The Government are ignoring the advice of the 2013 Knight review. When Sir Ken Knight considered expanding the role of PCCs, he recommended that, if such a policy were pursued, it ought to be trialled through a pilot,

[Lyn Brown]

rather than be rolled out immediately. Why did the Government choose categorically to ignore that key recommendation?

I fear that these proposals carry a number of serious risks, and I worry about the continuation of the successful, locally driven collaborations that have been talked about at length in recent years and have saved lives. When I was shadow Fire Minister, I visited a number of fire services, including Northumberland's, and I heard of collaborations with ambulance services. I was particularly impressed by the Lincolnshire fire and rescue service and the East Midlands ambulance service, which ensured a swift, comprehensive service to isolated parts of the county. Firefighters responded to medical emergencies and took patients to hospital if they could do so more quickly than the ambulance. It really did save lives; it was an exceptionally good collaboration.

Only yesterday, we heard that the ambulance service has missed its targets six months in a row. Our paramedics work hard, but they cannot be everywhere at once. Our fire and ambulance services recognise that, and they work side by side to be part of the solution. What will happen to such innovations in the brave new world of combined police and fire services? Will PCCs be charged to continue that work, or will it simply fall by the wayside? What guarantees do communities have that such innovations, which are important to them, will be top of PCCs' agendas?

To save money and be more efficient and effective, local services successfully share back office functions. A good example is the North West Fire Control project, which set up a single control centre for services in Cumbria, Lancashire and Greater Manchester. It works really well. What will happen to such collaborations? Will those services be disaggregated? I do not know. Perhaps the Minister does. I worry that there is a danger that such locally driven projects will be crowded out as energy is spent on responding to an agenda that has been dreamt up in Whitehall.

I also worry that dismantling the existing structures of accountability will cause a democratic deficit. The next PCC elections are in May, and the major political parties have already selected most of their candidates. Does the Minister expect the candidates to detail in their manifestos their intentions about fire services? Should that be a central issue in the election debates? I gently say that I do not believe that the Home Secretary or the Minister expect the fire service to be a central plank in the PCC elections. Is that not worrying in itself? It is as though the Government see the fire service as a secondary concern to policing.

Peter Murphy, director of public policy and management research at Nottingham Business School at Nottingham Trent University, said that

"if the current plans are implemented there is a very strong chance that the fire and rescue services would go back to the 'benign neglect' that characterised the service from 1974 to 2001 when the Home Office was last responsible for fire services. Police, civil disobedience, immigration and criminal justice dominated the Home Office agenda, as well as its time and resources."

If the fire service becomes the lesser partner in a merged service,

"the long-term implications will include smaller fire crews with fewer appliances and older equipment arriving at incidents. Prevention and protection work, already significantly falling, will result in

fewer school visits and fire alarm checks for the elderly, not to mention the effect on business, as insurance costs rise because of increased risks to buildings and premises."

I think his assessment is right. There is a real danger that fire will become an unloved, secondary concern of management—a Cinderella service. Perhaps the Minister can tell us how he will ensure that the service is improved, that we invest in the best equipment and training, that vulnerable people continue to have fire alarm checks and that schools are visited and children educated.

I want to ask a basic question about reorganisation. The Government appear to assume that it will be easy for fire and rescue services to reorganise to suit the PCCs' boundaries, but to talk simply about transferring responsibility from a local authority belies the complexity of the situation. Fire budgets are very integrated in some councils to ensure the efficiency and effectiveness of the service, so it will be difficult to unravel them, as has been shown by previous attempted mergers of fire services. Has any work been done to assess the complexity? What conclusions has the Minister come to about the difficulties he might encounter? What concerns have county and metropolitan councils raised with him about disaggregating budgets and the effect on important emergency services?

Finally, on funding, fire and rescue services have already had to reduce spending by 12% over the course of the last Parliament, which is a cumulative cash cut of some £236 million, and further projected reductions are to come. When I met some fire services, I was told that their service would not be viable in future as a result of the cuts. That is the reality of the tough financial context in which PCCs are being asked to take on fire services.

There are alarming signs that the front-line service is beginning to suffer. Response times are creeping upwards. As the Minister knows full well, every second counts when people are stuck in a car wreck or a burning building. What risk analysis has the Home Office done to ascertain how PCCs will be able to reduce fire spending without increasing response times and reducing resilience and safety? I ask him to publish that risk assessment so that we can all evaluate it. It is not as if police forces have spare money to pass to the fire service, as we heard in the effective speech by the hon. Member for Portsmouth South (Mrs Drummond). They are still absorbing cuts of 25% to their funding from the last Parliament and face further real-term cuts. They have done amazingly well in such tough circumstances, but one has to wonder whether PCCs are happy that the Government are handing them another Whitehall-imposed funding crisis to deal with. Again, does the Minister expect PCCs to cover the shortfall in funding by introducing privatisation into the fire and rescue frontline? The last time I asked that question, the Minister shook his head but offered no verbal or recordable assurances whatsoever. Will he allow PCCs to end the full-time professional fire service or to sell it off bit by bit? What assurances can he give the House that those paths will not be followed? What control will remain in Whitehall to ensure that our fire services are not privatised or sold?

In conclusion, we genuinely support closer and more effective working between the emergency services, which we have seen work really well, but we have serious concerns about the inherent risk in the Government's proposals. If the Minister is convinced that they are the

way forward, he should publish a risk assessment and be confident that a rigorous pilot will demonstrate their merits. Until he commits to that, I feel that the risks involved are too great and pose too much of a threat to our communities for us to be able to support the proposals.

10.43 pm

**The Minister for Policing, Crime and Criminal Justice (Mike Penning):** It is a pleasure to serve under your chairmanship, Mr Bone, not least because the Northamptonshire police and crime commissioner is one of the best in the country, offering the sort of innovation that we have heard about during the debate. It is sad that he is not standing for re-election in May.

I welcome today's debate and the opportunity to bust some myths, which is important and can provide confidence going forward. I am generally a friend of the hon. Member for West Ham (Lyn Brown), and we get on 99% of the time, both inside and outside this Chamber, but some of her comments frankly amounted to scaremongering. I will address the points that have been made during the debate, but, as always, I will write to colleagues if I cannot cover everything.

Like the hon. Member for Poplar and Limehouse (Jim Fitzpatrick), I have a passion for this country's fire service. I was a member of it for a short time but nowhere near as long as him. The fire service that turns up to our homes and factories to protect us is a public asset and will stay so—let me throw this privatisation thing out of the window once and for all. However, when my constituency was blown to smithereens on 11 December 2010, I welcomed firefighters from anywhere, including the private sector, which has huge experience in the type of fire that we were fighting.

We must also get away from the London-centric perception that all fire stations stay open 24/7, because they do not. We have an absolutely fantastic voluntary service based on retained firefighters, who make up the vast majority of firefighters around the country. Brilliantly, we now have full-time retained firefighters—it was not allowed when I was in the job. I understand that there are retained London firefighters who live in my constituency, but I must be slightly careful about that as I do not want to get them into trouble. The Fire Brigades Union in London does not like retained firefighters. On Merseyside, there are only 25 retained firefighters for the whole area, even though many firefighters have told me that they would love to be retained when they go back to their villages and homes. We also have full-time day-manning, as I call it, with firefighters being retained and on call later. Only the other day, I was in Lancashire to congratulate firefighters on their fantastic work during the floods. They have just moved to a new system with no 24/7 stations, but the cover is safe and the unions have accepted it. We must therefore remember when looking around the country that one size will not fit all.

However, we must consider—the hon. Member for Poplar and Limehouse hit the nail on the head—that other countries often have emergency services that work together much more closely than ours and protect their public much better. Of all the countries that I could refer to, it is America, the nation of privatisation, where firefighters have paramedical skills vastly in excess of any fireman in this country. I am really passionate about that. I took five years to qualify as a military paramedic before paramedics were even heard of in

civvy street. When I started the job in Essex after passing out, I was posted to the station in Basildon. I was given my trade union card—I had no choice in the matter—and I was then given my first aid certificate, because I was made to take a first aid course during my basic training. By the way, at no stage during my service was I asked to renew the certificate, which is quite fascinating.

We have moved on since then. The vast majority of firefighting appliances now have defibrillators, but so does the cashier at my local Tesco. It is fantastic that this life-saving kit is available to us. When I was in Hampshire the other day, I saw advances in skills for firefighters for which I have been screaming for years, and we could go further. The key thing is whether we can keep a person alive until the other professionals arrive. This is not about replacing the ambulance service or the police; this is about the fire service being able to save a seriously injured person when it is out on a job and an ambulance cannot get there. That happens in most other parts of the world. In Hampshire, I was chatting away with a fireman who had paramedical skills right up to just below being able to insert an IV. I think there are legal reasons behind him not being able to do an IV, but we will try to move on that as well, because, as I know from experience, getting fluids into the body is one of the most important things, alongside keeping the airways open. People have transferred from the ambulance service into the fire service and vice versa, because of their on-the-job experience.

The reason why legislation is so important is that this is not just about money. If it was, I would not be standing here. It is about whether we can get a more efficient service to protect our constituents' lives day in, day out, 24/7, 365 days of the year. Are there things preventing us from doing that?

In some parts of the country we have gone forward in leaps and bounds, but in other parts we have not; in some parts of the country we have huge amounts of collaboration, but in others not. I freely admit—I will probably get myself in trouble with the Department of Health again—that when I was in opposition I was fundamentally opposed to regionalisation of the ambulance service. As a former firefighter, I saw problems with that. When the hon. Member for Poplar and Limehouse was the Fire Minister, I was fundamentally opposed to the regionalisation of the fire service control centres. Thirty-odd years ago, however, when I was a fireman, we had a tri-service control centre—only one of them—and it worked really well. Where such things are working in places around the country, issues such as contracts and job descriptions have been addressed, which is absolutely right.

On Thursday, I was at the police control centre in London when the Syria conference was going on here. That was a hugely difficult and tactical job for the Metropolitan police, with the fire service, the Army, the ambulance service and the London boroughs all in that control centre together, but it was a brilliant operation. I pay tribute to those involved in the mutual aid that took place in London last Thursday. We had armed response and other police officers from throughout the country, including from the Police Service of Northern Ireland—the hon. Members for Strangford (Jim Shannon) and for East Londonderry (Mr Campbell) have now had to leave the Chamber for other business.

[Mike Penning]

Collaboration does take place, but what do we do when it does not? Do we simply sit back and say that that is acceptable? A locally appointed—not elected—fire authority might say, “No, we’re doing fine. There are 25 of us, and we turn up twice a month. We’re doing absolutely fine”, even though they know full well that in another part of the country collaboration is saving lives and doing the job. This is not about replacing a fireman with a policeman—that is clearly scaremongering. I know what the FBU has been saying, and I will try to work with it on the matter. This is about delivering better care and value for money.

Why are the emergency services not all coming together on procurement? I now publish the lists of what police authorities spend, and I shall do exactly the same for the fire authorities. The accountability of PCCs is in place—they are elected. There are people who are seconded or appointed to different authorities, but at the end of the day the PCCs are the ones in the community who are elected, and the vast majority of them want collaboration.

Nearly every chief fire officer has congratulated me on my new position, although that is probably natural—they do not want to get on the wrong side of me straightaway. They welcome the fact that I am the Fire Minister as well as the Police Minister, so the fire service is not the forgotten body, which to be fair they have felt in the past. I was aware of the extent of that when I took office.

We want collaboration to be as voluntary as possible, but where there is complete belligerence about not doing it, we will take powers. The Bill will be published shortly. There will be evidence sessions, because that is the modern way we do things now, and we will look carefully at a lot of the comments made in the debate today. All that, however, has to be about how to do things—the way we did things in the past is not necessarily the best one. Some of the work we are doing now I was pushing for 30 years ago, and I am pushing to go further.

I would like the ambulance service to work more closely with the others. That is much more complicated because of the regional structure, but we could do things locally. I know of at least one PCC—I will not name him, because I was told in confidence—who has been approached by the new commissioning group in his area to ask whether the PCC could provide emergency blue light cover for ambulances. That is starting to come about not from the top down but from the grassroots.

We should listen not only to the chiefs, the PCCs or the unions—more unions than the FBU alone are involved—but to the individual firefighters, who have had the confidence to talk to me in the past few weeks, since I had this new job, and to say, “Minister, we are thrilled that you are an ex-firefighter and that our voice may now be heard above all the other chatter of people protecting their jobs.” That is the sort of comment I have been hearing.

**Ian Lavery:** With regard to the grassroots and the people on the frontline, who the Minister mentioned—he was one of those people himself—in the event of a single employer model, will he guarantee the people in the fire and rescue service their rights to unionise, to

collective bargaining and to industrial and strike action? The police have none of that, so will the Minister guarantee that firefighters may retain their rights?

**Mike Penning:** That is an important point. The operational control of the individuals will always be by the operational officers. There is no evidence whatever that PCCs, since we have had them, have interfered in cases or in operational work. It is crucial that that does not happen.

What are we really saying? More than half of all fire stations—I think this figure is right—have a police station or ambulance station within 1 km of them. Although it is difficult to put a fire appliance into a police station—some ambulance stations could take them, but not police stations—the reverse is easy, and we have seen that in Winchester.

The new fire station in Winchester, which a fantastic piece of kit, is fully bayed, and the police are in there, too. The two services are completely working together, without it affecting their operational control. Someone who dials 999 and asks for a police officer will not get a fireman—that is a ludicrous idea and will not happen. However, elsewhere in the country we already have, for example, police community support officers in Durham, I think, carrying first aid kits. They might even have short extension ladders. They have had the training and are doing that because of the sheer geographical issues involved.

One size will not fit all, and that gives us an opportunity. There are complications, and I am not shying away from the fact that doing something might be difficult, but nor will I shy away from the fact that we need to protect our public better than we do now. Where collaboration works, I will not have belligerence and bloody-mindedness blocking that sort of care in other parts of the country. That is why we are bringing it through.

10.56 am

**Richard Fuller:** I thank hon. Members for taking part in the debate. In particular, I thank the shadow Minister, the hon. Member for West Ham (Lyn Brown), and the Minister for their contributions.

The Minister was kind enough to say that he would write to Members with responses to their questions, because he did not have time to answer everything specifically. The key message that he will have received today is that there is broad and widespread support for collaboration in principle, but some important questions remain about how it will be developed.

We heard about some strong examples in Hampshire from my hon. Friends the Members for Winchester (Steve Brine) and for Portsmouth South (Mrs Drummond), and about the experience in Northern Ireland from the hon. Member for Strangford (Jim Shannon). As my hon. Friend the Member for South Dorset (Richard Drax) said, however, there are still mixed opinions among professionals, so the Minister will have to provide guidance. He will have to lead on this, so that others may follow and get the best of the opportunities presented by collaboration.

As the Minister himself mentioned, there are continuing questions about where the ambulance service and the responsibility for emergency healthcare response sit in

the review. We heard about that from the hon. Members for Vauxhall (Kate Hoey), for Poplar and Limehouse (Jim Fitzpatrick) and for Wansbeck (Ian Lavery), as well as from me and the shadow Minister. That issue will not go away.

Let me just say to the Minister that, in my experience, workplace culture matters—the culture that makes men and women want to work together grows and matters, because it is an ethos and a motivation for people. Nowhere is that more so than among members of our public service whom we ask to put their own personal safety behind the safety of our public. Clearly there is such an ethos among those in the fire service whom the Minister has met. They see themselves as having a humanitarian mission.

When the Minister says that he is minded to do more, therefore, he really does need to do more. We have to find a way to bring those responsibilities into the changes he is making. If he can put that in the Bill, or if the shadow Minister tables amendments to that effect, they will find widespread support from Members of Parliament in all parts of the House.

**Mr Peter Bone (in the Chair):** Before I put the Question, I thank all right hon. and hon. Members for their self-restraint, because every Member who wished to speak did so.

*Question put and agreed to.*

*Resolved,*

That this House has considered closer working between the emergency services.

## Sports Clubs: HMRC Status

10.59 am

**David Mowat (Warrington South) (Con):** I beg to move,

That this House has considered multi-sports clubs and HMRC changes to community amateur sports club status.

It is a pleasure to serve under you, Mr Bone. In many ways the context of the debate is the rather disappointing Olympic legacy, with participation reducing in sports. In the past four years, the number of people doing more than half an hour of sports a week has declined from 25 million to 23 million; and as has been widely reported, obesity has increased by something like two thirds since 1993. In the context of joined-up government, it is therefore somewhat surprising that the Government have chosen to increase taxes on a number of amateur sports clubs, which will almost certainly lead to some detrimental impact on participation.

I will use Warrington sports club as my example, but I could have used many others. In particular, I have been contacted by a large number of golf clubs that are also being hit by the tax changes that Her Majesty's Revenue and Customs is in the process of bringing in, which will have an impact on participation. Warrington sports club has 750 members, of whom 400 are junior members. That high ratio of junior members is one of the factors that has led it to fall foul of HMRC. Another factor is that it is a multi-sports club that does six major sports: rugby, cricket, hockey, squash, tennis and archery. The club was founded in 1852, so it has been going for a long time. It costs £220 a year for a multi-membership and £130 for a single membership, so it is not a major, lucrative money-making venture. The two issues that have taken the club the wrong side of the legislation are that it is a multi-sports club and that it has a relatively high number of junior members.

In terms of the club's financials, membership brings in something like £50,000 a year and the bar brings in £290,000 a year of which £140,000 a year is from non-members. Non-member income is the issue that the Revenue is trying to address. One of the reasons for the large non-member income is that the club has a significant number of junior members, so parents take juniors to play rugby, cricket, hockey and whatever and have a drink while their offspring are playing. That counts as non-member income, which is the crux of the HMRC requirements. In terms of profit and loss, in the past two years on a turnover of about £300,000 a year the club has made a total profit of just under £2,000. The club is run to break even; it is not a profit-making club.

The legislation from which the club and many others have benefited was introduced in 2002 to attempt to increase participation in sport by making concessions for amateur sports clubs. The concessions were an 80% relief on rates, some corporation tax relief and gift aid status if they registered to be a community amateur sports club. Something like 6,000 sports clubs registered as CASCs. The valuable part of that concession for Warrington is that it saves about £14,000 a year in business rates, which may not be huge in terms of its turnover, but that is a reasonable chunk for a club that broadly breaks even. It comes to something like £20 a member, which is about 15% of the membership fee.

[David Mowat]

The legislation brought in by the Government in 2002 had numerous sensible criteria. The club had to be open to the whole community—it could not be a private, restricted club—it had to be amateur and its main purpose had to be the promotion and participation of an eligible sport. Clearly that was the case for Warrington and up until now that has worked fairly harmoniously.

In 2013, HMRC started a consultation. Its concern was apparently that the existing legislation was complex and confusing. There was clearly potential that organisations that are not really sports clubs whose primary purpose is not sport could register for CASC and take the benefits, which would not be fair to aspects of the hospitality industry. I can see that and the people at Warrington sports club can see that. If abuse was taking place, it is reasonable that HMRC should look at how it might wish to stop that. That seems to me an easier loophole to close than some of the other issues it grapples with on our behalf, such as double Irish, Facebook, Google and all that goes with that, but the focus in 2013 was amateur sports clubs.

HMRC sent out a consultation with a number of options and I think it would be fair to say—I am sure the Minister will agree—that it was trying to develop quantitative criteria by which it could judge whether an entity should be CASC-registered. It would not be a judgment on whether something was a sports club; HMRC could say, “It is a sports club because of these quantitative criteria, so we can tick a box. This one clearly passes and that one doesn’t.” One can only imagine that it was trying to remove uncertainty and dialogue, with people arguing, “His club should be if mine is” and vice versa.

At the time of that consultation, there was no mention whatever of state aid being one of the drivers of what HMRC was trying to do. At no point was the reason given that there was concern that some sports clubs might have an issue with state aid, but I say that because recent correspondence with HMRC has given that as the reason for not changing some limits. The consultation ran its course and at the end HMRC decided to impose two quantitative criteria. One was a £100,000 a year maximum on non-member income. As I said, the club had £140,000 non-member income, which put it outside that limit. One reason why the club is outside the limit—this is why the debate is about multi-sports clubs—is that the club runs six sports, so it is a relatively big club. If it were six separate clubs, they would be beneath the limit, but that structure would be onerous to go to and difficult to achieve. The £100,000 limit discriminates against multi-sports clubs.

The other quantitative criterion that HMRC imposed was that 50% of members had to participate actively in a sport. I guess the reason for that is that it wants to ensure that CASCs are real sports clubs and that people are not joining just to enjoy the benefits of the £14,000 a year that the club enjoys. That has caused Warrington an issue, because roughly speaking—it is only an estimate—its non-member income is about £140,000 because it is a multiple sports club. The other point is that because it has a large junior membership—400 of the 750 members are juniors, which I would submit is a good thing—parents will sometimes join the club socially or whatever. Those who have to take their children to the club will have a

drink. They may or may not be members. If they are members, they may not do sport 12 times a year, so they would fall outside that criterion. In any event, the criterion appears to be a complex one, with 16 measurements for participation.

The impact on the club is £16,000 a year. I do not suppose that that will close it. It is a material issue, but it will not break it. HMRC tells the club that if it wants to it can set up a trading subsidiary. That would involve accountants and lawyers, and all the rest of it. Obviously, the bar income would go into the trading subsidiary. The estimated cost would be several thousand pounds, and the trading subsidiary would pay corporation tax. Perhaps that is what the Revenue wants, but it is quite onerous, and it is unclear what the saving would be. The other possibility would be to split the sports club into six separate sport clubs—one for each sport. There would clearly need to be a method of checking which club people who bought drinks were in, and so on, because of the *de minimis* limit. The consequence would probably be something like a 20% increase in membership fees—£25 a year. Presumably, because everything in economics happens at the margin, that would cause a reduction in participation, which is not really what the Government want.

The club put a request to HMRC. It said, “Okay, we kind of understand the direction of what you are trying to do. We understand the abuse that you are trying to tighten up on, and the clarity that you want. Let’s change the £100,000 *de minimis* thing, given that this is a multi-sports club, to £150,000.” Obviously there is self-interest there, because the Warrington club would be under that, and would save £14,000. We got the answer from HMRC that—I paraphrase—it would be happy to help, but its hands are tied by state aid rules. That is the first mention we have had of state aid rules, and no one would think that Warrington sports club was the first entity to create a state aid issue for the Government—a Government, by the way, while we are on the subject of state aid, who have difficulty in stopping the German Government reducing electricity prices for their heavy industry by a factor of two, so that their steel companies do not close while ours do. Nevertheless, Warrington sports club was informed that HMRC could not help and that £100,000 was the highest the figure could be, because of state aid rules.

I have good news for the Minister, however, because in the past few days I have read the Department for Business, Innovation and Skills state aid manual, which came out in July 2015. It is a rattling good yarn, and explains that there is a *de minimis* limit on state aid of €200,000 over a three-year period. In the view of BIS that would not distort competition in the European market. We thought we were home and dry, because obviously the £14,000 or €20,000 that Warrington sports club and other sports clubs enjoy is clearly a factor of three or four below that state aid amount. It would appear to me from the BIS manual that we have found a way out for HMRC. It will no longer have to be concerned about being dragged through the European Court on matters of state aid and the rest, because of the *de minimis* limit and its impact on Warrington sports club. I am informing HMRC of that point in this debate, and I look forward to the Minister’s response.

I have five questions for the Minister. Why does the correspondence that we have received from HMRC—most recently the Lin Homer letter of November 2015—rest



its case on state aid, when state aid was not mentioned at all in the initial consultation? Given that we now have the BIS state aid manual and know that there are minimum state aid thresholds, can we incorporate what we know into HMRC policy? Presumably the handbook applies to HMRC. In the opinion of the Minister, have the changes to the entire area that have taken place in the past three years, which will raise very small amounts of tax, if any, increased or decreased complexity? Does the Minister have an estimate of the number of clubs that are deregistering, and has there been any discussion with DCMS of the decline in sports participation that will be a consequence of that? Does he agree with me that instead of engaging in a drive to find a quantitative criterion for evaluating clubs it should have been possible, given all the value judgments that HMRC inspectors must make, to tell whether x or y is a sports club? That would not be beyond HMRC; it is something that could have been left to the judgment of tax officers.

11.16 am

**The Exchequer Secretary to the Treasury (Damian Hinds):** It is a pleasure to see you in the Chair, Mr Bone, and to have the opportunity to respond to my hon. Friend the Member for Warrington South (David Mowat) in this important debate. I commend and congratulate him on bringing it to Westminster Hall.

Successive Governments have recognised the benefits of sporting activity in improving people's health and wellbeing, and in strengthening community cohesion. I welcome the opportunity to express the Government's continued support for community amateur sports clubs, which, among other things, play an important part in consolidating our Olympic legacy, as my hon. Friend mentioned. It is right that the Government should use the tax system, as well as other forms of support, to encourage the benefits offered by those clubs.

There are about 7,115 community amateur sports clubs, and they certainly deserve the Government's backing. The new regulations for CASCs continue to ensure that support through the tax system is correctly targeted at them. The community amateur sports club tax scheme provides a number of vital charitable tax reliefs to support local amateur sports clubs. Following a detailed review by HMRC of how the scheme was operating under the old rules, which showed that they were confusing and difficult to understand, the new CASC regulations came into effect on 1 April 2015. They included, as my hon. Friend said, a new income ceiling of £100,000 for non-member income.

Extensive consultation took place before the new rules were formulated. The Government formally consulted on outline proposals for reform of the scheme in June 2013 and published their response that November. Between November 2013 and September 2014 officials were engaged in regular and intensive dialogue with representative bodies individually, as well as establishing a forum for representatives of the sports sector.

The forum has a membership drawn from several sports' national governing bodies and representative organisations. It met regularly during development of the new policy and the drafting of the new regulations. Particular issues of interest to members were aired at the forum and more detailed working group meetings ensured that HMRC understood specific issues for different

sports as it developed the rules. As a result, changes were put in place to address the genuine concerns of some members of the forum, and the draft regulations were amended to increase the generosity of the social membership rule. Throughout the consultation process HMRC worked closely with officials from the Department for Culture, Media and Sport and its agency, Sport England.

The new regulations have made the scheme more generous than it was, which makes membership more attractive. However, the scheme works by providing tax advantages only to those that need them, and it is of course important that taxpayers' money should be spent wisely. To take an extreme contrast as an example, clearly a youth football club with a tuck shop should get the tax advantages, but a pub with a darts team should not. That said, the new rules were developed to enable as many clubs as possible to remain within the scheme. Eighty-five per cent of existing CASCs are not affected by the new rules, as they operate fully within both the old and new rules.

It is worth noting that HMRC has not received evidence that the rules significantly increased the administrative costs for clubs within the scheme. However, some clubs inevitably are disappointed that the rules are not more generous. HMRC has continued to give help and guidance to clubs to help them remain within the scheme, and the dedicated HMRC charities helpline remains available to CASCs. If my hon. Friend or the club in his constituency wish to have a further conversation, they can do so by calling the helpline on 0300 123 1073. I would also be happy to arrange for either him or representatives of Warrington sports club to meet with officials to discuss the situation.

Some clubs may decide that complying with the new regulations is not financially viable and decide to leave the scheme instead. While we will not know the numbers involved accurately until after the 12-month grace period expires on 1 April 2016, we know that clubs are applying for CASC status at approximately the same rate as in 2014-15, before the rules changed.

The main purpose of a CASC must be the promotion of sport by providing facilities for the whole community. Clubs that generate a disproportionate amount of their revenue from non-sporting activities may be primarily social or commercial clubs. If a club's main purpose is not sporting, it is obviously not eligible to be a CASC. It is important that the generous tax reliefs available only go to genuine amateur sports clubs. The Government recognise that many sports clubs raise funds from social functions and other non-sporting activities to subsidise membership fees and consider that the £100,000 income threshold provides sufficient flexibility to do that.

The consultation document was clear that the tax reliefs afforded to CASCs are not meant to support clubs that could be seen as competing with other commercial businesses such as pubs and restaurants, as my hon. Friend said. A higher limit could increase the risk of a state aid challenge because clubs could be seen to be engaging in economic activity. I must make it clear that in the event of a successful state aid challenge, HMRC would have no alternative but to seek to recover what would then be deemed underpaid tax from each club—a situation that all of us would want to avoid. The stakes when considering any potential state aid challenge case are therefore really quite high.

[*Damian Hinds*]

When considering the state aid threshold of €200,000 over three years—my hon. Friend was right to raise this important point—the relevant rules require all forms of potential state aid provided to be taken into consideration. As well as the tax reliefs provided by the CASC regime, CASCs also benefit from lower business rates and may in addition receive grants or other forms of financial assistance. The amounts in question will vary from club to club. The income limit is set at a level that seeks to ensure the de minimis limits will not be breached once business rates and any other form of financial assistance are taken into consideration.

I reiterate that the main purpose of a CASC must continue to be the provision of facilities for an eligible sport or sports, and the encouragement of participation in those sports. If a club has a lot of non-sporting income, it is unlikely to be primarily a sports club. The new CASC regulations allow clubs to earn up to £100,000 a year from non-member trading and property income. There is no limit at all on the amount of income clubs can generate from members, apart from property income from members, which also counts towards the £100,000 cap.

During consultation, representations were made for a more flexible approach and perhaps a more bespoke income limit. However, that would greatly increase the complexity of the regime and regulations. Different rules for different sports or sizes of club would increase the administration for both clubs and HMRC, and that approach was rejected on these grounds.

If clubs that are already registered as CASCs have high levels of non-member trading income and/or property income and do not want to be deregistered, they may choose, as my hon. Friend said, to consider setting up a trading subsidiary in the same way as many charities have trading subsidiaries. This is important: any income generated by a trading subsidiary will not count towards the club's income threshold.

Trading subsidiaries should be owned and controlled by the CASC, allowing the subsidiary to trade but not be entitled to CASC reliefs. However, the trading company may gift-aid its otherwise taxable profits to the CASC and not pay corporation tax. Similarly, separate supporters' clubs may be set up to assist clubs with high levels of junior membership—another important point that my hon. Friend raised—in meeting new rules for participation levels where it is a requirement that a non-sporting parent or guardian is also a member.

HMRC cannot register clubs that do not meet the income condition. It expects all clubs affected to take steps to reduce their level of non-member trading and property income, and in many cases that will be by

setting up a trading subsidiary. The new income condition provides a sound regulatory foundation for the CASC scheme going forward that is fair and in keeping with one of the founding principles of the scheme: to support small volunteer-run community amateur sports clubs.

**David Mowat:** I listened carefully to the Minister's point on state aid. The fact that the de minimis limit applies to all forms of aid is, of course, reasonable. I make the point again, though, that my local club—I do not believe there is any reason to think Warrington sports club is atypical—would be under the current de minimis state aid limit by a factor of four or five. It is hard to see that the figure of £100,000 is, in fact, responsive to that de minimis state aid limit.

**Damian Hinds:** To reiterate, the de minimis limit is €200,000, which applies over three years.

**David Mowat:** To actual aid?

**Damian Hinds:** To actual aid, in all its forms. Officials had to, appropriately, make a judgment in designing a scheme that would apply across the sector on the safe level of non-member income, as a generally applicable rule that would keep clubs safely under that limit. The figure they arrived at for the limit was £100,000. In the particular case of my hon. Friend's local club, which he rightly and ably represents today in Westminster Hall, I would be happy to arrange for further discussions on appropriate avenues forwards.

The vast majority of clubs currently in the scheme have been unaffected by the new income condition, and detailed guidance is available to them and to those considering joining the scheme in the future. That means the tax reliefs available under the CASC scheme continue to be a vital element in supporting small clubs within the scheme to deliver the benefits of participating in sport.

The new non-member income threshold continues to encourage and support community sports clubs. The Government believe the cap is set at an already generous level and strikes the correct balance between the interests of the CASCs to raise extra funds and the interests of local businesses. The scheme should not provide tax reliefs to clubs that derive significant amounts of income from non-member social and commercial activities, as that was not what it was designed for. I close by thanking my hon. Friend once again and commending him for bringing this important debate to the House.

*Question put and agreed to.*

11.28 am

*Sitting suspended.*

## Work Capability Assessments

[MRS MADELEINE MOON *in the Chair*]

2.30 pm

**Louise Haigh** (Sheffield, Heeley) (Lab): I beg to move, That this House has considered work capability assessments.

It is a great pleasure to serve under your chairmanship, Mrs Moon, and to lead this debate, because it is one that we have been having in the House for many years and it has enormous repercussions for the people we are here to represent.

The debate comes at an important time. The amount of money that the Government spend on outsourcing has never been higher, but public trust in outsourced companies has never been lower. Only 22% of people believe that they are motivated by providing the best service to the public, and is it any wonder, with stories every week of high-profile failures, corruption, mistreatment, the falsifying of information and a premium being put on profit ahead of people? There is a sense from the public that this shadow state, providing the services that the public rely on, is acting with ever increasing impunity.

In the course of the last Parliament, as outsourcing grew, the public's control over our own public services shrank and evidence of malpractice, mistreatment and utter contempt for those coming into contact with the services provided by such companies grew, private sector providers became the ogres for their appalling behaviour. However, we should not forget that it resulted from what were first and foremost political choices, the unpalatable consequences of which were contracted out and covered in the veil of secrecy that commercial confidentiality rules permit. Although it was Atos and is now Maximus that has carried out the Government's massive expansion of work capability assessments, the choices made in the Treasury and in Downing Street, well before responsibility was contracted out, were the basis for where we are today—failing contractors acting with impunity, and the sick and disabled paying the price for the Government's flawed agenda.

Hon. Members on both sides of the House agree that if people can work, they should—that is not a contentious statement—and that work is beneficial for many people suffering from illness, be it physical or mental. I have friends and family who have fallen in and out of depression and for whom work has been a lifeline. It gives people a routine and a purpose—a reason to get out of bed in the morning. I have been unemployed for stretches of time myself and have experienced how closely linked unemployment and depression can be for many. Helping people to get into work is therefore a laudable and necessary objective of any Government, but some things are not compatible with helping people with physical illness, disabilities or mental health problems to get into appropriate work. I am referring to targets, profit-driven motives and a focus above all on cutting expenditure. When one side is trying to cut costs and another is employed to maximise profit, something has to give, and unforgivably that has been the sick, the disabled and anyone who comes into contact with this failing and occasionally brutal system.

**Neil Coyle** (Bermondsey and Old Southwark) (Lab): I thank my hon. Friend for securing the debate. Is there not also an issue about the significant waste of taxpayers' money in the Government failing to address the fundamental flaws in the system, which lead to an over-reliance on appeals and reconsiderations and the Department for Work and Pensions having to prop up a private company that is failing to deal with assessments appropriately the first time?

**Louise Haigh:** I could not agree more, and I will come on to that issue.

This is about providing not just a good-quality service for clients, but best value for money for the taxpayer. As I said, when one side is trying to cut costs and another is employed to maximise profit, something has to give. As report after report has identified, the contractors that the Government have employed to carry out cuts have been anything but successful. They have presided over failure after failure. There has been poor performance, a disregard for vulnerable people and, in this new age of outsourcing, a total lack of accountability for Government and operator alike.

**Mr Jim Cunningham** (Coventry South) (Lab): I congratulate my hon. Friend on securing this timely debate. The cost to the taxpayer is some £80 million this year, up by £24 million on last year. Does she agree that these private companies are taking the taxpayer for a ride?

**Louise Haigh:** Again, I completely agree with my hon. Friend, and I thank him for that intervention. The contractors continue to get paid despite repeated failures. Even worse, after being deemed unfit to perform in relation to one contract, contractors simply get to continue with another lucrative long-term deal, as Atos has done. After failing to handle the work capability assessments contract, it is still running a seven-year contract for personal independence payment assessments for the same Department. Now Maximus is failing to meet a range of key targets—targets that, importantly, put far greater emphasis on saving money than on meeting the needs of people who unjustifiably suffer. Whatever the rhetoric about service quality, this is still a system designed to cut costs for the Government and maximise profit for Maximus.

We have undoubtedly all read last month's report by the National Audit Office, but some of the figures deserve to be rehearsed. Despite the new contract—which followed Atos's spectacular failure—being worth some £570 million a year, there is still a backlog of 280,000 employment and support allowance claims. The average cost of each individual assessment is now almost £200, and that is for a 15-minute assessment. One in 10 disability benefit claimants' reports are rejected as below standard by the Government, compared with one in 25 when the shamed Atos was running the show.

Individuals have to wait an average of 23 weeks for a decision to be made on their benefits; there has been a huge rise in that timescale—almost a trebling—in recent years. For each person, that can and almost always does mean hardship, but the number being referred keeps rocketing as the Government, desperate to clear the books at any cost, lay the bill for clearing the deficit squarely at the door of the sick and disabled. The

[*Louise Haigh*]

Government are forcing away from ESA people who need and rely on it, and the failing contractors are being overwhelmed. Despite all that undeniable pain, unbelievably, the Department is not expected to meet the initial £5.4 billion savings target originally envisaged for the 10 years to 2019-20.

**Neil Coyle:** I thank my hon. Friend for generously giving way again. Does she agree that the failure at ministerial level to get a grip on the backlog, the rising costs and the incompetence in the Department for Work and Pensions has led to the Treasury's demand to take even more money from disabled people on employment and support allowance, which is why the Government are seeking to cut £30 a week from half a million of the most disadvantaged people in the country?

**Louise Haigh:** Again, my hon. Friend has neatly anticipated my next point, which is that the Office for Budget Responsibility has identified ESA and PIP as a major risk to planned public spending targets, given the uncertainty of the estimates. The NAO has gone so far as to say that PIP and disability living allowance performance issues have been the main contributing factor in the Department's inability to save any money in the spending review period up to 2015.

It is clear that both the Government and contractors are failing on their own terms, yet still the cash is handed over to failing contractors. We are locked into long contracts whereby Departments do not have the capability to improve performance. The original policy itself is flawed, but it is in the treatment of individuals unlucky enough to come into contact with the system that the whole rotten trade-off between cost cutting by the Government and profit maximisation by Maximus is most apparent. Specific cases abound, and I am sure that hon. Members on both sides of the House would be able to relay evidence of deeply concerning practice, which is why it is interesting to note that not a single Government Back Bencher is in the Chamber today. I will list a few from my case load.

One man with learning difficulties whose case was highlighted to me attended his work capability assessment, but during the assessment his support worker was shocked at the lack of care and attention given to him. When the assessment came through, there were some glaring factual errors, but none the less his ESA was docked, just in case he was in any doubt about what comes first—the person or the profit. On making his request for mandatory reconsideration, he was appalled to find out that he would be ineligible for ESA, which was his lifeline, until the reconsideration decision was made, and he was unable to meet the conditions placed on him for jobseeker's allowance. He now faces months of waiting until his tribunal, and potentially an annual battle if assessors continue to lack understanding of his learning difficulty.

**Steve McCabe** (Birmingham, Selly Oak) (Lab): Whatever my hon. Friend's views about the contractors, does she agree that it is the Government's responsibility to secure contractors whose assessors have sufficient knowledge of progressive conditions such as muscular dystrophy and sufficient awareness and training in areas such as

learning disabilities? The contractors are not primarily responsible for that; is it not the Government's responsibility?

**Louise Haigh:** Of course, I completely agree. The Government's policy sets the direction for the contractors, which is why the contractors have such a huge gap in their understanding, particularly of mental health issues.

In another case, one of my constituents applied for a home visit after being unable to make their assessment. She has now been waiting for more than two years and still has not received a date. Throughout that time, she has been surviving on a reduced rate and is struggling, as anyone would, to get by. She is just one of 280,000 people in an enormous backlog.

Despite the fact that the Government have made it notably harder for people to appeal their decisions, as my hon. Friend the Member for Bermondsey and Old Southwark (Neil Coyle) mentioned, the latest figures show that 54% of appeals result in decisions being overturned. As in the case of the first constituent I mentioned, there seems to be an alarming trend of cases being rejected based on factual errors or even—I hesitate to say this—falsification. I have had several cases of people telling me that their assessment report bears absolutely no relation to the assessment that they experienced with Maximus or Atos. I am sure that other hon. Members have heard similar evidence. One or two cases could be dismissed as an honest mistake, but the situation appears to reveal a disconcerting pattern of behaviour that indicates that the trade-off between cost cutting and profit maximisation is being felt by very vulnerable people.

Maximus is not doing this to make a loss or out of the kindness of its heart, and it is failing on performance, which goes to the heart of the issue. Even if the Government were more concerned with the interests and wellbeing of the user, it would be extremely difficult for them to hold the contractors' feet to the fire.

**Mr Jim Cunningham:** It is good of my hon. Friend to give way to colleagues. Does the situation not demonstrate that the Government's intention—Governments do give contractors instructions, by the way—is to cut people's benefits, and to make the system more difficult, through the contractors, so that it is harder for people to get those benefits? If anybody wants any evidence of that, it took the House of Lords to stop a £30 cut in people's benefits a couple of weeks ago.

**Louise Haigh:** Absolutely. Clearly, there is an attempt by the Government to drive down benefits for people who are sick and disabled, and they are using private companies to outsource that responsibility.

Even if the Government were interested in ensuring that the contractors were doing the best for sick and vulnerable people, it would be very difficult for them to be able to do so. They need to be able to trust the data that the contractor supplies if they are to hold its feet to the fire. In a 2014 report, the NAO pulled the Government up on the poor management of contracts, the level of inexperience within Departments, their naivety and their "over-reliance" on data supplied by contractors in the management of performance.

Although some much-needed changes have been made since the calamitous Atos contract and that 2014 report, old habits die hard and inexperience in managing contracts

remains a major issue for the Department. Although we know that contractors are performing poorly against a range of measures, because of the helpful insight we get from the NAO once in a while, assessment across the full range is not always forthcoming.

Across a range of vital measures, it is up to us to trust that the Department is doing the job and that Maximus is supplying the right information. They include the number of face-to-face complaints following an interview; the number of serious complaints; the percentage of face-to-face consultations without complaints, which is supposed to be at 99.5%; and the target of 100% payment of travel expenses within nine working days. Those targets are all noble and sensible, but there is no regular method for publishing whether they are met. That is why we talk about a democratic deficit in outsourced public services, the costs of which have rocketed since 2010 to almost £120 billion, covering vast swathes of services that we all rely on.

What exactly is the point in setting targets if the public cannot see whether they are being achieved? A supplier could manipulate the data, and we would have to rely on an overstretched Department to pick it up. Let us not pretend that that would be unusual or unprecedented. In 2007, Maximus was fined \$30.5 million over accusations that it had cheated Medicaid in the United States by making tens of thousands of false claims on a payment by results contract. Maximus effectively stole money from US taxpayers by making claims for children who had not received care. After that was exposed, Maximus said it would not sign any more contingency-based contracts where it was paid from savings in state expenditure, but the contract we are discussing is just such a contingency-based payment by results contract.

In 2007, Maximus was sued by the state of Connecticut for the abject failure of its computer system, which was supposed to run a police database, including real-time police record checks. The state's attorney general said:

"Maximus minimized quality—squandering millions of taxpayer dollars and shortchanging law enforcement agencies."

He said that the database could

"make a life and death difference to police and other law enforcers", so the failure was unacceptable. In 2012, Maximus settled the case for \$2.5 million. While the US sues companies such as Maximus, which spectacularly fail to deliver the contracts they are required to, we continue to hand over billions of pounds of taxpayers' money.

We have an original policy based on a flawed and myopic view of the sick and disabled, and handed down by the Government to catch contractors that are undeniably failing. Meanwhile, the public's right to know what is going on is limited by commercial confidentiality. We will all be forgiven for not wanting simply to trust that all is well when our constituents tell a different story and when well documented scandals seem to play on a loop.

Will the Minister commit to publishing regular updates to Parliament on Maximus's performance against its targets? Will she release the latest spending on WCA appeals, given that the figures in the public domain date back to 2012, and when the contract comes up for renewal in three years' time, will she release a cost-benefit analysis of bringing the service back in-house? Finally, will she confirm what steps are being taken to bolster

the experience of civil servants in her Department overseeing contracts of this magnitude, to ensure that they are delivering the best possible service to vulnerable people and the best possible value for money to the taxpayer?

The fundamental problem is that regardless of which hapless and dubious provider is dragged in, and regardless of the operating system and oversight of the WCA, the need of extremely vulnerable individuals simply cannot come in third place behind a need to cut costs and maximise profit. Is not the lesson of this whole sorry episode and the episode before it that profit has no place in assessing need?

2.46 pm

**Corri Wilson** (Ayr, Carrick and Cumnock) (SNP): The WCA was introduced to assess an individual's eligibility for ESA. The assessments have three outcomes, which determine whether claimants are in the support group, or the work-related activity group, or are fit for work. Claimants who wish to dispute the decision must go through a mandatory reconsideration before they can appeal. They have one month after a decision to request that and an additional month to supply supplementary evidence. ESA is not payable during that period, but may be backdated. Unbelievably, there is currently no statutory time limit for the Department for Work and Pensions to complete the process. Since March 2011, 35% of claimants went into the WRAG, 46% went into the support group and 19% were declared fit for work. The percentage of people placed in the first two groups has increased month on month from 75% in March 2011 to 96% in March 2015.

Panic, fear, distress, dread and anxiety are just some of the words people use to describe their experience of the benefits system while dealing with health concerns. For example, people with cancer—those who are terminally ill, those receiving treatment for cancer by way of chemotherapy or radiotherapy, and those recovering from treatment—will automatically be treated as having a limited capability for work or work-related activity. In some ways that is beneficial. However, according to Macmillan Cancer Support, by 2020 one in two people will get cancer in their lifetime but almost four in 10 will not die from it. That is clearly good news, but at least one in four of those living with cancer—around 500,000 people in the UK—face poor health or disability after treatment, with a significant proportion experiencing a wide range of distressing long-term problems, both physically and mentally. Many problems can persist for up to 10 years after treatment and can be significantly worse than those experienced by people without cancer.

Many healthcare professionals underestimate the long-term consequences of cancer and its treatment, and that low profile means that some of those affected are reluctant to report those consequences, particularly if they feel grateful to be free of cancer in the first place. It is good that we are curing people of cancer, but we have to recognise that not dying is not the same as being well. The impact of cancer and its treatment affects much more than just health and wellbeing. The physical and emotional effects of cancer and its treatment are the two most common reasons for employees who are diagnosed to give up work or change jobs. Almost half of those who do so say that it was because they were not physically able to return to the same role and one in three said that they did not feel emotionally strong enough. Having

[Corri Wilson]

come out the other end of cancer treatment, the last thing they need is the stress of jumping through hoops to see whether they are entitled to benefits. The time after treatment is crucial for future health. It is a time when space is needed to process what has happened to them and a period when they need to concentrate on themselves and take time to heal and get stronger.

The issue with the work capability assessment is that there is no flexibility. It does not take people's individual circumstances into account. It is not possible for people in the DWP to understand each and every health condition and its impact, and those who are contracted to do so seem very quick to overturn the diagnoses of GPs and health professionals. Sadly, everyone is expected to fit into the same box. Clearly, life is not so black and white, and cancer survivors and those with other health conditions want, more than anything, to have a normal life, but the opposite will happen if the benefits system continues to cause undue stress and hardship.

Although I have spoken about only one client group, there are many others in similar positions, and we can no longer ignore the damage that the system is doing. I ask the Government to re-examine the processes and to consider a better way of supporting people with health issues back into the workplace.

2.50 pm

**Gerald Jones** (Merthyr Tydfil and Rhymney) (Lab): It is a pleasure to serve under your chairmanship, Mrs Moon. I congratulate my hon. Friend the Member for Sheffield, Heeley (Louise Haigh) on securing this important debate.

Work capability assessments are one of the issues most commonly raised with me, and I am sure with many other Members on both sides of the House. The system is flawed and discredited, and it has caused undue stress and hardship for too many claimants. Recent academic research estimates that for every 10,000 assessments carried out between 2010 and 2013 there have been six suicides, which is truly shocking. That alone requires the Government to undertake a complete review of the current system.

**Rosie Cooper** (West Lancashire) (Lab): Does my hon. Friend agree that cases such as that of one of my constituents, who is disabled and does not drive and who has had to attend centres four times, only to be told that the assessment would not go ahead, exemplifies the administrative and financial shambles of the current work capability assessment scheme?

**Gerald Jones:** My hon. Friend illustrates a valid point that is replicated across the country.

I am sure that hon. Members are as concerned as I am when they hear that, according to the DWP's own figures, around 50% of assessments are overturned on appeal. That surely calls into question the reliability of the initial assessments and raises the question why we are putting people through such unnecessary stress, which has undoubtedly had a negative impact on the mental health of many claimants.

I am also concerned that the work capability assessments do not seem to take account of individuals who have a limiting long-term illness that means their condition often fluctuates, such as kidney dialysis patients or

people with Parkinson's. I visited the kidney dialysis patients support group in Merthyr Tydfil last weekend, and a number of people told me of their concerns about the work capability assessment and the lack of understanding of their condition. Dialysis patients often feel reasonably all right on certain days between dialysis, but on the day following treatment they can feel very low, which means that if they are receiving treatment three days a week, the number of days when they feel okay are few and far between. The Government need to address that lack of understanding.

If the original clauses 13 and 14 of the Welfare Reform and Work Bill are reinserted, financial support for new claimants in the work-related activity group will be cut by around 25% from £102 to £73, which will have a drastic impact on disabled people. The Government have said that they are committed to protecting support for disabled people, so the clauses are deeply worrying. The cut will not incentivise people, as the Government say they want.

**Neil Coyle:** Could the Government's proposed cut to half a million people, including people with learning disabilities or cancer, have the perverse incentive that those people will then try to go into the support group when there is already a 280,000 backlog due to the Government's incompetence in handling that contract?

**Gerald Jones:** I agree, and it shows how ill thought out the Government's proposals are.

**Mark Durkan** (Foyle) (SDLP): On the Government's justification for the measures in the Welfare Reform and Work Bill to cut the work-related activity group rate by £30 a week, the Government have said that that is to remove the financial disincentives that could otherwise discourage claimants from taking steps back to work. They have not produced any evidence for that disincentive in practice. Why does my hon. Friend think the Government are addressing a problem that is not there and ignoring the problems that are there and that hon. Members have raised over and over again?

**Gerald Jones:** I will try to address my hon. Friend's points later in my contribution.

I am concerned about the impact of the assessments on people with mental health problems. If the original clauses 13 and 14 are reinserted, the significant cut may mean that people with mental health problems become more unwell. They will be unable to spend money on support and activities that help them recover—things that the personal independence payment does not support—which will affect their ability to move closer to work. Rather than increasing the number of people in work, the change could hinder recovery and push people further away from work. The cut has been opposed in the other place, and I hope that the Government will listen and scrap the clauses.

The current work capability assessment is not fit for purpose. It has lost credibility, and an overhaul is desperately needed. The views and experiences of ill and disabled people must be at the heart of the process. We need a compassionate and effective system that supports people, not one that causes such misery for so many ill and disabled people in our country.

We in the Labour party feel that disabled people should be able to play a central role in monitoring the work capability assessment system and helping to ensure that it is managed with dignity and fairness. There have been concerns about the assessment over a long period, which has resulted in the DWP changing its contractor from Atos to Maximus, which I understand will be paid substantially more than Atos to carry out the contract. I fully support the calls from my hon. Friend the Member for Sheffield, Heeley to the Minister to make public the performance of the contractor, which will improve awareness of the situation.

The Government are trying to defend the indefensible. I hope that the Minister will signal today that she is willing to consider what action she and the Government can take to review this appalling situation and bring about some common sense and, above all, compassion.

2.57 pm

**Patricia Gibson** (North Ayrshire and Arran) (SNP): We know that today's debate is important because, in my constituency of North Ayrshire and Arran and in constituencies across the entire UK, some of our most vulnerable people—those with long-term and quite debilitating health conditions—are relying on us to be their voice. People who have undergone the work capability assessment tell us that they find the entire process at best demeaning, and at worst intimidating. It is a cause of deep distress, which is particularly alarming when one considers that some claimants live with challenging health and mental health conditions and find going through such assessments almost more than they can bear. The assessments can exacerbate or even precipitate mental health problems.

New research from the universities of Liverpool and Oxford has found that in areas where more people are assessed for employment and support allowance there is a greater increase in mental health conditions, prescriptions for antidepressants and even the number of suicides. The research estimates that that may have led to 590 additional suicides. The research is robust and suggests a correlation between mental health problems and the roll-out of work capability assessments. The result of the research is sobering for us all.

As my hon. Friend the Member for Ayr, Carrick and Cumnock (Corri Wilson) has said, why are there such strict limits for claimants when there is no time limit for the DWP to complete the mandatory reconsideration process? As has been said, we know that an individual's condition may fluctuate, which means that symptoms can rapidly decline and abate over the course of a week, a month or even a single day. What about folk with a condition such as Parkinson's? What if they are assessed on a good day? The assessor would be unable accurately to evaluate the condition's impact on the person's functional ability. Work capability assessments also focus on a person's typical day. Their best and worst days are therefore averaged out, which can create a totally misleading impression of their condition. A snapshot of a person's health is not a true and accurate view of the profound and often difficult challenges they face.

Work capability assessments do not take account of whether a condition is progressive. That is a significant oversight and leads systematically to incorrect assessment decisions about people with Parkinson's.

**Steve McCabe:** The hon. Lady has mentioned progressive conditions and delays that sometimes happen with mandatory reconsiderations. Can she think of any logical reason for the Government's refusal to give statistics on the outcome of mandatory reconsiderations? Is there any obvious explanation for the withholding of that information?

**Patricia Gibson:** I am afraid the only possible reason I can think of for that is that the information does not present the work capability assessments in a flattering light. I leave others to draw their own conclusions about how bad it might be.

The worst thing about the system is that those caught up in the controversy and confusion are people with long-term health conditions, and some of the most vulnerable people in our communities. There is a lot of consensus in the Chamber about the need for an urgent review of the work capability assessment. As the hon. Member for Sheffield, Heeley (Louise Haigh) pointed out, the cost is increasing, and it is expected that £595 million will be paid for 3.4 million assessments—about £190 per assessment. There has also been a problem with the recruitment of enough medical professionals to meet the demands of the assessments. At least £76 million of taxpayers' money has been wasted through the failure to get a new IT system up and running more than two years after it was supposed to be in place. As has been mentioned, the National Audit Office report, which was released only last month, revealed that

“recent performance shows the Department has not tackled—and may even have exacerbated—some of these problems when setting up recent contracts”.

**Neil Coyle:** The points about rising costs and the backlog are well made. Perhaps we can help the Minister by asking her to consider removing some of the routine retests for those with progressive conditions and conditions that will not change. We have all had the excellent briefings from Parkinson's UK and Mencap, for example. Perhaps the Minister should look again at the frequency of testing for some people, to save the taxpayer money and save some of the stress and anxiety that the hon. Lady has mentioned.

**Patricia Gibson:** That is an excellent, well made point and I thank the hon. Gentleman.

There is also a problem with transparency. In December, the Work and Pensions Committee concluded that it was unable to scrutinise benefit delays fully because of lack of available data. Its report said that

“if the DWP has this data, they should publish them. If they do not, then they are making policy decisions in the dark. The Department should address the lack of data immediately.”

Chillingly, in answer to parliamentary questions about the connection between assessment tests and the incidence of suicide or mental health problems in disability claimants, the Department has admitted that it neither holds such information nor has any plans to collect it. I think that is significant. There has also been an admission that it does not have information on how much, on average, it costs the Department to fund an appeal against a fit for work decision. It is clear—and becoming increasingly clear to claimants—that the system is in a mess. There is clear capacity shortage; there are also wildly optimistic targets, a lack of transparency and problems with hiring

[Patricia Gibson]

and training staff—within the context of dealing with individuals with long-term and serious health problems who are simply trying to access the support they need to survive. The National Audit Office has concluded that this system has

“significant financial and human costs”.

The current situation is cruel, inhumane and demeaning; as has repeatedly been pointed out in the debate, the system is not fit for purpose. I sincerely hope that the Minister will respond to the debate in a positive way and consider the significant financial and human costs to those who need, rather than bureaucracy and judgment, our support and compassion. The debate is about much more than simple work capability assessments. Ultimately, it is about the kind of society we want to create, and the society we aspire to be.

3.5 pm

**Natalie McGarry** (Glasgow East) (Ind): It is a pleasure to serve under your chairmanship, Mrs Moon. I congratulate the hon. Member for Sheffield, Heeley (Louise Haigh) on securing an important debate, in which I am pleased to speak.

An essential part of any social security system that supports people with disabilities and long-term sickness is a fair and effective means of identifying who needs support, and in what way. The current system of work capability assessment cannot be said to fit that description. Indeed, it was clear from the initial roll-out under previous Governments that there were deep flaws in the system. Early on, horror stories began to emerge of the extremely difficult and distressing experiences of people with serious disabilities and mental health conditions. Atos, the company in charge of the assessment process until March 2015, became a word firmly associated with the uncaring inhumanity of the welfare reform agenda.

We can all recount stories of the effects on our constituents. One such constituent of mine has a serious long-term mental health condition, and resulting medicine-related physical disabilities. She was forced to go to Edinburgh from Glasgow, unaccompanied, for an assessment; she was in a panic. She was found fit for work, despite significant medical evidence of extended stays in mental health hospitals, and long-term conditions with an impact on her health and physical wellbeing.

We are all aware of high-profile cases such as those of Michael O’Sullivan and Stephen Carre, who were demonstrably failed by a system that provided nothing but an extremely distressing experience, rather than targeting the help that they needed. Coroners have ruled in those cases that the men’s ordeals, through the fitness to work test, centrally contributed to their suicides. Distressingly, in the case of Stephen Carre, the coroner sent an official legal warning to the Department for Work and Pensions of a potential risk of further deaths from its WCA practices. He urged that there should be an urgent review of the policy not to seek further medical evidence from a psychiatrist or GP in the case of claimants with a mental health condition. That letter was not passed on to the Harrington review, conducted in 2010. It appears that the coroner never received a

response to his letter, despite the legal requirement for that to happen within 56 days. I think he is still waiting for a response.

In that case, as in others, the Government have failed demonstrably. They have failed disabled people and have abjectly failed to learn the lessons from their mistakes. The consequences of that are potentially disastrous. How many people could we tally who have lost their lives subsequent to those cases in which professionals such as coroners gave early warnings? With further revelations emerging of adverse effects on the lives of people who undergo the work capability assessment process, the system clearly remains unfit for purpose. People with long-term sickness and disability still have a hugely distressing experience, in a system they do not trust. Those with mental health conditions such as Stephen Carre have been failed particularly by a process that too often has seemed to persecute claimants instead of protecting and supporting them. The UK Government are systematically limiting, restricting and undermining provision for disabled people in the social security system as, yet again, austerity attacks those who need support the most. As the Government attempt to take another axe to employment and support allowance, they are actively making it even more difficult and distressing for disabled people to obtain the support they need.

We need to take a more holistic look at support for disabled people—at how to help those who want work and can do it to get into meaningful and accessible employment, and at how to support those who are unable to do that, and ensure that they have a decent quality of life. That means creating appropriate and sustainable new opportunities, and ensuring that financial support keeps disabled people out of poverty. Crucially, it also means having an assessment system that treats people fairly, preserves their dignity and does not make matters worse. That requires fundamentally rethinking the system, particularly how it interacts with more vulnerable people and those with mental health issues.

I understand that the Minister has come here in good faith and will argue that progress has been made, and I am sure her intentions are good, but the Government’s record of failing to learn the lessons from their mistakes has made it absolutely clear that we need an urgent and wide-reaching review of the work capability assessment process as part of a wider review of Government support for disabled people. The Government have simply got it wrong too many times for people living with long-term sickness or disabilities. It is about time that we started figuring out together how we can get it right.

3.10 pm

**Dr Eilidh Whiteford** (Banff and Buchan) (SNP): It is a pleasure to serve under your chairmanship for what I think is the first time, Mrs Moon. I congratulate the hon. Member for Sheffield, Heeley (Louise Haigh) on securing this debate.

The dysfunctionality of the work capability assessment has been a recurring theme in Parliament for as long as I have been here. It has been a running sore for the Government, so I am glad that in recent months they seem finally to have acknowledged that tinkering with the system will not fix it, and that a fundamentally



different approach is required. I look forward to the much-heralded White Paper expected this spring, which I hope will tackle some of the problems.

We have heard about a wide range of problems associated with the work capability assessment. If the Government are serious about devising a better system, it is important that we all understand the present shortcomings fully, so that we are not destined simply to reinvent the wheel and create another heartless bureaucracy that fails to provide the safety net of support that people need when they are sick or disabled.

Over the last few years, successive reviews of the work capability assessment have been conducted by Professors Harrington and Litchfield, and various attempts have been made to improve the process, some of which it is fair to say have helped around the edges. However, due to recurrent problems with getting appropriate medical background information on claimants' conditions, with how claimants are categorised and with the accuracy of the assessments, the impact has been limited. One private sector contractor has left early under something of a cloud, as the hon. Member for Sheffield, Heeley described in some detail, and another company has taken over the contract with a remit for changes, spending more money per assessment and awarding support to a larger proportion of claimants.

However, the underlying problems are still there. The work capability assessment itself remains unfit for work. Many claimants wait an inordinate time for assessment: as we have heard, it takes an average of 23 weeks for a decision, and the current backlog is 280,000 cases. I know that my constituents are still battling the challenges of travelling significant distances from remote and rural locations to assessments. In the past, constituents of mine who have made long and expensive journeys have been sent home unassessed because their appointment was double or even triple-booked. That does not apply only to my area; it echoes a point made by the hon. Member for West Lancashire (Rosie Cooper). Such administrative issues, particularly delays in assessment, cause claimants distress and financial hardship at a time when they may be exceptionally vulnerable and facing severe financial worries due to a sudden and sharp drop in income after a breakdown in their health.

However, the greatest weaknesses of the work capability assessment relate to how it measures the impact of fluctuating and progressive conditions on a person's fitness for work. Several hon. Members, including the hon. Member for Birmingham, Selly Oak (Steve McCabe), my hon. Friend the Member for North Ayrshire and Arran (Patricia Gibson) and the hon. Member for Glasgow East (Natalie McGarry), mentioned the situation of people with mental health conditions. My hon. Friend the Member for North Ayrshire and Arran mentioned Parkinson's UK, which cites examples of assessments conducted by staff who lack the basic clinical knowledge to understand that Parkinson's is a progressive and incurable condition that will deteriorate over time. I am not a medic, but even I know that. It seems pretty basic to me.

That is why it is crucial that additional evidence from qualified clinicians familiar with the claimant's health be brought into the assessment process from the start. I pressed Ministers on this issue repeatedly during the previous Parliament, but we now have an opportunity to get it right and ensure that we have the information in the system to make good decisions possible.

**Mark Durkan:** Does it not strike the hon. Lady that although we often hear from the Government, in relation to many other arguments, that policy and Government decisions must be based on evidence, on this fundamental matter the Government rigged the legislation, so that medical evidence could be ignored in favour of the bizarre assumptions and interpretations that the people who carry out the tests come up with?

**Dr Whiteford:** As ever, the hon. Gentleman makes an important point clearly. There is no reason why people's medical history should not be included in the assessments. Often, consultants—sometimes it is a GP, but in cases of serious illness it is more likely to be a consultant—are in a position to provide insight into the longevity of a condition as well as its immediate acute effects.

**Neil Coyle:** Is the hon. Lady aware that the Government, during the last Parliament, also shortened the timeframe within which individuals can provide independent medical evidence? As it takes longer to see a consultant or specialist, that inevitably means that some people cannot provide that information in time, which contributes to the number of reassessments, the backlog and the cost to the taxpayer.

**Dr Whiteford:** The hon. Gentleman is absolutely right. The shortening of the timeframe makes it extremely difficult for people to contribute, which is why that opportunity needs to be included right at the start. If people can nominate someone—an advocate, a consultant, a GP or a community nurse—to provide such information as part of the application process, we could get around a lot of those problems.

For people with complex disabilities, people who suffer from more than one condition or people whose condition fluctuates, the tick-box exercise of the work capability assessment fails to capture the impact of their health on their ability to work. Around half of those in receipt of employment and support allowance have a mental health condition, yet the work capability assessment has proved poor at accurately assessing conditions that are not visible, and people with mental health or incapacity issues are not always able to articulate well the effects of their condition.

I pressed hard during the last Parliament for improvements to how mental function champions operate within the assessment process, but there is increasing evidence that as things stand, the work capability assessment causes so much distress and anxiety for some people that it is actively harming their health, pushing them further away from being able to work and—in extreme cases such as the ones mentioned by the hon. Member for Glasgow East—towards harming themselves.

The Royal College of Psychiatrists has expressed serious concerns for some years about the impact of the work capability assessment on the health of people with mental illness, but as evidence of harm grows, the college is becoming more outspoken. As my hon. Friend the Member for North Ayrshire and Arran pointed out, robust research conducted at the universities of Liverpool and Oxford suggests a correlation between mental health problems and the roll-out of work capability assessments. That backs up the findings of voluntary sector service providers such as the Scottish Association for Mental Health, which has extensive experience of people who use its services suffering setbacks in their recovery due to the assessment process.

[*Dr Eilidh Whiteford*]

The bottom line is that too many people are still being wrongly assessed. We know that because of the extraordinary success rate when claimants who have been found fit for work appeal that decision. Between 2010 and 2013, it hovered around the 40% mark; since the introduction of mandatory reconsideration in 2013, it has shot up to around 54%. In other words, more than half of those who appeal are likely to get the original decision overturned. Successful appeals on that scale indicate major underlying flaws in the assessment process, and they cost the Government a lot of needless time and money. More than that, they mean that sick and disabled people are left feeling abandoned and desperate for months without the support that they need. The human cost is enormous, as is the financial cost, as the National Audit Office has pointed out.

We must also remember those who do not appeal but who are nevertheless extremely unwell or seriously disabled. Many people in our constituencies who are destitute or living in extreme poverty are people whose access to ESA has expired, or who have been found fit for work but cannot qualify for jobseeker's allowance—because they really are not fit for work and cannot comply with the conditions attached to JSA, or because they have tried to comply but have been sanctioned, or because they have disengaged from the system altogether and have simply dropped out of view.

I have no idea how many people fall into that latter category, but I know that I am meeting such people regularly. They live off other family members or friends, some of whom are themselves not wealthy, and they depend on food parcels from church voluntary groups or food banks. Consequently, when the Government consider how they might proceed with a replacement for the WCA, they need to take on board the systemic failures of the current approach and think beyond simplistic functionality.

The first and probably the most valuable thing that the Government could do is to work with disabled people and their representatives from the outset. Throughout the past few years, health and disability organisations have been coming forward with constructive suggestions to improve the existing system, and contributing to the successive reviews. Some of their ideas have been taken on board, at least partially, but the opportunity presented by a new White Paper to get stakeholders around the table and—more significantly—really listen to what they say has never been more important.

I also urge the Government to go back to the work that was done around the evidence-based review of 2012-13 and the alternative assessment that was developed under that process. I know that Ministers were not convinced by that review at the time, but a lot of water has flowed under the bridge since then, a much stronger evidence base has been developed and I think there is a lot of substance in that review, not least in the way that it suggests descriptors that would account for the impact of pain and fatigue on a person with an illness or a long-term condition. That review could really usefully inform a new approach.

Lastly, I urge the Government to learn from international experiences. The UK does not have a disproportionately high number of sick and disabled people compared with the rest of the OECD. Clearly, there are regional

variations, even within the UK, with higher numbers of claimants in economically deprived or heavily industrialised areas, where health outcomes and life expectancy are significantly lower than average. On the whole, however, we are grappling with the same challenges as other industrialised countries and on a broadly similar scale.

A number of countries have used what have been called “real world incapacity assessments” that take account of a person's age, skills and work experience, as well as their health or disability, when assessing their fitness for work and considering what kind of work they might be able to do. This seems just to be common sense and means that someone is assessed as a rounded human being. The same condition with the same severity will affect two people differently in relation to their ability to work, depending on whether their work experience has been in physically demanding manual jobs, whether they sit at a desk or whatever. The Government should explore the models used in other countries to see what is working well.

We all agree with the Government that the social security system needs to support people to move towards work, but it also needs to provide a safety net and a dignified life for those who are not fit for work, and not only those who will never return to work but those with long-term conditions and those who need time to recover from serious illness or injury.

The work capability assessment has failed a lot of sick and disabled people, and it has proved extremely inefficient. What follows must be better, and I hope that the Government's keenly anticipated White Paper will reflect the concerns that have been raised today.

3.22 pm

**Debbie Abrahams** (Oldham East and Saddleworth) (Lab): May I reiterate what other people have commented—that it is lovely to see you in the Chair today, Mrs Moon? I congratulate my hon. Friend the Member for Sheffield, Heeley (Louise Haigh) not only on securing this debate but on an excellent speech; it really was very informative.

We have already heard a number of Members say that the current work capability assessment, which was introduced under the coalition Government, is failing on a number of counts and needs to be overhauled. I share the view of the hon. Member for Banff and Buchan (Dr Whiteford) that the fact no Government Members have spoken, and the imminent White Paper, suggest that the Government are finally getting it. I really hope that is the case. However, I need to reiterate some of the points that have been made about why the Government need to think again.

The WCA needs a complete overhaul. It is not fit for purpose, and we have heard that it is failing to assess a person's fitness for work, or work-related activity, accurately or reliably. We have heard the figures about appeals. More than half of people—54%—who appeal against a decision that they are fit to work have the decision overturned. We have also heard about how the costs of the WCA have spiralled out of control, which reflects the woeful performance. Obviously, the National Audit Office report last month was very damning indeed, although I have to say that it came several weeks after it was clear what was going to happen.

Fundamentally, the WCA fails the most important requirement of any Government policy—that it will not knowingly harm citizens. For almost a year now, the Government have obfuscated and tried to evade revealing the toll that the WCA process is having on the people being subjected to it, even after stark warnings from the Select Committee on Work and Pensions. The mounting evidence against the WCA cannot be ignored any longer; hopefully the Government are listening to it.

There have been five independent reviews of the WCA since 2010. The Work and Pensions Committee undertook two of them in the last Parliament; I was pleased to be serving on the Committee when it undertook the review in 2014. The most recent report from that Committee included evidence taken from the reviewers, who warned the Government that in spite of all the reviews that had happened before—Professor Harrington and Dr Litchfield have produced reviews—the process was still flawed. They said that people with progressive and fluctuating conditions, such as Parkinson's, were particularly likely to fall foul of the process. I will never forget taking evidence from people in Newcastle as part of that Select Committee inquiry in 2014 and hearing their personal testimonies. The evident pain and humiliation that they had experienced as part of the process was quite shocking.

Like other hon. Members we have heard from today, I have had evidence from my own constituents. A man who came to see me had a serious heart condition. In a WCA, he was told by the nurse undertaking it that he was in the process of having a heart attack; that was how stressful the WCA was. He was told to go to hospital, but two weeks later he received a letter telling him that he had been sanctioned because he had left the WCA. There are similar examples up and down the country.

The former chair of the Work and Pensions Committee, Dame Anne Begg, spoke on the issue and said:

“When my constituent, who has lost his job because he has motor neurone disease, scores zero on his WCA and is found fully fit for work, there is something wrong with the system. When that same constituent appears in front of a tribunal and in less than five minutes is awarded 15 points”—

that is the maximum score, which means the person is completely unfit for work—

“there is something wrong”.

I hope that we are seeing a different view from the Government now, but in their response to the Work and Pensions Committee at the end of 2014 they were having none of its report; there was the usual rhetoric. I would be interested to know what the Minister would say today if Dame Anne's former constituent was standing here in Parliament now.

The Committee said that simply rebranding the WCA by taking on a new provider would not work, and it recommended a complete overhaul of the system. We still believe that that is needed, and such an overhaul is Labour party policy; I have said that consistently since my appointment to the Front Bench. What is required is not just a process to determine eligibility for employment and support allowance but an examination of health-related barriers to work. I agree with the hon. Member for Banff and Buchan that we need to look at the international data. I know that work has already been done to compare different processes, and adopting a more personalised and holistic approach is important. I remember producing

such a piece of work before I came to the House, and there are lessons to be learned from elsewhere. However, as I have said, at the time of the Select Committee inquiry, the Department for Work and Pensions was not particularly inclined to consider those lessons.

When the Minister responds to the debate today, I am sure she will talk about the new work and health unit. However, I would also like her to describe, if she can, the discussions that the Government have had with the royal colleges, because I have some concerns. For example, the Royal College of Psychiatrists has raised the issues of medical ethics, treatments and interventions, the principle of consent, and the qualifications of the staff involved in WCAs. I would be grateful if she referred to those points in her wind-up.

My next point is about poor performance. We know that last month's National Audit Office report reiterated that the WCA is not only unfit for purpose but poor value for money, as many of my hon. Friends have already mentioned. The Government have failed in their fiduciary responsibility to ensure that taxpayers' money is spent wisely. They have failed to monitor and performance-manage work capability assessment contracts and hold the providers to account.

The NAO report stated that under contract with the Centre for Health and Disability Assessments, which is a subsidiary of Maximus, the cost of each assessment has risen to approximately £190, compared with £115 under the previous contract with Atos. If that was an investment in greater efficiency and a smoother process, one might possibly say that it was value for money, but the NAO described the performance output issues, with a backlog of 280,000 assessments and the contractor not being expected to meet its performance targets for last year.

The NAO went on to describe how the Department for Work and Pensions was struggling with target setting and had failed to test bidders' assumptions during the tender process—for example, on staff recruitment and training. Will the Minister describe how that is being addressed? After six years, it is a real problem if we are trying to ensure that we live within our means.

The biggest indictment of the Government's work capability assessment process is the potential harm it does to people who are put through it. As we have heard, last November the University of Liverpool and the University of Oxford published a study in the *Journal of Epidemiology & Community Health*. It is a peer-reviewed journal, and papers with Mickey Mouse statistics are not published in such journals—they would not be tolerated. It is a robust—[*Interruption.*] I hear some chuntering from the Government Benches. These are robust data; papers would not be allowed if the data were not robust—[*Interruption.*] There is still chuntering, but I will carry on. That study showed that between 2010 and 2013 the Government's work capability assessment regime was independently associated with an additional 590 suicides, 280,000 cases of self-reported mental health issues and 725,000 antidepressant prescriptions.

The Royal College of Psychiatrists has raised the concern that, for people with mental health conditions, the work capability assessment process can cause a relapse, thus hindering rather than helping in their recovery. Just before I came to the debate I was provided with a list of coroners' reports containing concerns that the deaths, including suicides, were associated with the work capability assessment. I am particularly concerned

[Debbie Abrahams]

about the case of Stephen Carre, which has already been mentioned, in which the coroner wrote to Ministers and the Department and apparently did not receive a response, as required by law. I would be grateful for the Minister's response to that point.

The findings reported in the paper in the *Journal of Epidemiology & Community Health*—in a paper entitled “First, do no harm”—came on top of published data relating to the deaths of incapacity benefit and ESA claimants between November 2011 and May 2014. The Government were compelled by the Information Commissioner to publish those figures. At the end of April, an appeal went to that body, which ruled in favour of the appellant and required the Government to produce the figures. But when did they produce them? Just before the end-of-August bank holiday.

The figures showed that the overall death rate for people on IB or ESA was 4.3 times higher than in the general population—an increase from 3.6 times higher in 2003. People in the support group are 6.3 times more likely to die than the general population, and people in the work-related activity group, from whom the Government want to take £30 more a week via the Welfare Reform and Work Bill, which is going through the House, are 2.2 times more likely to die.

The Government's innuendo that people with a disability or illness might be “faking it” or are “feckless” or, as the Prime Minister said shockingly last week, are “making a lifestyle choice”, is grotesque and belies the epidemiological data. IB and ESA are recognised as good population health indicators, in that they reflect areas with an industrial backgrounds and areas of poor health.

**Neil Coyle:** My hon. Friend describes the impact on people. One of my constituents has referred to it as the Secretary of State adopting a pterodactyl style of management, flapping around high above, making a lot of noise and—pardon the expression—dumping on the little people down below. Does my hon. Friend share that view?

**Debbie Abrahams:** I would not put it in quite those words, perhaps, but I know exactly what my hon. Friend is getting at.

The Government's own data show that the people involved are sick and disabled. They need support; they do not need vilification. Unfortunately, that is too often what happens, as at last week's Prime Minister's questions.

Being disabled or being ill is not a lifestyle choice. Alarming, we now hear reports of people in the ESA support group—people who have been found not fit for work, including people who are terminally ill—being required to go to work-focused interviews. The Minister might be aware of that. We have evidence only from England so far, but I would be grateful if she gave us an explanation.

For me, that latest revelation says it all. It is about cuts for disabled people and the seriously ill. The Government are not content with having cut £23.8 billion from 3.7 million disabled people since 2013 under the Welfare Reform Act 2012; they are going for more cuts, and the work capability assessment and the Welfare Reform and Work Bill are another way of achieving them.

The Government have tried to regenerate the economy on the backs of the poor and disabled. Their modus operandi is division and blame, deserving and undeserving. Like the NHS, our social security system is based on principles of inclusion, support and security for all, assuring us all our dignity and the basics of life should any one of us become ill and disabled. The Government need to remember that and stop their attacks on disabled people.

**Mrs Madeleine Moon (in the Chair):** Before I call the Minister, I remind her to allow two minutes at the end for the mover of the motion, Louise Haigh, to have the opportunity to respond. I call Priti Patel.

3.38 pm

**The Minister for Employment (Priti Patel):** It is a pleasure to serve under your chairmanship, Mrs Moon. I start my remarks by commenting that the debate has been wide-ranging, and I thank everyone who has contributed. This is obviously an important subject, and we must put it in the context of the overall commitment we all feel should rightly be in place to support people who cannot work because of health conditions and disabilities. We must also reflect on the fact that we have a system that obviously seeks to support such individuals.

A range of comments have been made that pre-date me as a Department for Work and Pensions Minister. I will do my utmost to address as many of them as I can, but it would only be fair to write to hon. Members whose points I do not address directly. The hon. Member for Oldham East and Saddleworth (Debbie Abrahams) mentioned the very tragic case of Mr Carre, and it might be more appropriate if I write to her about that.

We all recognise that work is good for individuals—it enhances physical and mental well being—and we also recognise that being out of work, for whatever reason and whatever the condition, can exacerbate poor health conditions and make people's situations even worse. A system that supports people is vital. I will talk about contracting later, but we want to move away from a system that tells people they cannot do any work to one that supports them in what they can do. The hon. Member for Banff and Buchan (Dr Whiteford) touched on the forthcoming White Paper that will focus on the support that can be given to individuals, and I will address that shortly.

The work capability assessment was established under the previous Labour Government in 2008 and it has had quite a journey, not just in relation to the contracting process; the assessments have come under scrutiny under previous Governments and under the present Government. There have been more than 100 recommendations in response to the five independent reviews of the work capability assessment. That has made the assessment process more reliable and has improved the claimant experience.

In the final independent review of the work capability assessment, Dr Litchfield commented that, having looked at the systems in comparable countries, there was “no better replacement that can be pulled off the shelf”.

**Neil Coyle:** There is a concern among the disability and advice sector that the Government continue to say they have accepted the recommendations of the independent reviews. Will the Minister outline how many of the recommendations have been fully implemented?

**Priti Patel:** It is fair to say—this will link to many of the forthcoming reforms in the White Paper—that we have implemented many of the recommendations. On top of that, we will continue to review them and work with the system. Any system of financial support for people who are not able to work needs to have a reliable method of assessing entitlement to that support. That is the basis of this afternoon's debate.

I will talk about the current provider before I address the points about contracting that were raised by the hon. Member for Sheffield, Heeley (Louise Haigh). Since the Centre for Health and Disability Assessment, known as CHDA, took over the contract to carry out assessments in March 2015, it has made a number of improvements to the claimants' experience of assessments. It has focused on increasing the number of healthcare professionals by 39% since March 2015, and it has opened up 100 new assessment rooms, so that it can see more people in more locations. I do not want to rehearse many of the points already made in the debate, but a lot of the focus has been on the new contracting arrangements with CHDA, which has reduced the backlog of assessments by 62%. It has also introduced claimant-focused improvements, including setting up a customer representative group with leading charities that have regular meetings with the chief executive and clinical leadership team.

There is also a focus, because we are speaking about people and the experience of individuals going through the process, on rolling out greater disability awareness training for all staff. The recent National Audit Office report acknowledges the progress that has been made in improving contracted-out health and disability assessments, and we have taken steps to help people with mental health conditions in their assessments following the reviews. We have trialled new awareness training for administrative staff that will now be rolled out nationally. We are also improving services on telephone engagement and how claimants are assisted; and that level of interaction has improved.

I want to address the points about contracting, which the hon. Member for Sheffield, Heeley focused on. I hope she will forgive me because I cannot speak about Maximus in 2007 and what took place in America, but I must make it abundantly clear that there is a full and transparent contracting process, undertaken with a negotiated procedure to enable the Department for Work and Pensions to fully test bidders and their propositions to meet the objectives for service delivery. I am speaking about the previous contractor, Atos, and the improvements that we seek under the new contract with CHDA.

**Louise Haigh:** I am grateful to the Minister for giving way and for her response so far, but is she seriously saying that previous fraud and theft from taxpayers cannot be taken into consideration when the Government are handing out a very similar contract in the UK?

**Priti Patel:** I cannot speak specifically to previous contracting processes and bids that took place outside the United Kingdom—it is not for me to comment on—but let us be clear. The Department is responsible for hundreds of billions of pounds of public money—taxpayers' money. On our processes of procurement, renegotiation and accountability, we have a clear approach to the scrutiny of providers, and rightly so. That applies

to all Departments, and the same applies when it comes to failure. The contract has an open-book accounting approach and a robust validation of data. I think the hon. Lady mentioned falsification of data at one point. We have a clear process on the validation of data. She also went on to comment on how providers are incentivised, but our providers are not incentivised by benefits outcomes. We have a full range of balanced performance measures that focus on quality and volumes and customer satisfaction. That brings me back to the fact that we are speaking about people and how the interaction with people through assessments actually takes place.

Performance reviews and performance are fundamental in all Government contracts to ensure governance arrangements, and the Department takes steps to implement regular weekly and daily meetings with DWP officials and the CHDA.

**Debbie Abrahams:** Will the Minister give way?

**Priti Patel:** I will give way, but I want to emphasise that service credits are applied when a supplier does not meet an agreed service level.

**Debbie Abrahams:** I am grateful to the Minister for giving way and for her response so far. Will she tell us whether there is a requirement in the tendering process for disclosure of previous legal action?

**Priti Patel:** I cannot answer that question, but I will find out and write to the hon. Lady. I would be astonished if the Department did not have a system for looking back and assessing companies' previous conduct before we engage with them. All bidders have to be thoroughly scrutinised by not only my Department but others. Much of that work is done with the Cabinet Office, which sets out guidelines and guidance. I have no doubt that the right systems and efficacy procedures are in place for contracting and the types of contractor with which the Government engage.

Bidder's assumptions are tested as part of the negotiated procedure, and they are provided with information as part of the dialogue that takes place. The WCA contract was originally with Atos. Since the CHDA has picked up the contract, there have been challenges and backlogs, which have been referred to throughout the debate. It is only right that the Department continues to address those challenges and sets stretching and ambitious targets for its providers. We will ensure that we deliver value for money for our contracts. Again, the assumptions are tested through the bid process, but we are clear that a new financial support model has been in place as part of the CHDA contract. We have also contracted for a more sustainable service, part of which includes more face-to-face assessment—that direct engagement which did not take place under the previous contract. The focus is also very much on reducing the backlog and improving waiting times.

The NAO report has been mentioned several times. The report recognised that the Department has made particular progress and acknowledged the fact that there is now a relentless focus on performance when it comes to reducing backlogs and driving down delays. It also recognised the increased performance management capacity. Although there is more to do—we can never stand still in this space—we have learned from our

[Priti Patel]

experiences in the contracting process and will ensure that we continue to make improvements.

A number of Members mentioned cases from their constituencies. I would, of course, be happy to look at any individual cases that Members would like to refer to me, but I should emphasise that we clearly do support people through the system. A great deal of money has been put into providing support to help people to go back to work. Over the next three years, £43 million is being invested in trialling the provision of specialist support for people with mental health conditions. The Government also recognise the importance of promoting positive attitudes among employers when it comes to them employing people with disabilities or health conditions. That will be at the heart of the White Paper that will be published—

3.53 pm

*Sitting suspended for a Division in the House.*

4.6 pm

*On resuming—*

**Priti Patel:** I acknowledge that there is more to do to support people with health and disability issues. In the recent spending review, we outlined our commitment to support people with disabilities into work. We announced a real-terms increase in funding for Access to Work, which will enable up to 25,000 additional disabled people to receive support. We will expand the Fit for Work service to support more people on long-term sickness absence with return to work plans, and we will provide at least £115 million for the new joint work and health unit, including £40 million for a work and health innovation fund. We will set out some new long-term reforms in the White Paper, which will be published in the spring.

This is about not reinventing the wheel, but learning from insights. Hon. Members spoke about evidence, support and insights from charities, stakeholders and third parties, which the hon. Member for Banff and Buchan mentioned. My Department is working with stakeholders through the joint work and health unit, and a new taskforce has been set up to gain insights into providing support for individuals in a more targeted, tailored and personalised way. If people are assessed and put on a benefit, we do not want there to be no dialogue and interaction with them during that period about the additional support that they require to get back into work. The White Paper will be published in the spring, but we are open to thoughts and comments through the consultation process.

This not just about the WCA; we must have a much more holistic approach to supporting individuals. Before the Division, I mentioned employers, and there is a lot more that can be done to promote positive attitudes to employing people with disabilities and health conditions. Employers must find the right balance and the right way to support people in the workplace. For example, they can utilise occupational health and look at our Disability Confident campaign and the work that my hon. Friend the Minister with responsibility for disabled people is doing.

Looking at this issue holistically, our reforms are all aimed at improving the quality of life of those who need the support the most. It is right that we recognise

that there is no single method for each individual and their particular circumstances. Every person in the benefits system is an individual and their situations will be different, difficult and challenging. No system can offer a one-size-fits-all interaction, but we must ensure that the system works with individuals and recognises their particular backgrounds and circumstances. Protecting the most vulnerable in society is this Government's priority.

**Debbie Abrahams:** Given that 90% of disabilities are acquired, I recognise and support all that the Minister has said about ensuring that people can stay in work as much as possible and that people are helped back into work, but that does not currently happen. Some half a million disabled people will be affected by the change in the employment and support allowance and the cuts. How can the cuts be justified before the support to enable people to stay in or get into work is in place?

**Priti Patel:** The hon. Lady mentioned the current changes and referred to the Welfare Reform and Work Bill that is being considered in the House of Lords this afternoon. She will recall that this issue was debated extensively in Committee. I have emphasised that the Government have a clear commitment to protect the most vulnerable in society, including disabled people. No one who is currently in receipt of ESA will see a financial loss; the changes will not affect anyone whose capacity to work is significantly limited. The personal independence payment will also continue to help meet the extra costs of living that disabled people face, and exempted benefits contribute to the additional costs of disability and care resulting from the benefits freeze.

Looking at the debate holistically, we know that the WCA has caused many previous challenges. Yes, reforms are coming and, yes, changes are afoot, but I think hon. Members will agree that we cannot write off the people who, for various reasons, have not been supported into work. If they can work, we want to support and encourage them.

The Government spend a great deal of money on protecting the vulnerable not only through benefits, but through additional support to help with living costs. It is right that we provide that support and safety net. I hope that future debates and the White Paper will help to introduce new suggestions, new ways of working and new practices to ensure that we do not again see the situation that we had in 2008, 2009 or 2010 with Atos and the WCA. We should broaden the interface of support available through not only agencies or Government Departments, but specialist support organisations, stakeholders, practitioners and those in the care sector, recognising that we can always do more to support people. I am conscious of the time, Mrs Moon, so I will close my remarks there.

4.14 pm

**Louise Haigh:** I thank the Minister for that, if I may say so, uncharacteristically measured and conciliatory response. It is fantastic to hear that we agree on so many matters, and that the Government recognise the issues with the work capability assessment. We disagree, however, about the reliability of assessments. The evidence, not least the huge increase in successful appeals over the past couple of years, shows that reliability has not improved.

The Minister referred to the recommendations that have been implemented, and my hon. Friend the Member for Bermondsey and Old Southwark (Neil Coyle) asked about those that have not been applied. It is important that assessments are documented so that records can be used as proof afterwards, because, as I mentioned earlier, there have been allegations of falsification.

On the Minister's remarks about the previous performance of Maximus, as a shadow Cabinet Office Minister I can tell her that the guidelines for considering past performance are completely unsatisfactory. It is no surprise to me that a contractor with prior performance as appalling as that of Maximus, which has failed so singularly in the past, has been awarded a contract. We welcome the improved targets and oversight, but transparency on whether Maximus has met its targets, on spending and on WCA appeals is vital to hold the contractor to account.

As my hon. Friend the Member for Oldham East and Saddleworth (Debbie Abrahams) said, the cuts are completely unjustified before the changes that the Minister outlined come into force. I hope the Government will rethink them in the Bill that the House of Lords is considering today.

I look forward to the response to my points and those of my hon. Friends, to the publication of the White Paper and to the much-needed long-term reforms, learning from the mistakes made by successive Governments in the management of the work capability assessment.

*Question put and agreed to.*

*Resolved,*

That this House has considered work capability assessments.

## Communications Infrastructure and Flooding: North West

[ANDREW PERCY *in the Chair*]

4.17 pm

**Simon Danczuk** (Rochdale) (Ind): I beg to move,

That this House has considered communications infrastructure and flooding in the North West.

It is a pleasure to serve under your chairmanship, Mr Percy. I think it is the first occasion on which I have done so, and I am sure it will be a delight.

As many people will have seen, before and after Christmas, many towns, villages and communities in the north-west witnessed some of the worst flooding for years, which inflicted a great deal of pain on the people of Rochdale, Littleborough and Milnrow. I want to begin by paying a few tributes and saying that I have never been more proud to represent the people of Rochdale than after I witnessed their reaction to the floods. I pay tribute to the many individuals who worked tirelessly to help those affected and to the council for its quick action in getting out on to the streets and ensuring that people had access to emergency funds of £500 and other grants. We also saw a fantastic response from various businesses, voluntary groups and community-spirited individuals. The people of Rochdale came together as a community to help one another, and it was a particularly moving moment in the wake of such destruction.

However, the people of Rochdale have been let down by some larger companies dragging their feet. The response from telecommunication companies in getting vital phone and broadband lines restored to hundreds of people and small businesses in Rochdale has not been so positive. It is hard enough for people who have been affected by the devastation of the floods, but that has simply compounded their misery. Without vital communications lines, many small businesses have lost thousands of pounds-worth of custom, which can easily make the difference between staying afloat and going under. I have received reports of businesses being unable to take card payments, receive any phone calls or access the internet. Those are vital services that so many people rely on and cannot do without in their everyday lives.

We too often refer to figures in debates—x number of people have been affected by this, or y number of people have received that—but the floods' effects were not about figures or statistics; they hit individuals, and it was they who had to deal with the problems. We sometimes dehumanise the human and personal grievances in such cases. So I will use a personal example to explain the deeply concerning effect of the communications failure on my constituents. I also point out that I had to receive the information by text, because this person's internet was still not up and running consistently.

Emma King runs a small business of her own called Lola Ashleigh Florist, on Oldham Road in Rochdale. On 31 December, after returning from Christmas, a few days after the floods, she was serving a customer and tried to process a £100 payment for a bouquet. When the customer tried to pay by card, there was a problem with the card machine, which was not taking payment.

[*Simon Danczuk*]

Luckily, the customer showed some Rochdalian spirit and kindly agreed to make the payment once the card reader was back up and running. Although that meant not receiving the payment, Emma believed it was a better option than letting her customer down and losing custom. She thought that there would be a quick solution to the problem.

Emma made contact with her phone line provider, Axis for Business, to inquire what was going on. The company informed her that a note on the system said that there were widespread problems, although Emma had received no warning of that—not an email, a letter or even a phone call. Axis told her that it could provide no further information, as the responsibility for repairs lay with Openreach, but she was assured that the problems were likely to be resolved in a couple of days. It was new year's eve and Emma, like others, would be closed for a couple of days, so she accepted that and went on with her business as best she could.

New year passed and Emma returned to work on 3 January—still no phone lines and no card reader. She got on her mobile phone to Axis and was informed that there would be no solution until 5 January. That date passed with no resolution and no new information. Emma was left stranded, with no fix in sight and with no way of taking card payments or receiving calls from potential customers. In addition, the local banks were closed due to the flooding and, because she runs her small business on her own, she was unable to drive to the bank in the next town, Bury. Emma had money going out, cash building up and no money going into the bank. Her ability to trade and run a business was being constrained. The only information she was receiving was via Axis—Openreach believed that the problem would now be fixed by 11 January.

Emma was not alone. Many independent businesses throughout Rochdale were facing similar problems. They were given different dates for when the problem would be sorted out. They, too, were having to turn away custom because people could not pay by card. To put the problem into perspective, in November alone there were 127.5 million contactless card transactions in the UK. That shows the size of the problem. In 2016, it is vital for small businesses to have 24/7 access to card payment facilities. Periods when they cannot accept such payments can be fatal for them.

The problem persisted, however, with everyone being given little or no information. Emma tried to contact Openreach, but found it near impossible. She was told that Openreach would not even talk to individuals, who must contact their line provider. I see no reason why Openreach should be totally unaccountable to the people it serves.

**Cat Smith** (Lancaster and Fleetwood) (Lab): Does my hon. Friend share my opinion that it is surprising that what is supposedly a communications company is so bad at communicating with the customers it should be seeking to serve? The experience in Lancaster during and after the floods is probably similar to that of his constituents in Rochdale. Cunningham Jewellers in Lancaster was flooded, but continued to trade throughout. However, because the card reader was not working and the staff had no idea when it would be working, they

were forced to have cash-only payments. As the House can appreciate, for a jewellers that is a significant amount of cash in the run-up to Christmas.

**Simon Danczuk:** My hon. Friend's intervention illustrates that the problem exists not only in Rochdale, but throughout the north-west.

**Rosie Cooper** (West Lancashire) (Lab): Does my hon. Friend share my concern about the time being taken to fix the damage to communications infrastructure throughout the community? In my constituency, for example, Westhead Lathom St James Primary School and the village of Westhead have been left without telephones since Boxing day, when the exchange box was damaged by flooding. In recent days the school wrote to me to say that it was unable to communicate with parents and that people are being placed in danger. Neither Openreach nor any of the communications companies can simply walk away.

**Simon Danczuk:** My hon. Friend makes an excellent point—as she points out, it is not only businesses that are being affected but schools and individuals, such as people who need to use the phone to communicate with Careline. There is real danger attached to the inadequacies of BT Openreach and its failure to improve the situation.

I have outlined how little communication Axis was providing, but I find the next bit particularly ridiculous: the only written communication Emma ever received was the phone bill—I kid you not. She had no information on the floods, when service would resume or what compensation she might receive; she was asked only to cough up for a service that she was not receiving at all.

Dissatisfied with the situation, Emma decided that since the telecom providers were not fulfilling their duty, at a cost to herself, she would have to redirect the phone line to her mobile and connect her chip and PIN machine to the internet via her mobile. She was repeatedly told by Axis that that was not possible, but it was—another communications blunder. That solution provided some relief, but connections were intermittent at best.

Ironically, as my hon. Friend the Member for Lancaster and Fleetwood (Cat Smith) pointed out, there seems to have been a severe communications deficit on the part of the providers. The only communication Emma got was when she made expensive phone calls to her providers. At an already extremely difficult time, why should the burden be on the small business to find out information? The negligence of the companies has put many small shops at risk. One might conclude that the telecommunications companies need a lesson in communications, and fast.

Emma and her florist business were not the only ones suffering. A renowned hairdressers in Rochdale faced similar problems: phone lines down and an inability to take card payments or to elicit any information from the providers. Only this past Friday I had another constituent, Christina Hammersley, at my surgery. She also runs a florist, on Whitworth Road, and receives a lot of work via the internet, but she says that the problems persist. She is extremely concerned that she will not be able to process orders for Valentine's day, one of her busiest days of the year. She, too, has faced extra costs to get temporary solutions.



Such businesses are heavily reliant on receiving phone calls for business and on taking card payments. Businesses such as florists and hairdressers, due to the nature of the service that they provide, take large payments, which are more often than not paid for by card. The problems have had a clear and tangible effect on their business and yet, to my understanding, no compensation has been given. Even worse, BT has said that all faults have been repaired, and the regional director told me only last week that all problems would be fixed the following day, but that has not been the case. I am repeatedly hearing reports of continuing issues and problems with telecommunications access.

Even Rochdale Council has faced problems contacting those responsible for the phone and broadband lines and getting them fixed. Council officers raised issues with Openreach, but got the same limited information that was being provided to individuals and small businesses. Only when the council went to the regional director of BT did progress begin to happen. Regular updates were then provided. If local government struggles to get hold of adequate information and problems resolved, what hope do individuals and small businesses have?

Running a business alone is tough, and people effectively have to take on multiple roles on their own. Never mind the risks to their economic wellbeing, the last thing they need is to have to lobby their phone and broadband providers to get the basic services for which they are already paying. That is scandalous, and something needs to happen.

I arranged for the debate because the response from the telecommunications companies has not been good enough. We must shine a light on this shocking issue to ensure that it does not happen again. After the flood, Manchester city centre was back up and running in a matter of days. It might have seen less of the floods, but the fact that vital services for businesses in Rochdale are still not back to 100% more than a month after the flood is simply not good enough. There is clearly an accountability deficit.

The deeply concerning and personal story that I have referred to shows that we must do better to protect small businesses. We need to realise the importance to people of phone and broadband lines, which are essential services, and the reaction to problems with them must take into account that importance. We must also improve the communications between provider and recipient. Openreach should communicate directly with those affected. It should not be possible for providers to absolve themselves of their duties by making lines of communication so complex and long.

It is also unacceptable that it takes so long for action to occur. I was interested to see that Ofcom says in section 13 of its “Strategic Review of Digital Communications” that when networks fail to put things right in an adequate amount of time, that raises questions that the service providers need to answer to ensure that that does not happen again. I must ask the Minister: what will the Government and Ofcom do to ensure that the problems are addressed?

**Andrew Percy (in the Chair):** I call Minister Vaizey to respond.

4.30 pm

**The Minister for Culture and the Digital Economy (Mr Edward Vaizey):** Thank you for that warm welcome, Mr Percy. It is a great pleasure to serve under your chairmanship. I know that your constituency has been affected by flooding, so no doubt you will be taking a personal interest.

I thank the hon. Member for Rochdale (Simon Danczuk) for securing the debate. He is a doughty champion on behalf of his constituents on numerous issues and I hope he will not think it too frivolous of me to note on Shrove Tuesday that Rochdale is also the home of the world’s largest pancake, which was made in 1994. This year, therefore, is the 22nd anniversary of that, but Rochdale also has a fantastic Member of Parliament who quite rightly brings this issue to the House’s attention. I also thank the hon. Members for Lancaster and Fleetwood (Cat Smith) and for West Lancashire (Rosie Cooper) for their contributions.

As Members know well, December was a record-breaking month for rainfall in many parts of the UK and exceptional amounts of rain fell on to already saturated ground. It was an horrific time for a great many people and those of us who were lucky enough not to be affected nevertheless saw what was happening on our televisions. Many Ministers went to see for themselves what was happening.

Rivers broke records when, on Boxing day, the River Calder in Yorkshire and the River Aire in Leeds reached their highest levels ever recorded. It goes without saying that the Government will stay squarely behind the residents and businesses affected by the floods. The hon. Member for Rochdale rightly focused his remarks on the effect of damage on his small businesses. Our task is to do everything we can to help the towns and communities to recover from the devastating floods.

Before I turn to the specific points raised by the hon. Gentleman, it is worth saying that we are investing nearly £200 million to help communities to recover from both Storm Desmond and Storm Eva. The first payments were made to councils in flooded areas within six days of the first floods and £48 million has already been paid out to 37 authorities in the affected areas. We have also made it clear that anyone displaced from their home or business premises will not have to pay council tax or business rates for as long as they are out of their properties. The fund includes £50 million for affected residents and businesses, £4 million in match funding for charities, and £40 million to repair roads, bridges and other key areas. We are also building 1,500 new flood defence schemes, which will better protect 300,000 more homes, with an extra £2.3 billion of capital investment to help our most at-risk communities.

In December, my right hon. Friend the Environment Secretary announced that there will be a national flood resilience review, the purpose of which will be to assess how the country can be better protected from future flooding and increasingly extreme weather events and, importantly for this debate, the effects of such flooding. We are due to publish the review this summer with a view to work beginning in autumn to implement short-term measures and to review longer-term strategy. I hope that the hon. Gentleman’s remarks will be taken into account in the review.

**Julian Sturdy** (York Outer) (Con): The Minister will be well aware that not only the north-west but York suffered badly from flooding and we lost telecommunications for a number of days across the city. What can he do to bring the telecommunications industry to account to deliver a flood resilience scheme that can match the country's need?

**Mr Vaizey:** My hon. Friend is quite right to bring me to account and ensure that I return to the subject matter in hand, but I wanted to mention the review because it will take telecoms resilience into account. I will go on to talk about that in more detail in a minute, but it is important to note that that work is in addition to that of the ministerial recovery group, which was established to ensure that local areas continue to receive co-ordinated support as they rebuild after the winter's flooding.

Let me turn to what happened with telecoms infrastructure as a result of the floods. It is the case that it was affected badly in places, so my hon. Friend's point was well made. Indeed, as the hon. Member for Rochdale pointed out, telecoms is essential to all our small businesses as well as to us all in our lives, so any disruption has a major impact on our ability to go about our lives and run our businesses. It is interesting to note that the main disruption was caused not by the telecoms network being taken out, but by power failures in the region. However, flooding did affect two key infrastructure sites: one was at the BT exchange in York and the other was at a Vodafone site—actually it was at a Cable & Wireless site, which is owned by Vodafone—in Leeds. The flooding in York on 27 December affected about 50,000 fixed-line and 46,000 broadband customers and there were knock-on impacts on mobile operators whose networks went through the exchange. BT brought the system back online within 24 hours and it worked with the fire service to protect the exchange, because Storm Frank was on its way.

The flooding at the Vodafone site, which also happened on 27 December, disrupted 999 services for a matter of hours as well as some emergency services communications. I stress that I was in touch with both companies throughout the incidents and the national alert for telecoms was invoked several times. That process brings together representatives from the UK's major communications providers with Government bodies to ensure that everyone across the industry and Government has the latest information on what is happening.

In relation to Rochdale, there were four separate incidents that involved damaged cables. Two were quite complex, technical cable repairs that involved several thousand connections. The other two were located under carriageways, one of which was not damage caused by flooding per se but damage to a BT cable caused by other contractors. Obviously, it takes time to locate the exact point of the cable break and such repairs require permission from the local council to dig up the carriageways and various permits from councils in connection with access to manhole covers, putting traffic-light controls in place and so on.

**Simon Danczuk:** For the record, Rochdale Council was excellent in meeting those requirements and it acted as soon as it was contacted by BT Openreach. However, BT Openreach was lax in calling for the authority to take action.

**Mr Vaizey:** I note what the hon. Gentleman says and I will respond to him imminently.

**Cat Smith:** I remind the Minister that the debate is about communications in the north-west, and although it is important that we discuss what happened in Leeds and York, they are not in the north-west but in Yorkshire. To draw him back to the north-west, will he say something about the issues the fire brigade faced with communications? When mobile telephone networks went down, people found it difficult to contact the fire brigade. Cumbria fire and rescue also had a problem with its internal Airwave communications system, so will he comment on that?

**Mr Vaizey:** I thank the hon. Lady for bringing me back geographically to the subject of the debate. First, I am pleased to hear what the hon. Member for Rochdale said about Rochdale Council. I am glad that it acted promptly when contacted by Openreach and I hope that Openreach has noted that it is incumbent on it to contact the council as soon as possible. Some councils perhaps do not respond as quickly as they should, but it is good to hear that Rochdale acted immediately, particularly given the urgency of the situation.

The Airwave network is robust and resilient, but sometimes if a major cable is taken out, that can affect the backhaul, the mobile communications and mobile masts, so we need to look at that in the flood resilience review. I am sorry that I strayed towards the north-east, but those were the two most prominent examples of a major exchange being taken out by flooding and I wanted to reassure hon. Members that Ministers and the operators were alive to repairing the situation. We were also obviously aware of the concern when the emergency services network was affected, but I am pleased to say from my own experience of sitting on that committee over the Christmas recess that the co-ordination between the telecoms operators, the emergency services and local authorities seemed to be very robust.

Let me return to the specific subject of what has happened to the constituents of the hon. Member for Rochdale. I take this opportunity to extend my sympathy to them. We know that events such as flooding fundamentally affect the way a small business running on tight margins operates, and the people running those businesses are quite entitled to expect a speedy service to get them back on track.

The hon. Gentleman mentioned the excellent work of Rochdale Council. I am pleased that Openreach stayed in touch with the council on these matters. The council may have operated speedily, but it will also have been aware of the need to repair the cable and to keep the highways and carriageways running. Even when we have the excellent co-operation that happened between Rochdale Council and Openreach, such repairs can be technically and logistically complex.

I am not minimising at all what the hon. Gentleman says. We can learn lessons from what has happened, and particularly from the terrible disruption to the two small businesses that he highlighted in his remarks. As with any disruption on that scale, we will work with the industry to understand what happened and what measures we can put in place to ensure that the response to such events continues to improve.

It was mentioned that Openreach would not talk to individuals. Openreach is a wholesale provider of telecoms services to retail providers, including BT and other well-known retailers. I am certainly not here to defend either Openreach or, indeed, telecoms retailers' customer services. What I am robust in defending, however, are broadband roll-out programmes.

I know, as a constituency MP and the go-to person for my colleagues' frustrations, how woeful the customer service can be; it is sometimes utterly Kafkaesque. Why operators often cannot sort out their customer service in the most simple and straightforward fashion possible is baffling. I hope that Openreach and retail providers will take note of the hon. Gentleman's remarks, because he brought to the House real case studies of people who frankly found themselves banging their heads against a brick wall when they wanted quick, robust service to get their business up and running.

Be that as it may, I turn to some better news: as of Thursday last week, 135 businesses in Rochdale had applied for financial support under the business support scheme, of which 107, as I understand it, have received payments totalling more than £53,000. The Government are committed to supporting those affected by the floods and to ensuring that the country is better protected from future flooding. I am grateful to the hon. Gentleman for bringing these matters to the House's attention, and I am always available to any hon. Member who experiences frustrations with either Openreach or a retail telecoms provider.

I hope that customer service will improve. The outgoing chief executive of Openreach was effective and brought some much-needed changes to the organisation, but we now have a new chief executive. I hope he and his team will read this debate, take some lessons from it and perhaps even engage directly with the hon. Gentleman, so that they can hear at first hand how the systems and real people interact.

*Question put and agreed to.*

## Social Mobility Index

4.44 pm

**Chloe Smith** (Norwich North) (Con): I beg to move, That this House has considered the social mobility index.

May I ask, Mr Percy, whether we have an hour for this debate from this moment?

**Andrew Percy (in the Chair)**: Yes. There is an hour for the debate from this moment, with the Opposition Front Benches being allocated five minutes each and the Minister being allocated 10 minutes.

**Chloe Smith**: Thank you; that is very helpful.

I am not in the business today of doing my constituency and my city down. Indeed, only last week Norwich was named the happiest place to work in the United Kingdom. In 2014, it was voted the happiest place for children, thanks to a combination of open spaces, public amenities, safe roads and other factors. It is a great city. We from Norwich proudly call it "the fine city", and you cannot beat Norfolk pride itself. Admiral Lord Nelson told us:

"I am a Norfolk man and I glory in being so."

In fact, Nelson himself is arguably a fine example of social mobility. Born in rural Norfolk, the son of a vicar, to a family of modest means, he lost his mother when he was young and was only average at school. He took an apprenticeship, had the benefit of leadership mentoring and rose to lead the Royal Navy and be seen as one of the greatest Britons of all time.

Then there is Thomas Paine, radical and revolutionary, who wrote the best-selling work of the 18th century and helped to found America—not bad if anyone expects low aspiration from the son of a Norfolk manufacturer of ladies' underwear. There is the fact that we invented the office of Prime Minister in Robert Walpole, and then there is the first woman writer in English, Julian of Norwich. From my reading of her stuff, she may well have been mad, but none the less she went and did it. Indeed, the first Act of Parliament held in the parliamentary archives—from 1497, no less—is about Norfolk apprentices.

However much I love my city and my county and want to talk it up, it is wrong to ignore important and serious research when it is presented. The Social Mobility and Child Poverty Commission recently produced its social mobility index, which shows that children growing up in the Norwich City Council area have some of the worst life chances in England. If Nelson said that

"England expects that every man will do his duty",

Norwich children should now expect us to do our duty and put that right.

The commission's analysis uses data about educational attainment from the early years through to further education and higher education and potential for people to be not in education, employment or training. It also includes adult prospects such as jobs, housing and pay. In simple terms, the report compares the chances for children across the country from poorer backgrounds in doing well at school, finding a good job and having a decent standard of living.

We also know, separate to the report, that Norwich has more children defined as being in poverty than the national average—in my constituency, around one in five. The commission that produced the report is sponsored

[Chloe Smith]

by the Department for Education, the Department for Work and Pensions and the Cabinet Office. I am grateful to the Minister for being here today, and I am sure he agrees that there is plenty of work to do in the Government across Departments on this issue. There is also work for us in Parliament on any Bench to do to improve children's life chances. Responsibility also, quite rightly, lies locally. The report is about the boundaries of Norwich City Council, and I hope that the council takes it as seriously as I do. We need to work together to improve Norwich children's prospects.

The report also goes deep into educational data, and sadly—for that reason at least—it comes as little surprise, in the sense that the county council's children's services department has been improving from inadequacy for some time. A 2015 peer review of the council's performance towards those not in education, employment or training found the overall impression that there were passionate and committed staff within the authority but no overall coherent political and strategic leadership commitment to the young people of Norfolk.

Let us look at what is in the report. The first half looks at the educational attainment of those from poorer backgrounds in each local area. I think we can all agree that background is one of the most important drivers of a child's life chances. Under that heading, we start with early years provision. There is clear evidence that children from poorer backgrounds perform worse than their more affluent peers during the early years. For many children, that translates into worse outcomes as they go through their schooling. A Government-commissioned study of 2010 found that by school age, children who arrive in the bottom range of ability tend to stay there. The indicators in the report for that life stage are the proportion of nursery provision in the local area that is rated good or outstanding, and the proportion of five-year-olds eligible for free school meals who achieve a good level of development at the end of the stage.

I have been arguing for some time that we need more childcare provision in north Norwich in particular, where there is a shortage already. That is before parents become rightly keen to take up the 30 hours of provision that we will fund from 2017 and parents of the most disadvantaged two-year-olds make use of their entitlement. Let us ensure that that provision is of the highest quality.

I turn to the school years. There are a number of indicators in the report that determine how children who have free school meals do at primary and secondary school and then at key stages of achievement. The Norwich City Council area, I am sad to say, comes in as the 14th worst in the country in this section. It will be no secret to those who follow the issue that Norfolk has consistently performed below the national average when it comes to all students—not just the poorest—achieving the gold standard of five GCSEs. Indeed, in 2014 Norwich was the worst city in England for GCSE results.

I want every school in Norwich to be rated good or outstanding, and I would like to hear more from the Minister today about the Government's part in that. I know that the local education authority and local academies are applying themselves to that question, too, for the thousands of students in Norwich who are being let down. I also want local leaders in schools to continue to

use pupil premium money in the most imaginative and ambitious ways possible, to help the poorest students break out.

The report goes on to assess the years following school—in other words, a youth measure. As the report says, those years are crucial to social mobility, for two reasons. First, that is likely to be the first time that a young person will make a key choice about their own life and, secondly, what a young person has achieved at that point in their life has a significant impact on their chances as an adult, so it is important to be on the right track during that period.

The Norwich City Council area chips in as the 17th worst in the country in that section. The point about young people being able to go into work and make their own choices is precisely why I have worked so hard with many others locally to help young people into work through the Norwich for Jobs project, which I founded and which has helped to halve our city's youth unemployment, but there is clearly much more to do. I would like to hear from the Minister how the Earn or Learn taskforce is addressing the problem and what else officials in Jobcentre Plus and other Departments are doing to help young people to make good and ambitious choices that suit them.

**Dr Lisa Cameron** (East Kilbride, Strathaven and Lesmahagow) (SNP): The hon. Lady is making a compelling speech. Does she agree that this is about not just getting young people into jobs, but affording young people with potential the ability to start their own business and providing support in that regard?

**Chloe Smith:** The hon. Lady has anticipated one of the next things that I was going to say. She is absolutely right, and for the record I will add that this section of the report—I am sure that hon. Members have read it themselves—is also about further and higher education, so we should talk about a range of options and opportunities at this point.

The second half of the report looks at the outcomes achieved by adults in the area, and this is where employment, and the types of job and pay come in.

**Dr Rupa Huq** (Ealing Central and Acton) (Lab): The hon. Lady is explaining very cogently all the different indicators, but does she not agree that there is a glaring omission in turning away from income as a measure of child poverty? I wonder what she makes of the comment by Alan Milburn, the chair of the commission, that

“without acknowledging the most obvious symptom of poverty, lack of money”,

the Government's

“agenda...will lack both ambition and credibility.”

**Chloe Smith:** Funnily enough, I had anticipated that line of argument. I think that most of it accrues to the Minister to answer, but I will say this. We need to understand child poverty across a number of indicators. That is the argument that I am putting in my contribution. I will go on to make a few more points about what adult prospects consist of. Of course the hon Lady is right to say that money matters, but it is not the only thing that matters, and that is what we should be aware of as we plough our way through this kind of analysis.

Let me recap what is in the second part of the report. It is about people's prospects of converting good educational attainment into good adulthood outcomes, so it looks at the weekly pay of employees, housing affordability, the proportion of managerial and professional jobs, the proportion of jobs that pay an hourly rate less than the living wage and the proportion of families with children who own their own home.

In my constituency, unemployment and youth unemployment are now lower than the national average, which I welcome, but so are earnings. The gross median wage in Norwich North for full-time work in 2015 was £440—a whole £90 below the UK average of £530. In addition—this is why I welcomed the intervention from the hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron)—Norwich North has started up new businesses at about half the rate of the UK. I share her passion to see that number rise.

In the report, the Norwich City Council area is in the bottom 20 for adult social mobility. Locally, we might generally understand that some of the brightest young people leave the area to study because other parts of the country seem to be more exciting and have more opportunities, but there are now so many exciting industries and avenues in Norwich that I could talk all day about why bright people do not need to leave. However, that is not the point. This debate is about the people whose prospects are not so obvious, who began life with less.

Let me pick out one other thing that is noted in the report as an ingredient for a social mobility hotspot, which is about practicalities, not abstract concepts. Norwich does not yet have good enough transport links. The report rightly notes that public transport links and links to the motorway network provide advantages for those from disadvantaged backgrounds in less isolated areas, through access to job opportunities and the attractiveness to education professionals of working in schools in the local area.

Before the debate, I asked a few constituents about their experience. One young man said that he was not surprised by the report because “that is the nature of living in such an area—fewer people, fewer opportunities, fewer jobs. It's not something that can be changed easily.” It is obvious, then, that transport and the access to more people that it brings can help to create more opportunities. Norwich has only just been connected to the rest of the country by a fully dualled road, thanks to many campaigners' efforts and this Government getting it done. I led the campaign for better rail links for our city, which we estimate will bring thousands of jobs.

I want to add a personal view at this point. I went into politics because I was that 16-year-old growing up in Norfolk, frustrated by the lack of opportunities and keen to do my bit to make it better. I had loving and supportive parents and encouraging teachers, but little access to people or places. It could be said that I did not even know what I did not know. As a teenager, I laughed a lot at Harry Enfield—perhaps you did too, Mr Percy. Do you remember that sketch in which women were told to know their limits? Of course, it was funny because it had once been true; it was cutting because it had once been true, but I do not want it ever to be true that a child in Norwich today should see limits.

**Clive Lewis** (Norwich South) (Lab): Picking up on Harry Enfield, which I think is an appropriate in-point—

**Chloe Smith:** Let me guess which one you are going to pick.

**Clive Lewis:** Well, obviously the catchphrase of one of his key characters was “Loadsamoney!” I think that was the expression. I heard my hon. Friend the Member for Ealing Central and Acton (Dr Huq) raise the issue of income, and I heard the hon. Lady's answer, which was that many factors go towards child attainment and social mobility. We all understand that, but one of the key ones for many Labour Members is child poverty. The hon. Lady and I both know that in our city of Norwich—

**Andrew Percy (in the Chair):** Order.

**Clive Lewis:** A quarter of—

**Andrew Percy (in the Chair):** No. Excuse me. This intervention is too long. The hon. Gentleman will sit down. I call Chloe Smith.

**Chloe Smith:** Thank you, Mr Percy. I look forward to continuing that discussion some other time. May I say that I am delighted that the hon. Member for Norwich South (Clive Lewis) has turned up and been able to take part in the debate? It is important that we work together on these issues, and I have every confidence that we will do so.

I had the luck, at that time in my own life, to meet an excellent role model—my then MP, who is now the noble Baroness Shephard and who is in fact the deputy chair of the commission that authored the piece of work we are discussing. As Norfolk women, we share the burning belief that it is not where people come from that counts, but where they are going. That is my credo and, indeed, it is the Conservative credo. That call can be answered only by opportunity, by ensuring that every person has the chance to make of themselves what they want. Work must pay and responsibility must pay off. Conservatives believe fundamentally in people and their freedom, because people are enterprising and can make their own choices best, but they need the opportunity and the means to do so.

I am proud that it is a Conservative Prime Minister who is now setting out action that spans families, the early years, education, treatment and support, an end to discrimination, and increased opportunity. He is right to look out of Downing Street at the hopes and the quiet wishes of mums and dads, rich and poor alike, for their children every minute of the day, and he is right to seek to give every child the chance and the tools that they need. It is particularly important, as he said in a recent speech, to hail work experience and mentorship, as they can often open up a new world of contacts. It is even better when relatable role models provide those chances. Young businesspeople—for instance, those who are under 30—can be massively motivational.

Another constituent told me about the value of work experience, which gave him “exciting things”. People gave him responsibility, looked out for him, checked on his wellbeing and gave him purpose so that he felt valued, and he needed that to make the jump into paid work. Of course, there is also value to businesses in providing such experiences, as there are a lot of talented people in Norwich who just have not had their chance yet.

**Neil Gray** (Airdrie and Shotts) (SNP): I completely agree about work experience, but what message are we sending to our young people who are going into work when the new minimum wage premium will not apply to them as under-25s?

**Chloe Smith:** There has been an accepted principle that there are age gradations in the minimum wage. That is not new. Leeway is given for the time needed to train someone up to be able to do their job well. For me, that is the principle that drives age gradation.

We need to make more efforts to ensure that all Norwich children—and, indeed, children everywhere in the country—have the knowledge, skills, confidence and network to be able to meet the chances they require and take the chances they want. I am calling on Norwich businesspeople to step up even further and work with every school to provide a network and an opportunity for inspiration that is focused on the poorest children, who need it most.

Many good schemes exist or are coming in shortly, such as enterprise advisers. I urge the Minister to consider how to support those schemes stably over the long term. I want more great teachers to consider coming to Norfolk, because it is a great place to teach, and not to feel that they have to apply elsewhere because of the challenges that exist. I want every administrator who has the privilege to push a pen in the service of Norwich children to ask themselves, “How have I shown my ambition for Norwich children today?” I want the Government to understand that a lack of opportunity is hiding in perhaps surprising parts of our country, not just in traditional inner cities.

Most of all, I would like us to approach this debate without petty party politics. I have already mentioned the hon. Member for Norwich South, and it would be a pleasure to work with him on the issue. In fact, the Labour leader of Norwich City Council was a history teacher when I was at school. That is indeed history, and now we need to work together.

Tackling the issue is not about more welfare and more Government intervention alone, as that can address symptoms rather than causes and make dependency more entrenched. Nor is it only about the free market, although it is my view, with global evidence, that the free market has been by far the best thing ever invented for generating prosperity and improving living standards. There are obvious ways in which businesspeople can do more for the young people in their communities.

Breaking the social cage is not only about welfare or funding formulas. It is about ambition and leadership. It is our duty in Parliament and in local authorities to show ambition and to lead the hard work that is needed to break the cage. It is our duty to acknowledge the challenges of a city such as Norwich, as represented in the report, alongside the things that make the city great, so that it can be great for the poorest who grow up there as well. This is our opportunity to marshal an even more ambitious contribution from the business community, and from many others who can be role models and inspiring mentors to the poorest children in Norwich and help them access knowledge, skills, confidence and a network.

I used a series of Norfolk examples in my opening remarks to show that there are people who got on and did it from modest beginnings, but this is not only about

what they did for themselves. It is about what they did for others. The issue is deeply rooted and will not be solved by one person or one solution. We need to understand what the report is telling us, raise our ambitions, show leadership and marshal more opportunities for the poorest children, who need them most.

**Andrew Percy (in the Chair):** I am now imposing a five-minute time limit so that we can get everybody in. I ask hon. Members to keep interventions brief.

5.4 pm

**Wes Streeting** (Ilford North) (Lab): It is a pleasure to serve under your chairmanship, Mr Percy. I congratulate the hon. Member for Norwich North (Chloe Smith) on initiating this debate on the important social mobility index that was published recently by the Social Mobility and Child Poverty Commission.

I begin by celebrating the fact that the borough I represent in outer north-east London—the London Borough of Redbridge—was identified as being third in England for social mobility across a range of factors. That is testament to the hard work of the young people, their teachers, the broader educational establishment of local authorities, academies and multi-academy trusts, and families. I represent an increasingly diverse community, and it says something about the character of that community that we have produced such results. However, I am afraid the report that was published a week or so ago painted a picture of England as an increasingly divided nation where life chances are determined by postcode rather than potential. I wholeheartedly agree with the words of Alan Milburn, the chair of the commission, who said:

“It is not ability that is unevenly distributed in our society. It is opportunity.”

It is clear from some of the results in the report that many people are let down from the moment they are born because of the opportunities that are available or not available on their doorstep.

Beneath that grim reading, I want to focus on the remarkable Labour success story that is our great city of London. When I was growing up, London was a byword for failure, and schools were notorious for failing young people and letting down whole communities. I stand here as a product of the remarkable progress that was made—first through the London challenge and, secondly, through the excellence in cities scheme. By 2005, London schools were performing above the national average, and by the time Labour left office in 2010, London had a higher proportion of good and outstanding schools than anywhere else in England.

We have to return to the mantra, “What matters is what works”, which underpinned Labour’s successful approach to the debate about educational opportunities. Looking back on the London challenge, a number of things made the programme particularly successful, including the fact that it brought a sharp focus on the quality of leadership, and on teaching and learning. It really was about standards rather than structures. The programme enabled collaboration between different schools and used data sets to compare schools serving similar populations. Frankly, there was no place to hide for people who would do down the aspirations and abilities of pupils because they happened to serve a particularly

deprived community. There was an expectation that any child born in this city should be able to achieve their full potential, and that is why we saw those remarkable results. I am afraid that we seem to have moved further away from that with our increasing focus on structures rather than standards.

The Government should consider a number of things off the back of the report. First, they should consider introducing a coastal challenge and a rural challenge, taking the successful ingredients that underpinned the London challenge and applying them to the social mobility blackspots highlighted by Alan Milburn's commission.

Secondly, the Government ought to reinvigorate the important but increasingly discredited northern powerhouse agenda by developing an industrial strategy for the north of England that includes a real focus on education and skills. In particular, there should be a focus on ensuring that people have opportunities not only for education and training, but for employment on their doorstep that matches a whole range of talents and abilities. That is difficult in the current climate given the industrial challenges faced, particularly in steel communities.

The third thing we need to do is to look seriously at the amount of money spent on widening participation in higher education. So many of our academically elite universities continue to be far too socially elite, and so many universities that claim to be success stories in widening participation in fact have poor graduate destination data and track records of retention. We need to start asking, amid all the hand-wringing and the emphasis that is placed on schools, whether the £718 million that is likely to be spent towards the end of the decade might be better spent on schools and early years. If we do that, we may be in a far better place when it comes to future reports. Every child—whatever their background and wherever they were born—should have the same opportunity to succeed as far as their abilities and talents will take them.

5.9 pm

**Lucy Allan (Telford) (Con):** It is a great privilege to serve under your chairmanship, Mr Percy. I am grateful to my hon. Friend the Member for Norwich North (Chloe Smith) for securing this important debate and for highlighting some of the issues arising in the report. Like her, I am proud of my constituency and of all the people who work so hard to do well by our young people.

I particularly wanted to take part in the debate because Telford has significant areas of disadvantage and underperformance of young people. In fact, my constituency ranks in the bottom decile of the Sutton Trust's social mobility index, with a ranking of 494 out of 533 constituencies in England. Telford has pockets of significant deprivation, and there is no doubt that that affects the life chances of our young people. Only last week I secured a Westminster Hall debate to consider four of Telford's secondary schools that were put in special measures following inadequate Ofsted ratings. Those schools have very high numbers of children in receipt of the pupil premium and serve disadvantaged catchment areas.

In that debate, I considered why the schools had failed, so that lessons could be learned for the future. The key reason for failure was the widening achievement

gap for the most disadvantaged young people and a culture of low expectations in attendance, behaviour and achievement. There was also a failure in the multi-academy trust's leadership and governance. The GCSE results in all the schools within the academy chain were below the national floor target, and two thirds of children at some of the schools in the chain were leaving without five good GCSEs including maths and English. Most worrying of all were the stats showing that of the children receiving the pupil premium—the most disadvantaged—only 20% were leaving school with five good GCSEs, including maths and English. I wanted to speak for the 80% who did not have those basic qualifications, about their life chances and the impact on their futures.

Even when disadvantaged young people in my constituency obtain qualifications, they tend not to go to university, and if they do, they tend not to end up in professional occupations. Telford ranks among the lowest areas for non-privileged graduates going on to professional occupations. Like my hon. Friend's constituency, it is not about a lack of jobs in Telford. The figures for young people not in education, employment or training have completely dropped—they have halved in the past three years—and the number on jobseeker's allowance has similarly fallen. The difficulty is that the most disadvantaged young people are going into low-income jobs, yet Telford has high-tech, new-economy professional jobs, and our employers say that there is a skills gap. They say that young people leaving school do not have the skills to do the jobs that are on offer. Soft skills are critical in a modern workplace, such as sociability, confidence, negotiation and influencing skills, relationships, communication skills, emotional intelligence and empathy. A good education helps a young person to develop those skills.

Despite Telford's ranking, there are some welcome signs of improvement, particularly in the early years. We would all agree that that is where inequality starts. Equality of opportunity at the earliest stages is essential to prevent gaps in attainment from opening up. We also have some fantastic primary schools in Telford, such as Old Park Primary School in Malinslee—I thank Jayden, Keeley and Jamie, who came to work in my office before Christmas—and the very special Newdale Primary School, which is about to visit Parliament in a few weeks' time.

We have thriving academies in disadvantaged areas, and I take up the point made by Opposition Members that poverty affects achievement, which is not always the case. We have good academies with good results for children from the most deprived areas. It is about leadership, good governance, high expectations and instilling a sense of personal responsibility, self-worth and valuing education.

**Stephen Kinnock (Aberavon) (Lab):** The hon. Lady is making a thoughtful speech. She is talking in particular about areas with the greatest levels of deprivation, yet the Government have removed the key indicator for levels of deprivation, which is income. Does that not render meaningless the analysis that she is trying to present?

**Lucy Allan:** I refer the hon. Gentleman to Abraham Darby Academy in my constituency—the school is in a very deprived estate with the highest levels of pupil premium. His point is not correct.

[Lucy Allan]

In Telford, we also have organisations such as Juniper Training, which teaches employability skills, and increasing numbers of apprenticeships. I passionately believe that all young people, no matter where they come from and no matter what their background, deserve the life chances that a good education provides. A good education is an open door to future opportunity, and I urge the Minister to do everything possible to narrow educational disadvantage, so that all children in Telford can have the same opportunities and life chances.

5.15 pm

**Siobhain McDonagh** (Mitcham and Morden) (Lab): I congratulate the hon. Member for Norwich North (Chloe Smith) on securing this debate on a vital issue. I also congratulate the commission on its work, and particularly its chair, and hopefully my friend, the Government's social mobility tsar and former new Labour warrior Health Secretary, Alan Milburn. I have long been a great supporter of the Sutton Trust and its terrific work, of which the social mobility index is just one of many examples. I also endorse the conclusions of its report, "Missing Talent."

My constituency of Mitcham and Morden is relatively average in the UK-wide social mobility index, but in London it sits in the 10 worst-ranked constituencies for social mobility and is part of a pocket of underperforming south London constituencies. The challenges on social mobility remain stark, especially for white working-class students. A significant attainment gap between children receiving free school meals and those who are not eligible exists even at pre-school level. By GCSE age, only 32% of white working-class British students achieve the GCSE benchmark, compared with 44% of mixed-race students, 59% of Bangladeshi students, 42% of black Caribbean students and 47% of Pakistani students—those figures are all for students receiving free school meals. On top of that, prospects have been improving much more slowly for white working-class students over the past 10 years than for almost any other ethnic group. Most importantly, there is a tremendous difference between the performance of white working-class students in inadequate schools and those in outstanding schools, which demonstrates the huge influence that a good school can have.

We know what works in schools. I will compare the Harris Federation academy chain in south London with national averages. Only about 56% of white British students nationwide secure five A\* to C-grade GCSEs, but at Harris Academy Greenwich 60% of white British students secured such grades in 2015. Just five years ago the school was in special measures, but now, under the excellent leadership of its strong principal, George McMillan, the school has undertaken an unimaginable transformation. A staggering 73% of white British students at Harris Academy Falconwood secure five A\* to C-grade GCSEs. Yet again, the rate of the school's success is incredible. In 2008, only 17% of its students achieved such grades, but under the leadership of Terrie Askew the school is now judged outstanding by Ofsted. Those schools have demonstrated consistent relentlessness in both discipline and high achievement. They promote zero tolerance of bullying; they pick up children directly from their home if they

have a habit of truanting; and they provide breakfast clubs and after-school network clubs, which serve nutritious food.

Members also have a responsibility to do all they can, which is why I set up my own work experience scheme in Mitcham and Morden to link young, unemployed constituents with local businesses and organisations to get the experience they need to access a full-time job. I am proud that since 2011, more than 350 participants in our scheme have found full-time employment, and I am planning my own mentoring scheme in the constituency to match children and young people with successful adults. Experts, including Robert Putnam, have argued that such social capital, defined as a young person having an older role model to look up to who is not their parent, is key to ensuring their future prosperity.

As "Missing Talent" argues, we urgently need to incentivise better use of the pupil premium to ensure that disadvantaged pupils receive the focused support they need. As well as greater support for highly able pupils from disadvantaged backgrounds, I hope to see more support for average students, because that is precisely what most of us are. I want students who get average GCSE grades to do better and have access to better-paid apprenticeships and better alternatives to university if they feel that university is not for them. Social mobility is not only about the children at the top doing well; it is about all children being able to aspire, and to surpass their own and everybody else's expectations.

5.20 pm

**Justin Madders** (Ellesmere Port and Neston) (Lab): It is a pleasure to serve under your chairmanship, Mr Percy. I congratulate the hon. Member for Norwich North (Chloe Smith) on securing this debate. I am pleased to have the opportunity to contribute as the chair of the all-party parliamentary group on social mobility.

Improving social mobility is arguably one of the biggest and most complicated challenges of our times. This country is too unequal, too closed and too divided. It is a country where, far too often, where a person is born and who they are born to, define what their life chances will be. The income gap between the richest and poorest in society continues to widen, and the UK stands alongside the United States in having the lowest social mobility among advanced nations.

As they progress through life, young people from the most disadvantaged areas are nearly 10 times less likely than those from the most advantaged to take up a place at a top university. Our professions are disproportionately populated with people who studied at Oxbridge or in private education; the all-party group will shortly launch an inquiry into access to the professions. Tackling such issues is not just a moral imperative but an economic one.

As my hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh) said, the commission's social mobility index is not a new concept, as it was pioneered by the Sutton Trust last year through its mobility map. However, it is instructive to look at both studies, as their findings were similar: that the issue is far more complex than the conventional wisdom of looking simply at rich areas versus poor areas, or urban versus rural.



Although the affluence of an area and the life chances of the young people who live there are undoubtedly linked, we now know that social mobility issues affect not only the poorest areas in our country but some of the wealthiest. In many cases, affluent areas are not doing as well by their disadvantaged children as places that are much more deprived. We also know that children living in similar areas, sometimes just a few miles apart, can have markedly different life chances.

Although the commission's report considers local authorities, the Sutton Trust mobility map allows us to drill down into individual constituencies, where we can find significant differences within a local authority area. For example, in my council area of Cheshire West, City of Chester is shown to have a significantly higher level of social mobility than my constituency of Ellesmere Port and Neston, although they are both in the same local authority area and only a few miles apart. Such differences are simply not apparent in the commission's index. In a local authority area with a population of more than 330,000, I suggest that pockets where social mobility is at its worst can be easily overlooked. Indeed, although a constituency basis is a much more useful indicator than a local authority one, I would go further: it ought to be done at a ward or super output area level.

Maybe we will get to that point in future, but we do not need that level of detail to conclude what is clear from both indexes: London and its commuter belt are pulling away from the rest of the country. Young people from disadvantaged backgrounds in those areas are far more likely than others in the rest of the country to achieve good outcomes in school. What is so valuable about the social mobility index and the mobility map is that at least we can now begin to map and question why such variations exist. Such is the variety of potential factors influencing outcomes that establishing the most effective way to improve social mobility can at times be a little like trying to nail blancmange to a wall, but there are some fundamentals with which we can start.

For example, we know that the effects of good teaching are especially significant for children from disadvantaged backgrounds. In one year with very effective teachers, a child can gain 1.5 years' worth of learning, so we need to consider better policies to incentivise teachers to work in disadvantaged areas. We also need to give local authorities across the country the resources and powers to replicate what was done with the London challenge, which my hon. Friend the Member for Ilford North (Wes Streeting) discussed eloquently earlier. There is a huge amount of good practice out there. In London, we have seen that, through concerted effort by a range of partners, the gap between the most advantaged and the most disadvantaged pupils can be reduced.

I hope that this debate signals a genuine intention across all political parties to improve social mobility. I sense that it is there, but all good intentions need to be matched with a little self-awareness that some Government policies do not help social mobility but in fact hinder it. I have grave concerns about some of the recent changes to student finance and the proposals that will shortly be consulted on for changes to the nurse bursary system, which the shadow Minister will undoubtedly address in his comments.

**Wes Streeting:** My hon. Friend is giving an excellent speech. I also have concerns about housing. When I was growing up, I always had the security of the council flat

where I lived, whereas many families in similar situations whom I represent live on the other side of London and commute in.

**Andrew Percy (in the Chair):** I say to the hon. Member for Ellesmere Port and Neston (Justin Madders) that I wanted to call the Front-Bench speakers at this point. Can he please respond to the intervention and then conclude?

**Justin Madders:** I am happy to do so, Mr Percy. We could certainly spend a lot of time discussing the more divisive aspects of Government policy, but I will conclude. Giving everyone opportunity in life is a core part of why I am involved in politics. To me, it is about fairness, and it should be a basic ingredient in any progressive society. Let us ensure that every new policy and initiative is met with the same question from all parties: "Will this help improve social mobility?"

**Andrew Percy (in the Chair):** I remind the SNP spokesman and the shadow Minister that they have five minutes each to respond, and that they should try to stick to that.

5.25 pm

**Neil Gray (Airdrie and Shotts) (SNP):** It is a pleasure to take part in this debate with you in the Chair, Mr Percy. I congratulate the hon. Member for Norwich North (Chloe Smith) on securing it, and on her positive contribution in admirably defending and promoting her constituency in light of the report. She said in her speech that she expects us all to do our duty to those children suffering poorer life chances. Absolutely; I hope that she will communicate that directly to this Minister, the Prime Minister, the Chancellor and the Secretary of State for Work and Pensions.

It is interesting that the hon. Member for Norwich North mentioned childcare provision. I absolutely agree. It should be a key area for improving children's life chances, and we must do more on that front. I also support her comments on improving business links with schools in areas of deprivation to improve skills and access to the employment market. I congratulate her on her speech, and I pay tribute to the contributions made by the hon. Members for Ilford North (Wes Streeting), for Telford (Lucy Allan) and for Mitcham and Morden (Siobhain McDonagh), and by the hon. Member for Ellesmere Port and Neston (Justin Madders), the chair of the all-party parliamentary group. They certainly made for a good debate.

The social mobility index, released in January, shows the massive differences between different parts of England and the chances that poorer children who live there have of doing well in life. Although the Social Mobility and Child Poverty Commission covers Scotland, the index is for England only. Key findings include the fact that London and its surrounding areas are pulling away from the rest of the country. Young people from disadvantaged backgrounds who live in those areas are far more likely to achieve better outcomes in school and have more opportunities to do well as adults than those in the rest of England. In addition, coastal areas and industrial towns are becoming social mobility cold spots. Many such areas perform badly on both educational measures and adulthood outcomes, giving young people from less advantaged backgrounds limited opportunities to get on.

[Neil Gray]

As the study related purely to England, we cannot compare figures for Scotland. The best comparison that can be made with Scotland involves educational attainment, and what is going on in Scotland may provide examples to be followed elsewhere. The Scottish National party and the SNP Scottish Government recognise that education is the best avenue for social mobility. The SNP is absolutely committed to closing the gap in educational achievement between children from wealthy and low-income backgrounds. The Attainment Scotland fund supports more than 300 primary schools that collectively serve more than 54,000 primary-aged children living in the most deprived 20% of areas in Scotland. That represents 64% of the total number of primary-aged children living in Scottish index of multiple deprivation areas 1 and 2.

The first seven councils to benefit from the £100 million attainment fund include Glasgow, Dundee, Inverclyde, West Dunbartonshire, North Ayrshire, Clackmannanshire and North Lanarkshire, which covers my constituency. They have been allocated £11.7 million in 2015-16 to raise attainment in schools in areas of greatest deprivation. An additional 57 schools based in areas of concentrated local need across a further 14 local authorities will also benefit from £2.5 million from the attainment fund.

There is more to do, but the attainment gap is narrowing in Scotland. There have been annual increases in the proportion of school leavers reaching at least SCQF level 5—from 73.2% in 2007-08 to 84.4% in 2013-14—and the gap between the most deprived 20% and the least deprived 20% of pupils achieving that level has decreased from 36 percentage points in 2007-08 to 22 points in 2013-14.

As time is limited, I will try to come to a conclusion. A key figure for me is that UCAS figures for this year show that since 2006 there has been a 50% increase in university applications from 18-year-olds in the most disadvantaged areas of Scotland. That is clear evidence that access to free higher and further education is working in Scotland, and that getting on has to be about the ability to learn and not the ability to pay.

**Andrew Percy (in the Chair):** I thank the hon. Gentleman for staying within his time.

5.30 pm

**Nick Thomas-Symonds (Torfaen) (Lab):** It is a pleasure to serve under your chairmanship, Mr Percy, and I congratulate the hon. Member for Norwich North (Chloe Smith) on securing this debate. I thought she spoke extremely well, particularly about the importance of the early years.

There were some great contributions to the debate. My hon. Friend the Member for Ilford North (Wes Streeting) spoke very well about the situation in London. The quote that he used about life chances being decided by postcode rather than potential is an important one.

The hon. Member for Telford (Lucy Allan) spoke very well about her constituency. I am pleased to hear a Conservative Back-Bench contribution today, because the previous two times that I have been a shadow Minister responding to child poverty debates there has not been

a Tory Back Bencher to make a contribution. I am pleased that she felt able to come along and do that today.

My hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh) spoke very well about the influence and importance of good schools. My hon. Friend the Member for Ellesmere Port and Neston (Justin Madders) spoke with great authority in his role as the chair of the all-party group on social mobility.

Prior to coming to this House, I was involved for many years—well over 10—in Oxford admissions and examining work that could be done to address the problem of how we could attract applicants from a wider range of backgrounds. I was very proud to play a part in the Oxbridge ambassador for Wales project, which was run by my predecessor as the MP for Torfaen, Paul Murphy, who is now Lord Murphy of Torfaen in the other place. The project aimed to increase the diversity of Oxbridge applicants.

I was very sorry to see the Prime Minister's attack in recent weeks on diversity at Oxford and Cambridge. Although I absolutely agree that there has to be greater diversity, the first thing that concerned me about the Prime Minister's comments was the lack of acknowledgment of work that has already been done. Let me just give an example. In the period from 2005 to 2010, the number of applications to Russell Group universities rose far more quickly from students on free school meals than from students who were not. That is evidence of social mobility during those years.

The second thing that worried me was that the Prime Minister sought to avoid blame for the consequences of his own policies and to push it away somewhere else. My hon. Friend the Member for Ellesmere Port and Neston spoke, for example, about the abolition of nursing bursaries. However, there is a deeper point here. Let us remember that for all the talk of worklessness, 1.5 million children who are in poverty are in working households. That is what the Social Mobility and Child Poverty Commission says.

If we accept income as a measure of child poverty, which all Labour Members do, some issues must be extremely worrying, such as low pay, zero-hours contracts and the cuts to the universal credit work allowance that will be happening from this spring onwards, all of which affect people in work.

That brings me on to the central issue of how we measure child poverty, because measuring it is absolutely key. Let me just quote the Minister for Employment herself on 26 January 2016, and I look forward hearing her words endorsed by the Minister who is here today:

“Income is a significant part of this issue, but there are many other causes as well.”—[*Official Report*, 26 January 2016; Vol. 605, c. 72WH.]

If income is a significant part of this issue, why are the Government refusing to measure it? What possible rational explanation is there for them not doing so?

**Clive Lewis:** Will my hon. Friend give way?

**Nick Thomas-Symonds:** I will happily and quickly give way.

**Clive Lewis:** One of the issues that the hon. Member for Norwich North (Chloe Smith) did not mention is that a quarter of all the children in Norwich are from low-income families. She neglected to mention that.

**Nick Thomas-Symonds:** My hon. Friend makes an absolutely powerful point and I say to the Minister who is here today, “Be careful about this issue of defining child poverty.” The Centre for Social Justice—with which, of course, the Secretary of State for Work and Pensions is uniquely associated because he founded it—says:

“Growing up in a single-parent household could count as a form of ‘poverty’”.

That is an absolutely unbelievable comment and I really hope that the Minister will take the chance today to distance himself entirely from it, and to criticise it as stigmatising lone parents.

**Dr Huq:** Will my hon. Friend give way?

**Nick Thomas-Symonds:** I will quickly give way.

**Andrew Percy (in the Chair):** Very briefly, I call Rupa Huq to speak.

**Dr Huq:** I just wondered whether my hon. Friend was aware of Fiona Weir from Gingerbread, who says:

“Further stigmatising single parent families will do nothing to tackle child poverty. Family breakdown doesn’t cause child poverty. It is unaffordable childcare, low levels of maternal employment and poor wages—”

**Andrew Percy (in the Chair):** I call the shadow Minister.

**Nick Thomas-Symonds:** I entirely agree with that point and I will conclude my remarks, Mr Percy. The Social Mobility and Child Poverty Commission said just before Christmas that

“the existing child poverty targets...will be missed by a country mile.”

I sincerely hope that the Government are not simply trying to redefine child poverty to hide their own failure.

5.35 pm

**The Parliamentary Under-Secretary of State for Disabled People (Justin Tomlinson):** Mr Percy. I am very proud to serve under your chairmanship, particularly because of your genuine interest in this topic, both as a former teacher at Kingswood High School in Bransholme and even now when, as a busy constituency MP, you find time to be a chair of governors at a local school, making a real difference in your community.

This debate is a real tribute to my hon. Friend the Member for Norwich North (Chloe Smith), who is continuing her tireless work in her constituency, including working at the local jobcentre, and vice-chairing the all-party group on youth unemployment. Time and again, I have been impressed by her hands-on approach, which is making a real difference in her community. That is a real sign of local leadership and my hon. Friend is a real credit to Norwich North.

Social mobility is a topic that I am particularly interested in. I know that it covers many different Departments, particularly the Department for Education. I went to a school that was bottom of the league tables; my father died at an early age; and all too often people seemed to think that someone in that position would have no opportunity or aspiration. That was my calling to enter Parliament, because I believe that everybody deserves a chance in life, regardless of background.

The hon. Member for Ilford North (Wes Streeting) and my hon. Friend the Member for Telford (Lucy Allan) both showed a real understanding of the opportunities and challenges. They both justified their growing reputations in this House and showed that they really understand the importance of creating opportunities, both within their constituencies and much more widely.

The hon. Member for Mitcham and Morden (Siobhain McDonagh) spoke and it was great to hear the namechecks for George McMillan and Terrie Askew for what they have done in terms of transformation. Again, it shows that under any circumstances real changes can be made—and good luck with the work experience scheme.

The hon. Member for Ellesmere Port and Neston (Justin Madders) provided a really good analysis of the sorts of challenges that exist, and I wish him good luck with his ongoing work with the all-party group.

I turn to the debate now. There are four fundamental components to the Government action on social mobility, so I will try to say something on each in the time I have. Turning to education first, we are determined to deliver educational excellence everywhere, so that every child—regardless of their background—reaches their potential.

In early years education, we are supporting parents of young children and investing in childcare at record levels. By 2019-20, we will be spending more than £6 billion on early years and childcare. I have seen in my own constituency what a difference this approach can make. In one of the schools, Seven Fields, on average the children would arrive one and a half years behind the national average, but through the leadership of the teachers and the headteacher, and working with the parents, the extra funding—

**Nick Thomas-Symonds:** Will the Minister give way?

**Justin Tomlinson:** I will be tough on time, but I may give way at the end of my speech.

In that school, the teachers were able to get those children back up to the national average. That is a real transformation, which had to start in early years education as well as in the traditional school years.

We have a clear focus on quality and our early years education system is underpinned by the early years foundation stage statutory framework. The EYFS profile data results for 2014-15 already show a 14.6 percentage point increase in the proportion of children reaching a “good level of development” by age five in the past two years.

In schools, 1.4 million more pupils are now in good or outstanding schools than in 2010, which is much welcomed by parents. We are introducing new measures to transform failing and coasting schools, including creating a national teaching service and sending some of our best teachers to the areas that need them most. I know that my hon. Friend the Member for Norwich North will encourage them to head to Norwich with their great skills. We have also introduced the pupil premium, which is worth £2.5 billion in 2015-16; in the case of Norwich North, that is £3.7 million of additional spending.

Also, £137 million has been invested in the Education Endowment Foundation to research and share best practice with disadvantaged pupils. There have been

[Justin Tomlinson]

examples of really good best practice, and we should rightly do all we can to share that information as far as we can.

On wider education, we have opened 39 university technical colleges and a further 20 are in development. There is an UTC in Swindon, so I have seen what a real transformation UTCs can achieve with young people, transforming them into young adults with real skills.

The Prime Minister has committed to ambitious goals, whereby we will double the proportion of people from disadvantaged backgrounds entering higher education by 2020. We recently announced that universities will be required to publish admissions and retention data by gender, ethnic background and socio-economic class, and in 2016-17 universities expect to spend £745 million on measures to support the success of disadvantaged students. I fully support the Prime Minister's determination to extend the national citizens scheme to all young people. There will be a complete transformation in young people of all backgrounds who take advantage of that scheme.

On the economy, it is key to a strong labour market that we have a strong economy, and the Government's long-term economic plan is delivering that. Since 2010, there have been more than 2.3 million more jobs in every region and country of the UK, wages have been rising—for 15 months in a row now—and inflation of about 3% compared with 0% is making a big difference. That growth has been dominated by full-time and permanent jobs. Someone mentioned zero-hours contracts. They make up only about 2%, which is exactly what the percentage was in the heyday of the last new Labour Government.

Nearly two-thirds of the growth in private employment has been outside of London and the south-east, with the east of England, Scotland, the north-west, the east midlands, the south-west and the south-east all having higher employment rates than London. We have the introduction of the national living wage coming forward, and we continue to increase the personal tax allowance. We all recognise that the current system of welfare is too complex. There is broad support for the introduction of universal credit, which will be a much simpler system and will improve work incentives and provide named coaches to support people. We are also committing to the creation of 3 million more apprenticeships.

On housing, we have increased the provision of affordable housing and are doubling our investment, from 2018-19, to £8 billion to deliver more than 400,000 new affordable housing starts. We are creating 200,000 starter homes to be sold to young first-time buyers at a 20% discount compared to market value, and delivering 135,000 Help to Buy shared-ownership homes. A quarter of a million people have already signed up for the Help to Buy ISAs. We are building 10,000 homes that will allow tenants to save for a deposit while they rent, and at least 8,000 specialist homes for older people and people with disabilities. We will extend the right to buy to housing association

tenants, and extend Help to Buy by introducing an equity loan scheme by 2021.

On improving children's life chances, as a Government we have set out an agenda of action. We are determined to do more to improve the life chances of all children. We are bringing forward proposals in the Welfare Reform and Work Bill that will drive action that will make the biggest difference to children's lives, both now and in the future. We are introducing new reporting duties on worklessness and educational attainment in England, publishing a life chances strategy in the spring to set out a comprehensive plan to fight disadvantage and extend opportunity, covering areas such as family breakdown and problem debt, and reforming the Social Mobility and Child Poverty Commission to strengthen and expand its social mobility remit. The reformed commission will ensure independent scrutiny of progress to improve social mobility in the UK.

**Nick Thomas-Symonds:** Will the Minister explain how cuts to the work allowance of universal credit from this spring incentivise work and assist with child poverty?

**Justin Tomlinson:** We have had a number of debates on that point and even the Institute for Fiscal Studies acknowledges that such an analysis is a static one. What will need to be considered over time is the continued jobs growth and wage rises, the introduction of the national living wage and all the different opportunities that will come in. The criticism of the tax credit proposals was that the changes would not have had time to filter through. With universal credit, there will be a big difference.

As I said, for the first time ever, people who have been out of work and are going into work again will no longer just be waved off and wished all the best; they will have a named coach to support them, giving them advice and support with additional training, and with pushing for extra hours and getting promotion. Many of us had families who pushed us—"Go and seize the opportunities that are given"—but that is not the case for everyone, and that is the thrust of the debate. For the first time ever, we will extend the provision to people entering work and ensure that they can take advantage of it.

In conclusion, the Government are absolutely committed to improving social mobility and life chances. That is central to our Government's agenda, and we will continue to extend opportunity for all. It is a credit to my hon. Friend the Member for Norwich North that she has once again highlighted an important area for the Government's focus. There have been many examples of good and best practice, and the Government are keen to share and push them, so that everyone has an opportunity to succeed in life.

*Question put and agreed to.*

*Resolved,*

That this House has considered the social mobility index.

5.44 pm

*Sitting adjourned.*

# Westminster Hall

*Wednesday 10 February 2016*

[GRAHAM STRINGER *in the Chair*]

## Asylum Support Contracts

9.30 am

**Stephen Doughty** (Cardiff South and Penarth) (Lab/Co-op): I beg to move,

That the House has considered contracts let by the Home Office for the provision of asylum support.

It is a pleasure to serve under your chairmanship today, Mr Stringer, and it is also a pleasure to be joined by many colleagues from across the House to consider this important issue this morning.

It is my hope that this debate today will elicit some better answers from the Home Office in response to the serious concerns that have been raised by many Members from all parties in the House about the provision of support to asylum seekers under contract to the Home Office.

I begin by paying tribute to my hon. Friend the Member for Middlesbrough (Andy McDonald) and my neighbour, my hon. Friend the Member for Cardiff Central (Jo Stevens), who have done an excellent job, alongside many others, in bringing concerns about the practical implications of the failures of companies providing asylum support service across the UK to the attention of the House and the country. These include examples involving G4S and Clearsprings, including the two particularly shocking examples of the stigmatisation of highly vulnerable people by placing them in houses with red doors or forcing them to wear red wristbands to get food. I will come back to those shameful episodes in a moment, but it is clear that there are additional serious concerns on top of those two high-profile examples.

To begin with, it is worth putting asylum into the wider context of the immigration debate. I make it clear from the start that I believe in a tough and robust immigration system. Successive Governments—it is important to be frank, so that includes those of my own party—have failed on a number of measures regarding the immigration system, including counting people in and out. Exit checks were not introduced until recently—I had long argued that they should be introduced—and until relatively recently we had failed to begin to address the debate on, for example, EU migration and benefits, which has deeply and corrosively damaged public confidence in the many positives that immigration has brought and can bring. My own diverse city and constituency know those positives only too well.

Let me also be crystal clear that I am very proud of the role that Britain has played in offering a place of sanctuary to those fleeing persecution and violence, and it should continue to play that role. I was proud that in the midst of the Mediterranean refugee crisis last year, a cross-party group, brought together by young people from the Butetown and Grangetown areas in my constituency, stood up in my city of Cardiff and made it clear that refugees are welcome in our city, just as they always have been.

I am particularly proud of the work of organisations such as the City of Sanctuary movement in cities including Cardiff, and local organisations such as the Oasis trust in Splott in my constituency, which are working to support these vulnerable people in many different ways.

There is a huge amount of misinformation about asylum seekers and refugees, and the truth is in short supply. The 1951 United Nations convention relating to the status of refugees states that a refugee is a person who “owing to well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality and is unable or, owing to such fear, is unwilling to avail himself of the protection of that country; or who, not having a nationality and being outside the country of his former habitual residence as a result of such events, is unable or, owing to such fear, is unwilling to return to it.”

In the UK, a person is officially a refugee when they have their claim for asylum accepted by the Government, and an asylum seeker is a person who has left their country of origin and formally applied for asylum in another country but whose application has not yet been concluded.

I am sorry, Mr Stringer, to have to remind us of these raw facts, but because we are in a time of misleading information and hyperbole about immigration, when the media, debate in this House and indeed the Prime Minister himself frequently and dangerously blur the distinctions between asylum seeker, refugee, EU migrant, economic migrant, overstaying visitor and many other categories, we can come to the wrong policy conclusions, fail to support those seeking sanctuary with dignity, and, at the same time, risk community relations and the potential for integration.

To illustrate my concerns, let me give another example, which gets to the nub of some of the concerns about the issue of these contracts and the way that providers are behaving. A number of constituents and local representatives have contacted me in recent weeks with their concerns about a supposed new asylum facility opening up in a residential area of east Cardiff. They had seen the horrible crowding of people into Lynx House in the constituency of my hon. Friend the Member for Cardiff Central, and the media reports, and they are fearful that, for example, a large group of young men might be placed in another unsuitable location, in order to make quick money for a landlord or the contracting company, and with no consultation or dialogue with local residents.

Like most good Cardiff and Welsh people, these constituents and local representatives made it clear to me that they had no objection to asylum seekers or refugees living locally. For example, one older resident told me personally how she would happily welcome in the streets or the local area Syrian families fleeing the horrors that she had witnessed on TV. However, she and others also had very natural fears, which were compounded by rumours that had circulated and the apparent lack of any consultation or dialogue.

In yesterday's sitting of the Home Affairs Committee, I asked the chief executive of Clearsprings directly whether or not he plans to operate more facilities like Lynx House in east Cardiff, as he had indicated to my hon. Friend the Member for Streatham (Mr Umunna) that he was likely to want to expand his company. I await the chief executive's urgent reply. Perhaps the Minister can enlighten me, if he is aware of any facts relating to the further plans of Clearsprings in Cardiff.

[Stephen Doughty]

Many other people have expressed fears, which are often unfounded and based on the hyperbole in the media debate, and other concerns have been fuelled by disgraceful comments, such as the Prime Minister referring to a “bunch of migrants”. As I have said, herein lies the nub of this issue. We appear to have a situation in which the Home Office is contracting with a small number of companies to place highly vulnerable people, often, it seems, in crowded or unsuitable accommodation, in a very small number of areas in a small group of dispersal centres and cities, and frequently in areas of low rents and deprivation. It is good to see the Minister for Immigration himself here in Westminster Hall today, but he admitted yesterday that he had most likely zero or very few asylum seekers accommodated in his own constituency.

**Andy McDonald** (Middlesbrough) (Lab): My hon. Friend is making an excellent speech. Regarding how these properties are let, was he as amazed as I was to discover that different people can be put into a single bedroom quite inappropriately? A young man in my community who is gay and who has come to this country is having to share a bedroom with somebody who was once a member of the Taliban. Does my hon. Friend not find that an utterly ridiculous state of affairs?

**Stephen Doughty:** I find that absolutely extraordinary; my hon. Friend gives a shocking example. As a gay MP myself, I would find it horrendous to be placed in accommodation with somebody who potentially had persecuted me or potentially would persecute me. However, that is the reality of many people’s experience—they find themselves in unsuitable accommodation. Yesterday in the Home Affairs Committee, we heard one example of 11 people being crowded into a room, and I have heard examples of individuals being placed with people who allegedly may have persecuted them in the past. Some very serious concerns are being raised.

The asylum dispersal and integration process appears to have stopped, and the principle behind it appears to have been abandoned, not only at the limited number of dispersal locations but at the localities within them. I would be interested to hear the Minister’s views on that and on whether we are getting things right. Simply put, the system as it stands is not good for those seeking sanctuary, not good for the communities that those people are being placed in and not good for wider integration, and I also question whether it is good value for the Government.

**Chris Stephens** (Glasgow South West) (SNP): The hon. Gentleman is making an excellent speech and I thank him for securing this debate. Does he agree that services to asylum seekers have basically been reduced since March 2012, when the Government took the decision effectively to privatise those services? In Glasgow, for example, it was the local authority that was providing the services for asylum seekers.

**Stephen Doughty:** I am not aware of the specific history in Glasgow that the hon. Gentleman refers to, but there are serious questions to be asked about whether these private companies are operating in the most effective way, not only for their users but in terms of their value for money to the taxpayer.

Before I express some detailed concerns about the COMPASS contracts and Clearsprings specifically, let us finally remind ourselves of a few crucial facts. The Refugee Council states that asylum seekers make up just 10% of those people arriving in Britain and that in any case many of those asylum seekers are not granted refugee status. Germany, Hungary, Sweden, Italy, France and Austria all receive significantly more asylum applications than the UK, and very few asylum seekers make it to this country.

Asylum seekers made up just 4.1% of immigrants to the UK in 2014, and the UK is home to less than 1% of the world’s refugees; those figures are from the United Nations High Commissioner for Refugees in 2014. The fact is that the vast majority of the world’s refugees live, often in camps, in the poorest developing countries in Africa, Asia, and the middle east. Between them, those regions host more than three quarters of the world’s refugees. Turning specifically to Wales, an answer from the Immigration Minister on 28 January stated that just 1,086 asylum seekers were accommodated in Cardiff by Clearsprings in 2015, and just 2,384 were accommodated in Wales overall.

I know that other Members will want to get into the detail of their concerns in their areas, but as I have stated publicly before, no one is asking for special treatment for those seeking sanctuary in Cardiff, Wales or anywhere else in the UK. We are simply asking for them to be treated with the dignity and compassion that we would all expect from our fellow human beings. It is easy to pick up a few examples of alleged luxury accommodation or temporary accommodation in mainstream hotels, for example after arrival at an airport, but the reality in Cardiff for many of those seeking sanctuary who I have met and heard from appears to be very different.

The Chair of the Home Affairs Committee, my right hon. Friend the Member for Leicester East (Keith Vaz), outlined to the Minister the direct comments of those in Cardiff who have experienced discrimination as a result of being forced to wear the red bands, and I am sure my hon. Friend the Member for Cardiff Central will want to tell us more about that. Over the past few months, I have been approached by a number of constituents whose treatment by Clearsprings is seriously concerning. I have written to the Home Office on a number of occasions to raise specific cases. Numerous concerns and allegations have been raised by my constituents on the substandard nature of accommodation offered. Those reports have come directly from users and others working with asylum seekers in Cardiff.

Allegations I have received include short-notice evictions, intimidating and abusive behaviour, and people having their bedrooms entered without their consent, which, incidentally, the Home Office has confirmed to me in a letter is entirely consistent with the principles and guidance of the COMPASS contract. That raises some serious questions, especially when we are talking about vulnerable women and children fleeing sexual violence. To have their room entered without consent by a man—even in itself that is a serious concern.

One constituent, who I will refer to as Mrs A, fled rape and sexual violence. That horrific circumstance is faced by many female asylum seekers. With her children, she was settling into her new community in my constituency in Cardiff. She was receiving medical support and had a supportive network for her family via the school and

local community. After spending time integrating, establishing that network, getting her life back on track and providing a safe space and sanctuary for herself and her children, Mrs A was suddenly informed at short notice that she had to leave and move more than an hour away to Swansea. ClearSprings provided her with no official letter or communication; there was just an anonymous note posted to her room telling her at very short notice that she should pack up and be prepared to leave.

I was approached by another woman in a very anxious and depressed state who had a young child. She had been made to share a room with a woman with mental health issues who allegedly spat on their possessions and crockery and would leave her child's potty with the pots and pans in the kitchen. The woman was too scared to complain for fear of jeopardising her situation. That is a crucial point. The chief executive of ClearSprings appeared to suggest yesterday that he was not aware of a lot of the complaints or was not made aware of them by staff or others. The reality is that the vulnerable people living in such accommodation have come from countries where complaining to the authorities will lead to them being incarcerated or, worse still, tortured or killed, so they are naturally nervous about raising concerns with authorities.

Another vulnerable young constituent approached my office earlier this month. She had been encouraged hurriedly to sign a tenancy agreement by ClearSprings, but was not told in advance that she would have to share a room. She was bullied and victimised by other tenants and was distressed as her landlord had complained about and then stopped her brother visiting her. He was her only relative in Cardiff and lived in separate accommodation. The young woman complained that her landlord repeatedly let himself into her room unannounced, including while she was in bed or undressed. She was then told she would be moving with very short notice of two days.

Those are just a few of the stories I have had about ClearSprings, on top of the well-publicised information about the standards at Lynx House. The chief executive of ClearSprings admitted yesterday that 11 people had had to share a room there at one point. We see further revelations in *The Guardian* this morning about a local authority report into the conditions and the serious concerns about the facility. Indeed, in answer to a recent parliamentary question that I tabled, the Minister confirmed that between 2010 and 2015, the Department received 60 complaints in total regarding services provided by ClearSprings. Staggeringly, 59 of those complaints have been made in just the past six months.

Yesterday the chief executive appeared woefully unaware of those concerns. He appeared bemused about the furore over the red bands and only apologised to the Chair of the Home Affairs Committee under repeated questioning. Highly revealing, however, was his claim that despite repeated visits from Home Office inspectors, no one had raised concerns about the use of the red bands. Given that the Minister rightly admitted yesterday that they were wrong, can he explain why it took the revelations in the media for action to be taken? It is one thing for the chief executive of ClearSprings to dismiss the concerns, but if the property was being inspected by the Home Office, as many of these properties are, why were they not picked up on previously?

**Alex Cunningham** (Stockton North) (Lab): My hon. Friend talked at length about people's fear in many of those situations. Perhaps the chief executive did not receive complaints because people were too fearful to make them, because they just did not know what would happen as a result.

**Stephen Doughty:** My hon. Friend makes an excellent point. People who have been through those fearful situations—many of them are fleeing such places as Eritrea, Syria, Iraq or Afghanistan—will be fearful of expressing concerns.

The situation is apparently not unique to Cardiff. My hon. Friend the Member for Birmingham, Yardley (Jess Phillips), who unfortunately cannot be present today, wanted me to highlight her experience of working in the asylum system. She noted how women who have fallen through the gaps of the national referral mechanism for victims of human trafficking have suffered greatly under the lack of specialist provision in Government-contracted asylum accommodation. She told me that, for the women who end up housed in G4S accommodation in the centre of Birmingham, none of the same stringent checks and balances that are normally in place for victims of human trafficking are catered for. There are no non-gendered services and there is next to no security in place to protect that vulnerable group of people. Indeed, she was able to walk into the accommodation and witness the name of a woman who had been trafficked written on the wall in the hall, displaying to anyone who might have walked in looking for her that she was there. That is totally unacceptable and raises serious concerns about the special provision needed for some of the people fleeing such situations.

On the COMPASS contract, an answer from the Minister made it clear that in 2012 ClearSprings Ready Homes was awarded two contracts for the provision of asylum accommodation, transport and related services. The estimated contract value for ClearSprings over the seven years—that is, five plus two—for each region is £75 million for Wales and £55 million for London and the south of England. The ClearSprings chief executive admitted yesterday that in 2015, while things were not quite as profitable as he would have liked, he received a salary package of more than £200,000 in return for delivering the contract. His chair, Mr King, received a package totalling £960,000. Most people, whether they are taxpayers or vulnerable asylum seekers, would find those figures astonishing. Other significant and valuable contracts have been let to other providers, including G4S—I am sure we will hear more about those.

The COMPASS contract has a statement of requirements for dispersal accommodation and transport providers. It is worth being specific about the key requirements under the contract. The first is to provide safe, habitable, fit for purpose and correctly equipped accommodation to asylum seekers and to ensure that properties adhere to the standards established in the decent homes standard. The second is to provide adequate transport to and from initial accommodation, dispersal accommodation and medical appointments. The third is to abide by contractual management regulations at all levels, ensuring that there is a complaints procedure for those living in dispersal accommodation and that organisations report on their performance against the specified standards. Each of those duties must fulfil the broader contractual duties to promote and safeguard the welfare of children

[Stephen Doughty]

in particular, to ensure the safety and security of those living within dispersed accommodation, and to ensure that staff have an overview of the asylum process and the needs particular to those seeking asylum.

Yesterday, I made that point directly to the chief executive of ClearSprings, who appeared to imply in his evidence to the Home Affairs Committee that his duties relate only to the bare provision of housing. The words he used were that he was “contractually compliant”. Given the very specific needs of the group of people he is accommodating, I argue that his company and the Home Office should be acting proactively to ensure that the duties set out in the contract are fulfilled.

I have given a number of examples already, but it is not only from my experience that I question whether the standards are being met. During 2015, the Welsh Refugee Council collated a series of complaints demonstrating persistent failings to meet the standards. Analysis of the data reveals a series of persistent concerns around standards of accommodation, size of accommodation, and harassment and antisocial behaviour experienced in accommodation from other tenants and members of staff.

The complaints reveal that it is not simply the physical condition of the properties provided by ClearSprings—we have heard about the situation at Lynx House—that are of concern for service users and providers; the standards of service provision were identified as a serious concern, and there was a general feeling that the service provider had little appreciation of the difficulties faced by asylum seekers and their reasons for seeking sanctuary in the UK. There was a common perception in the survey that there was a greater focus on internal targets and profit generation than on providing a service that protected and supported vulnerable people.

**Andy McDonald:** My hon. Friend is eloquently analysing the structure of the contracts. Does he share my frustration that Jomast, a subcontractor in my area, has some 3,000 properties, and if they are paid £11.50 per person per night, the back of an envelope calculation shows an income of £12 million a year? Such access to taxpayers’ money could surely provide a better service than the one we are currently enjoying.

**Stephen Doughty:** I wholeheartedly agree with my hon. Friend’s comments. Serious questions need to be asked when such a large amount of taxpayers’ money is provided under the quite stringent terms of the contract, but are those terms followed through and delivered? Given that Home Office inspectors regularly visit the properties, as the chief executive of ClearSprings made clear yesterday, why have those concerns not come to attention before?

The concerns that sanctuary seekers face are a constant source of worry and anxiety, often aggravating pre-existing experiences of trauma in what should be a place of sanctuary. Some have reported that their interactions with ClearSprings staff are not consistently facilitated through interpreters, and there have been multiple incidents of perceived hostility and verbal abuse from staff towards residents. Another issue that has been raised with me is the question of male versus female staff in the properties. It has been suggested that there is a significant weakness in terms of the numbers of female members of staff, so can the Minister tell us what the numbers are?

The Welsh Refugee Council and various other charities that deal with refugees and asylum seekers have strongly advocated a radical change in the Home Office’s approach to housing. It is clear and evident that more care must go into supporting this distinct group of people with complex needs, many of whom have experienced persecution, torture and violence.

I will conclude shortly because I know other Members wish to speak, but I want to talk about what needs to happen with the COMPASS contract, and I have specific questions for the Minister. It is my belief that the Home Office should initiate and lead a comprehensive review of the COMPASS contract in Wales and nationwide to deal with housing standards and the experience of users. The review should be multi-agency and should involve, at the very least, the Welsh Government, local authorities, key housing bodies, refugee representatives and the support organisations that work with them.

The review needs to have clear objectives, including improving the monitoring and contract compliance practice within COMPASS, and it needs to underscore the existing COMPASS statement of requirements with a new person-centred framework and guidelines to ensure that high-quality planning, policy and practice exist within COMPASS for all asylum applicants in the UK. It needs to look at the Home Office’s wider equalities duties and its commitments to those who face human trafficking, because it is clear that there are failings in that area. It also needs to look at the experience of users. At a senior level, a contractor might promise to deal with X, Y or Z and to uphold certain standards, but if that is not filtering down to those who actually interact with the relatively small group of vulnerable people, that is simply not good enough.

My final questions for the Minister are these: is he satisfied with the compliance of ClearSprings and other asylum contractors with the terms of the COMPASS contract? Does he consider that they still represent good value for money? Why did no Home Office inspector raise concerns with ClearSprings about the red band issue prior to its exposure in the media? What other concerns have been raised with him about ClearSprings operations in Cardiff or elsewhere in the UK?

Does the Minister consider the salaries and remuneration of the ClearSprings directors and CEO to be appropriate for a public sector contract of this nature? The chief executive of ClearSprings admitted yesterday that the £960,000 payment to his chair resulted from a discussion with Her Majesty’s Revenue and Customs about the best “tax approach” to take to a loan. Can the Minister tell us any more about that and whether he was aware of any such discussions involving HMRC? How many individual sites does the ClearSprings contract house asylum seekers at in Wales? Is he aware of plans to expand those facilities? Obviously, I have specific concerns about the plan to expand into another potentially unsuitable facility in the east of Cardiff.

Finally, is dispersal evenly spread across localities and local government wards in Cardiff and other dispersal locations across the UK? I have a concern that we are not dispersing to enough locations in the UK. There is a question of what happens within cities and the localities into which individuals are placed, which is crucial when we consider integration and balance within a city.



I conclude by reminding Members that we are not asking for special or VIP treatment. We are simply asking for human beings to be treated with the dignity and compassion that they rightly deserve, and it is the Home Office's duty to ensure that that is the case.

**Several hon. Members** *rose*—

**Graham Stringer (in the Chair):** Order. I intend to call the Front-Bench spokespeople at 10.30 am. That leaves us 34 minutes. There are seven people standing. The arithmetic is straightforward.

9.56 pm

**Anne McLaughlin** (Glasgow North East) (SNP): I consider myself told, Mr Stringer, and I will duly comply—I will just speak very quickly.

I congratulate the hon. Member for Cardiff South and Penarth (Stephen Doughty) not only on securing the debate, but on a comprehensive speech that shows a clear understanding of the needs of asylum seekers and the problems occurring at the moment. It is important that those of us who stand up for asylum seekers keep on doing it. I am sure the Government must be sick of the sight of us by now, but we have to keep saying it until we get it right.

The situation with refugee support contracts highlights the problems with the Government's agenda in a number of areas. The contracts singularly fail to deliver a service that supports the integration and success of our refugee communities. They hand over money to the private sector, despite the repeated failure of the companies to deliver the services that they are paid to deliver, and they fail to account for the important differences across the UK in terms of the devolved context and local authority arrangements.

It is only right that we remove the abstraction, as the hon. Member for Cardiff South and Penarth has, and remember that we are dealing with real people who have fled unimaginable horror of a sort that we have been lucky in this country to avoid since the end of the second world war. Now, having safely fled the brutality of a new fascism, people arriving in our communities deserve and need our support to integrate and to build new lives. Hopefully, that is something on which we can all agree.

After the introduction of the COMPASS model in 2012, in which Serco became responsible for the delivery of asylum support in Scotland and Northern Ireland, we had the subcontracting of the contract to Orchard & Shipman. However, as a housing provider operating in Scotland, it is still subject to Scottish housing law, even if the contracts themselves remain under the control of Westminster. Given recent reports from across the UK, it seems likely that the contravention of local housing and environmental health law is of increasing importance.

Across the UK, we have had some truly horrific situations, which we have heard about today and over the past few weeks. We have had refugee houses easily identifiable by the colour of the door; stories of humiliation and harassment caused by the requirement for refugees in Cardiff to wear coloured wristbands; and a level of overcrowding that would be more appropriate in the slums of the 1900s, not the 21st century. It is clear to me that the system is broken, not just in one location and not just with one provider. That is why the Scottish

National party is calling for an urgent inquiry. The Government must ensure that those who are given refuge in the UK are not demeaned by being forced to face stigma or conditions that no one born in the UK would be asked to face. Support and assistance must be there to assist resettlement and integration. The refugee situation is not going away. We need urgently to fix the system. That is why we need an urgent inquiry into this matter in the UK.

It is clear that there are problems with the contracts right across these islands. I know of some great local initiatives from community organisations and charities to support integration. In Glasgow North East, and I am sure in other constituencies, there are groups working really hard to support integration. In my constituency, we have groups such as the North Glasgow Integration Network, Royston Youth Action, A&M, and many others. We also have the Scottish Government's new Scots initiative. But we must accept that the UK-wide contracts are causing UK-wide problems, and they merit a UK-wide inquiry.

It is crucial that we get it right from the moment asylum seekers or refugees arrive in this country, because we are setting the tone for the rest of their stay. Just as we welcome tourists when they come here, we should welcome anyone who comes to these shores. Fifteen Syrian families were brought to my constituency in December, and I want to tell Members what happened to them the moment they arrived. I asked the Home Secretary last year whether we could have welcoming groups to show people coming into this country a true Scottish, Glasgow welcome, and she said that a taskforce was going to look into it. When the 15 Syrian families, who were mainly Muslim, arrived at Glasgow airport, I am told that they were greeted by Glasgow City Council with a packed lunch of ham sandwiches. I have nothing more to add to that.

There are now 15 new Syrian families living in my constituency who, as the Government tell us, were among the most vulnerable of those living in the camps in Syria. I am not in touch with them—none of them know that they are entitled to my help—but there are dozens of asylum seekers in my constituency who are living under the contracts we are discussing and who do know that they are entitled to my help. They do come to me, but I know of many more who are too afraid to do so.

We have seen in recent weeks that, under those contracts, the system is utterly failing. Will the Minister have the courage to recognise that and deliver the urgent inquiry that is so obviously needed?

10.1 am

**Jo Stevens** (Cardiff Central) (Lab): It is a pleasure to serve under your chairmanship, Mr Stringer. I congratulate my hon. Friend the Member for Cardiff South and Penarth (Stephen Doughty) on securing the debate, which comes on the back of extensive media coverage over the past three weeks about Lynx House in my constituency and, before that, the G4S accommodation contract in the constituency of my hon. Friend the Member for Middlesbrough (Andy McDonald).

The coverage initially centred on the Clearsprings policy of requiring people at Lynx House to wear wristbands so that they could access food, which made them identifiable to the public as asylum seekers. Some of them suffered abuse and threats as a result of having

[Jo Stevens]

to wear the wristbands. That was followed by reports of overcrowding and unsafe and unsanitary conditions at Lynx House. There is further coverage in *The Guardian* today about the likelihood of prohibition notices being served on Clearsprings by the City of Cardiff Council, and the partial closure of Lynx House following an inspection last week that was prompted by concerns raised by South Wales fire and rescue service.

I shall offer two perspectives, first as the MP for the constituency in which Lynx House is situated, and secondly the wider perspective of my growing concern at what are at best inadequacies and, at worst, possible incompetence in the management of taxpayer-funded contracts, which are extremely lucrative for the private contractors who have them. I have a number of questions that I hope the Minister will be able to answer when he responds. If he is not able to address them all, will he write to me following the debate, as I am yet to receive a reply to the letter I sent him on 1 February in which I raised some urgent issues about Lynx House?

The story about the wristband policy at Lynx House broke on 24 January. I immediately contacted Clearsprings and, that afternoon, spoke to the operations director to raise my concerns. We had a conversation in which he readily accepted my view that the policy was inappropriate and agreed that it would be withdrawn. I asked him to implement an alternative identification system for people to get food, such as photo ID cards. He confirmed that a pilot was already under way and that it would be fully implemented within the next few weeks. That change was confirmed in a statement issued by Clearsprings on 25 January.

The Home Office had declined to comment at all on the issue. I wrote to the Minister on the same day to outline my concerns and to ask him 10 questions about Lynx House. I was grateful for his response on 5 February, but it did not answer all my questions. The policy was implemented in May 2015. The Minister's letter makes it clear that his Department was aware of complaints about the policy in Lynx House as long ago as October 2015. Between May 2015 and January 2016, Home Office compliance officers inspected Lynx House eight times, but nothing was done about the wristbands. It took an exposé in *The Guardian* and call from me on a Sunday afternoon for the policy to be withdrawn. I asked for the inspection reports to be published, but I have not heard from the Minister, so I repeat that request today. I also asked what improvements the Minister was making to the inspection and monitoring regime for the private companies with which the Department has contracts, but, again, I have not received a response.

There have been further allegations about unsafe and unsanitary conditions and overcrowding, with up to 11 people having to share a small room. The Home Office inspected Lynx House on 27 and 28 January. Subsequently, people have been moved out to a local budget hotel in the constituency, and some have been moved to London. Clearsprings told me that that was so that some painting and decorating could take place; in the light of the probable prohibition orders, it would seem to be much more than that. I do not know whether the Minister has seen today's *Guardian* report about the prohibition notices, but it has been reported to me that another 30 people have been moved out to Southall and to accommodation near Gatwick.

I visited Lynx House in November because I had heard concerns about safeguarding issues. I was reassured that those issues had been dealt with, but the managers told me that the numbers of people being sent to Lynx house were "crazy at the moment". A lot of single men had been sent through by the Home Office—individuals who had been through a lot to get to Cardiff. Many were injured, and there were cases of scabies. I was told that 397 people were at Lynx House that week. That is the biggest number ever, and the staff told me that it was

"well over double the amount we are here for and can manage properly. It's a crisis."

Yesterday, I listened to the Minister, along with Mandie Campbell, his director of immigration enforcement, give evidence to the Home Affairs Committee about the inspection regime and the key performance indicators that are discussed at monthly management boards. I suggest to the Minister that that structure does not seem to be working. Will he please make improvements to the inspection regime?

10.6 am

**Jim Shannon** (Strangford) (DUP): It is a pleasure to speak in this debate, Mr Stringer. I congratulate the hon. Member for Cardiff South and Penarth (Stephen Doughty) on setting the scene so well, as he always does for every subject that he speaks on. I thank him for that.

I want to give the perspective from Northern Ireland, which it is always important to do in debates so that other Members are aware of it. I declare an interest as chair of the all-party group on international freedom of religion or belief. I have been aware of the issue of refugees for a great many years and have been trying to make a difference since long before the current crisis.

Although the middle east is the epicentre of where refugees are being created today, there are unfortunately plenty more examples of persecuted minorities throughout the world who are in just as much need of asylum. Tomorrow there will be a Westminster Hall debate on religious minorities in Pakistan, to which I hope to contribute along with other Members. I am not sure whether the Minister will respond to that debate, but none the less it is another very important issue.

Without doubt, one of the defining issues of 2015 was the migrant crisis. It is hard to find a member of the general public who does not have an opinion on it, and it is near impossible to avoid the issue. There are 13.5 million Syrians who need help in that country, of whom some 6.5 million are internally displaced, including 600,000 Christians. Some 4.2 million Syrians have fled abroad, mostly to neighbouring countries in the region.

As the Minister probably knows, many people see the potential for a great crisis this summer as the focus on Syria builds. We have seen on our television screens the horrific scenes from the middle east, and I can only imagine what it must be like in reality. The debate about how many people from the region we can realistically take in and how safe that process would be is one for another day, but regardless of how many we take and how we resettle them, we need to ensure that the provision of support is effective and fair.

I am not sure whether other Members have had a chance to look at the Order Paper, but there are three debates today on migrants, asylum seekers and refugees—

they are all on the movement of people. It is a testament to just how big an issue this is that we are devoting so much time in Westminster Hall to those debates.

We have all seen how the rows erupted over the painting of refugees' doors, the coloured wristbands and the like—other Members have mentioned them today. In reality, the purpose behind those measures was to make it easier to identify those who required services, but we have seen the arguments that resulted and how they made it possible for refugees to be singled out for attacks and harm. They had the opposite effect to what was intended. I hope and believe that lessons have been learned about how best to do such things—the hon. Member for Cardiff South and Penarth laid out very considerably and gently what had happened and how things could be done better. Hon. Members on both sides of the House have made well-intended arguments, but we need to focus on helping people and ensuring that they have the services they need. We should not use this issue as a political football to score points.

I am happy to report that we do not have the same problems in Northern Ireland; that is good news. The horror stories that other hon. Members talk about underline the lessons that we must learn. We do not want to make those mistakes in Northern Ireland, and I do not think we are doing so. Northern Ireland is taking in its first refugees ever, so providing services to them is new to us. It is for the mainland to lead the way. The Government must work closely with contractors to ensure an effective, inexpensive and safe service. As the hon. Member for Glasgow North East (Anne McLaughlin) said, housing is allocated regionally, so the Northern Ireland Housing Executive will deal with that. Housing allocation is important to integrating people fully into society.

Churches have made a massive contribution. That is the way it should be, of course. It is good that churches are helping. The Holy Bible tells all Christians to reach out and be compassionate to their neighbours and those in need. The churches have done that in a practical and physical way by providing clothes and food, and by getting everybody to work together. Society shows itself at its best on such occasions. People come together to help because they want to do so.

Refugees in Northern Ireland are to be offered free English lessons, which will help those vulnerable people to settle and integrate into their host society. It will make life easier for everyone by offsetting the social or cultural tensions that may arise. It is important that we do that. The lessons will cost £20,000 a year, but it is a long-term investment. That sum covers translation services and other expenses associated with providing services to those who cannot speak English. I am not sure whether those asylum seekers will have an Ulster Scots accent when they are taught English, and whether they will speak with my brogue and at my speed. Whatever the case may be, they will be able to use the English language as a means of communication, which will help them to integrate and express themselves. Those lessons will be available only to refugees, not to economic migrants. That will ensure that only those in real need benefit from lessons funded from the public purse, and that illegal economic migrants cannot take advantage of the generosity we are offering to those poor refugees. I am keen to hear from the Minister about what communication there has been with the Northern Ireland Assembly and Executive.

We in Northern Ireland are doing our best to integrate Syrian refugees and asylum seekers and to offer support from the Northern Ireland Assembly and Government. That is good, but let us also recognise the contribution of individuals, church groups, charities and others who are doing their best to help. The Government can issue contracts, but it is the people who make it happen.

10.13 am

**Alex Cunningham** (Stockton North) (Lab): It is a pleasure to serve under your chairmanship, Mr Stringer. I, too, congratulate my hon. Friend the Member for Cardiff South and Penarth (Stephen Doughty) on securing this important debate.

As we have heard, the COMPASS contracts for asylum seekers have been far from problem-free. When the second five-year contract came to an end in 2010, interim contracts were issued while the coalition Government assessed whether and how to proceed with the COMPASS programme. In 2012, G4S, Serco and Clearsprings were awarded contracts to house 23,000 asylum seekers as part of Home Office plans to save £140 million on the service over seven years. Jomast, from Teesside, was awarded the two-year interim contract for the north-east in 2010, which has since been subcontracted to G4S to provide accommodation. It is interesting that the north-east was the only region of the UK where local authority consortia were cut out of the process. We do not know whether that was a dry run for privatisation, but that is certainly my impression. There is no doubt that there are huge profits to be made in the business, otherwise those landlords would not be in it.

Perhaps of greater significance, G4S had not previously been a housing provider and was completely unfamiliar with the rigours and requirements of delivering services in such a sensitive sector. It is hardly surprising, then, that it completely failed to source suitable accommodation in Yorkshire and Humberside. It was let off the hook only when the previous local authority providers' contracts were extended to fill the gap. How G4S was able to emerge as the preferred bidder for such contracts, let alone pass the required due diligence test, is beyond me. Will the Minister outline how the Home Office assessed providers' suitability and how performance and delivery were monitored and assessed? I would be interested to hear whether he still believes that those procedures are rigorous enough.

The Tees valley is absorbing high dispersal rates, but I am concerned about the high levels of uncertainty and opacity. We must make the companies involved more accountable to the taxpayer. Private companies that deliver public services, such as G4S and Jomast, are exempt from the requirements of the Freedom of Information Act. The Information Commissioner has no power to investigate private contractors. The commissioner cannot serve information notices requiring a contractor to supply information for an investigation, nor can he take enforcement action if a contractor fails to comply with contractual obligations. Bluntly, it is nigh on impossible to get our hands on the details of much of what private companies are up to with public money. That oversight must be addressed. There has long been a lack of transparency around public money handed out to private companies and other organisations. Billions more pounds of public money has been distributed away from the public sector and into the private sector in recent years, so the need for corrective action has become even more important.

[Alex Cunningham]

Without the transparency of the Freedom of Information Act, we will not be able to share what succeeds and bring new ways of working into the asylum system. Critically, unless providers are designated public authorities in accordance with the Act, we will not be able to discover what does not work. Many of those things come to public notice through the media and campaign groups, but we need more information.

I would be the first to acknowledge that freedom of information provisions can at times be cumbersome, but, unlike the Leader of the House, I have no doubt that they serve the greater good. It is a core tenet of our democracy that taxpayers must be able to access such information to examine what is going on. Surely something is going wrong if tens of millions of pounds of public money is being exploited by private developers, which make huge profits, when it could be better deployed through local authorities to improve the quality of service.

The Government decided to ditch local authority housing in parts of the country, and I think we should be able to find out exactly how much profit is being creamed off by landlords. If public and private providers are responsible for delivering equivalent services, should they not be subject to the same scrutiny? Private contractors providing such services should undoubtedly be held to the same standards of responsibility as state providers, and I hope nobody in this room would argue to the contrary.

In the public sector, the amount of available data has rightly expand hugely, but many private companies simply refuse to publish detailed information about how they operate. They choose instead to shelter themselves away from open scrutiny and operate behind a screen of secrecy. That is simply not compatible with the principles of public sector provision. The prolonging of that level of concealment will prevent future contracts, whether delivered by the Home Office, the Foreign Office, the Ministry of Defence or any other Department, from being properly scrutinised.

Justice First is an excellent organisation in my constituency that works with refugees and asylum seekers. It is run by Pete Widlinski and Kath Sainsbury, who daily see people living on the edge after the most serious traumatic experiences. They know what those people have to put up with, and they question what is being delivered. They tell stories of a house in multiple occupation in which women and children are living; social services had to take action to put things right.

Accountability must not stop where private sector involvement starts, and I hope the Minister will address that anomaly. If large profit-making organisations such as G4S want to operate public sector contracts, they should be subject to the Freedom of Information Act. That will give the public confidence that there is sufficient scrutiny and ensure that taxpayers can see how their money is used. We will know that vulnerable people who need support are not left barely existing while private organisations make millions of pounds of profit.

10.19 am

**Chris Stephens** (Glasgow South West) (SNP): It is a pleasure to serve under your chairmanship, Mr Stringer. I thank all hon. Members who have spoken so far in this enjoyable debate and the hon. Member for Cardiff South and Penarth (Stephen Dougherty) for securing it.

Glasgow City Council was the first UK local authority to accept dispersal asylum seekers, and we are proud of that. Approximately 10% of the UK's asylum seekers have come to Glasgow. I have concerns about the contract that Serco was awarded in March 2012, which, as we heard from my hon. Friend the Member for Glasgow North East (Anne McLaughlin), was then subcontracted to Orchard & Shipman to manage the properties.

Before I go into my concerns about accommodation, I want to put on the record a case that was presented to me by the Govan and Craigton Integration Network, which does an excellent job of assisting refugees and asylum seekers. I find it unacceptable that a gentleman was handed an Asda gift card instead of money on an Azure card and then placed in accommodation that was 2.1 miles away from the nearest Asda. He had no access to travel or to breakfast at a hotel. The error was then compounded by the individual being moved to another location where the nearest Asda was 4.4 miles away. I have real concerns about how that situation was handled and have written to the Home Office about it.

The statement of requirements of the COMPASS contract secured by Serco states that its responsibilities include providing safe, habitable, fit for purpose and correctly equipped accommodation to asylum seekers; ensuring that properties adhere to the standards established in the decent homes standard; providing adequate transport to and from initial and dispersal accommodation and medical appointments; abiding by contractual management regulations at all levels; and ensuring that there is a complaints procedure for those living in dispersed accommodation and that organisations report on their performance against the specified standards. I contend that Serco's providers continue to fail to meet those contractual standards.

In another case brought to my attention by the Govan and Craigton Integration Network, an asylum seeker was sharing a room with eight other asylum seekers with no financial support. That is a clear breach of point C.1.3.7 in the COMPASS statement of requirements, which states:

"Sleeping quarters must always be appropriately sized for the number of occupants and the occupancy of a room shall not exceed that specified in the appropriate space standard."

The space standard set out by an initiative of the European National Red Cross Societies states:

"Single adult residents should, as a rule, be housed in rooms with a maximum of four beds, and have at least have six square metres of space in the bedroom."

That is clearly not being adhered to in the case I describe.

Inspections have confirmed that many properties remain below the required contractual standard, for reasons ranging from minor to major defects. Weaknesses in the frequency and quality of inspections have resulted in vulnerable asylum seekers being housed in filthy conditions, with witnesses citing bedbugs and sores from living in such accommodation. In another constituency case, a single man was allocated a one-bedroom flat alone. On entering the flat for the first time, he discovered blood splattered on the bedroom wall, which had clearly not been cleaned since the previous occupant left. He reported it to Orchard & Shipman along with the non-locking front door, mould in the kitchen, stains everywhere, the intercom system hanging from the wall with exposed wires, and non-opening windows. The response was

that he had signed to accept the flat, even though he had not actually seen it, so Orchard & Shipman was not responsible for the flat's condition. I find that quite disgraceful, and I hope the Minister will respond to it.

In another case, a single mum of two children, aged 18 months and seven months, was housed in a two-bedroom flat with another family she did not know. Unrest towards the young mum from the other family has resulted in them not allowing her to access the kitchen or cooking facilities until late at night, preventing her from being able to feed her young children during the day. She suffers from post-natal depression, which is being aggravated by the situation she finds herself in.

Another of my concerns relates to communication, which the hon. Member for Stockton North (Alex Cunningham) touched on. Communications are not routinely translated for asylum seekers, resulting in their not understanding what has been asked of them.

It is clear that my examples amount to serious contractual breaches. I support the review that the hon. Member for Cardiff South and Penarth called for, and I ask the Minister to investigate the matters I have raised today. What steps will he take to ensure that service providers are keeping to Home Office contracts?

10.25 am

**Andy McDonald** (Middlesbrough) (Lab): It is an honour to serve under your chairmanship, Mr Stringer. I thank my hon. Friend the Member for Cardiff South and Penarth (Stephen Doughty) for securing this incredibly important debate. My constituency has the highest concentration of asylum seekers anywhere in the United Kingdom. In December 2015, we had 1,042 asylum seekers, which is way in excess of the cluster limit. The Minister may say that the number has been reduced by some small amount, but the figures are clear. In some communities, there is an asylum seeker for every 18 residents, and I hope the Minister will take that fact on board.

I am terrifically proud of Middlesbrough's long history of compassion and support. We have Justice First, the Churches—Methodist Action, the Catholic Church and the Anglican Church—and other faith groups, charities and individuals. A fantastic network of love and compassion underpins all that work, and I am delighted to celebrate it.

It was the red doors issue that brought this matter into focus. While I do not criticise Andrew Norfolk of *The Times* for his excellent piece of work that brought the issue into the light, I do not agree that the local contractor, Jomast, deliberately set out to mark the properties occupied by those seeking sanctuary, but it was clearly known to the contractor. They were its properties and it painted the doors red, so for it to plead ignorance of the issue is indicative of the arrogance that characterises how it goes about its business. However, it was not deliberate so let us paint the doors in other colours and move on.

G4S is the main contractor in my region. It has no record of running housing contracts and yet it still got the contract. The local subcontractor, Stuart Monk of Jomast, then had them over a barrel. He held out for the best deal that he could possibly extract, because he had the properties and G4S did not, and he has made a mint. G4S says it does not make any money out of the contract. Well, diddums. If it does not like it, let us bring the contract to an end and get G4S out of the

picture as quickly as possible. It has demonstrated that it should be nowhere near Government public service business. Just look at what it did in our prisons. We only have to cast our minds back to the dreadful fraud it perpetrated on the taxpayer over the prisoner tagging contract. It is not a fit and proper company and the sooner it is out of our national life, the better.

The arrogance and contempt that characterises so much of G4S's behaviour was never more evident than when John Whitwam, a managing director, recently appeared before the Home Affairs Committee. He quite deliberately tried to leave the Committee with the impression that the local authority was totally engaged throughout the process, but that is simply not true. Indeed, the problem is that local authorities have no standing in the business of housing asylum seekers and have been cut out of the loop. Following Mr Whitwam's suggestion that local authorities are somehow involved in the approval and inspection of properties, I trust that the Minister will speak to the Chair of the Home Affairs Committee because I think that Parliament was grossly misled and I hope that action follows.

What on earth are we doing as a country? Why do the Government think that the right thing to do in response to a humanitarian crisis is to create a structure that is all about making money—profits created by handing over taxpayers' money to private companies? There is something wrong here. Of course, we want to carry on providing succour and support for our sisters and brothers, but the Government simply abuse our good nature. That support and sanctuary should come with a commitment to support the local services that have to respond. My town has been hammered by the lunacy of austerity. My local authority has suffered cut after cut, so that I am now questioning whether it can even begin to discharge the barest of statutory functions.

In addition, what do we learn today on the back of the abolition of the revenue support grant, which will cripple communities up and down the country? In *The Guardian* this morning it is laid bare: again, the Tory Government punish Labour councils and give support to their Tory boroughs. The Government's behaviour is partial, inequitable, grossly discriminatory and ill-becoming a party that purports to govern for the entire country. It is beneath the shires and City bankers to trouble themselves with such matters—leave it to the northerners, the Scots and the Welsh—because those in their cosy world do not want to be troubled.

It will escape no one's attention that in the Prime Minister's constituency we will not find a single person seeking sanctuary, even though areas such as his receive the favourable local government finance settlement transitional relief, while areas that take asylum seekers get nothing at all. The unfairness is stark. Perhaps the Prime Minister's mother should write him a letter. Understandably, the Tories will say, "Look to the regions, look to the Labour heartlands. They won't protest, they won't complain, so we can get away with it." Therein lies the dilemma.

We are proud of our compassion and of the welcome given to strangers in our communities—many of us and the people we represent have been strangers too. We try to recognise our good fortune and to be generous to those who have not been so fortunate. Yes, we will not walk by on the other side of the road and we will try to treat people as we would like to be treated ourselves, but

[*Andy McDonald*]

we look to the Government to behave in a patriotic, fair and balanced way. That means that we respond generously as a nation and we do not leave it only to those parts of our country that are already facing immensely difficult times.

We look proudly at our history as a nation. We are rightly marking the 71st anniversary of the liberation of Auschwitz-Birkenau. We rightly remember the Kindertransport of the 1930s as a positive response to the crisis faced by thousands of children throughout Europe. It therefore pains me to hear the Prime Minister of Great Britain and Northern Ireland describing the modern-day Kindertransportees as a “bunch of migrants”. I want better from our country’s Prime Minister and so do millions of our fellow citizens. I am afraid that that laid bare the true thinking of this cruel and pernicious Government.

If every town and city in the United Kingdom welcomed 5% of the distressed, vulnerable and persecuted people that my wonderful town of Middlesbrough does, no one would even notice that they were here. What happens instead? The whole exercise has been turned into a profit-making, value-extracting one for the likes of Stuart Monk and his company Jomast to make millions of pounds of profit from.

The Minister is a decent man and I look forward to further discussions with him about how things might be progressed. However, I met with him in November 2014 and many of the issues that are being raised now were raised with him then. I regret to note that absolutely no progress has been made since. I hope that he takes on board the comments of hon. Members from throughout the United Kingdom today and accedes to the request for a formal review of a rotten contract. Let us start behaving properly.

**Graham Stringer (in the Chair):** Before I call Stuart McDonald, I advise the Minister that the proposer of the motion does not require the two minutes or so at the end of the debate.

10.33 am

**Stuart C. McDonald** (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP): It is an honour to serve under your chairmanship, Mr Stringer.

I, too, congratulate the hon. Member for Cardiff South and Penarth (Stephen Doughty) on securing this timely debate and on an excellent speech. Indeed, I am in the happy position of having agreed with pretty much everything that everyone has said so far—though I might yet disagree with myself.

The red doors and red wristbands have rightly grabbed a lot of headlines. As I said in the Chamber at the time of the urgent question on red doors asked by the hon. Member for Middlesbrough (Andy McDonald), such issues have to be looked at and dealt with urgently, but the real concern is that they are only the tip of the iceberg. What hon. Members have set out in the Chamber today about asylum accommodation confirms that to be the case. Members have spoken about the poor quality of accommodation, which is overcrowded and unsafe, inappropriate sharing, poor placement facilities, short notice evictions, issues of privacy and unannounced visits to the property, poor treatment by staff and many other problems.

Red doors and red wristbands were perhaps crass and eye-wateringly negligent rather than anything else, but the growing number and widespread nature of the complaints we are hearing suggest that we need to look much more closely at the operation of the contracts. There is also now a good spread of research that backs up the view of all hon. Members that there are fundamental problems with the operation of the existing contracts. It is worth looking briefly at the detailed evidence and research available.

Back in 2013 the Home Affairs Committee reported:

“The reports that we have received on the quality of the accommodation are extremely worrying...Problems cited in evidence include pest infestations, lack of heating or hot water, windows and doors that could not be locked, lack of basic amenities including a cooker, a shower, a washing machine and a sink and a general lack of cleanliness. Furthermore, many of those who submitted evidence cited difficulties in contacting housing providers and the slow resolution of problems.”

All that sounds incredibly familiar.

In 2014 a National Audit Office report criticised G4S and Serco for “poor performance” and “still failing to meet some of their KPIs”.

The report found that the companies had taken on rented

“housing stock without inspecting it, and subsequently found that many...did not meet the contractual quality standards.”

The Public Accounts Committee later published a report concluding:

“The standard of the accommodation provided has often been unacceptably poor for a very fragile group of individuals and families.”

In 2014 the Scottish Refugee Council also undertook research into the extent and impact of accommodation issues in Scotland. In short, it pointed to poor standards, poor treatment by staff, poor information on rights and entitlements, and poor oversight by the Home Office of whether contractors are meeting obligations.

**Alison Thewliss** (Glasgow Central) (SNP): Does my hon. Friend share my concern about the practices of some of the companies, Orchard & Shipman in particular, which turned up one night with no notice at 9.30 pm to evict one of my constituents? Only by good luck was he able to contact my office and prevent his eviction. Does my hon. Friend agree that such practices also need to be reviewed?

**Stuart C. McDonald:** I agree absolutely with my hon. Friend. That case fits in exactly with the narrative that we have heard from so many hon. Members today.

A final piece of evidence comes from an October 2015 investigation by Jonathan Darling at the University of Manchester, which highlighted similar problems, including increased distance between asylum seekers and providers, with buck-passing between contractors and subcontractors; breakdowns in communication between key partners; and considerable variations in dispersal accommodation quality, support and opportunities for community integration. In any view, all that is a considerable evidence base and a considerable cause for concern.

As hon. Members have noted, the Chair of the Home Affairs Committee, the right hon. Member for Leicester East (Keith Vaz), is always quick off the mark, so we have already heard evidence from G4S and its Middlesbrough subcontractors about the red doors incident,

and yesterday we heard from the contractors responsible for the wristbands in Cardiff. There was extraordinary consistency between the two evidence sessions. Everyone in essence said, “Our performance under the contract is fine,” and, “We meet our key performance indicators”—indeed, staff at one contractor were actually paid bonuses for meeting those KPIs. “We are inspected,” they said, and Clearel even said that Home Office inspectors were well aware of the wristband scheme and had raised no complaints. Clearel also said, “We don’t get many complaints.” In fact, at one point the Clearel manager seemed to be saying that there had been about 19 complaints from 6,500 householders over a certain period of time, if I noted his evidence correctly.

I am not usually a cynical person, but what all that says to me is that we should also be concerned about the key performance indicators, the complaints system and the inspection system, because those processes are not flagging up red doors or wristbands and, too often, not flagging up the myriad other complaints that we have heard about today. The hon. Member for Cardiff South and Penarth made that point well.

**Jo Stevens:** On the KPIs, I understand from the evidence to the Home Affairs Committee yesterday that nine or 10 things are looked at monthly by the contract management board. An executive oversight board provides further scrutiny. Does my hon. Friend agree, however, that that system does not seem to be working at all, because nothing is picking up the problems that we have all been talking about this morning?

**Stuart C. McDonald:** The hon. Lady makes an excellent point and I agree wholeheartedly. Having only 17 Home Office inspectors for some 36,000 placements seems wholly inadequate. Furthermore, the lack of complaints is not surprising given the vulnerable nature of many of the people who use the services, as hon. Members have said, and given the evidence that induction packs are often insufficient, if they are even given out at all. It is little surprise that it is not the KPIs, inspections or complaints that are throwing the problems up—it is campaign groups, non-governmental organisations and diligent investigative journalists.

The question is, what more would we discover if we had a thorough inquiry into how the contracts are working? At the moment we can only speculate, but we can all agree that there are enough danger signs for us to say that we definitely need such an inquiry. I have asked for the Home Affairs Committee to undertake that task, although I agree that other possibilities exist.

In fairness to the Immigration Minister, he did not make the decision to switch to the COMPASS contract. That decision was made in 2009, with the then target contracts phased out in time for COMPASS kicking off in 2012. As the hon. Member for Stockton North (Alex Cunningham) pointed out, the ambition was to save £140 million on services over seven years by replacing 22 separate contracts with six larger COMPASS contracts.

Although the Minister was not responsible for instigating the contracts, he will soon have to decide whether to extend them and I hope that he will not do so without a thorough and wide-ranging review of contractor performance. I also hope that the Home Office will wait for such a review before pressing ahead with the welcome plans to broaden the number of local authorities involved in dispersal.

We on the Opposition Benches doubt whether such services can ever be amenable to contracting when the only possibility to maximise returns is cutting corners and costs and the people accessing services have no choice in who provides their housing. In other words, they have to like it or lump it, and many asylum seekers will lump it silently. Serious consideration should be given to changing fundamentally how we provide housing for asylum seekers, including a possible return to provision by local authorities. We also have to consider whether the savings envisaged by the COMPASS contracts have been delivered.

**Andy McDonald:** The hon. Gentleman is making an important contribution. On local authorities stepping back into the breach, does he share my concern that while that is desirable, it would be a disaster if money did not follow that move? If that path is pursued, my fear is that Government will simply expect local authorities to take that on without that qualification.

**Stuart C. McDonald:** Absolutely. There is a huge question mark over whether sufficient resources have been provided to fund the contracts and that remains as a question whether services are returned to local authorities or not.

We must consider whether the savings envisaged in the COMPASS contracts have been delivered by so-called efficiencies or simply by lowering accommodation standards. I thank the hon. Member for Cardiff South and Penarth for ensuring that the House considers asylum support contracts, which will require even more detailed and thorough consideration in the months ahead.

10.41 am

**Keir Starmer** (Holborn and St Pancras) (Lab): It is a pleasure to serve under your chairmanship, Mr Stringer. I thank my hon. Friend the Member for Cardiff South and Penarth (Stephen Doughty) for securing the debate and for the powerful speech he made at the beginning of it. I pay tribute to all this morning’s speakers not only for their contributions, all of which were powerful and excellent, but for the good work they have done in their constituencies to try to alleviate the problems and shine a torch on where things have gone wrong.

This is clearly a timely debate. As Members have touched on, the provision of accommodation services has a sorry history. The contracts were awarded in 2012, and as has been mentioned, the National Audit Office looked at the transition when it produced its report in January 2014. Already at that stage it flagged up the fact that the transition to the new contracts had been poor, that there was a lack of inspection by the incoming contractors of the accommodation that they would provide, and that the Home Office was failing to apply its key performance indicators.

That NAO report was followed pretty swiftly by the Public Accounts Committee’s report in April 2014. I remind hon. Members of the early warning that report gave:

“The transition to six new regional contracts to provide accommodation for destitute asylum seekers, and their operation during the first year, did not go well. Only one of the three contractors had past experience of managing asylum accommodation and overall performance has been patchy: there were delays at the outset and the Department and contractors have all incurred additional costs. The standard of the accommodation provided was often unacceptably poor and the providers failed to improve quality in a timely manner.”

The Scottish Refugee Council also carried out work in 2014.

[Keir Starmer]

Since then, and particularly in recent months, there has been example after example of the continuing problems. The issue of the red doors in Middlesbrough has been highlighted not only in the press but by my hon. Friends the Members for Middlesbrough (Andy McDonald) and for Stockton North (Alex Cunningham), who have spoken powerfully about it. When it was discussed on the Floor of the House, the Minister rightly accepted that the red doors were inappropriate and wrong, and that what happened should not have happened. He instigated a review, and it would be useful to have an update on that.

In the debate on the Floor of the House, I asked whether the case of the red doors was an isolated example or whether there would be others. Within a few weeks we had the example of the wristbands in Cardiff. That is a different part of the country and a different issue, but again, as soon as the torch was shone on that policy, it was declared by all to be inappropriate, wrong and something that should not have happened. In this debate we have heard powerful examples of other contracted provision that is inappropriate and wrong and that should not have happened. That seems to be the pattern: the flushing out of examples of the inappropriate, wrong use of contracts and then, after the event, a review. Can the Minister give us any assurance that those are the last examples of their type, or whether there are others in the pipeline? The concern when the red doors were first identified was that that was not an isolated example, which gives strength to the call for a proper review.

I suspect that there are further examples to come, and it may be that in the course of the Minister's inquiry he has already uncovered examples that will need to be dealt with. There is now a short period until most of the contracts come up for renewal, so now is the time for a review to be carried out so that whatever mistakes were made in the past can be avoided in the future. I think some contracts will expire in 2017, with a possible two-year extension clause, so time is of the essence.

Last Thursday and Friday, I visited Wolverhampton, Dudley and Oldham. I want to touch on what I found in Oldham, where Serco runs the contract. More than 600 asylum seekers are being accommodated in a town that struggles economically and with the provision of public services. The more I dug down into why so many asylum seekers were being housed in Oldham, the more it became apparent that it was not because someone had assessed the provision of services and decided that Oldham was an appropriate place for asylum seekers, where their needs could be dealt with better than in other places. Nor was it because the local community thought that was the right way to approach accommodating asylum seekers.

I spent the whole day in Oldham, and in the end I came away with the conclusion that the only reason why more than 600 asylum seekers were there was that the unit price per head of accommodating them was lower there than anywhere else. That was the sole driver, without regard to the destitute, fleeing individuals who are in great need, as hon. Members have pointed out, or to the needs of the community. It was solely by reference to the unit price. That needs to be part of a much wider ranging review.

I will put on the table one further concern that has not been addressed, by mentioning the position of a young Syrian woman I met in Oldham. She was 26 years old. She was grateful that the Home Office had processed her claim within three months and given her refugee status, and I applaud that example of a woman in need being recognised and dealt with efficiently by the Home Office. As a result, she came off the support provided to her as an asylum seeker and lost her accommodation—that is a natural consequence of the support regime, and I accept that. She applied for accommodation in her new capacity as a recognised refugee and was told that she was not in priority need and that she would not be so unless and until she slept on the streets of Oldham. She relayed that to me face to face. She is a 26-year-old architect from Syria and the prospect of having to spend some time on the street in order to have priority support filled her with horror. As it happened—and as happens in many other areas—people providing voluntary support for asylum seekers stepped in. There may have been a glitch in the system or a misunderstanding of the rules, but I ask the Minister to look into not only that example but others in which individuals have been told they must spend a period without accommodation before they can move from one regime to the next.

I lend my support to the call for a review. There is now a window of opportunity. I suspect we shall hear further examples of the provision of wrong or inappropriate support, and that the Minister and others will say that it should not have happened. That means, I think, that it is time for a review of the contracts, and of support for asylum seekers in the round.

10.50 am

**The Minister for Immigration (James Brokenshire):** It is a pleasure to serve under your chairmanship, Mr Stringer. I congratulate the hon. Member for Cardiff South and Penarth (Stephen Doughty) on securing the debate, and on his approach to it. I want to give credit to the charities and organisations that he referred to, which provide support to refugees and asylum seekers in his constituency and across the country.

This country has a proud history of many years of offering sanctuary to those genuinely fleeing persecution. We can look at our record with pride. That was underlined in the speech of the hon. Member for Middlesbrough (Andy McDonald), who also described the welcome that asylum seekers and refugees fleeing conflict receive in his area. It is important to recognise that clear message, and the Government remain committed to providing an asylum system that protects and respects the fundamental rights of individuals who arrive on our shores seeking refuge from persecution. I have made it clear in previous speeches in the House that I expect those who arrive and receive support to be treated with dignity and respect. I have also underlined the fact that actions that stigmatise, isolate or publicly identify asylum seekers should not be taken. Obviously, several cases that have been mentioned this morning highlight such a picture. Such actions are completely inappropriate, and I welcome what has been done to remedy the situation.

I will come on to the inspection regime and reflect on some of the results of the audit of properties in Middlesbrough. During this financial year, about 50% of properties in Middlesbrough have been visited as part of the most recent audit, in addition to ongoing work.



The focus of the team of inspectors is on inspecting about one third of all the properties in the overall portfolio.

The Government provide support through the COMPASS contracts with three contractors—Serco, G4S and Clearsprings Ready Homes. Those contracts provide asylum seekers who claim to be destitute with full-board accommodation in so-called initial accommodation while their means are assessed and, following that, in dispersed accommodation in dispersal areas throughout the country. Since 2012, following a rigorous governance and approval process, UK Visas and Immigration has delivered asylum support services via the COMPASS contracts with the three external providers: Serco in the north-west, Scotland and Northern Ireland; G4S in north-east Yorkshire, Humber and the midlands; and Clearsprings Ready Homes, in London and the south and Wales. The COMPASS suppliers are contractually required to provide safe, habitable, fit for purpose accommodation to comply with the Housing Act 2004 and the decent homes standard. The Home Office has governance and approval processes for all services that we procure externally, including consultation with other Departments as appropriate. All Home Office service contracts include performance standards, which are defined in the contract and managed using key performance indicators.

I want to talk about the issue raised in the National Audit Office report, and some of the assessments that have been made since. As the report highlighted and as hon. Members have said in their speeches, it was clear that the transfer to the COMPASS contracts in the initial period was difficult and bumpy. There were issues, and that was reflected in the fact that the service credits that we impose where key performance indicators are not met stood at £5.6 million in 2012-13 under the COMPASS contracts.

Since the NAO report we have worked closely with COMPASS suppliers to improve standards, using the NAO's recommendations. That has included conducting joint accommodation inspections and training to ensure consistency in monitoring activities. It has also involved suppliers improving the policies and processes that they use to deliver their maintenance service, investing in existing stock, and replacing properties that did not meet quality standards. In the early years quality standards were not good enough. The situation has improved since then, and in the financial year 2014-15 the service credits that were levied had fallen to £158,000.

**Jo Stevens:** Is there anything in that contract—because, of course, we cannot see it—that provides for the Government to terminate it if there is persistent failure against the KPIs?

**James Brokenshire:** The contracts, with commercial details redacted, are available through the gov.uk website.

Obviously I can point the hon. Lady to the relevant details. However, I want to underline the change in the KPI position and the fact that sums levied under service credits have markedly reduced. That is not to say that I am satisfied with the issues that hon. Members from across the House have presented to me today, particularly about the complaints process and the complaints that are being raised.

One issue that has come from the Middlesbrough audit, which I hope to publish later today, relates to inspection. I mentioned that a third of properties were being inspected, and I believe the focus is primarily on the accommodation itself—whether the decent homes standard is being met and what steps are being taken to remedy defects that are identified. The audit has not indicated complaints coming through about the red doors issue, for example, or indeed wristbands. Therefore, as one of the actions coming out of the audit, I have asked my officials to review the issue of complaints and how they are escalated, as well as the questions that inspectors ask the people who use the accommodation, to see that any concerns related to the performance indicator on complaints can more readily come to our attention.

**Stephen Doughty:** Given the points that have been made today, is the Minister satisfied with what is happening in relation to the specific issues affecting women and children? Is there is the right staffing balance to deal with them, and is there the right level of training, particularly for dealing with people who may have been trafficked or subjected to sexual violence? Will he commit to looking specifically at that issue?

**James Brokenshire:** The hon. Gentleman knows that I am happy about the steps that we have taken with the national referral mechanism, and he knows the importance that we attach to the issues of enslavement and trafficking. The information received from Europol is that about 90% of those who arrive on our shores have been trafficked in some way to get to their destination.

I want to underline the message that the COMPASS contracts are delivering savings. We see them as being on track to deliver about £137 million of savings. Two of the contractors have said publicly to the Public Accounts Committee that they are making losses in this context, so we believe we are getting value for money. We are getting improvements in the quality of the accommodation; it is the issue of complaints that concerns me. Some of the refugee charities have highlighted issues, which I will reflect on in light of the audit and inspection. I will see how things can be better targeted, how the contracts can continue to deliver and, equally, how the voice of the recipients can be better reflected. That will enable us to improve the way we pick up on issues such as those that have been identified, which have rightly caused concern.

*Motion lapsed (Standing Order No. 10(6)).*

## Digital Democracy Commission

11 am

**Meg Hillier** (Hackney South and Shoreditch) (Lab/Co-op): I beg to move,

That this House has considered the implementation of the recommendations of the Digital Democracy Commission.

It is a pleasure to serve under your chairmanship, Mr Stringer. Just over a year ago, the Speaker's Digital Democracy Commission published its report. The commission had been established by Mr Speaker in January 2014 because he was concerned that the world outside Parliament was leaving Parliament behind, and that outside of this place, digital tools were being used to enhance engagement and interact with the public, but we were still living in a different century.

Mr Speaker set up the commission, bringing together a group of outside experts and two MPs: I was one, and the right hon. Member for Harlow (Robert Halfon) was the other. The eight commissioners pledged that the publication of the report would not be the end of our engagement, which is one reason I am here today. I pay tribute to my fellow commissioners for their continuing support and scrutiny, to officers of this House and for challenging and ensuring that the recommendations are carried through. They are doing too much to highlight in the time I have for this short debate, but I was impressed to work with a number of them on Monday, when we had updates from the House of Commons authorities.

The Digital Democracy Commission labelled its report "Open Up" because it was about opening up not only Parliament but democracy as a participatory exercise, rather than just using technology to carry on doing what we already do. In January last year, we published our report—online, of course—and made five headline recommendations that I will remind the House of, though I know that the Deputy Leader of the House of Commons was present at the last debate as well.

We recommended that, by 2020, the House should ensure first that everyone can understand what it does and secondly that it should be fully interactive and digital; we felt that those two things were connected. The third recommendation was that the newly elected House of Commons in 2015—today's House—should immediately create a new forum for public participation in the debating function of the House of Commons. Fourthly, secure online voting should be an option for all voters by 2020. Finally, by 2016, all published information and broadcast footage should be freely available in formats suitable for reuse and *Hansard* should be available as open data by the end of 2015. At the same time, we adopted a declaration on parliamentary openness, which commits us to making parliamentary information more transparent and providing easier access to the public—the very reason the commission itself was established.

I am pleased to tell Members that the new forum for public participation, which has been dubbed by many a "cyber Chamber", has made great progress in the short time since it was created. The idea was that a third Chamber would be established in Parliament, allowing the public to debate an issue ahead of MPs. We all know from our constituency work how often there are hidden experts out there who have a lot to contribute, if only we know where they are. Sometimes they find us, and this forum is a way to enhance that participation.

The forum has been open since June last year and has so far focused on debates in Westminster Hall. The idea is that, ahead of a debate, the Member who leads it is asked to engage in an online debate with interested members of the public. Up to 1,000 people have participated in a single debate via that route. I pay strong tribute to the one member of staff in the House of Commons who has single-handedly turned that idea into the reality it is today. On Monday, she reported to the commissioners on progress, and we were keen as a group to see more support for embedding the idea of a cyber Chamber as business as usual in the House.

On Monday, we also received updates on the Data.Parliament open data project, on the ease with which anyone can now clip a video from a debate and on how our publications, web content and social media are being developed to make engagement easier and more meaningful—for example, through the use of plain English.

The Petitions Committee deserves a special mention for its swift embrace of the commission's principles from the onset. Of course, that Committee was only established in this Parliament. It enables hundreds of thousands of individuals to better understand how they can influence policy making, and sets an example for how other parts of the House can embrace engagement better.

When we published our report, we very much saw it as a road map to improve the way that MPs engage with the public and to allow the public to better engage with Parliament. As a commission, we were mindful that we were reaching out to under-represented groups. My fellow commissioner, Helen Milner, who runs the Tinder Foundation, had particular expertise in that area. We touched on how to ensure that we do not leave behind those who are digitally excluded—it is not our intention to do so—but rather, to use digital tools to reach more people where they are willing.

Just as with Government services that are going online, we need to be mindful of those who are unable to use digital options. We see digital as enhancing and improving what we do, rather than replacing human interaction. We want to expand the human interaction we have as MPs week in, week out on doorsteps to digital methods and to the wider House.

Today, my comments will be a little more parochial, focusing on the changes that still need to take place in Parliament and that are within the hands of Members of this House.

**Margaret Ferrier** (Rutherglen and Hamilton West) (SNP): Does the hon. Lady agree that the electronic voting systems in place in Scotland and Wales free up a significant amount of time for Members there to focus on more important matters, rather than spending 20 minutes going through the Lobby for each vote?

**Meg Hillier:** The hon. Lady must be a mind reader as well as an MP, because I was just about to move on to the issue of electronic voting using MPs' smart identity cards. We had some serious discussion about that on the commission. I will touch on the history of the idea, which might inform the hon. Lady's thinking.

The commission's headline recommendations 29 and 30—we had many more—were as follows. Recommendation 29 said:

"During the next session of Parliament"—

this Session of Parliament—

“the House of Commons should move to record votes using MPs’ smart identity cards but retain the tradition of walking through division lobbies.”

Recommendation 30 said:

“The House of Commons should also pilot an electronic version of the practice of ‘nodding through’ MPs who are physically unable to go through the division lobbies, which would enable MPs who are unwell, or have childcare responsibilities, or a disability, to vote away from the chamber.”

This is not the first time that electronic voting has been discussed here; we may be slow, but we sometimes come back to things. In 1998, the Select Committee on the Modernisation of the House of Commons issued a consultation paper to Members of the House at the time on voting methods. Just over half of MPs—53%—preferred the current system, with 70% finding it acceptable, although there were suggestions that voting could be made quicker by the use of smart cards, fingerprint readers or even infrared handsets.

The reason that the commission did not push hard for remote voting in the end was a strong concern from Members about losing the opportunity to speak informally with Ministers in the Lobby and to have contact with other Members; the Lobby is dubbed the Lobby for a reason.

**Kevin Foster** (Torbay) (Con): I am interested to hear the points that the hon. Lady is making. While it is important for people to be physically present in the Chamber or in Parliament to vote, does she agree that a key part of having an electronic method of recording votes is that people could quickly find out how their MP voted? We would then not have situations such as the one we had yesterday, when an hon. Member asked the Deputy Speaker in a point of order how three members of the Cabinet had voted. Of course, the Deputy Speaker could give no answer.

**Meg Hillier:** Absolutely. The problems with the current system will be evident for many people. I have talked closely with the Clerks of the House about how they record votes. For those who are not initiated, once Members have been through the Lobby, we are crossed off a list with a black marker pen. That piece of paper is then taken by parliamentary staff and reconciled. It not only takes us about 15 minutes in total to walk through the Lobby; it is a considerable length of time—some hours—before the vote is published digitally.

**Caroline Lucas** (Brighton, Pavilion) (Green): I congratulate the hon. Lady on both her work on this issue and on securing this important debate. I very much welcome the commission’s findings, in particular those on electronic voting. My office worked out that in the previous Parliament, we spent 245 hours queuing up in order to cast 1,153 votes. Does she agree that having an electronic way of voting would also mean that we could record abstentions? Abstentions sometimes matter. They do not just mean that MPs were not here; they mean that neither of the two choices in front of them were any good.

**Meg Hillier:** The hon. Lady raises an important point. These are all issues that we need to debate and discuss if we are going to make any progress. I hope that, at the end of this debate, we will get some assurance from the Deputy Leader of the House that the matter will be taken seriously and that further work will be done.

As I said, a vote takes about 15 minutes in total—the hon. Member for Brighton, Pavilion has also done her maths. In the previous Session of Parliament, there were 544 Divisions in the Commons. Even if three minutes had been saved on each one—a modest improvement on our current practice—it would have meant a time saving of up to 27 hours for each MP. I hope we would have used that time productively; others may want to comment on that. That just goes to show that an awful lot of time is spent on something that could be done more quickly. We have also recently had experiments with iPads. They certainly speed up digital recording, as the hon. Member for Torbay (Kevin Foster) indicated, but there are still issues with human error and accuracy.

The record of votes is important. In the modern age, it is ludicrous that people have to wait several hours to find out how their Member of Parliament voted on an issue. As the hon. Member for Brighton, Pavilion (Caroline Lucas) said, other things are not recorded. People get confused about what was an abstention and ask, “Was someone not there?” We should be able to record if someone is absent, for instance, because they are on maternity leave, or absent because they are sick or because they chose to abstain. That is common sense, one would think.

Clearly, any new approach will have problems, so it is worth teasing out what some of those are in the hope that they will be openly discussed and resolved. MPs could lose their smartcards, if that system is the one implemented, which may mean that fingerprints could be a preferred method. MPs could pass their cards to the party Whip or other MPs who could impersonate them or vote in their place, so we would need a system for verification. Verification currently allows for those who are on the premises but unable to vote in person to be nodded through by the Whips. I voted that way a number of times after my youngest daughter was born. The Whips nodded me through, but only after an Opposition Whip was satisfied that I was present, so we have a very crude way of verifying now. I think that could have been done differently and, certainly, we could look to improve it.

The cost of upgrading the system is not to be sniffed at. On Monday, the commission had reports from Officers of the House that it could cost more than £500,000 over the next three or four years, if decisions were made quickly. However, the long-term benefit could justify the one-off cost. Restoration and renewal of this Parliament provides a big opportunity to modernise this core activity of MPs.

**Patrick Grady** (Glasgow North) (SNP): I congratulate the hon. Lady on securing the debate and apologise that I cannot stay until the very end. On time-saving, time represents cost—it is not just about time for MPs, but for staff and security, especially when Divisions go on late into the evening. The costs involved in a one-off cost would surely be offset by the time saved.

**Meg Hillier:** Absolutely. The hon. Gentleman makes an important point about time-saving, because clearly, some votes are consequential on other votes, so there is always going to be a time when we may have to wait for the result of a vote before we can vote again. However, sometimes, as with deferred Divisions, a number of votes could be carried out simultaneously, whereas currently we have to queue for separate 15-minute time periods to go through the Lobby.

[Meg Hillier]

It is worth stressing, as the hon. Member for Torbay said and as we heard from many Members—this is why we did not go for distant, remote electronic voting as a recommendation—that the ability to work closely and talk to Members on a daily basis is a very big part of the work of this House. It is important that that spirit is seriously considered in any change. However, I am directly asking the Deputy Leader of the House to take this matter very seriously and to ensure that the Government do not knock it into the long grass. It is a matter for the House. She is our champion, along with the Leader of the House, to Government. I hope she takes this seriously, because we need a green light to investigate change.

From talking to officials in the House, I know that, at the moment, there is a lot of enthusiasm for embracing the commission's recommendations. A number can take place without interference—dare I say it?—from hon. Members. However, this is one where we really need to be engaged and I hope that today, the Deputy Leader of the House will set out a clear timetable on the measure and commit to serious consideration of its potential benefits and to reporting back to the House on that progress.

We can look at other examples in other Parliaments. Egypt, only two weeks ago, introduced an electronic voting system. It has had some problems with impersonation, so that is a lesson to be learnt. In Romania, politicians have 10 seconds to vote once they have initiated the smartcard voting system. In the United States, electronic voting was introduced to Congress in 1973. Members there vote by inserting their voting card into an electronic dock and by pressing the appropriate button. In South Korea, they vote electronically and can change their vote as they go, so there are very important issues that we might want to discuss about the change of culture that this would bring. Of course, as hon. Members have highlighted, in the Scottish Parliament, the Welsh Assembly and the European Parliament, voting is done electronically. It is not a new phenomenon, and we need to ensure that it is properly embraced.

In my lifetime, Parliament has evolved very slightly to reflect technological change. Voice recording was introduced in 1978, when I was a schoolgirl. In 1989, the Chamber was first televised, and only last year, a low-level camera was installed—I was a student in 1989, and I hope that, before I am a grandmother, we might have considered electronic voting, bringing Parliament into the 21st century.

**Caroline Lucas:** I am sorry to interrupt the hon. Lady again. In the European Parliament model, people can see instantly how the vote has gone. Does she agree that, if we had the technology to see how a vote has gone, it would enable us to hold over votes to a particular time in the day—or at least a couple of times in the day—which would, again, mean that we are not running backwards and forwards from one part of the Estate to the other?

**Meg Hillier:** The hon. Lady brings valuable experience from her time in the European Parliament. All these things need to be thrown into the mix. We need to have a discussion about our culture here—it is an important part of this—but there are ways of resolving the issues without sticking rigidly to the current system. A change would save time and money, and critically, just be clearer to the public, so that they can see what is happening.

Overall, in terms of engagement, many people are keen to get involved in Parliament and politics but find them very opaque. This would be one step to improving that. Evidence from a survey carried out by Cambridge University showed that 46% of people say that they would like to get involved in politics and Parliament if they could, but less than 10% are currently engaged with Parliament. As we know, there is often a large gap between those who say that they will get involved and those who actually do, but even if half those who wanted to were able to, it would be a significant increase in the number of people engaging with what we do. That is not to decry what hon. Members do; week in, week out, we engage with and talk to people on the doorstep, but we reach relatively few. With better digital engagement overall—so, just moving away from the issue of electronic voting—we can enhance the face-to-face contact that we have. There are other elements of the DDC that we need to make sure we set in train and with which we can bring about change.

I think we are on the cusp of a revolution. The Digital Democracy Commission's report lays out a pathway. We hoped on that commission that the new Parliament elected in 2015 would see the opening up of Parliament as nothing revolutionary, but as business as usual in the modern world. In preparing for this debate, I have been heartened by the number of hon. Members who were keen to register their interest, even if they were not able to be here for a short half-hour debate today. I had more than 30 Members who were keen to speak had this been a longer debate, and we may seek a further opportunity to raise the matter, perhaps when we hear from the Deputy Leader of the House about her timetable.

If we are to be more accountable and accessible to the people whom our Parliament serves and who elect us, we must not let this opportunity pass. This could be the Parliament when we finally get into the century we are in. As Members of Parliament, we need to be bold and embrace this change to engage more constructively with the public. We need to open up Parliament, listen to our constituents better and not simply broadcast what we do, which I am afraid to say, is a tendency of this institution.

Mr Speaker had the vision and the commission has done its work. We are now a year on. Officers of the House have made huge progress and I pay testament to them, as do other commissioners, on opening up data, making House publications more accessible, making it easier to use broadcast clips, improving our web and social media interaction and on developing a cyber Chamber. It is now for Members to show that we are firmly in favour of modernising our working practices. We who are privileged to be elected to this House must be the facilitators of this change. We need to lead by example.

11.17 am

**The Deputy Leader of the House of Commons (Dr Thérèse Coffey):** It is a pleasure to serve under your chairmanship today, Mr Stringer, and to contribute to the debate secured by the hon. Member for Hackney South and Shoreditch (Meg Hillier). She is a member of the Speaker's Commission and has spoken with passion about its work and her views. I thank her for the update on the progress made, including that reported at a meeting of the commission earlier this week.

The commission outlined five key targets, but as the hon. Lady has already stated those, I will not repeat them. There are further recommendations in the report, many of which are for the House to consider and debate. To some extent, a large part of that should be done, in my view, via the Procedure Committee. I will try to highlight key areas where, in particular, the Government can contribute to that debate.

Promoting public awareness of the role of Parliament and of Members of Parliament, and increasing public participation and engagement, are both worthy aims. Much has been achieved, particularly in recent years, as a result of the efforts of many hon. Members and our dedicated House staff—the service and the Clerks—and undoubtedly, that engagement will continue to increase.

The attempts to engage the public in different formats are very valid, as there are several recognised ways of learning and engagement, and people will have a natural tendency towards one or two. Traditionally, people have always had the written word, in the form of *Hansard*, legislation and business papers, accompanied by the occasional visit to Parliament to see how it works in practice, elements of which are open to everyone in this country. Aural transmission through radio and the screening of proceedings has been a step change. Further elements such as videos explaining Select Committee reports and the use of social media have continued to reach different audiences and interact with people in different ways. They are to be welcomed.

I will try to address the points raised by the hon. Lady and by other hon. Members during the debate. Turning to some of the commission's recommendations, particularly focusing on the targets, the House service continues its work on engagement and outreach, guided by its strategy—I believe that was praised at the commission the other day—although I think it has found the feedback from the commission helpful, in that it was not necessarily achieving all that it thought it had and had a higher bar to reach. That said, I congratulate those involved in some of the improvements. Improvements to the digital service for both internal and external users are a key priority but there is still a considerable way to go.

The Commission made some useful recommendations about engaging the public. Some aim to improve understanding of Parliament and the work of MPs—for example, simplifying language, clarifying online publications and improving the website, including for people with disabilities or sensory impairments. Much has been achieved in these areas already, but I am sure that there is further to go. Making it easier for people to track specific areas of interest to them is one example of how we could improve interaction. I think some MPs are not aware of some innovations that would be useful to them. I am an evangelist for the apps for tablets and smartphones that have been created and help both MPs and the public in their daily work and to access documents that can be read alongside debates.

The public inquiries team has reviewed and rewritten every Commons glossary entry on the Parliament site and about 400,000 users access this. Content now focuses on explaining in clear, plain English the word, phrase or acronym, and includes links to further learning and business content to extend users' knowledge. Previously, content had been overly long and often unclear.

A recommendation that cuts through to the legislative process is the commission's suggestion for a new procedure for amending Bills so that amendments are written in plain English. In my view, this is where the role of explanatory notes comes in. We saw in the last Parliament, and see it more and more now, that Members are encouraged to add explanatory notes to the amendments they table.

The Government are committed to ensuring that the legislation they put before Parliament is of a high standard, but I know we can always do better. It is vital that Parliament has the necessary means by which to perform its scrutiny. Further recommendations to change that process further are for the House to decide, but I suggest to the hon. Lady that we are creating law, so to some extent, the clarity and the explanation come from the debate on Second Reading and the examination in Committee, where the Minister and the Opposition—any Member in fact—can talk to amendments. We could do more and, in my role on the Parliamentary Business and Legislation Committee, I often push for further detail on the explanatory notes when I do not think they are clear or we need to be more explicit in stating the intention of amendments and clauses.

One recommendation is to improve the search engine. There are other search engines, but many hon. Members use Google to find information on the external parliamentary website. That is a shocker and apparently work is being done on it, but perhaps we should just leave it to the market. If Google and other search engines have already cracked the issue, we may want to use the House's financial resources for other matters.

**Kevin Foster:** The Minister is rightly talking about how better to explain legislation, but sometimes we need to explain better to the viewer what is going on. For example, the most common question I am asked on school visits is why MPs are standing up and sitting down.

**Dr Coffey:** That is an interesting point, and new Members often ask that question when they arrive. To some extent, the induction process helps with that. There are matters not covered by the commission that many Members would like to see changed but—dare I say it?—some of the more traditional people, and I include the Speaker in certain elements of this, are resistant to that change. Examples include speaking lists and understanding how to participate in a debate. Perhaps we can do more on the video front and if we stop trying to improve our own search engine, it could free up a bit of cash to do that.

On crowd sourcing questions, the party leader of the hon. Member for Hackney South and Shoreditch is doing that for PMQs, which is an interesting experiment. I will leave it to hon. Members to draw their own conclusions on whether it is successful, but I am sure it is good for the Labour party's communications database. It is an interesting approach and some Select Committees have considered it as part of their reviews. I seem to remember the use of #AskGove to generate questions for a Select Committee. It is for Members to decide how best to use that and to manage expectation without just using it as a gimmick.

**Meg Hillier:** The Minister rightly highlights managing expectation. I refer her to the Petitions Committee, which has done a good job at a very early stage of beginning

[*Meg Hillier*]

to make sure that engagement happens. It is about managing expectation, which is where the clear circulation and exchange of information is important. There is a precedent in that area. I hope that she will have time to touch on electronic voting.

**Dr Coffey:** I certainly will—I assure the hon. Lady of that. I want briefly to flag up some of the other recommendations before coming to the issues on which she spent a lot of time in her speech.

For young people the new education centre has been a huge success and I hope the House will record how successful it has been throughout the United Kingdom.

In terms of the new forum, the cyber Chamber has been talked about. The Petitions Committee and the debating of e-petitions have probably been the most significant change in that regard. Parliamentary time is provided to the Government, the Opposition and Back Benchers, and now the public, through the organisation of petitions, also have time for their business to be debated. That is a welcome step and although it is in its infancy, the hard-working Clerks and the Chairman of the Committee to whom the hon. Lady referred—the interface between the House and the public—who have taken on the challenging job of moderating petitions, are to be commended on their work to extend that engagement.

I was interested in the idea of trying to delay the selection of Westminster Hall debates to a fortnight to have more engagement with civic society. I think that would take away from Members the element of urgency and topicality.

The daily edition of *Hansard*, one of the key data sets identified by the commission, is now available as open data in a variety of formats. There is still a lot of work to be done on digital media. “Erskine May” is now available freely to Members and their staff on the intranet. I have spoken briefly to a trustee of the May Memorial Fund about the next edition and I have written to him. He has promised to report back to me and I will share his response with the hon. Lady.

On voting, there are two recommendations. I will touch briefly on electronic voting so that I have time to finish on the other one. What can the Government do on electronic voting? The Speaker’s Commission recommended that secure online voting should be an option for all voters by 2020. Concern remains about the security of e-voting and it is vital that any new system attracts the confidence and trust of voters. Estonia is often mentioned, but turnout has not increased there and it has a compulsory national identity card. Electronic voting is certainly not a priority for the Government, but the experience of elections, and the referendum on Scottish independence, shows that if people are really

interested in the issue being debated, they will turn out to vote using the existing mechanism. After the drop in the number of people turning out to vote in the 2001 election to 59%, engagement and voter turnout has gradually increased to about 66%.

On Lobby voting, the House service has been investigating the electronic recording of Divisions and the hon. Lady will be aware that we had several attempts in the last Parliament and this. Errors occurred, but were addressed by the tellers to make sure that Members’ votes were recorded. Full implementation of tablet recording of Divisions is expected later in this Session—certainly before the summer—but among the many goals set out by the commission, it recommended retaining the tradition of walking through the Division Lobbies.

The hon. Lady referred to swipe cards and raised issues such as verification. I understand that some of the early scoping and ideas that are being discussed so far suggest that Clerks would still do a physical check to ensure that an hon. Member’s photograph on their swipe card goes with their face.

The hon. Lady referred to fingerprints. I think hon. Members would be anxious about that and I suggest, in the kindest way, that it needs a lot more work and engagement with colleagues. She mentioned 30 people. Scottish National party Members are obsessed with electronic voting because of their experience in the Scottish Parliament, but I suggest that the Procedure Committee should look at that.

On time saving and cost saving, this Parliament debates more than any other Parliament in the world. On average, we have 48 hours of debate every week and perhaps longer when we sit on a Friday. The hon. Member for Glasgow North (Patrick Grady) seemed to be suggesting that perhaps we should have a shorter schedule.

**Meg Hillier:** Will the Minister give way?

**Dr Coffey:** I have only 30 seconds left, and I suggest I continue the debate with the hon. Lady separately because I want to answer the points already raised.

I value the tradition of linking debates to votes, and I think that matters. I realise that the hon. Lady’s swipe card idea would still do that, but the physical presence of MPs really matters. The hon. Member for Brighton, Pavilion (Caroline Lucas) referred to abstention. I suggest that voting in both Lobbies is a way to record that now.

On progress, I cannot tell the hon. Member for Hackney South and Shoreditch that I have made a timetable. I suggest that considerably more debate needs to be had with a wider range of Members—

*Motion lapsed (Standing Order No. 10(6)).*

11.30 am

*Sitting suspended.*

## Migration into the EU

[ANDREW ROSINDELL *in the Chair*]

2.30 pm

**Mr Adam Holloway** (Gravesham) (Con): I beg to move,

That this House has considered migration into the EU.

It is a pleasure to serve under your chairmanship, Mr Rosindell. When I stood in this place last year and said that I thought that Germany was bonkers to give permanent residency to all the migrants arriving on the shores of Europe, that was met largely with derision. I stressed the importance of refraining from doing what made us collectively feel better at a time of appalling images of young children drowning on north African beaches and instead supporting pragmatic and moral solutions that represented the views of the British public, but also effectively served the needs of genuine refugees. I stressed that the message that Europe needed to give should be much clearer that those making the journey will not automatically get the right to stay in Europe if they arrive in Europe, and that if we did not break that link, we would have potentially hundreds of millions of people on the move. Within 3,000 km of the Mediterranean, which is four or five days' drive away, nearly 1 billion people live. If I came from a poorer or less stable country, I might well make what would be a rational decision for my family and myself to move to a more peaceable area such as Europe to settle. However, we have not managed to break that link—that message has not gone out there in the world—and the drowning and the chaos continue. I believe that collectively we in Europe play a part in that, because we have not yet made it clear that if people arrive in Europe, they will not end up staying in Europe. The only people who have really profited from that chaos are the people smugglers.

Since that debate, we have seen the near-collapse of the Schengen agreement as countries opt for razor wire—some of them—over the open borders of the European Union. Sweden is the first casualty as a country that has failed both those whom it was trying to help and its population. With a proud history of taking in refugees from across the globe during the past century, its Government tried to do the right thing, in their view, by taking 200,000 refugees last year, but they have now had to admit that they do not have the financial means to assimilate such numbers and more importantly they have lost the backing of their population. Indeed, this is the great tragedy that seems to be playing out right across Europe. Governments such as those of Germany and Sweden have created a great backlash against even the most deserving people who require support, as a result of what in my view has been incredibly misguided altruism.

Following the debate last September, some newspapers mocked me for a “bizarre rant” in relation to a comment that I had made about a haircut. That only went to strengthen my point that any talk of what we actually do in response to the migrant crisis is almost politically toxic. Only recently, my right hon. Friend the Prime Minister was accused of using offensive language when making reference to a swarm of migrants in Calais. In my view, the Prime Minister—I am not known for toadying to him—actually has been ahead of the game on this and

has realised that, if there is fallout from countries such as Syria, we get the most bang for our buck in terms of aid if we look after people in the region. The Prime Minister has also been very clear, which many of us have not been, that there is a very clear difference between a refugee and an economic migrant. It is fair to say that he understands the difference between a refugee and an economic migrant.

**Mrs Anne Main** (St Albans) (Con): My hon. Friend is making a very powerful speech. We must talk about these issues. He will be aware that in *The Times* and YouGov poll in January 2016—it was very recent—six out of 10 people put immigration and asylum as one of the top three troubling factors facing the country today, so if we do not talk about that as politicians in this place, we are letting our country down.

**Mr Holloway:** Absolutely. I read an excellent piece in *The Guardian*, I think, by Nick Cohen, who said that if we really want to help people who find themselves in difficulties, we have to understand that there is a difference between economic migrants and asylum seekers. Indeed, the vast majority of people who come to live in this country are the former. A friend told me earlier that 90% are economic migrants and 8% are asylum seekers.

To go back to the haircut point, the fact remains that people who have successfully claimed asylum in the UK do indeed go back to places that they claimed asylum from. I would like to thank those members of the public who, after the September debate, sent me emails with many examples that they had known in their own lives. I sense that much of the media and much of the political class are rather out of sync with what the British public think about this issue.

Years ago, I lived covertly in the Sangatte Red Cross camp in Calais. I remember arguing with one of the producers when I was editing the piece, because my experience in the Sangatte camp was that most of the people—99%—were fit young men who had paid people smugglers to make that very long journey and were indeed economic migrants, not desperate refugees. I remember having an argument, when we were going to voice the documentary, about the use of the word “refugee” or “economic migrant”.

During the September debate, one hon. Member accused me of being out of step with what the British public feel about accepting large numbers of refugees, but that does not stack up. Following the Prime Minister's announcement that the UK would resettle 20,000 Syrians, a YouGov poll found that 49% of those asked believed that Britain should be accepting fewer or no refugees, which was a 22 percentage point increase from the month before—my hon. Friend the Member for St Albans (Mrs Main) pointed that out. I was also derided for “blurring” the boundaries between what a refugee is and what a migrant is, but I think that that point is finally beginning to be taken on board, even by Mr Juncker in the European Commission. I argue that not recognising the difference between migrants and refugees has done more damage to the case of genuine refugees, in terms of public opinion, than any ghastly things that have happened in Paris or may have happened in Cologne. Of course, there is an appetite among Europeans to help people, but there is a limit, and that limit comes in earlier when we fail to recognise that distinction. That really helps no one.

[Mr Holloway]

Do not get me wrong. As I have said already, economic migrants make rational choices for themselves and their families, and all of us would do the same, but either we are a nation state or we are not and either we decide who comes into our country or we do not, and at the moment it strikes me that we are not doing that in Europe and we are not doing it in the UK, either.

**Jonathan Lord** (Woking) (Con): I agree with the thrust of what my hon. Friend is saying. Does that not underline how important it is that Britain remains out of the Schengen area?

**Mr Holloway:** Absolutely. That was a great bit of foresight, so I completely agree with my hon. Friend.

Some years ago, as a television reporter, I experienced the plight of refugees—as opposed to the economic migrants whom I met in the Sangatte camp—when I was covering the wars in the former Yugoslavia and I lived undercover as a deaf and dumb Bosnian Muslim in Serb territory. I joined Bosnian Muslims and Croats being ethnically cleansed by Serb forces, and we ended up in a refugee camp in, I think, Slovenia—actually, I ended up in prison in Austria, but that is another story. Those people really were refugees. They travelled en masse as families with their possessions over the border into a neighbouring safe country—very different from many young men who travel to a country of their personal choice.

It is hard to swallow the UN figure that 62% of migrants who arrive into Europe must be genuine refugees purely because they come from Eritrea, Afghanistan and Syria. Frustratingly, these people continue to be muddled with genuine refugees, and there needs to be a clear distinction. Since September, the enormous number of migrants has continued with some 55,000 making the crossing last month alone, 244 of whom, I regret to say, drowned or are missing. The breakdown of Schengen and the rise of nationalism have been two predictable results of the mismanagement of the crisis by the European Commission. The only encouraging sign is that the Commission has finally admitted that there needs to be some distinction between the treatment of economic migrants and the treatment of refugees.

Last week, it was announced that 40% of migrants, most of whom are Syrian, require international protection. That is a stupendous revelation following much fudging of the figures but it comes too late to stem the millions who are currently en route for Europe. However, despite that realisation, there is still a bit of a gulf between the beliefs of Eurocrats and those of the ordinary man or woman in European cities, including those in Britain. Juncker and many of the political classes are still pushing the view that the Cologne attacks were a public order problem and nothing to do with migrants from different cultures.

The EU has become emblematic of slow growth and rising unemployment. Unemployment across the continent is currently at almost 10% and youth unemployment is almost double that at 20%. Greece and Spain are suffering from youth unemployment rates of nearly 50% and I believe that Italy's youth unemployment rate is almost 40%. Unemployment is destroying the prospects of a whole generation of young Europeans and the impact of new arrivals can only have a detrimental effect.

The British Government suggested that immigration should be brought down to tens of thousands—incidentally, a YouGov poll found that 78% of the population thought that that was a good idea—but despite the best efforts of my right hon. Friend the Immigration Minister, it simply has not happened. It is estimated that more than 1 million migrants will end up in Europe this year, and immigration figures for the year ending June 2015 show total net migration of 336,000 into the UK, of whom nearly 200,000 are non-EU migrants. Under the high net migration assumption of 265,000, the population will grow by 12.2 million over the next 25 years.

The European Commission has proved to be inept at dealing with the crisis and continues implicitly to encourage more people to make the dangerous maritime crossing instead of staying in safe countries. The epic mismanagement of the crisis has been politically destabilising for all concerned. The British Government need to push for what I think the previous Government referred to as extraterritorial processing centres—reception centres in safe countries such as Turkey, Lebanon and Jordan, which surround the conflict zones. At the same time, we must stop the boats that are endangering lives and reducing the security along European borders.

European countries should indeed do more—as the Prime Minister has been trying to do—to support countries such as Turkey, Lebanon and Jordan, which are hosting huge numbers of refugees in proportion to their resident populations. Britain is already the second-biggest bilateral donor supporting Syrian refugees but, of course, more can be done. I read in *The Economist* that the amount of money spent by the international community on looking after refugees in the region is the same as the amount that German citizens spent on chocolate last year, so there is quite a lot more we can do.

Many Syrian families arriving in places such as Germany are professional, educated people—precisely the sort of people Syria will need in the post-conflict environment. Having hundreds of thousands of its most skilled and educated people relocated in Europe will not be very helpful when things improve. Recent refugees from Syria are more skilled than other groups and those who came, for example, during the Yugoslav wars in the 1990s. Those skilled, middle-class workers will urgently be required when rebuilding Syria, and they will not be a lot of use if they are living in Germany.

The decent and humane response is in a systematic manner to process and differentiate genuine refugees from economic migrants, to repatriate those who fail the asylum process and, overall, to try to keep people in their home regions. It is immoral to send out messages to people that if they arrive in Europe, they can stay in Europe. We have to accept some culpability for the deaths of men, women and children in the Mediterranean. As I said in a previous debate, the moral conclusion is that, frankly, we should build a great big bridge from Africa because at the moment we are encouraging people to drown at the hands of smugglers.

The Prime Minister's recent attempts at renegotiation have shown that the EU is pretty unwilling to change. We go cap in hand and get almost nothing. The British Government currently have a raft of legal constraints. Any one of the people arriving in Europe in a year or two would be able to come to live in the UK. It is self-evident that, as a nation state, we no longer have any meaningful control of our borders. While Britain



remains in Europe, it will be impossible to control our borders—a point that was described by William Hague in 2008.

Europe lacks a collective voice and has had no greater tragedy than in Syria, where the EU has been pretty ineffective over the past few years. A failure to offer real solutions in regional geopolitics and to understand that conflicts sometimes only finish when agreements are made with some pretty unpleasant people has not helped the untold suffering for millions of people in Syria and on its borders. The resulting exodus to Europe and the ensuing mismanagement by the EU has highlighted that the whole European project is destined to fail.

With each of the 28 member states having its own economic limitations, historical memory and political culture, it is impossible to reach an agreement on almost anything bar trade and logistics. The varying attitudes and experiences that each country brings have shown that they cannot be homogenised because there is no political will in each country for the EU's ultimate political goal, and there lies the problem. The migrant crisis has exposed the unsustainability of the undemocratic and bureaucratic EU.

The suppression of the fervent nationalism that contributed to the second world war was the noble aim of the EU's founding fathers. Through the EU's failure to create a robust and systematic way of coping with the migrant influx in a fair way whereby genuine refugees are differentiated from economic migrants, it has destroyed its founding principle. Through epic mismanagement and failure to agree on anything between the 28 member states, Schengen is in ruins as countries rapidly get on with their own solutions. With hundreds of millions of people in the borderlands of Europe suffering oppression or wanting a better life for their families, this tide of migrants will continue until drastic action is taken. For a country such as Britain, that can only happen outside the EU.

The migrant crisis, like nothing else, has tragically exposed the limitations of the European project. Undemocratically elected politicians in Brussels talking of the redistribution of hundreds of thousands of migrants across willing Governments only strengthens the vast gulf between the political classes and the people they are elected to serve. That has had disastrous results for countries such as Sweden. Either we are a nation state, or we are not. Either we are serious about helping the many millions of people affected by war and oppression, or we are not. We—not the German Government, the people smugglers or the EU—need to decide who comes into this country. Britain needs to take firm action, but that can only take place out of the European Union.

2.50 pm

**Joanna Cherry** (Edinburgh South West) (SNP): It is a pleasure to serve under your chairpersonship, Mr Rosindell.

Contrary to what the hon. Member for Gravesham (Mr Holloway) has just said, we are facing a refugee crisis in Europe, not a crisis involving economic migrants. I will particularly address the plight of women and child refugees. The First Minister of Scotland has said that we should be in no doubt that what we are witnessing is a humanitarian crisis on a scale not seen in Europe since the second world war. Most of the people travelling through Turkey, Greece and the Balkans to try to get to western Europe are doing so because they are desperate.

The images of their suffering will continue to haunt our consciences and the reputation of this union of nations for many generations to come if we do not do more collectively to help them.

The hon. Gentleman spoke about public opinion. In so far as I can judge public opinion in my constituency of Edinburgh South West, the vast majority of emails that I have received—many hundreds have come in batches and waves since September—have been asking this Parliament to encourage the Government to do more for the refugees in Europe, as opposed to doing nothing or less.

I recognise that the UK Government are making a substantial contribution to humanitarian initiatives on the ground in some of the countries that refugees are coming from, and I recognise the significant financial contributions that have been made to aid. I also recognise the United Kingdom's commitment to take 20,000 vulnerable refugees over the next five years, but I regret to say that I do not believe those initiatives are enough. We, as a union of nations, are required to do more, and we are required to encourage the European Union to have a better co-ordinated response. We also need greater international effort through the United Nations.

I often hear what the hon. Gentleman said about the moral argument—that if we encourage people to come, we are simply throwing them into the arms of people smugglers and encouraging them to take their life in their hands. If one looks at the situation in the round, these refugees have not been met with a particularly welcoming attitude in Europe—certainly our union of nations has not been welcoming to them—yet they are continuing to come, so I feel that that moral argument falls down somewhat.

The majority of these people are refugees, not economic migrants. They are, of course, seeking a better life, but their main reason for doing that and leaving their countries is that those countries have been destroyed or deeply compromised by conflict. It is particularly inappropriate for the United Kingdom to wash its hands of taking any of the people who are now in Europe given that we have joined in with those conflicts. Whatever the rights and wrongs of that, and there were respectable arguments on both sides, as a Parliament we took the view that we would join those conflicts and interfere in other countries' civil wars by dropping bombs, which is all the more reason for not washing our hands of responsibility for some of the refugees who are coming to Europe.

I strongly believe that the United Kingdom should take a fair and proportionate share of the refugees who are now in Europe. How we go about doing that, and how we address the situation, is complex, but it is fundamentally morally wrong—I use the word “morally” advisedly on Ash Wednesday—for us to say that we will do nothing for these people who are so desperate. I recognise that we are helping them in their own countries and on the ground, but people are coming to Europe in droves. We see their suffering on the news every night, and it is wrong for a relatively wealthy union of nations such as ours to do nothing about it.

**Mr Holloway:** I see where the hon. and learned Lady is coming from, and I appreciate the great good will that she shows to all these people, but in law they are not refugees. Someone is a refugee until they find refuge in a

[Mr Holloway]

safe country, and at that point, although apparently they can later be designated as a refugee, they are an economic migrant.

My other point is that just because someone comes from, say, Afghanistan, it does not necessarily mean that they are fleeing violence. I met a guy from Afghanistan the other day in the “jungle” camp in Calais who comes from a part of the country where there is no fighting. We need to wise up.

**Joanna Cherry:** As the hon. Gentleman probably knows, I am a lawyer, but in this situation the niceties of whether these people are refugees in law matters not. We did not bother ourselves unduly in the United Kingdom about the legal position of the Jewish children when we took them in on the Kindertransport, or about the legal position of the Ugandan refugees. Even the former Prime Minister, Margaret Thatcher, was persuaded to take some of the Vietnamese boat people. So this is not a debate about legalities; it is a debate about the correct humanitarian response, the responsibility of the world’s relatively wealthy nations to take responsibility for people who are suffering greatly and our particular responsibility to do that when we have chosen to become involved in the conflicts that are creating refugees. I hasten to add that I make no comment about the rights or wrongs of that, but we are involved now, so we have to recognise the implications of our involvement.

**Mr Holloway:** I am sure that the hon. and learned Lady’s constituents would like to know what percentage of the populations of Syria, Afghanistan, Iraq and Libya she thinks should come to live in this country if they want to do so.

**Joanna Cherry:** The position of the Scottish Government has been clear. We will take a fair share of a proportionate number coming to the United Kingdom. Indeed, some Syrian asylum seekers and vulnerable refugees have already been resettled in my constituency of Edinburgh South West.

**Mr Holloway:** How many?

**Joanna Cherry:** I am not at liberty to reveal the precise figure. It is not a large number, because the United Kingdom Government do not permit us to take a large number, and it is a reserved matter, so our hands are tied. Our First Minister has made it clear that we are willing to take a fair and proportionate share. How that is done has to be decided at a higher level even than the UK, which is why European Union co-operation is so important.

I want to say something about the plight of women and child refugees, because earlier this month, about a week or so ago, UNICEF reported that for the first time since the refugee and migrant crisis in Europe started, there are more women and children on the move than adult males, and that children and women now make up nearly 60% of the refugees and migrants crossing the border from Greece to the former Yugoslav Republic of Macedonia. Children now account for 36%—that is more than a third—of those risking the treacherous sea crossing between Turkey and Greece. The figure of 330 having drowned in the past five months has often been mentioned on the Floor of the House. UNICEF

has emphasised that children should be prioritised at every stop of the way. Particularly when they get to Europe, they need to be informed of their right to claim asylum and their right to family reunification.

It is important not to forget the terrible conditions from which many women and children are fleeing. It has been well documented that women in Iraq and Syria are the targets of brutal oppression and sexual attacks perpetrated by Daesh. Rape is considered useful by Daesh as it traumatises individuals and undermines their sense of autonomy, control and safety. Rape is always an issue in war, but it is a particular issue in these wars. The former UN assistant commissioner for the protection of refugees said last year that

“Syria is increasingly marked by rape and sexual violence employed as a weapon of war...destroying identity, dignity and the social fabrics of families and communities”.

Female and child survivors of such sexual crimes are often shunned by their own communities, which is all the more reason why they come to Europe seeking refuge. When those people come, it is essential that they are treated with dignity and respect and that their particular vulnerabilities are recognised.

Save the Children has called on the UK to take 3,000 of the unaccompanied child refugees in Europe, and there is a moral imperative for us to consider that carefully—I am aware that the Government are considering it at present. I appeal for recognition of the reality of the desperation of the situation and of the vulnerability of so many of these refugees, particularly female and child refugees. There should be recognition of the reality of sexual violence perpetrated as a weapon of war, which many women and children are fleeing, and of our moral obligation as a wealthy first-world nation to take our fair share of the burden.

**Jonathan Lord:** I am grateful to the hon. and learned Lady for giving way. She is making an eloquent speech, but there is something that I do not quite understand. The thesis of my hon. Friend the Member for Gravesham (Mr Holloway) is that while hundreds of thousands have already come to Europe, if we offer a home to millions there will be an almost inexhaustible supply of further people who will then want to come, and that is surely unsustainable. I do not understand how she is really addressing my hon. Friend’s main thesis.

**Joanna Cherry:** I do not accept the main thesis of the hon. Member for Gravesham, which is why—

**Jonathan Lord:** In what way?

**Joanna Cherry:** I am coming at this from a different angle. These are not straightforward matters, but my point is that we cannot wash our hands of these people. It is not right for the United Kingdom to say that we will take nobody from Europe. We need to get together with our European partners and talk about how to address the complex issues that arise as a result of this massive refugee crisis—or massive migration, depending on the language that people wish to use. It is really tragic that the United Kingdom is abdicating its responsibility to lead at such talks and discussions when we look back at the United Kingdom’s proud history of taking in refugees at other times when countries washed their hands of them—I am thinking of the Kindertransport in particular.

I would be foolish to deny that there is a potential issue in considering how many people may come and the sustainability of that process, but at the moment there is space for the people who are here. There are some estimates that there are 20,000 unaccompanied children in Europe at the moment. Is it really this country's position that we will not take any of them? We seem to be moving in the right direction on that issue, but it should not stop at unaccompanied children. Sure, there are strong young men who manage to make it as far as Calais, but there are also very vulnerable people. The point of my speech today is an appeal for a humanitarian response to the crisis rather than a purely utilitarian response.

3.1 pm

**Mrs Anne Main** (St Albans) (Con): Thank you, Mr Rosindell, for calling me to speak. It is a pleasure to serve under your chairmanship today.

This debate should focus on immigration and not necessarily on refugee status, because we are talking about people who wish to make a home in our country and not necessarily those who are fleeing persecution. I will therefore confine my remarks more to immigration than to refugees. I say to the hon. and learned Member for Edinburgh South West (Joanna Cherry) that I would not base my views simply on what turns up in my postbag. Many surveys carried out regularly by reputable companies have shown that migration and population control is an important concern of the British public.

**Joanna Cherry:** Will the hon. Lady give way?

**Mrs Main:** No, I will not. The hon. and learned Lady had 10 minutes, and there are many people wishing to speak.

We should be talking about immigration, which includes some people with refugee status but also a large number of people who come to this country either because of our membership of the EU or because they are coming here as economic migrants. My hon. Friend the Member for Gravesham (Mr Holloway) made a powerful and well informed set of comments, based on having been in the camps, not just on people writing to him in his postbag.

If this issue was not such a concern to the British public, I do not believe that even now our Prime Minister would be trying to thrash out some deal that allays the fears of the British public about our loss of control over immigration into this country as a result of our membership of the EU.

It is telling that Mr Manuel Barroso said last night in an interview that what we are trying to achieve is a form of control on immigration through benefits packages, and that his view is that that will make no difference whatsoever. I share that view, because I do not believe that people necessarily come here because they have been lured by benefits. I believe that many people come here because they wish to work. They wish to take advantage of the opportunities that this country offers and of a better economic future for themselves and their family, and there is better healthcare here, and indeed better package as a whole. Whether we can afford for a large number of people to come into this country—a number that the British public would like to see reduced—is a different debate, but I do not believe that the benefits package that my right hon. Friend the Prime Minister

might achieve by 18 February, however well secured, will make a jot of difference to immigration. Indeed, when my right hon. Friend the Minister for Immigration responds to this debate, I would like to hear whether he thinks such a package will make a jot of difference.

It is interesting that England—not the UK—is the second most crowded country in the European Union, if we exclude the island state of Malta, and the ninth most crowded country in the world when the city and island states are excluded. That contributes to the British public's perception of whether, and how much, immigration into the UK is a good or bad thing.

I speak as someone with a highly desirable constituency that is surrounded by green-belt land, although it does have areas of multiple deprivation. I can assure the hon. and learned Member for Edinburgh South West that how many houses are built to accommodate newly formed households is a source of concern, and we should look it straight in the face. These are not separate issues, they are all interlinked.

Government household projections show that in England—not Scotland, obviously—we will need to build enough housing to accommodate the additional 273,000 households a year between 2012 and 2037, which is a total of five million homes. That is a vast number of houses and it means sacrifices of things such as the green belt, which many of us have to consider as constituency MPs. It also means that there are huge pressures on jobs in certain areas, and it is no good whingeing about jobs not being available to British workers. I seem to remember Her Majesty's Opposition saying, "British jobs for British workers", and the reason they say such things is that they know the British public are concerned about these things.

Currently, there are 2.1—

**Pat Glass** (North West Durham) (Lab): Will the hon. Lady give way?

**Mrs Main:** I will give way briefly to the hon. Lady, because I do not wish to take too long.

**Pat Glass:** Does the hon. Lady agree that one of the great strengths of this country has been its ability to absorb and to integrate hundreds of thousands of people over the centuries? They have included who have come here to work, my family being one of them. Those people came here to work, paid their taxes, raised their children, fought for this country and died for this country.

**Mrs Main:** I completely agree with the hon. Lady, but it should be up to this country to decide the numbers. I do not disagree at all with what she has said; she is absolutely right. However, the British public tell me that they wish to be in control of those numbers. They also say that to many opinion pollsters, and I believe it is why the Prime Minister is currently negotiating. If they wish to make those numbers even greater, that is the decision of the British public; it should not be a decision imposed by an unelected bureaucrat in Brussels.

In total, 41.5% of the 5 million workers here who were not born in the UK were born in the EU, and most were originally from outside the EU, so some people do cross the EU and come through that route. There are currently 2.1 million EU-born workers in Britain. That accounts for a large number of people who are working and paying their taxes in this country.

[Mrs Main]

British workers say that they are worried about their jobs. It is estimated that only 982,000 of the jobs that have been created recently have been for British workers. We are creating jobs and making opportunities, and that is why immigration is a big pull to our country—we are not the basket case that some EU economies are. They have not got the jobs to offer. I do not blame people for looking for jobs, but the British public expect us to discuss this issue robustly.

What number of people can we accommodate in housing? Where are we going to plan the additional housing that is needed to support and house those workers? House prices are rising because of supply and demand. In areas such as mine, which are near enough to London to commute to it, it is not a surprise that house prices are exorbitantly high, with an average house price of nearly £500,000. It is because of the pressures on getting on the housing ladder.

We are really being unfair to the British public if we do not look at the two sides of the same coin. Overall we are a prosperous country—although some areas of the country are struggling, there are no two ways about it—that offers opportunities to people in less fortunate situations. However, if those people are attracted to our country to take up the jobs that are being created as a result of our prosperity and the Government's long-term economic plan, we have to accept that they will need housing, services and all that comes with it.

My hon. Friend the Member for Gravesham is absolutely right to have secured this debate, but we are tinkering around the edges of the issue if we are looking at red cards and a benefits-based policy. I do not suspect at all that migrants are drawn to this country because they wish to claim a few pounds in benefits. I believe that they want to come for the opportunities that I have described, and it is up to us—as it is to countries such as Australia—to decide at what pace that immigration takes place, how we can accommodate it and the numbers involved in that immigration. We can do that only when we regain control of our borders, which of course we can do only when we leave the European Union and all the constraints that it brings with it.

3.9 pm

**Jim Shannon** (Strangford) (DUP): It is a pleasure to speak on this matter. I congratulate the hon. Member for Gravesham (Mr Holloway) on bringing this important issue to the House. It is important to debate these issues and to get everyone's point of view on the best way forward. I suppose we would all agree—well, maybe not entirely agree—that we should get the balance of the debate right. We should take the level of refugees and migrants to a number that is achievable and sustainable, but at the same time, as elected representatives we cannot fail to be moved by the distressing images of the people on the boats who have drowned. One would need a heart of stone not to be moved by that, and I think everyone in Westminster Hall today would be of that opinion. At the end of the day, we also need to be compassionate and able to integrate the refugees and migrants who wish to come here for the right reasons.

I want to put some statistics on the record. The European Commission's chief spokesperson admitted that the majority of people moving across Europe are in

fact economic migrants, and we need to ensure that we use similar approaches to the English lessons offered in Northern Ireland. I mentioned that in the debate at 9.30 am, which was on a slightly different issue. The Minister who responded to that debate is here again. There will be another debate at 4.30 pm, and through those three debates we will touch on many of the same issues.

When it comes to integrating refugees in Northern Ireland, through the Assembly we have initiated language lessons. The money is coming directly from Westminster. That is an effective way of integrating refugees and migrants into society by enabling them to speak and understand the language and be part of it. Their cultures and ethos can be integrated, but how do we do that? We have got to work at the system, but we also have to put a limit on the numbers that are coming. We have to be careful about that.

We need a system where only those in genuine need can avail themselves of services and where we can discourage those not in as desperate need from making the perilous and often fatal journey to Europe—when we see the images, it is difficult not to have a tear in our eye. Of course, it is not just about protecting those coming in. The public are concerned about levels of immigration and have been for many years, so it is no wonder that the subject has been such a hotbed of debate. This debate has shown some of that. We need to ensure that we have a responsible immigration policy at home, especially given that we are outside Schengen. We technically control our external borders with the EU, although it may not always seem like that to many of us in this country.

Without doubt, one of the most defining issues of 2015 was the migrant crisis. It is hard to find a member of the public who will not say it is near impossible to avoid the issue. Whether it is the negative consequences we have seen in Cologne or the success stories of relocated refugees settling into their new society, it is a major issue that will take some time to resolve. I attended a meeting today that was chaired by the right hon. Member for Sutton Coldfield (Mr Mitchell). The discussion was a Syrian delegation debrief on the humanitarian situation. Several Syrians were there, as were some learned people from Jordan and Lebanon.

We cannot ignore the fact that of the 4.2 million who have been displaced from Syria, 600,000 are Christians. Nor can we ignore the impact it is having on them. In the next week or two, I will have the opportunity to visit Lebanon and Jordan and perhaps see at first-hand how those two countries are dealing with the refugee crisis, because they are feeling it directly. One thing that the Jordanians are seeing is that many of the Syrians coming into their country want to find employment, and why not? That, however, has a knock-on effect on the Jordanians, who are then unable to get employment for themselves. There are many implications for those countries, and we have to look at that.

Syrian nationals were only the fourth-largest group of asylum applicants in the year ending September 2015. We need to be careful about the migrant crisis, as it is clear that the plight of Syrian refugees is being capitalised on by some illegal immigrants set on purely economic migration. The figures from the European Commission are clear. Around 60% of the migrants arriving in the bloc are now economic migrants, according to the European

Commission's chief spokesman. That leaves 40% who are genuine refugees and migrants, and we have to look at how we can help them in whatever way we can.

One thing that came out of that meeting earlier today—the Syria delegation had a chance to debrief us and tell us about the situation—was that they said that the solution for the Syrian crisis is in Syria, and I do not think anyone in the Chamber would disagree with that. If we want to address the issue of refugees and migrants coming, we have to address the issue in Syria. Perhaps peace in Syria will happen, but there is a question over what the demarcation lines will be. The Russians and the Syrian army together have, over the past few weeks, taken more land and are restoring some semblance of peace in Syria, whatever that might be, but those are things that we have to look at.

Regardless of the approach we take, we need to ensure that refugees are processed correctly. We need to give genuine refugees the dignity they deserve and to root out potential criminal elements or security threats. Those are some of the things that we need to look at. Sweden has been mentioned by other Members, and there have been social instruction classes there, particularly around how to treat women. Those classes have been fairly successful in helping to educate refugees and migrants from the middle east on how to behave appropriately in western society.

The hon. and learned Member for Edinburgh South West (Joanna Cherry) mentioned the Kindertransport in the second world war. I can proudly say that my constituency as it was then—the boundaries have changed—brought many of the Kindertransport children into our area during the second world war. That was long before I was born, but in Millisle and Newtownards they integrated well, and many of them are still there. Sometimes when there is crisis we have to reach out. We cannot ignore that, and it is important that we do not. We could learn from that innovative approach. Without doubt, it would go some way to improving integration and ensuring that we do not have another Cologne.

My contribution is about getting the balance right with the different opinions in the Chamber. There will of course always be debate on the numbers of immigrants, migrants or refugees we should take and the quality of them, how we control that, how we adapt as a society to accommodate them and whether it should be down to the new arrival to adapt to their host society. There is an integration period and an accommodation period that has to be given, and it needs both sides to look at that. It is a debate that will continue for the foreseeable future and it needs to be discussed in a respectful and rational manner.

We all know of the crisis developing in Aleppo as the Russians and the Syrian army tighten their hold on that part of the country. Many have moved out to the Turkish border. Turkey has said, “No more refugees,” and that is understandable. It has some 1 million-plus refugees on its borders, as do Jordan and Lebanon, so the squeeze is on. Over the next few months, we will be looking at an even greater push from those who want to get out and get away. If we can solve the issue in Syria, many of them will wish to return to their country and move back to the place that they love.

In conclusion, the debate has always been there, but given the threats from Daesh, which stated that it intends to use the migrant crisis to “flood Europe with

jihadis”, we can surely all agree that there needs to be a screening process and security checks for new arrivals. That is of paramount importance for our national security as well as for the safety of our citizens at this time of great uncertainty and unease.

**Andrew Rosindell (in the Chair):** We have only 10 minutes left for the remaining debate before the wind-up speeches begin, so I ask the remaining two speakers to keep their remarks to a reasonable length.

3.18 pm

**Dr Daniel Poulter** (Central Suffolk and North Ipswich) (Con): It is a pleasure to serve under your chairmanship, Mr Rosindell. First, I pay tribute to my hon. Friend the Member for Gravesham (Mr Holloway) for securing this debate. As always, it is a pleasure to speak after the thoughtful and well-considered comments of the hon. Member for Strangford (Jim Shannon).

In this debate, we have touched on the European Union. One thing I said before I became an MP was that I would not talk about the EU in debates unless it was absolutely necessary, but it is necessary in the context of this debate. As we often find with debates on the EU, polarised viewpoints have been put across today, but the point is that whether or not we are in the European Union, the world as a whole—Britain, the EU and the world—is facing a forced migration crisis, the like of which has not been seen for a generation.

Of course a legitimate discussion can be had about whether membership of the European Union is beneficial in tackling the crisis and the humanitarian challenges that it throws up; but it would be simplistic and wrong to say that not being a member of the EU would make the crisis go away for Britain. We need to be clear about that, because sometimes in these discussions it appears that some of my colleagues think that it would be a magic wand to make the problem go away. The problem is not fundamentally about membership of the European Union; it is about a number of push factors that are due to the humanitarian situation in a number of countries in Africa and the middle east. That is clear from the evidence.

The countries where the majority of migrants come from—particularly when we look at Italy and Greece, the two countries on the frontier of the EU that receive the greatest number of migrants—are Eritrea, Nigeria, Somalia, Sudan, Syria, Afghanistan, Iraq and Greece. Those are the main sources of migrants going into the countries in question. Many of the countries that the migrants come from have serious humanitarian issues or are in war-torn areas. As the hon. and learned Member for Edinburgh South West (Joanna Cherry) pointed out, because of terrible domestic circumstances in those countries a large number of people legitimately and rightly come to claim asylum. We have a proud tradition in this country and in the European Union generally of granting asylum to people in genuine need.

**Jonathan Lord:** My hon. Friend is right to draw attention to the horrific humanitarian crisis. I am pleased to say that in Woking we have, under the Prime Minister's scheme, taken families from the Syrian camps. My hon. Friend talked about push factors; but surely there are also important pull factors at large. If the German Chancellor says she will take 1 million people and the

[Jonathan Lord]

EU also says it will allow people to stay in Europe, is not that a potential pull factor for economic migrants as well as genuine refugees?

**Dr Poulter:** My hon. Friend makes a good point about what the Government are rightly doing in Woking, in Suffolk and elsewhere, in accepting 20,000 refugees during the lifetime of the Parliament, and in their commitment to deal with the tragic circumstances of child refugees. We should be proud of that. It is a good thing that the Government and those local authorities are doing.

On the point that my hon. Friend raised—also an important one—it would clearly be a pull factor to accept migrants into the European Union unconditionally. It is not my understanding that other EU countries—or indeed Britain—are accepting migration unconditionally. However, there is acceptance that we have an international duty to respond to humanitarian crisis. That is why we are accepting 20,000 refugees. We have a proud tradition of doing that, which we have heard about, going back to the second world war, Uganda, the Vietnamese boat people and the Kosovan and other conflicts. We should be proud because this country has always been a home for people in genuine need fleeing persecution. We should never shirk that, and the Government's current response to the crisis is the right one.

However, we should also make the distinction that others have made during the debate, that, while we have a humanitarian responsibility to people seeking asylum from persecution, we clearly cannot have an open door to mass migration. The country's infrastructure would not accept that. At the same time, when people have settled in the UK migration has almost always been hugely beneficial to our country. We are very proud of the multicultural NHS that we have, where 40% of the workforce are from outside the UK. In my part of the country, migrant workers come across for the summer period to work in the agriculture sector. Agriculture needs those workers to support the picking of crops, and do other essential work. It would be wrong to lump all migration together as a bad thing, because it has so often been beneficial to the British economy, and if people want to come here and work it can be a very good thing. The NHS would not function today if it were not for migrant workers who have come from Australia, New Zealand and all over the world, as well as the EU, to support it.

I want finally to highlight some possible solutions. Whatever the rights and wrongs, and the terrible record of the Gaddafi Government in Libya, agreement was reached in 2010 with the Libyan regime to work to reduce the flow of migration through that country and across the Mediterranean. Clearly, there is war and a terrible situation in the country. A process is going on at the moment in Algiers to bring the two sides together and I hope a resolution to the conflict can be found. That would be to the benefit of the people of Libya, and it might also make it possible as part of the reconstruction to reinstate an agreement and look at the migrant flow through Libya, as has happened in the past—when it worked to reduce migration.

There are issues involved that we cannot deal with just as Britain. At the EU-wide level, benefits are gained from working together and from supporting Italy and

Greece and other frontier states in tackling the problem. That is something that the British Government support, and put money towards, rightly. Both unilaterally and with our European partners we must continue to take in genuine asylum seekers and refugees, and do our best to mitigate the push factors by providing support in the form of humanitarian aid in Syria and elsewhere. We should be proud of the Government and what we are doing on the issue, and of our past and present humanitarian record.

3.26 pm

**Stuart C. McDonald** (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP): It is pleasure to serve under your chairmanship, Mr Rosindell. I think I have only three minutes, so I shall be short and sharp.

I congratulate the hon. Member for Gravesham (Mr Holloway) on securing the debate. He is straight talking and forthright and, although I fundamentally disagree with him on a number of points, I thank him for giving us the further chance to discuss what is undoubtedly the defining issue of this Parliament.

I want to speak briefly about the argument, which is often put, that we should seek to support refugees near the conflict zone, rather than protecting them within Europe. Who would disagree with that, on paper? I do not think anyone would; but the plain fact is that it is almost impossible for all refugees from countries racked by several years of conflict to be supported in that way. Those countries have neither the resources nor the capacity to cope. It is a challenge, indeed, but it is not unsustainable for Europe to offer protection to more refugees. What is unsustainable is to take the approach of not offering shelter for further refugees.

For millions of Syrians in neighbouring countries there have been years of living in tents with no prospect of education or work. For many, life as a refugee in neighbouring countries is grave. Lebanon, a country the size of Devon and Cornwall with a population of under 5 million, already hosts 2 million refugees. Amnesty International's report "I Want a Safe Place" notes that Syrian refugee women face the risk of serious human rights violations and abuse in Lebanon, including gender-based violence and exploitation. Jordan, a country of 6 million people, has taken in 1 million since the Syrian war in 2011, but has now blocked access because, it says, international donors have provided only one third of the funding needed to support those already there. Syrian refugees in Jordan also face huge challenges. More than half are children and although legally they can attend school, they rarely do, because most work 12 hours a day in jobs such as scrap metal collection or construction. More than one in four Syrian refugee women in Jordan, as elsewhere, head households alone, struggling for money while suffering isolation and a fear of sexual violence.

We should bear in mind that, although Turkey ratified the refugee convention, it did so with a geographic limitation. It recognises only refugees originating from Europe, so Syrians receive only a restricted form of temporary protection, with limited rights. Its record on respecting refugees is far from unblemished. Asylum seekers' access to adequate housing, health services and work is limited and bureaucratic problems prevent refugee children from getting access to secondary education.

On Monday, the Secretary of State for International Development said:

“If we can give Syrians hope for a better future where they are, they are less likely to feel that they have no choice other than to make perilous journeys to Europe.”—[*Official Report*, 8 February 2016; Vol. 605, c. 1320.]

Again, implicit in that is a recognition that many have felt and continue to feel that they have no choice but to make that journey. The question remains the one that I asked on Monday: what happens with the million that are already in Europe and the other million that will come before the measures announced on Monday are put in place? The only possible answer is the sharing of responsibility throughout the EU, as proposed by the Commission. It is time for this Government and Governments on the continent to step up to that challenge.

3.30 pm

**Stephen Gethins** (North East Fife) (SNP): It is a pleasure to serve under your chairmanship, Mr Rosindell. I congratulate the hon. Member for Gravesham (Mr Holloway), a colleague on the Foreign Affairs Committee, on securing this debate. He will be surprised to hear that I agree with him on the need to differentiate between refugees and immigrants. I was very pleased that he made that distinction in his comments, but that is the only common ground that we have. However, I congratulate him on securing the debate and on speaking about the subject so forthrightly. It is an issue that we sincerely need to discuss, and we have had a good debate with some good contributions.

I want to briefly touch on immigration since other hon. Members have touched on it today. I hope the hon. Member for Gravesham will forgive me for doing so, given the comments that have already been made. Immigration is a good thing for the United Kingdom. It has been a good thing for a long time past. Huge contributions have been made by immigrants and refugees to all of our communities the length and breadth of the country. Similarly, within the European context, freedom of movement is a good thing. It is good for our economy and it is good socially. I am somebody who has benefited. There is a great myth that somehow it is only the United Kingdom that bears the brunt of freedom of movement, whereas the reality is that UK citizens benefit from freedom of movement as much as EU citizens benefit.

The hon. Member for St Albans (Mrs Main) was keen to highlight the English challenges, which I am sure there are. She made a sensible case for devolution of immigration because it is something that the Scottish Government have looked for. It would benefit the Scottish economy, so we want more immigration. I know that the agriculture sector in my own constituency benefits, as it does in the constituency of the hon. Member for Central Suffolk and North Ipswich (Dr Poulter), who also highlighted that the NHS benefits hugely from immigration. We in Scotland are keen to see more. The hon. Member for St Albans made her case on behalf of her constituents and I respect that, but there is a case to be made for devolving immigration. In fact, in countries such as Australia, different states already take responsibility for immigration.

On refugees, my hon. and learned Friend the Member for Edinburgh South West (Joanna Cherry) made an impassioned case. The hon. Member for Gravesham talked about how many we should take. We should certainly

take a lot more than the 0.25% we currently take. The EU is looking to relocate 160,000 refugees, and that goes to the heart of the points he makes. I hope the Minister will give a thorough explanation about why the UK Government are not opting into the project. The United Kingdom has taken 400—0.25%—of those 160,000 refugees. That is a disgrace. Ireland, our neighbours to the west, have an opt-out, as has the UK, and Ireland has decided not to use it. Perhaps the Minister can tell us why the Irish have decided not to use their opt-out but the UK has. I am sure he will cover that.

Furthermore, I hope the Minister will touch on why the Government are not taking up offers of support from the Scottish Government. They have offered to help the UK Government and to take more than our fair share. Some 40% of the refugees who arrive are going to Scotland—the first batch went to Scotland. The Scottish Government have put their money where their mouth is. We are not just talking about this; we are doing it and we are taking action. Will the Minister touch upon the Scottish Government’s offers of help?

On the issue of refugees, we are talking about people fleeing conflict and failed states such as Libya. The United Kingdom had a hand in its becoming a failed state. We spent £320 million bombing Libya and then £25 million on reconstructing it. I believe we have a responsibility in such areas.

We also have the dreadful civil war in Syria. I was fortunate enough to spend time in a refugee camp on the Turkish border. I met one person who did not want to go back to their country. The only reason he did not want to go back was because he could receive the medical treatment for his wounds from the conflict only in Sweden, where the last remaining members of his family lived. We need to remember who is holding the front line on this—countries such as Macedonia, Croatia, Italy and Greece—and we have an obligation to show a little bit of European solidarity. I hope the Minister addresses that point.

As the hon. Member for Strangford (Jim Shannon) ably pointed out, immigration has a huge impact, but it is a positive one. I noted his remarks about the Kindertransport children in his own constituency. We also have to remind ourselves of the challenges that refugees face. There are 2.5 million refugees in Turkey, and one in four people in Lebanon are refugees. The challenges are huge. That was something that my hon. Friend the Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald) mentioned. I hope the Minister addresses those issues.

3.36 pm

**Keir Starmer** (Holborn and St Pancras) (Lab): It is a pleasure to serve under your chairmanship, Mr Rosindell. I, too, thank the hon. Member for Gravesham (Mr Holloway) for securing this debate. It is really important to discuss these issues, even if there are deep divides between us on the right way forward. The challenge of migration into the EU is clearly a huge one. Last year it was the biggest challenge in a generation. All the forecasts are that migration into the EU is likely to be greater this year than last year, so there is no doubt as to the nature and scale of the challenge.

Syria has been discussed this afternoon. When we look at the size of the challenge, it is worth reminding ourselves of the figures in relation to those fleeing Syria:

[Keir Starmer]

13.5 million of the population of 22 million are in dire need and 6.6 million are displaced, of whom 4.3 million have fled abroad. That is a huge issue that will be even bigger this year. Last year, nearly 1 million of those fleeing from Syria claimed asylum somewhere in the EU.

It is important to reflect on the causes of migration into the EU, which are predominantly persecution; gross human rights abuses; extreme poverty; and climate change. We can find all those causes reflected in any refugee camp in Europe. I was in Calais, which the hon. Member for Gravesend mentioned, and Dunkirk at the beginning of January. In Dunkirk there are many families. One of the men spoke to me and explained that he had fled from Kurdistan as a result of ISIS taking over his town, and he ended up in Dunkirk. There are lots of different reasons why people are on the move in the numbers that they are.

The first imperative in dealing with the challenge is joint international work upstream to try to reduce the conflicts that cause so many people to leave in the first place. I concur with the comments about how the vast majority of people from Syria would very much prefer to be back in Syria at the first opportunity. We must have upstream work to de-escalate conflict, and we must work with our international partners wherever we can to reduce the likelihood of people having to flee their home country.

There is also the question of people smuggling. Our Government and various Departments are working jointly with partners in Europe and beyond to deal with people smuggling, not only in Europe but upstream. My staff in the Crown Prosecution Service were involved in that when I was the Director of Public Prosecutions. Again, that is work that needs to be done upstream.

As for our contribution to rescuing those who are desperate and at risk of losing their lives, I thought it was a wrong turn when we withdrew some support for the rescue operations. I am glad that we are now fully engaged in those exercises on the Mediterranean again. Assuming that all that work is carried out, we then have to consider how to process individuals quickly when they get to Europe.

I have been pressing for some time on the issue of family reunification. There are rules, such as the Dublin III agreement, on family reunification and the rights of some of the people who are currently in Europe to reunite with family here. In some of the camps, such as Calais and Dunkirk, it is absolutely clear on the ground that those rules are not working in practice. We could do more about the refugee crisis than we are currently doing. Of course it is welcome that we are relocating 20,000 people from the camps outside Syria, but, along with others, I am concerned about the number of unaccompanied children in Europe. It is not only about the number, but the fact that more than 1,000 have disappeared. They are particularly vulnerable, so I urge the Government to do more for unaccompanied children.

We must also address the question of how we support people if and when they arrive in this country. This is the second of three Westminster Hall debates on refugees and migration. We had a debate this morning on the support for asylum seekers when they arrive in this country and how the contracts to provide accommodation are not working as they should.

The central point of this debate was made by the hon. Member for Central Suffolk and North Ipswich (Dr Poulter): in the light of the scale of the challenge and the reality of the steps that need to be taken, leaving the EU will not help. We need to be playing our part upstream to reduce conflict, playing our part in rescuing those who are desperately in need, and co-ordinating the response to the challenge in Europe. I do not think that there are many Members of this House, or many members of the public, who genuinely think that we should simply step away from Europe, or who think we should recognise the huge numbers of people fleeing into Europe and the desperate conditions from which they are coming and simply say, "It's not our problem. We will somehow exit from Europe and play no part."

**Pat Glass:** Does my hon. and learned Friend agree that, if we exit Europe, unless we become a city state like Singapore—a tax haven on the edge of Europe—and have absolutely no trade agreements with Europe, we will still be subject to all the surcharges on everything we make and export? Unless we do that, we will have to abide by the rules and regulations that apply for all EU member states, along with those states that trade with them, such as Norway and Switzerland. That includes the rules on the free movement of people. Whether we leave or not, it is not going to make any difference to the free movement of people across Europe.

**Keir Starmer:** I am grateful to my hon. Friend for that intervention. I agree. I have tried to make a similar point about criminal justice measures. A number of EU criminal justice measures are critical in the UK and used 24/7. Almost all those involved in criminal activity above a certain level operate across borders, and we rely heavily on EU criminal justice measures to combat that activity. By that I mean that we locate our own staff in Europe and are co-ordinating with our partners all the time. Without those measures, we would be at much greater risk in relation to criminal justice.

If we come out of the EU, I accept that there is no rule to prevent us from trying to renegotiate the economic and criminal justice measures, but it would be a very difficult renegotiation that would, in all likelihood, take us back to precisely the same measures. Take, for example, the European arrest warrant. It is extremely unlikely that our European partners would negotiate with us an approach to such warrants that was different from the existing arrest warrant. We would therefore step outside Europe and have to renegotiate the same provisions as we have now, but we would lose all influence. I saw that when I was Director of Public Prosecutions: the moment the Prime Minister suggested that there was going to be an EU referendum, our voice around the table on what future measures should be crafted to deal with crime was reduced in both volume and influence.

There is also a point of principle, touched on by the hon. and learned Member for Edinburgh South West (Joanna Cherry), as to whether we really want to retreat from the world stage or play our part. We see our role in the world as one in which we will involve ourselves in, for example, the conflict in Syria. The argument that the Prime Minister made to the House before the vote on Syria was premised on our responsibility as a nation state to play our part in combating Daesh. That is the sort of nation that we are: we want to play our part in combating Daesh. I voted against the motion before the House,



but not because I disagreed with the principle that we should play our part internationally to resolve the crisis in Syria. So, too, with humanitarian aid—

3.45 pm

*Sitting suspended for a Division in the House.*

[MR DEPUTY SPEAKER *in the Chair*]

3.57 pm

*On resuming—*

**Keir Starmer:** I was about to conclude my remarks, so the Division was timely.

**Mr Deputy Speaker (Mr Lindsay Hoyle):** There we are. Great speech.

3.58 pm

**The Minister for Immigration (James Brokenshire):** It is a rare privilege to see you in Westminster Hall, Mr Deputy Speaker. It is a pleasure to serve under your chairmanship, and previously that of Mr Rosindell. I congratulate my hon. Friend the Member for Gravesham (Mr Holloway) on securing this wide-ranging debate, which has touched on a number of issues relating to migration into the EU. I thank other hon. Members for their contributions.

It is important to set out the context of the debate, as others have. We are experiencing movements of people into the EU on a scale that has not been seen for generations. Some have sought to liken it to past events, but the situation we are dealing with is very different, given the number of nationalities involved, the nature of the situation and the mix of refugees with those who come to the EU seeking a better way of life, so looking for parallels with past events is challenging.

We can be clear that European member states face an unprecedented number of refugees and migrants, primarily from the middle east and Africa. More than 950,000 refugees and migrants reached the EU last year on the Mediterranean routes. About 800,000 arrived in Greece, the majority of whom were Syrian. Some 150,000 arrived in Italy after making the dangerous sea crossing from Libya. More than 3,500 people drowned, and many more have died or suffered at the hands of smugglers and traffickers en route.

Some Members called today for the Government to provide a humanitarian response. Some, such as the hon. and learned Member for Edinburgh South West (Joanna Cherry), even suggested that we were washing our hands of the problem. I would rather characterise it as the Government and the country rolling up our sleeves. We can be proud of the steps that this Government have taken, which reflect our moral approach to such issues. We have considered the problems at hand, dealt with them at source and brought countries together to solve the problems that lie behind the migration crisis into the EU.

It is notable that this debate comes hot on the heels of last week's London conference, where nations came together to pledge £10 billion. Important though it is, however, this is not just about money; it is about direct assistance for hundreds of thousands of people. Indeed, the conference's outcomes included the commitments to create 1.1 million jobs for Syrian refugees and host country citizens in the region by 2018, and to ensure that none of the more than 1 million affected children will become part of a lost generation, with assurances

about quality education and equal access for girls and boys. The UK has contributed an additional £1.2 billion, raising the money that we have committed to £2.3 billion. We are not "washing our hands"; we are responding appropriately to a huge crisis.

People have asked about our contribution within the EU. The UK has just increased its aid to migrant children in Europe and the Balkans to £46 million, divided among the most affected countries and including specific support of £2.7 million for UNICEF. We have also announced in recent weeks a new £10 million fund to support the needs of vulnerable refugee and migrant children in the EU.

Securing the EU's external borders is a key part of addressing the crisis. Although the UK does not participate in Schengen border arrangements, a well managed external EU border is in our national interest. The Government fully support the European Commission's hotspots proposal, which is aimed at addressing the continuing failure of some member states quickly to fingerprint and process arrivals and to provide protection to those who need it and return those who do not. It is unfortunate that implementation has been regrettably slow, and we will continue to press the Commission and all member states to act with urgency in establishing processing centres. We will also provide resource and expertise as and when required to ensure that people are processed when they arrive in the Greek islands or elsewhere, and that those in need of support and those not can be identified.

**Mrs Main:** I support my right hon. Friend in that aim. Frontex has shown that more than 1.8 million people have entered Europe illegally, yet only several hundred thousand have been sent back, so there is an obvious need for the additional support that our country has given.

**James Brokenshire:** We will provide assistance to the European Asylum Support Office and to Frontex to help with the establishment of processing centres right on the frontline, to help deal with the problem and co-ordinate things on the ground. That is a core priority. We also continue to support Frontex in its mission to rescue people from the sea. I pay tribute to the Border Force officers, Royal Marines and military medics currently on the VOS Grace, which has rescued several thousand people over recent months and will continue its operations, transferring to off the coast of Libya at the end of this month.

The link between organised crime and migration is clear and unprecedented, and has contributed directly to ongoing suffering and loss of life. For that reason, the UK is playing a leading role in tackling people smuggling and is increasing joint intelligence work to target the cruel gangs that exploit human beings for their own gain. The work of the organised immigration crime taskforce is progressing, bringing together 100 officers from the National Crime Agency, the Border Force, immigration enforcement and the Crown Prosecution Service to pursue and disrupt the organised crime gangs operating across Europe and Africa. We are also harnessing intelligence through Europol, which is proving helpful and fruitful.

I have been challenged about our response in Europe, and I have already identified not only the support that we are providing in the Syrian region but the direct support that we are providing in Europe. Since the crisis began the Government have been clear about our view on relocation: it is the wrong response. It does absolutely

[James Brokenshire]

nothing to address the underlying causes of the crisis, and it does nothing more than move the problem around Europe. The reality is that it has not even been good at doing that. Commitments have been made over recent months to relocate 160,000 people, but only 497 people have been relocated to date. Instead, we believe that it is most effective to provide support to countries facing particular pressures, and our focus will remain on helping the most vulnerable who remain in the region as part of a comprehensive strategy to end the crisis.

**Stuart C. McDonald:** If the Government will not take part in relocation, what should happen to the million people who arrived last year and the million who will arrive this year? Where should they go? Who should take on that responsibility?

**James Brokenshire:** We have clear rules in Europe that those in need of humanitarian protection should claim it at the first opportunity. We have provided aid assistance and expert support within Europe, and we stand ready to commit more to the hotspots initiative, ensuring that those in need of protection can be better identified. In the past fortnight, we announced the £10 million fund that I mentioned earlier, part of which is intended to harness the Dublin regulation by supporting effective identification of children who need to be reunited with their family. Where family reunion under the regulation is achievable, we will help to match things up by having better systems in place. That is about direct assistance.

**Stephen Gethins:** Further to the point made by my hon. Friend the Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald), is the Minister suggesting that Malta, for example, should deal with the refugees that arrive there on its own without the UK lending a supporting hand?

**James Brokenshire:** As I have indicated, the UK is more than lending a hand by dealing with some of the significant factors that push people to cross the sea and with the organised immigration crime that is facilitating that. We are also providing expert support to the European Asylum Support Office, Frontex and Europol. The UK is demonstrating, through a broad range of measures, its commitment to solidarity with European partners in dealing with the crisis at hand.

On returns, which some Members have referred to in the debate, the unprecedented numbers of migrants and refugees arriving in Europe mean that it is more important than ever that each and every EU member states fulfils its responsibilities to process all those arriving, provide refuge to those who need it and return those who do not. As part of those efforts, all member states must have legislation and processes in place to identify and weed out abuse of their asylum system.

**Julian Knight (Solihull) (Con):** Will the Minister praise the work of local councils in stepping up to the plate when it comes to the migrant crisis? For example, Solihull Metropolitan Borough Council has dealt with a large number of unaccompanied asylum-seeking children and has become a beacon of best practice in the west midlands.

**James Brokenshire:** I commend a number of councils on the support that they have provided in welcoming refugees under the vulnerable persons resettlement scheme, and I commend my hon. Friend for highlighting his own council. I pay tribute to councils in Scotland that are providing such support, as well as to the charities and other organisations standing behind them. On the work on unaccompanied asylum-seeking children, I recognise the pressures in counties such as Kent, and measures in the Immigration Bill, which is currently in the other place, are intended to assist with that.

The Government's consistent focus has been on finding a comprehensive and sustainable solution to the refugee crisis. The Prime Minister has continued to emphasise the need for the EU to deal with the root causes of the crisis, not just to respond to the consequences. In Syria that means working with the international community to bring about an end to the brutal conflict there and to defeat Daesh. The UK has been at the forefront of the response to the crisis in Syria and the region. In Libya that means helping to form a Government of national accord who can regain control of Libya's borders and tackle the smuggling gangs. In Turkey it means working towards comprehensive border management, ensuring a humanitarian response to those reaching that country and disrupting the organised criminal networks that look to profit from the plight of others. The UK is also playing a leading role in Africa.

The migration crisis continues to evolve. The Government maintain a leading role in seeking to join together international partners in the EU and elsewhere. We can be proud of our response, but we remain vigilant. We need to carry on providing support in many different ways, but the UK can look with pride at the steps that have been taken already. We will continue to do our bit.

4.11 pm

**Mr Holloway:** In summary, we have got to do what is right, what works, what is sustainable and what is moral, not just what makes us feel better about things. A good example of what I am talking about could be the case mentioned by the hon. and learned Member for Holborn and St Pancras (Keir Starmer), of someone from Kurdistan in Dunkirk whose town had been taken by ISIS. The rest of Kurdistan is relatively peaceful and, after 18 months, the peshmerga had taken back places such as Sinjar, so there is no reason for someone to move from Kurdistan to Calais to seek safety. There is plenty of safety in other bits of Kurdistan and within the region. The driver in that case is, I think, economic; it is not about security.

When we think about the refugees, we should be helping the many, not the relatively privileged few who have the money to make long journeys. We should be helping people in the region, and helping them properly, as the Prime Minister and the Minister for Immigration have done. We have to send out a firm message to the hundreds of millions of people within only a few days' drive of the Mediterranean: if they come to Europe, they will not stay in Europe. Until we do so, the crisis will go on and on.

*Question put and agreed to.*

*Resolved,*

That this House has considered migration into the EU.

## Mobile Infrastructure Project

[MRS ANNE MAIN *in the Chair*]

4.13 pm

**John Glen** (Salisbury) (Con): I beg to move,

That this House has considered the mobile infrastructure project.

It is a pleasure and an honour to serve under your chairmanship, Mrs Main.

The purpose of the debate is to express the concerns of four distinct communities in my constituency, in Ebbesbourne Wake, the Woodford valley, Broad Chalke and Bowerchalke, with what is in essence the failure of the mobile infrastructure project. We hoped that the project would improve the poor or in many cases non-existent mobile phone coverage in those areas, but none of the proposed masts at those sites have been seen through to completion. I will set out the challenges of the project and the lessons to be learned from it. I will also make constructive suggestions about how we can move forward. It is heartening to see a number of colleagues in the Chamber with experience, I suspect, of similar disappointments with the project.

The mobile infrastructure project, on which I am sure the Minister will give us authoritative detail later, was first announced in 2011. The Government envisaged working in partnership with a private firm, Arqiva, and providing it with capital funding to build new mobile phone masts. The masts were to be operated by four large operators, which would fund the operating costs for 20 years. The aim was to improve the coverage and quality of mobile network services for the 5% to 10% of consumers and businesses living and working in areas with poor or non-existent coverage, and to ensure that 99% of the population had mobile service.

In a series of debates on broadband infrastructure and mobile telephony everyone has been impressed with the progress made by the Government generally in increasing the percentage of people who can access new services. For those who cannot, the situation is extraordinarily frustrating. My understanding is that 600 potential sites were identified at the beginning of the project, and the contract with Arqiva commenced in May 2013. By December 2015, a couple of months ago, the project had cost £9.1 million and only 15 masts were live. The Secretary of State announced that the project will not be extended past its deadline of March 2016, so it is anticipated that by the time the project ends only about 50 masts will have been built, which is perhaps a sixth of the number of masts envisaged five years ago.

The project faced significant challenges from the beginning. First, the Select Committee on Culture, Media and Sport was told that Arqiva had to wait almost a year to receive accurate data on “not spot” zones aligned with operators’ network maps. Arqiva said that it had not anticipated that delay when the project was scoped.

Secondly, perhaps the most typically vexing experience has been of the delays in planning permission and the difficulty of obtaining it for a number of sites. The Minister contacted me about sites in my constituency, acknowledging uncertainty over where they might be, and I engaged with the parishes concerned in an effort to find agreeable sites quickly. In such rural areas with

the poorest mobile coverage, however, two factors are significant. The proposed sites are often in areas of outstanding natural beauty or national parks—we have both in my constituency—which can provoke numerous representations, because if a mast is not in the right place, it is there for a long time, causing significant environmental challenges. We must, however, recognise the need to overcome that obstacle, because better mobile coverage is absolutely necessary. Getting right the planning permission, with an economically viable power connection, has been a significant barrier.

**James Cartlidge** (South Suffolk) (Con): We had three proposed masts in my constituency, one of which will be going ahead and will be transformational, proving the possible impact. Does my hon. Friend agree that the lesson we might have to learn if the scheme returns—I hope there will be some kind of renewed funding—has to be on the basis of communities coming forward to an extent and being proactive and willing to accept masts, so that we know there is a good chance of getting planning permission? Instead, the other way around, we have been saying, “Here’s a load of money,” and people get excited, but nothing actually gets delivered.

**John Glen:** I am extremely grateful for my hon. Friend’s intervention. That is where we need to get to by the end of the debate: a real sense of what can be achieved, with a call-out to those communities that are most keen to secure a mast location under the MIP or a successor project, if there is one, so that we can make things happen. Raised expectations that are dashed after two or three years is a most frustrating phenomenon for constituency MPs to deal with.

**Dr Andrew Murrison** (South West Wiltshire) (Con): Will my hon. Friend give way?

**John Glen:** I will happily give way to my parliamentary neighbour.

**Dr Murrison:** I congratulate my hon. Friend on introducing this important subject. Does he agree that it is not so much that the project is at fault, but that perhaps it was a bit over-ambitious in the timeframes in which masts can be brought forward, noting difficulties with planning permission, which as he will fully know can be protracted, and issues around the powering up of masts? Perhaps he may want to encourage the Minister to extend the programme.

**John Glen:** As ever, my hon. Friend and neighbour alights on the right points. I would like to talk about the short timeframe, because Wiltshire Council tells me that Arqiva contacted it on numerous occasions but the project was dropped at the first sign of local difficulty in obtaining a planning consent because the short timeframe to deliver on a completed mast made it too difficult. The other issue Arqiva said it experienced was that initially the coverage was intended to be for 2G voice and data services, but there was a subsequent extension to future-proof the project with capacity for 4G. I suspect that change of scope mid-way through the project did not help the smooth delivery of masts.

**Matt Warman** (Boston and Skegness) (Con): Does my hon. Friend agree that if we are going to go for new masts, it is right to use the latest technology that provides the data and broadband that people want access to as well as voice services?

**John Glen:** I absolutely agree. It is critical that we have additional capacity for spectrum frequencies delivered in a cost-effective way. There is no point in taking a quick option that is now out of date and it is imperative that we take that lesson on board.

I want to be constructive in how I address the Minister in the debate, because whatever has happened, the Government's aims were absolutely correct. It is extremely disappointing that the project did not meet its original aims. It has underspent and I understand that that money has been returned to the Treasury, so there is scope for representations to be made to the Treasury in the coming weeks to look to repurpose that money for further projects. I want to put on record my support for the legally binding deal the Government secured with mobile phone operators to guarantee mobile coverage for 90% of the UK land mass by 2017, tackling partial "not spots". However, that is of little comfort to those who have no hope because they are in "not spots" where there is no prospect of achieving mobile coverage. We need to intervene quickly.

If we are to be successful, we need to overcome the planning permission issue. Given the need to gain planning permission for such a large number of sites, was the project's three-year timeframe realistic? Wiltshire Council found the timeframe that Arqiva had to deal with the technical feasibility, stakeholder engagement and planning processes too short.

Questions should be asked about the tender process for the contract. Arqiva made much of its ability to engage with stakeholders and obtain planning permission quickly—I saw that in an article on its website last year—but it would be useful to understand what the Department believed Arqiva was capable of doing in terms of the project's aims and what its assessment was of why technical and planning difficulties were not overcome.

When there are future projects to tackle "not spots" and improve capacity, the Minister should consider working with the Department for Communities and Local Government to create fast-tracked and more streamlined infrastructure planning consent routes specifically for that purpose. I am a strong advocate of this Government's and the previous Government's commitment to localism and working constructively with local councils, but I would observe the feedback I received from Councillor John Thomson, the deputy leader of Wiltshire Council. He told me:

"we feel the lack of early and timely engagement with the right stakeholders such as AONBs and the right landowners from the very beginning of the project has significantly contributed to the failure across all nine potential sites. Wiltshire Council have asked Arqiva for an explanation as to why individual sites did not get taken forward, but to date have not had any report from them".

The project has been deeply disappointing and frustrating for so many of our constituents. Future projects must work with stakeholders, who are often committed to the aims of the project and want the work to be completed, but it seems that when anxiety was expressed in the early stages, projects were pushed aside and not completed as they should have been.

In conclusion, I would like to focus on the challenge. I know that the Minister has worked extremely hard to find solutions, but we are all very aware that we need to have timely, appropriate and technically achievable goals

that we can take back to our constituents and say, "This will be delivered in a reliable timeframe", because many people are cynical about the initiative.

I am anxious that the Minister should update us on what the Government are doing to tackle poor mobile phone coverage in the light of the experience in Salisbury and south Wiltshire and the failure of the project, notwithstanding the positive initiatives in other respects. We need to give business the infrastructure it needs and meet its need for connectivity. Some of these communities have poor landline connections, broadband is intermittent and they are not in the phase 2 for the roll-out of superfast broadband in Wiltshire.

**Michael Tomlinson** (Mid Dorset and North Poole) (Con): I am grateful to my hon. Friend for securing this important debate. These issues affect not just Wiltshire residents, but Dorset residents. Doubtless the Minister will be positive and bullish, as is his custom, but I would invite him to recognise that while the 90% target is good, for the 10% who are left, including those Dorset residents who do not have coverage, it becomes more and more frustrating for them as more people get coverage.

**John Glen:** My hon. Friend makes the exact point that we all wish to make. There is real urgency around the project. We know that the money has gone back to the Treasury, but I urge the Minister to focus on how we can re-establish the scheme and ensure that individual applications can be expedited quickly in the second half of the year, when so much work has already been done, so that we can go back to our constituents and say, "There is hope." There will be an opportunity and if applications are in and certain criteria are met, we can go back to our local authorities with an assurance and deliver on a promise, which, while I do not want to be melodramatic, has been cruelly taken away. That is a significant inconvenience to businesses, individuals and families who find themselves unable to speak to other family members—they cannot ring their children—and feel totally cut off just five or six miles from the city of Salisbury. It is not good enough, and the Government need to address that.

4.28 pm

**The Minister for Culture and the Digital Economy (Mr Edward Vaizey):** It is a pleasure to serve under your chairmanship, Mrs Main. I still fondly recall my visit to your constituency to see the wonderful heritage and that brilliant museum that you have there—what a lucky MP you are!

I feel in a relatively philosophical mood as I gaze at 12 colleagues who are a sort of jury, ready to give a verdict on the programme. I must admit that I am guilty as charged. I do not think the programme has been a success, and I do not think that Ministers often say that about their programmes. My hon. Friend the Member for Mid Dorset and North Poole (Michael Tomlinson) predicted that I would be bullish about the programme in my usual bombastic—he did not say that word, but perhaps he meant it—fashion, but I will not be bullish about it.

I think that when Ministers defend their programmes, they should have credibility. I am happy to defend the superfast broadband roll-out, which I think has been an

unequivocal success despite the occasional criticism I receive. I am also happy to defend our record on libraries, despite the brickbats that I get from library campaigners, but I am fully prepared to stand up in the Chamber and admit that the mobile infrastructure project has not been as successful as we had envisaged. We set aside £150 million. We talked about 600 sites. Our heart was in the right place. We wanted to eliminate “not spots”, precisely because of the point that my hon. Friend the Member for Salisbury (John Glen) raised: mobile phones are essential to many people in their daily lives. We wanted to eliminate the “not spots” that exist as best we could. I am grateful to him for securing this important debate.

**Dr Murrison:** Will the Minister give way?

**Mr Vaizey:** I am in the middle of my mea culpa, but I might as well give way and make this as tortuous as possible.

**Dr Murrison:** I am rather concerned, because the Minister seems to be beating himself up. The truth of the matter is that if his Department is guilty of anything, it is perhaps not having anticipated how long it takes to get infrastructure projects of this sort off the ground. All he needs to do is say that the project essentially is a good one but we need to allow it a little more time, so that projects of the sort to which my hon. Friend the Member for Salisbury (John Glen) alluded have a chance.

**Mr Vaizey:** I hear what my hon. Friend says, and I will address that point in a minute.

I want to start with some of the obstacles that we encountered. First, there was the issue of coverage. I said earlier that I was in a philosophical mood. What we had to try to establish, to quote Shakespeare, was, “What is a not spot?” Trying to establish where a “not spot” is—that is, exactly where we will get no mobile coverage—can be difficult when dealing with radio frequencies. For the benefit of hon. Members who have not taken a close interest in the programme, a “not spot” is where no mobile operator can get a signal. A partial “not spot” is where there may be a signal from one mobile operator but not from another.

We therefore had to narrow down what a “not spot” is. That proved a useful exercise, because it allowed us to work with Ofcom and the mobile operators for the first time to establish a much more robust system of identifying where we were not getting mobile signals. Of course, the programme was announced at around the same time as the 4G auction, so we ran smack bang into the middle of the 4G roll-out programme, which was clearly going to change coverage criteria and therefore add another factor.

The next issue was planning. My hon. Friend the Member for Salisbury makes a good point—we had not anticipated just how difficult some of the planning issues are, particularly when we were dragging four operators with us, metaphorically kicking and screaming. Although we were paying for the mast, we were asking them to meet the operating costs going forward, which include the land rental as well as the transmission costs for what is, by definition, an uneconomic area.

As an example, I will take my hon. Friend through the saga of North Hill farm in his constituency. A planning application was approved at the end of October 2015,

but the council—I am sure he knows some of its councillors—then decided that even though planning approval had been given, the colour of the mast had to be subsequently approved. Apparently, if a range of colours had been given, that would not have caused a delay, but the council wanted specific approval of the mast’s specific colour. That was compounded by the fact that the council and the area of outstanding natural beauty partnership did not respond to Arqiva’s request for guidance on what colour mast they wanted, to enable the council to make an application to discharge the planning condition—in other words, the colour of the mast.

**James Cartlidge:** Will the Minister give way?

**Mr Vaizey:** I just want to finish the saga. Arqiva submitted a discharge of condition application in November. That was received by Wiltshire Council, which discharged the condition on 30 November. That was a full month after the deadline we had set for all planning applications to be determined, thus taking it out of the MIP programme.

Planning issues have proved difficult. We have had communities campaigning against masts and putting concrete blocks in front of the base stations to prevent any further work.

**James Cartlidge:** It is good to hear the Minister nailing his colours to the mast, as it were. We have had similar issues in South Suffolk. It seems to me that all of the problems point to this: masts can go up and we can have new projects, but we have to learn lessons, and the communities that want the masts will have to be far more engaged and willing to come forward and accept them, rather than just be passive in the process.

**Mr Vaizey:** I agree with my hon. Friend.

Let me say what we have done since the MIP programme. My hon. Friend the Member for Salisbury talked about light at the end of the tunnel and giving people hope, and we have made some important changes. For a start, we are bringing in changes to allow mobile operators to erect taller masts, which will enable the signal to go further and have a significant impact in rural areas. We are going to change the electronic communications code, which governs access to masts and has a significant effect on the cost of maintaining infrastructure. We want to bring that forward through a digital economy Bill.

Subsequent to the MIP programme, we negotiated a change in the licences for mobile operators so that they now have to meet 90% geographic coverage, not just the 98% premises coverage. That will make a difference. The merger of O2 and Three, which we are waiting to see the result of, may make a significant difference. We have made Government property available for mobile masts, and all hon. Members might consider engaging with their councils on any property that would accommodate a mast. Those are all significant changes.

Of course, the emergency services programme that is just getting under way with EE should see the erection of 300 masts across the country, which will have a significant effect on “not spots”. As the 4G roll-out continues, we expect the area of “not spots” to fall to as low as 2% of the entire country, and the area of partial “not spots” to fall to as low as 12%—half what it is at the moment.

[Mr Vaizey]

I hear what my hon. Friend the Member for Salisbury says about a possible way forward, and I will certainly keep my mind open. We would have to overcome the scepticism of the mobile operators. One difficulty of the programme is that the companies do not want to participate in it—I do not say that pejoratively—because they are landed with the operating costs of the masts. We, the Government, pay the installation costs, but the companies are landed with the operating costs for masts that are, by definition, uneconomic.

I am sympathetic to the proposal about communities coming forward with sites where the council is willing to give planning permission. I remind my hon. Friend that planning permission for a mast still exists on the site I mentioned, should he be able to tempt a mobile operator to erect a mast on it.

**Several hon. Members** *rose*—

**Mr Vaizey:** I now have at least three hon. Friends who wish to intervene. I will start with my hon. Friend the Member for Mid Dorset and North Poole.

**Michael Tomlinson:** I am grateful. The Minister mentioned a 2% target for “not spots”. Can he give a date for when he envisages that being achieved?

**Mr Vaizey:** End of 2017. Next?

**Mr Ian Liddell-Grainger** (Bridgwater and West Somerset) (Con): The Minister will be aware that permission has been given for a very large mast in Exmoor, which my constituency covers. Unfortunately, the licence for the site is running out because it has taken so long to get, so we cannot build a mast. Is there any way that extensions could be given where masts have been given approval but cannot be built because of that problem?

**Mr Vaizey:** I am not sure which licence my hon. Friend is referring to, but as he and I talk almost every day about broadband issues, I am happy to follow up on that specific point about licences. I have to put on the record what a vociferous constituency MP he is on behalf of his constituents’ broadband and mobile coverage.

I thought I had a third hon. Friend wishing to intervene, but they seem to have disappeared. I am not sure how long I have, Mrs Main.

**Mrs Anne Main (in the Chair):** Until 4.43 pm, unless you feel you have finished.

**Mr Vaizey:** I was working to 4.37 pm.

**Mrs Anne Main (in the Chair):** There is no need to continue, if you feel you have finished.

**Mr Vaizey:** All I will say in the time remaining is that we have erected 16 of the masts and are hoping to get 60 up and running. Arqiva has a chief executive in the saddle, Simon Beresford-Wylie, who is very much focused on the project and has pushed through a lot of the applications.

A lot of my hon. Friends have suggested that the scheme could be extended. We took the tough decision, given the problems we have had with it, to impose a deadline. We had regular meetings about the scheme and how we could make it work more effectively and so

on, and it was finally decided, partly in the light of the changes I outlined earlier—the taller masts, the electronic communications code, the emergency services programme, which is significant, and the changes to mobile licences—that it was right to concentrate minds and bring in a deadline. However, the Government’s mind remains open to any suggestions from my hon. Friends who are quite rightly advocating better mobile phone coverage on behalf of their communities.

There is a juxtaposition: there is, of course, a social priority for good mobile phone coverage, but it remains the case that the mobile phone operators are private companies. They are therefore investing their own money in building networks, as well as paying the Government significant sums for the spectrum allocated to them that they won in an auction.

Just as we have done with the superfast broadband programme, it is right that the Government intervene as and when we can. Given the significant difficulties we have come across with the mobile infrastructure project, the way forward is changing the licences, changing planning regulations to allow taller masts and give better coverage, and implementing the emergency services programme, which comes in behind. I should add that the emergency services programme will benefit from the MIP, because a lot of the groundwork on identifying “not spots” and identifying some of the very significant logistical errors in erecting masts will go a long way towards informing the emergency services programme.

I am sorry that I sound a bit Eeyore-ish in responding to this debate, but hon. Members can tell that I have been living with this programme for the past three or four years, and I thought it was time I came to the House and gave a frank view from the Government Benches on how the programme has worked.

**James Cartlidge:** The Minister says, absolutely fairly, that the last scheme was stopped. Perhaps, to interpret what my hon. Friends are suggesting—this is certainly what I feel—we could have an improved and amended scheme in the months ahead. Therefore, if there is a village that does not have access to the emergency services programme and has no credible other technology to provide a mobile signal—for instance, if it is in a dip and needs a mast—will there still be the potential for a scheme whereby willing communities can come forward within the next 12 months?

**Mr Vaizey:** At the moment, no. To meet my hon. Friends halfway, I suggest that if we had a series of proposals whereby a community was genuinely willing to have a mast and the council was onside, it would be incumbent on the Government to consider those proposals. To refer back to my earlier remarks, we need to look at the particular sites that concern my hon. Friends, then see whether they fit within the emergency services programme and consider the potential way forward. I suggest that if my hon. Friend the Member for Salisbury convenes a group of colleagues who wish to come and see me with definitive statements of masts that they would like to see progressed, I will happily hold that meeting after the February recess.

**John Glen:** I am extremely grateful to the Minister for his constructive remarks and see them as a green light to carry on the campaign.

**Mr Vaizey:** Quite right, too.

**John Glen:** Notwithstanding the reticence of the operators to engage in the project, there is a real imperative for the Government to force them to deal with this issue. I hope that the Minister recognises the widespread interest in the matter across the House and across our constituencies, where many people feel let down. However, I am grateful for what he has said and for the hope that he has given so many people who have contacted me in recent months.

**Mr Vaizey:** I am very grateful to my hon. Friend for his remarks, and I am grateful for the additional six minutes, which I think took the debate forward significantly.

4.42 pm

*Question put and agreed to.*

## Refugees: UK Government Policy

4.43 pm

**Richard Arkless** (Dumfries and Galloway) (SNP): I beg to move,

That this House has considered UK Government policy on refugees.

It is a huge privilege to serve under your chairladyship, Mrs Main.

**Bob Stewart** (Beckenham) (Con): Chairladyship!

**Richard Arkless:** It is perhaps a little bit more politically correct.

Make no mistake—this country faces its biggest humanitarian crisis of our lifetime. The civil war in Syria has cost the lives of almost a quarter of a million people since it began. The UN estimates that over half of Syria's pre-wartime population of 23 million is now in need of emergency assistance. Turkey, Jordan, Lebanon, Iraq and Egypt have so far received over 3 million people, with the figure set to increase by another 1 million this year. Some 1.2 million refugees have managed to navigate their way to Europe, with the estimate, again, of up to 1 million to come this year.

The total estimated figure for displaced persons as a result of the Syrian war now amounts to just under 4 million people. Syrians are now officially the most displaced population in the world, with the majority of those displaced being children. The war has not only sparked the greatest humanitarian crisis of our time, but has exposed a region, already destabilised, to becoming one where chaos reigns freely on the ground. In my view, that is the core reason why so many have left their homes and their lives in search of a more secure immediate future. It is not just Syrian; Afghanis, Iraqis, Libyans and others are all fleeing this destabilised region and we must recognise that the UK has played its fair share in the actions that have resulted in that destabilisation.

People's lives and their human dignity are on the line. The perils of a journey across the Mediterranean pale into complete insignificance for them, compared with the terror that they leave behind. Only last week, more than 50 people drowned in the Aegean sea. The numbers continue to grow as the weeks and months go by and they will not slow down if we stay on our current course.

Such people are certainly not making an easy trip to claim benefits from our welfare system. Do we honestly believe that people fleeing for their lives have logged on to the Department for Work and Pensions website, analysed our benefits system and said to themselves, "Do you know what? The UK will do for me.?" To suggest so is to misunderstand completely the situation that these people find themselves in.

The benefit-chasing myth—so easy to peddle and excite UK Independence party voters with—should be dismantled here and now. These are human beings fleeing terror and likely death. They want to work in an environment where their families are safe and can be provided with a good life—that is it. These are values that we all share as human beings and I say that we should approach this problem, first and foremost, in our capacity as human beings.

[*Richard Arkless*]

I voted against UK airstrikes in Syria because I believed that the risk of exacerbating the problem was too great even to quantify, and a few months on there is little sign that our involvement has in any way stopped the war or the flow of refugees. However, because our pals were doing it, we thought that it was the right thing to jump in with them.

**Bob Stewart:** I thank the hon. Gentleman for giving way. The reason why airstrikes on Syria are required is to stop these murdering people from carrying out further murderous crimes and to keep them bottled up. That is why I support airstrikes and I hope that in the end, that is what will happen: they will stay there and be bottled up until we can find a political solution. That is why airstrikes are necessary.

**Richard Arkless:** Of course, I disagree with that assertion. There was a very prolonged debate on the Floor of the House when both sides had the opportunity to put their points of view across. I sincerely hope that the hon. Gentleman's assertion is proved correct—history will be our judge—but my view is firmly on the other side of that argument. I hope he can respect that difference of opinion.

**Mr Andrew Smith (Oxford East) (Lab):** I congratulate the hon. Gentleman on securing the debate. Like him, I voted against the airstrikes for similar reasons. It is right for us to address the refugee crisis as human beings, and does he agree that a credible proposal to establish, through concerted international action, safe areas within Syria in which people could seek refuge would be worthy of international support?

**Richard Arkless:** Yes, of course; I agree completely with the right hon. Gentleman's comments. Although we must find a solution to the war, that focus should never alleviate our responsibility as human beings to do something more about the displacement and creation of refugees. I have started by summarising the current state of the problem facing us in the hope that Members present will take an open-minded approach, as human beings, to why the UK response to this crisis is inadequate and falls short of the moral and necessary minimum.

Let me be clear that nobody here doubts the efforts made by the UK in the large camps that litter the middle east. I welcome the UK's leading role in that. I accept that the UK is a major donor to that effort, and I support those initiatives and commend the Government for their efforts in that regard. However, I make this plea to the Minister: when he sums up, will he please not waste time waxing lyrical about our efforts in the camps? We all accept that. The point of difference is what extra we can do, and I hope his comments will be restricted to that point.

**Tulip Siddiq (Hampstead and Kilburn) (Lab):** I am proud to say that two local authorities in my constituency, Camden and Brent, have pledged to take in 50 families between them, despite staggering cuts in their local government budget and the fact that these families will cost between £29,000 and £40,000 per family per year. Does the hon. Gentleman agree that the Government should work with these local authorities to help them to

fulfil their pledges and with other local authorities to see how many families they can take in? Collective effort will put pressure on the Government to do something about the refugees.

**Richard Arkless:** I agree completely with the hon. Lady. Later in my speech, I will touch on some of the alternatives that the Government could use to encourage other people do more. We have all but turned a blind eye to the crisis facing our European partners and the Government seems to have joined the race to become the least attractive place for someone to seek refuge in the hope that refugees will aim to settle elsewhere. If that is the foundation of this Government's response, it is truly pathetic. The focus does not seem to be on how much we can help, but on how little we can get away with.

**Heidi Allen (South Cambridgeshire) (Con):** I am the first to say that we need to be doing more in Europe and many hon. Members will know that I was in Lesbos with colleagues the weekend before last. The hon. Gentleman's statement is shameful and wrong.

**Richard Arkless:** Every Member is entitled to their opinion and I stand by my statement. It is unfortunate that the hon. Lady and I disagree about it.

The Prime Minister and the Government have massively underestimated the scale of the problem. The UK's response to the crisis has been a commitment to resettle 20,000 refugees in this five-year Parliament. It is a welcome contribution, but falls way short of what could be described objectively as a fair share. Oxfam tells us that a fair share would be 23,000 in 2016 alone and my simple calculation is that we seem to be taking in around 20% of what others are telling us our fair share is. Twenty thousand may sound a lot, but colleagues in the Chamber should recognise that it equates to six refugees per parliamentary constituency per year between now and 2020. If that is the extent of our humanity, I am deeply embarrassed.

The number could easily be larger, and the refugees could be accommodated through charitable initiatives and adequate partnerships between charities and local authorities. The Government could even ask people whether they can help. They may be surprised to learn that not everyone hovers between Tory and UKIP. Only this week, the Prime Minister used the incredible argument that if we left the European Union, we could end up with camps like that in Calais in the south of England. The implication was clear: it is fine if they are in France, but we do not want them here. I find that attitude inhumane.

**Helen Whately (Faversham and Mid Kent) (Con):** The hon. Gentleman is making the important point that the numbers need not be large if they are spread out across the country. Will he make it clear whether his view is that it should be imposed on local authorities to take a certain number of refugees? I say that having spoken to local councils who have told me that it is important that they can choose how many to take.

**Richard Arkless:** The responsibility is with the Government and this place to decide what our moral contribution is. There should then be discussions with



local authorities to see what capacity they have and to come to some sort of agreement. The responsibility rests with this place and its elected Members to decide what our moral obligation is.

Striking the right balance between helping people in the region and those who have fled is crucial and the Prime Minister should encourage further debate in Europe on how those currently displaced within the EU could be spread proportionately. Would it not be refreshing if the UK was the voice of humanity in the EU?

It is estimated that 26,000 unaccompanied children came to Europe in 2015. Last month, we were told by Europol that 10,000 of those little kids are missing. A third of the total number of refugees entering Europe are children. Article 26 of the universal declaration of human rights and the European convention on human rights remind us that we have a moral duty to ensure that these children receive an education. That is non-negotiable, yet the ever-likely scenario is that these unaccompanied minors are more likely to fall into the hands of trafficking rings than to attend a lesson that could inspire their future.

We fully back Save the Children's call to the Government to give sanctuary to 3,000 unaccompanied child refugees. If we do not do that, what will we say to them: "Oops, sorry, we are one of the richest countries in the world, but we can take only a few hundred of you"? Will that clear our conscience and alleviate our moral obligations as elected Members? I think not. The UK must act now to take more than a fair share of these kids. They are children, for goodness sake. I cannot imagine that this place will ignore that call. Surely it will not.

There are strong economic indicators and arguments for welcoming refugees into the UK, supported recently by 120 leading economists in a letter to the Prime Minister. Even the Home Office has admitted in its own reports that migrants have offered a net contribution, which runs into billions. Time and again, migrants prove that they put in more than they take out, which prompts the question: what are the UK Government afraid of? Call me a cynic, but I think it is UKIP.

**Mrs Anne Main (in the Chair):** I am looking at how many Back Benchers want to speak. I will call the Front Benchers at 5.23, so I hope hon. Members will do the maths and make way for their colleagues to speak. Otherwise, I will have to impose a limit.

4.56 pm

**Helen Whately (Faversham and Mid Kent) (Con):** It is a pleasure to serve under your chairmanship, Mrs Main. I congratulate the hon. Member for Dumfries and Galloway (Richard Arkless) on securing the debate. I did not agree with all of what he said, but he made some important points about our moral obligation and how we should raise our sights as high as we can when considering what we can do about the humanitarian crisis that is upon us. I had my airtime on this topic a couple of weeks ago, so I will be brief.

My perspective is that one cannot help but feel compassion when one sees the pictures of refugees, wherever they are in Europe, including Calais. That includes the pictures of Alan Kurdi on the beach last year and of the 70,000 or so refugees massed on the Turkish border right now. One feels that compassion,

but we must approach the situation with our heads as well as our hearts and make sure we do the right thing as well as being humane. I visited a refugee camp in Turkey last year, having visited the camp in Calais, which was so much worse than what I saw in the camp in Turkey. I have spoken to several local councils to hear how they are getting on with the resettlement of refugees under the Government's programme and how well the new arrivals who have already come to the UK are getting on.

**Bob Stewart:** My hon. Friend refers to "refugees". My wife, who is a delegate to the International Committee of the Red Cross, reminds me that refugees are people who are fleeing from a country in fear of their life, and that economic migrants are people who are trying to find a better life. Not all migrants are refugees, and the vast majority of those at Calais are probably economic migrants.

**Helen Whately:** My hon. Friend makes a good point, and I completely agree. Some of the people I spoke to in Calais are refugees, some are economic migrants and sometimes it is difficult to determine.

**Bob Stewart:** It is difficult to tell.

**Helen Whately:** Indeed. What they need to do is to apply for asylum and go through the process, when it will hopefully become clear what their right to remain is.

I want to share a few reflections this afternoon. First, although we want to bring refugees here and give them a chance of a new life—it can be life-changing—there is no point in doing so unless we genuinely give refugees a chance of a good life and a good experience here. It would be terrible to bring thousands of people here and for them to be put in an area that does not want them, in poor-quality housing, or for there to be resentment in the community surrounding them because it believes they are competing for housing and jobs, or just that there are too many people from another culture being imposed on the area.

It is critical that refugees who have come all the way across continents to come to the UK have a good experience, because if they do not, it may well be better for them to stay in the region, closer to extended family and closer to being able to get home afterwards. To ensure that refugees here have a good experience and are in good housing, that their children can go to school and that they can get jobs and are welcomed by communities, it is critical to continue the current scheme of local authorities stepping forward and saying that they believe that they can take two families, five families, 10 families or 50 families. They are the ones saying, "This is what we believe as a community we can do, and this is what our community will welcome."

**Tulip Siddiq:** I agree with many of the hon. Lady's points. My constituent, Alix Wilton Regan, has just come back from volunteering in Calais, and she said that the majority of people she met there were midwives, nurses, doctors and so on. Those are skills that we could use in our country; there is a shortage of such professionals in the UK at the moment. Does the hon. Lady agree that it would be mutually beneficial if we could bring such people over? It would not just benefit them, it would benefit us as well.

**Mrs Anne Main (in the Chair):** Order. I ask that interventions be brief, especially as the hon. Lady is not down on the list to speak. I am mindful that other colleagues wish to speak.

**Helen Whately:** I am surprised by that account, because of what I saw when I was there. I think that it is widely accepted that the vast majority of people in the Calais area are men rather than women. Of course, that is not to say that there will not be both men and women from those professions. It is tempting to have an asylum policy whereby we welcome people who have particular skills that we need as a country, but I do not think that would necessarily be right. I think it is better to prioritise people by their need, rather than our need. Also, I would be worried about taking people from Calais, because I think that that would create a pull factor for people to come across Europe to Calais. It is so much better to take people from the region, rather than tempting them to come here.

As I said, I have been to Turkey. The conditions in the refugee camp that I saw were pretty good. I know that many people are choosing not to be in the refugee camps, because they want to work, but for most people it is at least a safe environment. I know that it is not for all people, and particularly for some from minority religions, but for many people in the region it is safe.

**Heidi Allen:** By and large, I agree with my hon. Friend that this pull factor is a dreadful thing, but could there be an exception to the rule for children who genuinely have not a soul left in the world? There is no pull or push factor for them. They are abandoned. Surely we have a duty to take them.

**Helen Whately:** I would defer to my right hon. Friend the Minister for a more detailed reply on that point. One's compassion for children means that of course it feels awful to imagine children abandoned. I think that we have to be very careful, though, not to encourage a situation in which we might see families and even parents letting—no, encouraging their children to try to head into Europe, because of the chance that they might have a new life. That would be really dangerous, and I imagine that there is a risk that it could happen were we to take children. There is a risk of that pull factor, although we are absolutely right to be looking at what we can do for those children, particularly those who are in Europe in awful conditions. How can we help? I do not think that it is remotely an easy answer.

On the point about children, I want to give the Kent perspective, as I represent a Kent constituency. We have more than 1,600 unaccompanied asylum-seeking children and care leavers in Kent at the moment. We have appealed to other areas of the country to help Kent look after those young people, as Kent foster homes and the Kent fostering system are kind of full. Only about 90 have been taken by other local authorities, so in welcoming other children and child refugees, we need first to ensure that we are doing a good job by those who are already in the UK. We need to ensure that we look after those we have, not just try to help others. Let us do a good job for those who are here now.

As I said, when I went to Turkey, the conditions in the camp were relatively good—not lovely, but pretty good. Often, the grass looks greener in Europe to refugees, and we think, “Wouldn't it be better if we could have

more refugees here and help them get here?” But the grass is not necessarily greener in the UK—it would not be if we were to take huge numbers—and we know that the British pound goes much further in the region than it does here. Therefore, we are right to press on with the strategy of taking a limited number of refugees—those we can particularly help because of their health needs and what they have been through. However, all of us as MPs can press the local authorities in our areas to work together and say, “Let's see whether we can take more”. Maybe—let us hope—we can take more than 20,000 and do it faster, but we should do it from the bottom up, and we can all play a part in it.

**Several hon. Members** *rose*—

**Mrs Anne Main (in the Chair):** Order. I ask that hon. Members divide the time among themselves—it is roughly five minutes each—as opposed to me imposing a time limit.

5.5 pm

**Liz Saville Roberts** (Dwyfor Meirionnydd) (PC): *Diolch yn fawr, Mrs Main.* I will do my best to keep to the time limit. I am grateful to the hon. Member for Dumfries and Galloway (Richard Arkless) for securing the debate.

It is safe to say that the geopolitics of human suffering that is bringing tide upon tide of desperate refugees to Europe is the greatest ethical and moral challenge of our time. Plaid Cymru has constantly and consistently called on the UK Government to recognise the enormity of the crisis and to respond appropriately. We have also joined charities such as Oxfam and the Welsh Refugee Council in urging that the nations of the United Kingdom take our fair share of refugees. However, the number of people reaching Wales remains small. It is a distressing fact that more people lost their lives in the Mediterranean last year than found refuge in Wales.

Wales has a proud history of offering sanctuary to refugees, but we need to do more, and doing more means that there is a complex jigsaw of authorities, responsibilities and budgets to negotiate, against a background of austerity. The UK Government, the Welsh Government, Welsh local authorities and Welsh charities need to pull together to ensure that refugees are welcomed in Wales, that they have the means to settle and thrive and that their host communities are sufficiently resourced. There are concerns that the funding allocated to individuals for health services may not be sufficient in specific cases. I have spoken to my own local authority, Cyngor Gwynedd, about that.

Both the Home Office and a given local authority might feel that individuals with certain health conditions—perhaps disabled people—should warrant humanitarian priority. I ask the Minister to consider special categories of health needs and to ensure that local authorities can afford to provide proper care. Councils and communities should not be placed in a situation of picking and choosing who to accept from the camps not on the grounds of need but on the grounds of affordability. It is to be feared that the result of that, as matters stand, will be leaving sick and disabled people in the camps, which must be the least suitable place imaginable.

With specific reference to Wales, I would also like to address concerns about asylum accommodation. The recent exposure of systematic failings by Clearsprings in Cardiff warrants an urgent inquiry. It is clear, following

yesterday's evidence session of the Select Committee on Home Affairs, that Clearpsrings was aware of the practice of using red wristbands and decided not to challenge that practice. I propose that that indicates an unjustifiable level of insensitivity to refugees' experience that calls for an inquiry.

I would like to take this opportunity also to raise the plight of ethnic groups suffering at the hands of Daesh in countries beyond the boundaries of Syria. The media news cycle is fickle. What pulls at our heartstrings one week is next week's recycling fodder. Two years ago, the fate of the Yazidi community was headline news when Daesh besieged thousands of Yazidis on Mount Sinjar in Iraq between August and December 2014. Daesh's cynical demand of "Convert or die" amounted to nothing less than a veil to conceal genocide. Members of the Yazidi diaspora talk about 35 mass graves containing 6,000 dead. The Yazidis are a community of 500,000 people who have suffered extreme religious persecution. They have been displaced from their homelands in Sinjar, the Nineveh plain and Syria, where they have lived for 3,000 years. The Yazidis, as I am sure many people are aware, are not a Muslim people, and they have been treated with particular harshness because of that.

Yazidi women have been, and remain, the victims of systematic sexual violence at the hands of Daesh fighters. They are especially vulnerable to enslavement and forced sexual abuse because of their ethnicity and religion. This week, I had the honour of meeting a young Yazidi woman, Nadia Murad, and learning something about her experiences. I was horrified to learn that some 3,400 Yazidi women and girls—children among them—are still held captive by Daesh.

My request is that the degree of our concern is not dictated by the latest media story, and that the quality of people's suffering is not defined by the immediate horror of today's news bulletin. Along with many hon. Members, I urge the Government to take our fair share of refugees from Syria and beyond, and to ensure that we provide proper care for them here in the UK. I beg the Government to remember the other ethnic groups caught up in the maelstrom, in the name of religion, in the middle east.

5.10 pm

**Natalie McGarry** (Glasgow East) (Ind): It is a pleasure to serve under your chairmanship, Mrs Main. I congratulate my hon. Friend the Member for Dumfries and Galloway (Richard Arkless) on securing an important debate. It is an absolute pleasure to follow the hon. Lady—I am not going to insult her by trying to pronounce the name of her constituency in Welsh—who made a powerful speech about Yazidi women.

The refugee crisis facing Europe is one of the defining challenges of our time. Millions are fleeing the catastrophic conflict, and are asking and pleading for our help and humanity. So far, the UK's response has been shamefully inadequate. While other nations in Europe have stepped up and offered refuge to tens or hundreds of thousands, the UK has committed to taking just 20,000 Syrian refugees by 2020. That pales in comparison with the numbers taken by other countries in Europe. Although I do not want to put an arbitrary number on how many refugees we should accept and by when, I would very much like to see the UK Government step up their efforts to support those affected by the Syrian conflict and others by providing shelter and refuge.

As an MP for Glasgow, I am proud and heartened that Scotland has led the way in welcoming refugees from Syria—a nation all but destroyed by civil war. A third of those who have come to the UK thus far have been settled in Scotland, which is down to the work of the Scottish Government, councils, housing associations and other organisations that have put a concerted effort into making that the case. These people are not simply coming to our shores in search of a better life. They are desperately seeking any kind of normal violence-free existence—the kind of life we all take for granted.

The plight of child refugees fleeing conflict zones is especially touching, and is an area in which the UK Government could and should make tangible progress. The Government have recently announced their intention to identify and help more vulnerable unaccompanied children who have already reached Europe from Syria and beyond, but that simply is not enough. Save the Children estimates that in Calais and Dunkirk alone, 2,000 unaccompanied children are living in refugee camps in horrific conditions that we would never wish our own children to be anywhere near. Many of those children already have families living in the UK, but the reunification process can take as long as 11 months to complete. Save the Children estimates that there are more than 20,000 unaccompanied children without shelter and stability across Europe, and they are vulnerable to trafficking and exploitation.

Any truly humanitarian response from this Government would treat helping those young people as an urgent priority and ensure safe refuge. Sadly, the Government's record has been to put many refugee children back into harm's way rather than to rescue them. This week the Home Office admitted that, over the past nine years, 2,748 young people who sought asylum in the UK as unaccompanied children were deported to conflict-torn countries such as Afghanistan, Iraq and Syria—the place we are taking refugees from. I hope the Minister can justify that situation.

It is deeply disappointing that, instead of stepping up and offering leadership in tackling this humanitarian crisis, the Prime Minister has chosen to denigrate refugees seeking asylum and to treat them as political pawns. In referring to vulnerable people desperately seeking our assistance as a "swarm" or a "bunch of migrants", he betrays a callousness in his approach rivalled only by the UK Independence party.

Language matters. Sometimes in the debate about refugees, humanity is lost. Refugees are ordinary people like you, Mrs Main, and like me. They are people with lives, not merely pictures on a screen. They have lost their homes, their dignity and their way of life. They are scarred by conflict and are fleeing in very real danger of their lives. In October, I met people like us in Camp Newroz in Rojava in northern Syria. Many of them were Yazidis who have suffered the most catastrophic and horrendous circumstances and continue to do so. Their homes in Sinjar have been completely destroyed—their way of life obliterated. They cannot see a safe future in returning to Sinjar. It speaks of the scale of horror and destruction if it is safer in the sea than it is on land. Does our humanity allow us to turn our back on those people?

It is deeply concerning that, instead of leading efforts in Europe to find a humane and sustainable solution to the crisis, the Prime Minister has dragged refugees into

[*Natalie McGarry*]

an EU referendum campaign. A constructive vision of how co-operation across Europe can provide answers to major contemporary challenges such as the refugee crisis would be a far better argument for staying in the EU than his petty scaremongering that a vote to leave would see refugee camps at Dover.

The simple fact is that the refugee crisis is not going away, and the UK Government must step up their plans to support desperate people fleeing warfare and disaster. That means reviewing their refugee policy here in the UK and engaging far more actively at EU level to find a Europe-wide solution to this global humanitarian crisis. The Government still have an opportunity to act, expand their support and improve their international engagement, but they must first admit that they need to do more. I look forward to hearing from the Minister.

5.16 pm

**Stuart C. McDonald** (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP): It is a pleasure to serve under your stewardship, Mrs Main, and to follow my hon. Friend the Member for Glasgow East (Natalie McGarry). I congratulate my hon. Friend the Member for Dumfries and Galloway (Richard Arkless) on securing the debate.

I start on a positive note by paying tribute to the Minister for his work in resettling 1,000 vulnerable Syrian refugees. These things never operate completely perfectly but on the whole the resettlement scheme appears to have got off to a positive start and I thank him for his contribution to making that happen. More broadly, we should recognise that, compared with many countries, the position of refugees and asylum seekers in the UK is positive. However, the role of the Opposition is to point out what the Government could do better, and there is a lot that the Government could do better in their treatment of asylum seekers and refugees. I could probably speak all day on this subject so please do not treat this short shopping list as a comprehensive one. In the time I have, I will try to make three or four short points.

This morning we had an excellent debate on asylum accommodation and the COMPASS housing contracts. We heard about the red doors in Middlesbrough and the red wristbands in Cardiff. More broadly, we heard of myriad complaints about poor accommodation standards and services in various parts of the UK. Many hon. Members argued that, before the Government consider renewing the contracts, there must be a thorough independent review of the operation.

This afternoon, we had a robust debate on migration into Europe and our approach to the refugee crisis. In my short speech I made the case for UK participation in the relocation of refugees around the EU. More than 1 million people fled to Europe by sea last year—about 800,000 to Greece and 150,000 to Italy. Some 84% of those people were from refugee-producing countries. Almost half were from Syria, 21% were from Afghanistan and 9% were from Iraq. On any view, hundreds of thousands of refugees are among those arrivals. Many more—probably a greater number—will be coming this year and the year after.

No two countries can possibly cope with the task of receiving, registering, checking, supporting and processing claims for the refugee status of thousands of people every day, and no two countries can reasonably be

expected to absorb the hundreds of thousands of refugees that are among their number. Nor, indeed, can they take on the task of removing all those who require to be removed. Yet, in essence, the approach of this Government appears to be that Greece and Italy should have to serve as home for all several million refugees.

**Heidi Allen:** It is not only the UK. Every European nation is relying heavily on Greece to take the workload, and the international community needs to come together.

**Stuart C. McDonald:** I agree that the failure has not only been of the UK's participation in the relocation scheme. Even countries that, on paper, have agreed to take part in the relocation scheme are not doing so. Germany and Sweden have tried to take well more than their share and have run into difficulties. Ultimately, 1 million people among two, three or four countries is an almost impossible task; 1 million people shared around a union of 500 million is a tough challenge, but it is surmountable. I honestly think that when we look at the maths, the only reasonable approach is to share responsibility for those who have made that journey.

Two other causes for concern will suffice before I run out of time. I continue to object to the fact that destitution appears once more to be becoming a tool of choice for immigration control. My party shares the concern of the British Red Cross that certain provisions in the Immigration Bill, which is currently making its way through the House of Lords, and particularly the end to section 95 support for families with children who have exhausted their appeal rights, will force those families into destitution and put them at significant risk of harm. It will also increase the risk that such families abscond, and it will pass significant costs on to local authorities. We also recall that a similar project by the Labour Government had precisely those results and made immigration control harder, not easier. Again, when the Government look at the evidence, I ask even at this late stage for them to reconsider their approach.

My final key point is on immigration detention. The current system is in need of urgent reform because it detains too many people, because it detains people who should never be detained, because it detains people for far too long, and because it is costly and inefficient. Our estate is one of the largest in Europe, with places for almost 3,400 people. This country detained more than 30,000 different people in 2013, which is significantly more than any of our European colleagues. Some 4,300 people were detained in Germany, which, incidentally, received more than four times as many asylum applications. We are locking up vulnerable people, including victims of trafficking, torture and sexual violence, with absolutely no need.

We welcome Stephen Shaw's very thorough report and the Government's fairly positive response, and we will be pushing for the report's implementation as soon as possible. On another day we could discuss the use of fast-track detention, the right to work, the problems with decision making, the policies on unaccompanied children, the inclusion of refugees in the net migration target and the Secretary of State's rather alarming speech on redefining the concept of what it means to be a refugee, but I finish by paying tribute to the Minister's work and ask him to persuade some of his colleagues to up their game, too.

**Mrs Anne Main (in the Chair):** Order. Before I call the Front Benchers, I remind Members that this debate will finish at 5.43 pm. It is customary to allow a minute or two for the proposer of the debate to sum up at the end. I will be calling Anne McLaughlin as the Scottish National party spokesperson, although she is sitting on the Back Bench—I am just explaining for other Members who are watching.

5.22 pm

**Anne McLaughlin** (Glasgow North East) (SNP): I did not realise that I was supposed to sit on the Front Bench. I will do so next time.

I am delighted to sum up for the SNP in this debate. There have been a number of interesting contributions, and it is important that those of us who are fighting for better and more support for refugees continue to say so. I said that in the debate this morning, and I am sure the Government are getting sick of the sight of us, but many refugees listen to or read these debates. Opposition Members cannot change much of the Government's policies at the moment, and although we find that incredibly frustrating, we should not underestimate how much of a difference it makes to people seeking asylum to hear words of support from those of us who will, at some stage, be in a position to make changes.

That said, there are countries that help nobody and I acknowledge, as others have, that the UK at least helps some people—it does not help enough, but at least it does something. A number of crucial points have been made about the UK's policy on refugees, and I congratulate my hon. Friend the Member for Dumfries and Galloway (Richard Arkless) on securing this debate and on a fantastic speech. He said that half of Syria's pre-wartime population is now in need of support from the rest of the world, which is frightening. He also said that the UK has played its part in causing some of the refugee crisis in some of the region, which we cannot deny.

The hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) gave an excellent example of some of the people we are helping, such as the Yazidi women who in many cases are victims of brutal rape and who cannot be protected in their own country. They are just some of the people about whom we are talking. My hon. Friend the Member for Glasgow East (Natalie McGarry) talked about the importance of language, and I completely agree. Some Government Members need to change the language that they are using. My hon. Friend the Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald) talked about his concern, which I share, about policies coming through now that will lead to further destitution and, disturbingly, further destitution for families.

The most powerful argument comes from the fundamental disagreement between Members of this House. Some of us believe that refugees make a positive contribution to these islands, and others believe that they do not. They may say they believe that refugees make a positive contribution, but they are paying lip service because their actions speak far louder than their words. If Government Members truly believe that refugees make a positive contribution to the wellbeing of the UK, their policies and rhetoric would be very different: as my hon. Friend the Member for Dumfries and Galloway said, they would not have an ethos that asks not how

much we can help, but how much we can get away with. I know that the hon. Member for South Cambridgeshire (Heidi Allen), for whom I and a number of SNP Members have a lot of respect on a number of issues, is unhappy, but the way that we treat asylum seekers in this country can often be described only as horrendous and shameful. Actions speak louder than words.

We are trying to have a debate about refugees, and we all know the definition of a refugee, and still the hon. Member for Beckenham (Bob Stewart) felt the need to state that the majority of people in the Calais camps are economic migrants. Apart from the fact that I do not know how on earth he knows that—I am quite sure he does not—what, as they say in Glasgow, has that to do with the price of fish? We are talking about refugees, and I will not be deflected from that.

Like many Members, I was surprised when I looked back over the historical contribution that refugees have made to the United Kingdom. I was not surprised that they had made a significant contribution; I was just surprised by how significant that contribution was. When I looked at the list of British institutions and facets of everyday life shaped by refugees, I started to recognise how the nations of these islands have been shaped by people fleeing conflicts. Marks and Spencer, Burton, Hampton Court Palace and the Mini Cooper—refugees are often as British as fish and chips, which apparently also have a refugee connection, believe it or not.

**Kirsten Oswald** (East Renfrewshire) (SNP): I wholeheartedly agree with my hon. Friend about the contribution of refugees to UK society. Does she agree that the thousands of Ugandan Asian refugees who arrived in 1972, and who were initially the subject of much anxiety, made a huge contribution to British life and are a perfect example of why we must do more for refugees?

**Anne McLaughlin:** Absolutely. We need to get away from the idea that refugees take and do not give anything. They are not a burden; they are part of the fabric of our society. The much lauded Office for Budget Responsibility estimates that the contribution made by a large number of new arrivals would cause a significant reduction in the national debt as a percentage of GDP. The hon. Member for Faversham and Mid Kent (Helen Whately) rightly said that we need to approach this with head and heart, and it is logical that educated, self-funded migrants, as many refugees are, will make a great contribution to the UK. Should we not have an asylum policy that says “We will support you to escape persecution, now let's see what you can do to help us improve the economy and build our country”? We should be doing that, rather than leaving people languishing in limbo for years, losing their professional skills and the entrepreneurial impetus that they could have been using to benefit their host country.

**Heidi Allen:** Will the hon. Lady give way?

**Anne McLaughlin:** I do not have time. I am being told to wind up.

In the history of the UK there are some astounding stories of people fleeing tyranny, arriving here and contributing in all sorts of ways. Refugees are not a long-term burden on society. We are lucky to have them and their contribution, and our policies ought to reflect that.

5.28 pm

**Keir Starmer** (Holborn and St Pancras) (Lab): It is a pleasure to serve under your chairladyship, Mrs Main. *[Interruption.]* I am taking my lead from the SNP.

This is an important debate. We have had three debates today on aspects of the refugee crisis, which is clearly the issue of our time. I will not take up time by repeating the numbers, because I know the Minister wants to respond to some of the questions that have been put to him. Millions of people have fled Syria, as everybody knows. Millions are registered as asylum seekers in Egypt, Iraq, Jordan, Lebanon and Turkey, and now of course in Greece and Italy. There are millions, taken together. We stand at a moment when the United Nations High Commissioner for Refugees and the EU are calling on the international community for a collective response to a huge crisis. We have not seen a crisis of this size and order for many generations.

I pay tribute to the work of this Minister in particular—the Under-Secretary of State for Refugees—in this field, and to what the Government have done. The steps that have been taken are welcome. However, in 20 years' time chapters in history books will be written about this moment in world history, in European history and in our own history, and I have concerns that—on reflection and looking back—our response will be judged as reluctant and limited, and in comparison with others not fair and not proportionate.

I just remind hon. Members that, back in January 2014, we agreed only to aid the neighbours of Syria in their efforts but not to have any part in the resettlement scheme at all. That work was extended in 2014 but only in relation to vulnerable persons—broadly speaking, those who had suffered sexual violence and torture—and it was expected that a few hundred people might resettle. Then, in September 2015, there was the resettlement programme for 20,000 Syrians.

Those steps were all welcome, but all of them were, in truth, a response to overwhelming pressure from the public, the media and the Opposition in this House. The same is true in relation to unaccompanied children. There has been a debate about this issue for some weeks. There was a statement just a few weeks ago, but again it was more limited than many of us had hoped for. There is the sense of reluctant and limited steps being taken, welcome though those steps are.

There are a number of questions for the Minister to deal with now and in the coming weeks and months. The first is this: can the hard stop line about Europe really be maintained any more? In other words, can we really say that we have no responsibility to deal with those people who have arrived in Europe and that we simply have to put the burden on the states where they are now, and play no part in relocation? I understand why it is important not to undermine the Dublin III agreement, but on the other hand there are countries that are clearly struggling with the number of people they have, and I wonder whether that hard stop line can be justified for very much longer.

I also raise again the question of unaccompanied children. I listened carefully to what the hon. Member for Faversham and Mid Kent (Helen Whately) said about this issue, and it is an argument that is made about the influence that our action might have on future action. However, we have to face up to the fact that these

children are in Europe right now, unaccompanied, and they are desperate, and the push-pull factors do not apply to them, as others have already said. Also, a number of these children are disappearing. Are we really going to stand here and say that, for fear of what might happen in the future, we will do nothing for them now? I am very uncomfortable that, as a country, that could possibly be our position, and I think that view is shared across the House in different ways and with different forces.

**Bob Stewart:** Will the hon. and learned Gentleman give way on that point?

**Keir Starmer:** Of course.

**Bob Stewart:** I will be very quick.

**Mrs Anne Main (in the Chair):** I was going to call the Minister in about 30 seconds.

**Bob Stewart:** I will take seconds. Unaccompanied children need to be properly processed, because if we act too fast they might never see their parents or their other relatives again. We have to get that processing right.

**Keir Starmer:** I am grateful for that intervention and I agree.

I will use up my remaining 30 seconds simply to say that whatever processes are applied, either to unaccompanied children or to adult asylum seekers arriving in this country, they have to be better managed than they are now. There are disproportionate burdens in different areas, and we have to address that sooner rather than later. Also, as we debated this morning in relation to accommodation, there are real concerns about the way that services and accommodation are being provided to asylum seekers.

These are big questions, but they are the questions of our time.

5.33 pm

**The Parliamentary Under-Secretary of State for Refugees (Richard Harrington):** Thank you very much, Mrs Main, for calling me to speak. It is a pleasure to serve under your chairladyship.

I do not have time to go through everything; I would have liked to go through all hon. Members' speeches. Obviously, I congratulate the hon. Member for Dumfries and Galloway (Richard Arkless) on securing the debate. Unfortunately, Mrs Main, every time you said, "Richard", I jumped up. So, the hon. Gentleman and I have something in common.

In fact, I think we have more than that in common, and I pay tribute to the partnership between the Scottish Government, the Convention of Scottish Local Authorities and the Home Office. This is one of the things that we can say that we have all really worked together on, and I commend the Scottish people for what they have done for the refugees through the resettlement programme.

I apologise for not mentioning every single speech by every hon. Member but it really is because of time and not because I do not want to. I could probably have taken up the whole hour of the debate myself, as hon. Members can imagine.

I will try to cut out a lot of the general stuff, but I will put something on the record. I have been doing this job since the middle of September and I do not see the cold lack of a humanitarian attitude of the Government towards refugees. Those people who know me know that I am not the most partisan of people; this job is not the most partisan of jobs. However, I genuinely do not see this complete lack of humanitarianism. If anybody would like to discuss that separately, I would be very happy to do so. I am not saying that I take offence at comments about a lack of humanitarianism, but I genuinely do not see such an attitude.

The UK has a proud reputation for giving asylum to people. I myself am only two generations away from refugees and if this country had not taken my family—well, there certainly would have been another Member of Parliament for Watford, which would probably please quite a few people in this room.

It is obvious, as many hon. Members have said, that the sufferings of the Syrian people are a stain on humanity. When I think what my father saw in the second world war, and what the generation before him saw in the first world war, not to mention the movement of people after the second world war, it seems that we have all learnt nothing if this can happen in our time—really.

However, in the time I have left I must return to what the UK has done. Since the war started in Syria, we have granted asylum to more than 5,000 Syrians in Britain. We have the resettlement scheme, and I very much commend and personally thank those hon. Members who mentioned what has happened since the beginning of September, when we started the scheme.

Several SNP Members were really saying that the Government should do more, and not only in terms of the number of refugees. I agree that the number is arguable; anybody can have their views on that and it is very easy in these debates to come up with numbers. However, I can say that we have had the sort of partnership that hon. Members said has not existed. I spend my whole time with local authorities and talking to them, and the Government have included so many different groups under the strategic migration partnership—the SMP. We have always had the SNP but now we have the SMP. In every area of the UK, we have an SMP and it includes the local authority, the Home Office and nearly all the NGOs involved in this field. I will point that out.

The hon. Member for Dumfries and Galloway secured this debate. Personally, in my experience, I agree with what he said about people not coming here for benefits. Certainly with the Syrian refugees I have met, I think it has been the last thing on their minds. Unfortunately, however, I reject what he said about the Syrian bombing campaign—that it is simply something the British Government are doing to keep their “pals” happy. I would also argue that our response to what has happened in Syria has not been inadequate.

The hon. Gentleman and several other speakers wanted me to avoid going on about the camps. In fact, there are very few camps, but people can see in the areas around Syria quite what this country has done. With the exception of the United States, our humanitarian programme is by far the most significant, and it can be seen everywhere—in Lebanon, Turkey and Jordan.

Everything we do is through the United Nations High Commissioner for Human Rights and the UNHCR policy is to settle people in the countries around Syria,

and particularly to try to relocate children to extended families in that area. The UNHCR says that the vast majority of them—up to nine out of 10 of them, as far as we are aware—are resettled within the area that is called “the camps”, but actually it is just the area around Syria with extended families. I believe that that is the right policy, because obviously they all hope that they are going to go back to Syria. That does not mean that there are not unaccompanied minors, and the Government made a statement on that, as the shadow Minister said, the week before last. Tomorrow, the Immigration Minister and I are holding a roundtable discussion with most of the non-governmental organisations involved, including the UNCHR, to discuss where we go from here.

The Government are not doing nothing about children in Europe. Only last week, a further £10 million was announced. We are talking not just about money. There are many attempts to sort out what children are there and exactly where they are from, as well as to verify their identity and provide safe places for them to go within Europe. I am pleased to say that our Government, through the Department for International Development, are very much at the forefront of that. That is unusual for DFID, because in normal circumstances France, Germany and so on are not lower-income countries, but we are doing our bit. I know it is not what Members want, but I would not like to allow the assumption that we are doing nothing in mainland Europe to pass by, because that really is not true.

The main point that I would like to make is on numbers. It was mentioned that some economists wrote to the Government and that the bishops approached the Government. Lots of people write to the Prime Minister with numbers, and we have been both complimented and criticised about what we are doing with the 20,000 people. It is quite normal that people have their views and that they lobby. The shadow Minister said that what the Government have done is because of pressure from the Opposition and other groups, but to some extent that is how Governments work. The Government get criticised for not listening to what the Opposition and lobby groups say, or it is regarded as weakness if they do listen.

I feel that this is probably the least politically contentious part of Government. There is general cross-party consensus, perhaps not on extent, but on substance. In my life as a Minister in this field, I speak to so many groups and conferences—I am going to the east midlands tomorrow. Perhaps this is the last thing one should do to a group of politicians, but I do not even know who is Labour or Conservative or Scottish National party, because that does not enter into it. The SNP Members made a political point about a fear of UKIP, but I have not seen it, and I am happy to go on the record on that. It is the last thing on our mind, and I hope that the Labour and SNP council leaders whom I have spoken to would agree with that sentiment.

This is a complex issue. I feel personally and professionally that the Government are on the right tracks. We have a long way to go. The resettlement programme alone will run over the course of the Parliament. We have to select who we take over here through the UNHCR. The vulnerability criteria are not subjective.

**Anne McLaughlin** *rose*—

**Richard Harrington:** I am sorry, but there is not time. Otherwise, I would love to give way. The vulnerability criteria are calculated and worked out in a professional, impartial way. The criteria have expanded from two to seven, so they are wide.

We are determined that those who come here do so with the consent of the people in this country, which generally there has been. I have paid tribute to Scotland, but people have been taken in all over the country. It is not right to say scathingly that some places take one or two or three families. For a small community, that can

be pretty good. Other communities, such as Bradford, are very much used to taking in refugees and asylum seekers. They have done that for many years, and they have the set-up to do so.

**Mrs Anne Main (in the Chair):** Order.

5.43 pm

*Motion lapsed, and sitting adjourned without Question put (Standing Order No. 10(14)).*



# Westminster Hall

Thursday 11 February 2016

[MR ANDREW TURNER *in the Chair*]

## BACKBENCH BUSINESS

### Persecution of Religious Minorities: Pakistan

1.30 pm

**Siobhain McDonagh** (Mitcham and Morden) (Lab): I beg to move,

That this House has considered the persecution of Ahmadiyya Muslims and other religious minorities in Pakistan.

The cornerstone of the Ahmadiyya Muslim faith is its belief in peace and religious tolerance for everyone. Its motto is:

“Love for all, hatred for none.”

However, as we speak, that very same peaceful community continues to be persecuted on a daily basis in Pakistan and elsewhere. It is the only religious community to be targeted by the state on the grounds of faith. In Pakistan, Ahmadis cannot call themselves Muslims and are prohibited by law from voting as Muslims. That state-sponsored persecution has been enshrined in the country’s constitution since 1974. On top of that, Ahmadis are openly declared as “deserving to be killed”, with neither the state nor civic society willing to stand up for them against extremists. Perpetrators are given free rein to attack Ahmadis, safe in the knowledge that they will not be prosecuted for their actions.

**Chris White** (Warwick and Leamington) (Con): I congratulate the hon. Lady on securing this important debate. I take this opportunity to praise Mohammed Salim and other members of the Ahmadiyya Muslim Association who do so much for our community in Warwick and Leamington.

Does the hon. Lady agree that if Pakistan expects to grow its economy exponentially, it needs to address these serious humanitarian concerns and, in particular, the Pakistani Government’s failure to legally recognise the Ahmadiyya Muslim community?

**Mr Andrew Turner (in the Chair)**: That intervention went on a bit long. Let’s get them a bit shorter.

**Siobhain McDonagh**: I completely agree with the hon. Member for Warwick and Leamington (Chris White). It is a thriving, well-educated community that has much to give Pakistan, and it will do so if given the freedom and opportunity.

**Mr Gareth Thomas** (Harrow West) (Lab/Co-op): Although the debate is rightly focusing on the persecution of the Ahmadis in Pakistan, will my hon. Friend find a way to raise with the Minister the concerns that the Ahmadiyya community has about the way it is treated in Bulgaria and Indonesia, where similar problems exist, albeit not on the same scale as in Pakistan?

**Siobhain McDonagh**: I agree with my hon. Friend. I will talk about Indonesia, but not about Bulgaria. It is surprising that that country should have an issue of this sort.

**Tom Brake** (Carshalton and Wallington) (LD): I thank my constituency neighbour for giving way for a third time. I am pleased to hear that she will come on to the subject of Indonesia, particularly given what has happened in Bangka in recent days. I want to take this opportunity to congratulate the Ahmadiyya Muslim community for its work in relation to the floods. Ahmadis have gone up in large numbers to support the communities affected.

**Siobhain McDonagh**: The community activities of the Ahmadiyya community in the UK are extensive, and I am sure that every Member here will have a different example of something that it has done for their own and other communities.

In the past few years, hundreds of Ahmadis have been murdered on the grounds of their faith. Eleven were murdered in 2014 alone. This year, a vigilante mob targeted an Ahmadi family in Gujranwala, setting their home alight and killing three family members: a grandmother and her two little grandchildren. No arrests have been made, and Pakistani news channels refused to air bulletins about the incident. It is quite shocking to think that the persecution the community faces is enshrined in Pakistani law.

It is a criminal offence for an Ahmadi to call themselves Muslim, refer to their faith as Islam, call their place of worship a mosque, or say the Islamic greeting, “Peace be upon you”. That is punishable by imprisonment, a fine or even death. Those laws are a clear denial of basic human rights for Ahmadi Muslims freely to profess and practise their faith without state interference or persecution. The laws specifically against Ahmadiyya Muslims also undermine the constitutional right of Pakistani citizens to practice freedom of religion. The state’s laws have emboldened other states and extremists to harass, attack and kill Ahmadis. The persecution of Ahmadiyya Muslims operates in many complex ways, as does the persecution of other religious minorities, which I hope we will explore in this debate.

Ahmadiis are denied the right to vote—they are disfranchised unless they declare themselves non-Muslims. They remain the only disfranchised group in Pakistan. Indeed, the Electoral Commission of Pakistan has further institutionalised the disenfranchisement. It has decided that Ahmadis can be permitted to vote only under a separate register, and by self-identifying as a non-Muslim minority and therefore by denying their faith. While Ahmadis are registered on a separate electoral register, all other communities—whether Muslim, Sikh, Hindu or Christian—are listed on a unified joint register. The requirement of Ahmadis to deny their faith in order to vote has caused their disfranchisement from Pakistani politics for more than 30 years. Worse still, the separate Ahmadiyya electoral register is publicly available, making it much easier for extremists to target Ahmadis.

Ahmadiis are also denied the basic right to a fair trial. The vast majority of the terrible offences committed against Ahmadis go unpunished. It is crucial to note that no prosecutions have been brought for any of the killings of Ahmadiyya Muslims. On top of that, Ahmadis are increasingly being charged and tried for terrorism

[*Siobhain McDonagh*]

offences. Take the elderly Ahmadi optician from Rabwah, Mr Abdul Shakoor. Mr Shakoor has been tried and convicted, and imprisoned for five years, under Pakistan's anti-terrorism act, on false charges alleging the sale of an Ahmadiyya commentary on the Holy Koran. Pakistan's anti-terrorism legislation was introduced to curb the rise of extreme sectarian violence in the country. It is extremely distressing to learn that that same legislation has been used to convict a 70-year-old member of one of Pakistan's most peaceful religious communities.

Another example is Mr Tahir Mehdi Imtiaz, who is an editor of an Ahmadiyya monthly publication. Mr Imtiaz was arrested by police in March 2015 on false charges. This time, it was under Pakistan's infamous blasphemy laws. Although the prosecution was unable to provide evidence that Mr Imtiaz had included blasphemous materials in his publications, judges in the Supreme Court of Pakistan rejected his pleas for bail prior to trial. That was because the judiciary still fear being viewed as being lenient on Ahmadis—anti-Ahmadi sentiment pervades society. To this day, almost a year since his arrest, Mr Imtiaz is still incarcerated with no prospect of bail or a trial date in sight.

Both those Ahmadi men have been arrested and imprisoned on false grounds as a result of the discrimination that is entrenched in Pakistan's justice system. I am sure that Members will join me in hoping that the UK Government will call on the Pakistani Government to release Mr Imtiaz and Mr Shakoor immediately. Will the Minister outline what the FCO is doing on those two cases?

**Mr Gareth Thomas:** My hon. Friend rightly draws attention to the immediate responsibilities of the Foreign and Commonwealth Office, but given that the aid budget to Pakistan from the Department for International Development is heavy, and that DFID has many opportunities for influence too, does she not agree that there needs to be a co-ordinated, cross-Government démarche to the various levels of the Pakistani Government, both at state and federal level?

**Siobhain McDonagh:** I totally agree with my hon. Friend. I was having just that discussion the other day with the right hon. Member for North Somerset (Dr Fox), who expressed his concern that aid is being given to Pakistan but the issues of the Ahmadiyya community are not being resolved.

**Stephen Timms (East Ham) (Lab):** I congratulate my hon. Friend on securing this important debate. I am listening with interest to the point she is making. The coalition Government set up an advisory group on freedom of religion and belief in the Foreign Office, which was a welcome initiative. Does she share my disappointment that that group has not been re-established since the general election, and that it seems it is no longer a priority?

**Siobhain McDonagh:** I am sure my right hon. Friend had a great input into that initiative. Perhaps the Minister will address the issue of re-forming that group under this Government in his speech.

The Ahmadiyya community is also denied the right to religious freedom and expression in Pakistan. On orders from the united religious clerics board, all works by that religious group are now banned in the region of Punjab. That includes books, CDs, periodicals and newspapers, and it means that hundreds of thousands of law-abiding Ahmadi Muslims in Punjab face police searches, criminal charges and up to five years in prison. Those texts are all religious, and their censorship is totally unjustified.

In contrast, the “Tohfa Qadianiat”, written by an anti-Ahmadi cleric, instructs readers not to leave a single Ahmadi alive on earth. That publication is freely available; it seems censorship does not apply to vehemently anti-Ahmadi texts. Sadly, Ahmadis are also the target of several religious extremist groups, the foremost of which is the Khatme Nabuwat, whose sole purpose is to eradicate Ahmadi Muslims. Last year, it declared that

“it is Jihad to shoot Ahmadis in the open”.

I am sure hon. Members will share my shock that this organisation is a registered charity in the UK, despite the fact that its Pakistan counterpart has clear links with violence. I hope that the Minister will address that issue later this afternoon.

In addition, preachers of anti-Ahmadi hate are spreading their repellent messages within our own UK borders via satellite TV and the internet. Ofcom has already fined several TV channels, including the Ummah Channel, Takbeer TV and DM Digital, for broadcasting anti-Ahmadi hatred. Such an overspill of anti-Ahmadi sentiments is extremely concerning, because it is very difficult to police the incitement of hatred and violence against Ahmadis online and across borders. The situation needs continuous monitoring here, and the UK Government need to be mindful of anti-Ahmadi hatred pervading their own borders. We do not want vile anti-Ahmadi messages to spread within the UK.

**Tom Brake:** Work is being done by a Government unit to tackle Daesh propaganda. Perhaps any lessons learnt could be applied to tackling abusive material in relation to the Ahmadi community.

**Siobhain McDonagh:** That is a very good suggestion. The situation here needs continuous monitoring, and the UK Government need to be mindful of anti-Ahmadi hatred pervading our borders.

Many Ahmadi Muslim mosques across Pakistan have been sealed, and minarets have been demolished by police under pressure from extremists. Indeed, in May last year, the district court in Chakwal ordered the minarets and arch of the local Ahmadi mosque to be destroyed. Ahmadis are even denied dignity in death. Their graves are frequently vandalised, with any reference to Islam removed.

Anti-Ahmadi sentiment also pervades Pakistan's civic society. The Pakistani Urdu press continues to publish fabricated stories that incite violence towards Ahmadis. This propagates the idea that Ahmadis are the root cause of problems in Pakistan. In 2014 alone, at least 2,000 such reports were published. I do not need to remind hon. Members how such publications and stories entrench and normalise discrimination. Meanwhile, Ahmadi students face systematic discrimination in schools and educational institutions. This discrimination even extends

to the literature that students use. For instance, one Sindh textbook teaches children that Ahmadi Muslims are evil and suggests that anyone who is or becomes Ahmadi is worthy of being killed. The effect of these examples means that anti-Ahmadi discrimination is entrenched beyond generations.

**Paul Scully** (Sutton and Cheam) (Con): I thank the hon. Lady for giving way and I congratulate her on securing the debate today. She mentions textbooks. The Department for International Development places great emphasis on educating children in Pakistan. Perhaps the influence of the UK Government could be brought to bear on the aid that is given specifically to education?

**Siobhain McDonagh:** That is certainly something that DFID should look at. I am aware of grants being threatened because textbooks that contain difficult and discriminatory messages are used.

The situation in Pakistan overflows its borders and has resulted in many Ahmadis fleeing to seek refuge. Many have fled to countries such as Thailand, where they live in extremely difficult conditions to escape the persecution that they face in Pakistan. However, the community is being let down in Thailand, too. Just last month, the Thai Government arrested and arbitrarily detained more than 45 Ahmadis and are now seeking to deport them back to Pakistan, where they will inevitably face persecution and even violence. This group includes women and very young children, some of whom have been recognised as refugees by the United Nations High Commissioner for Refugees. They are being detained in terrible conditions. This is despite the fact that Thailand has responsibilities under UN conventions. But it seems that the Thai Government have forgotten the extreme dangers that Ahmadis face if they are returned to Pakistan, a country they have fled in fear of their lives. I look forward to the Minister addressing this point and outlining what the UK Government are doing to urge Thai authorities to permit Ahmadi refugees to stay until the UNHCR completes its due process.

Within our own borders, the situation is similarly bleak. Despite overwhelming evidence demonstrating the persecution and targeted violence faced by this community in Pakistan, the UK is currently in the process of deporting Ahmadi asylum seekers. This contravenes the UK's own guidance issued just last year. I am sure hon. Members will join me in being absolutely appalled by the Home Office seemingly accepting the terrible risks faced by Ahmadis who openly practise their faith in Pakistan. I hope that the Minister will agree that this position urgently needs to change.

At the same time as the Ahmadi community flees persecution in Pakistan, it faces more and more persecution in other nations, as the right hon. Member for Carshalton and Wallington (Tom Brake) mentioned, in places such as Bangka, Indonesia. Just last Friday, Ahmadis in this region were forcibly evicted from their homes by the police and military authorities as a result of extremists putting pressure on local authorities. Ahmadis were given an ultimatum to either renounce their faith or be forced to leave, and the objections made by the Indonesian Home Minister against the evictions were ignored. Ahmadi families were evicted while mobs who were delighted to see them go cheered. Not only is this example distressing

in itself but it is likely to trigger other such forced evictions, increasingly making Indonesian Ahmadis refugees in their own countries.

So what can be done about the terrible persecution faced by this peaceful community? In Pakistan, the situation sadly remains bleak. Despite the many ongoing human rights abuses, Prime Minister Nawaz Sharif stated last month,

"I am the Prime Minister of all of you...And it is my duty to help everyone. If anyone is a victim of brutality, no matter what religion or what sect he belongs to, my duty is to help him."

Meanwhile, article 20 of Pakistan's constitution guarantees freedom of religion. The country is also a signatory to the UN charter of human rights, which makes it obligatory for the Government to safeguard the fundamental rights of all without any discrimination, whether it is based on religion, faith or belief, but it is clear that Pakistan is systematically failing to uphold the human rights of all its citizens.

The ongoing persecution of Ahmadi citizens undermines Pakistan's progress and its development, and stores up huge problems for the future stability of the country. Furthermore, the state's policies allow extremism to flourish, which threatens the security of Pakistan itself, the UK, and of course the rest of the world. What is also clear is that the international community has a moral responsibility to act and apply pressure on Pakistan to abide by international conventions and treaties in order to uphold the human rights of all.

I hope that this debate will inspire the Minister to reflect on the UK's stance on those issues. The Government must raise the issues of corruption and anti-Ahmadi laws, which allow extremists to target and murder Ahmadis. They should put pressure on Pakistan to rid itself of its discriminatory anti-Ahmadi laws, and encourage the Pakistani Government to grant the peaceful Ahmadi community the right to worship, the right to justice and a fair trial, and the right to practise their religion without fear of persecution, discrimination or violence.

**Mr Gareth Thomas:** My hon. Friend is rightly focusing on the difficulties relating to the Ahmadis' human rights in Pakistan, but many other religious minorities in Pakistan are under the same pressure. Christians, Hindus and other Islamic groups also face persecution, which is clearly tolerated at the federal state level, where the Pakistani authorities also need to take action.

**Siobhain McDonagh:** I completely agree, and I hope that other hon. Members will talk about the problems that other religious groups in Pakistan face.

The Government should be vocal in addressing the situation of the Ahmadi communities in Thailand and Indonesia. They should think about how to guarantee that UK taxpayers' money will not be used to promote intolerance and extremism in Pakistan. Finally, they should look closely at the UK's borders and the unfairness of our asylum processes, which are failing Ahmadi asylum seekers who have fled violence and persecution and forcing them back to Pakistan.

Ahmadi Muslims are peaceful and peace-loving, and they give so much to their communities. I am proud that the Borough of Merton is the UK and worldwide headquarters of the Ahmadi Muslim community, which makes an incredible contribution to the richness and diversity of our area. The Baitul Futuh mosque in

[*Siobhain McDonagh*]

Morden is the largest mosque in western Europe. The community's impact on this country is inestimable. It has raised more than £2 million for British charities and makes regular collections for the Royal British Legion's poppy appeal. It uses its mosques as blood donation centres and has raised 1,000 units of blood in the past year. It feeds 30,000 homeless people each year and has distributed the peaceful teachings of Islam to 5 million UK homes.

Hon. Members should be proud to represent constituencies with an Ahmadi population. We in this House have a responsibility to do all we can do to give the persecution of Ahmadi Muslims the international visibility it deserves. I hope this debate will inspire the Minister to take meaningful action to ensure that the UK plays its part in promoting freedom of religion in Pakistan and across the world.

1.53 pm

**Fiona Bruce** (Congleton) (Con): It is a pleasure to follow the hon. Member for Mitcham and Morden (*Siobhain McDonagh*), who made an excellent speech.

The Ahmadis have suffered greatly and have been subject to numerous attacks, even during Friday prayers. The vicious brutality of those attacks is magnified by the Ahmadis' belief in love for all and hatred for none. How can we ensure that Pakistan's beleaguered minorities receive the help they desperately need? One way is for Members to read and send to those in authority the report that the all-party group on international religious freedom or belief will publish shortly.

Just a few weeks ago, the APPG took evidence in a number of hearings that revealed the systematic and widespread persecution of religious minorities in Pakistan. It heard harrowing personal accounts from Christians, Ahmadis and others who have watched loved ones murdered in a culture of impunity. It heard the story of Pakistan's last remaining Jew and was moved by the bravery and courage of so many in the minority communities. Lord Alton of Liverpool, who chaired those hearings, said:

"We hope that the Report which will emerge from this evidence will force our policy makers, along with those of other Governments, to reassess the way in which we engage with Pakistan."

The report, which will collate the evidence gathered in those hearings, will be launched in Parliament shortly and sent to the relevant Government bodies, parliamentarians and members of the International Panel of Parliamentarians for Freedom of Religion or Belief, which now operates in nearly 60 countries. Recommendations will be sent to the Home Office officials in charge of setting country guidance—I am glad to say that they attended the hearings—and those who look at options for asylum seekers. We hope the report will bring about tangible change in the UNHCR and to the Home Office's approach to the minorities that face persecution in Pakistan and seek asylum. The report will show that, in today's Pakistan, minorities—including Ahmadis, Sikhs, Christians, Hindus, Buddhists and Muslims from the Shi'a tradition—face relentless violence, profound discrimination and, in some cases, outright persecution.

Hon. Members may be interested, and I hope touched, to know that the brother of Shahbaz Bhatti—Pakistan's outstanding Minister for minorities, who was murdered

four years ago—spoke in this very room on this subject, only a few weeks ago. Dr Paul Bhatti, a medical doctor, said,

"Since almost the last two decades Pakistan has been facing a series of challenges with religious discrimination and persecution, sectarian violence, economic crisis, political instability and terrorism. Despite anti-terrorism reforms, promotion of religious freedom, support of the international community, and precious sacrifices that have been made"—

not least by his brother, who spent 28 years of his life promoting interfaith community relations—

"we still face the cruel and harsh realities of violence against the weak and voiceless people of our community... We want this Pakistan, without any discrimination among people of diverse faiths, where weak and oppressed feel safe and respected: as the father of our nation Muhammad Ali Jinnah said, we are all citizens and equal citizens of one state. This is the path we are following indicated by Shahbaz to see our beloved country where there's no discrimination between Majority and religious minorities (Shiites, Sufi Muslims, Isma'ili, Ahmadis, Christians, Sikhs, Hindus, Zoroastrians, Baha'i). Each of us is on a road, a religious path to a spiritual destination, a place of consequences and accountability for our choices and actions."

He is committed, as are many in this place and across the world, to ensuring that Pakistan enjoys peace and stability. He stated in this room:

"I am convinced that religious freedom and education together can be the solution in the actualization of world peace."

Dr Bhatti's brother, a Minister in the Pakistani Government, was gunned down. In the hearings that were held a few weeks ago in this place, Members of Parliament heard of the burning alive of a Christian couple in an industrial kiln by a mob in Pakistan. The mob allegedly broke their legs. Rumours had circulated that they had burned verses from the Koran. An NBC News report states:

"Their legs were also broken so they couldn't run away. 'They picked them up by their arms and legs and held them over the brick furnace until their clothes caught fire... And then they threw them inside the furnace.' Bibi, a mother... was four months pregnant".

Their children were forced to watch. If almost five years after the death of Shahbaz Bhatti the perpetrators have still not been brought to justice, what chance is there that the killers of those two loving parents will be brought to justice? It is right that we cry out in this place today on their behalf and on the behalf of so many others who have suffered.

I turn now to the particular suffering of women of minority faith groups. Much of the rest of my speech will dwell on this topic, because it is important that we, as a Parliament, take note of the issue when the Government proclaim as a priority the promotion of the welfare and wellbeing of women and girls across the globe. It is a genuine priority of the Secretary of State for International Development, and I pay tribute to her personal work in leading the charge to increase support for women and girls in so many countries around the world. Following this debate, I hope that the UK Government and those responsible for disseminating aid in Pakistan will pay particular attention to the plight of women and girls in religious minorities, because they are doubly at risk of discrimination, regardless of the faith they adhere to. They risk systematic abduction, extortion, hijacking, being held for ransom, trafficking, rape, forced marriage, forced conversions, and allegations of blasphemy.

Women and girls face discrimination and marginalisation as it is, but they are subject to further targeting if they are from a minority group. Women are treated as second class, but if they come from a minority group, they are third class citizens. For example, Hindu girls in Sindh and Christian girls in Punjab are abducted, raped, or forced to convert to Islam in the face of extreme pressure, including threats to them and their families. The majority of Christian women in Pakistan are illiterate and hold menial jobs, working in factories or as domestic servants, and face a constant risk of sexual harassment, physical abuse, forced conversion or even death. The Asian Human Rights Commission stated in its report of December 2012 that

“on average some 700 Christian and 300 Hindu girls are forcibly converted to Islam each year...notably in Punjab, Khyber Pakhtunkhwa and Sindh provinces.”

It is interesting that an independent survey in Pakistan cited religious extremism as the greatest threat to the country. District minority committees have failed to review matters, such as personal laws and rules, for minority women's rights.

While the police are at times complicit in fulfilling the wishes of the local elite, who may be in collusion with extremists, organisations that submitted evidence to the report stated that police in all provinces are gender-blind in cases of forced conversion and marriage. They can often effectively be complicit in such activities, nullifying women's previous non-Islamic marriages and recognising their forced marriages instead. In cases of sexual assault, rape, and sexual violence, they do not conduct proper investigations and minority women can be re-victimised because police take bribes and do not adequately protect minority women. All of that has been reported to us.

Christian Solidarity Worldwide reports that Christians do not feel safe going to police stations when they have problems relating to unjust blasphemy charges. In October 2015, three Muslim men broke into a deaf Christian woman's home in Kasur in Pakistan, taking her turns to rape her while the men of the family were at work. Despite such a crime, the lawyer who is defending the woman admits the difficulty of getting the case to court to punish the perpetrators.

The implementation of the Hudood ordinances, laws enacted in 1979 as part of the Islamisation process, has had seriously damaging consequences for all sections of Pakistani society, but women in religious minorities have been particularly targeted and victimised as a result. Notwithstanding the state's commitment to the non-imposition of an exclusively Islamic code on non-Muslims, the ordinances for the most part control the activities of non-Muslims. Religious minorities remain liable to suffer punishments as gross as physical amputations and whipping for various offences such as theft, and whipping or even death for accusations of adultery.

Christian women, like other minorities, face persecution and discrimination simply because of their faith. The real and present dangers faced by women of non-Muslim faith are much direct and substantial. Hindu women also face difficulties, with key concerns being conversion to Islam, sexual abuse and forced marriage. Problems have increased in recent years, and the volunteer group REAL found that between 20 and 25 Hindu girls were forcibly converted every month. The greatest victims are the Dalits who are kidnapped or lured into conversion, sexually exploited and then abandoned. There is no

legal mechanism for the Government to register the marriages of Hindus and Sikhs, causing women difficulties with inheritances, accessing health services, voting, obtaining a passport, and buying or selling property. It is even reported that Sikh families will marry off their daughters at extremely young ages simply to avoid them being abducted, raped or forced to convert.

Considering the risks women and girls from religious minorities face in Pakistan, we must ask what is being done to support them. As I said, they are not just second-class; they are third-class citizens. Taking into account the fact that Pakistan is one of the largest recipients of our bilateral aid, receiving some £1.17 billion in support from the UK between 2011 and 2015, and while recognising that the Secretary of State has given clear priority to support for women and girls across all countries to which the UK provides aid, we must ask whether our aid is being adequately used to support the women and girls who are being persecuted due to their faith. I urge Ministers to review how our aid is distributed in Pakistan to ensure that it does not facilitate further persecution of minority women, and in fact helps to foster an environment of respect, plurality and freedom for women and men of all religious denominations.

2.8 pm

**Margaret Ferrier** (Rutherglen and Hamilton West) (SNP): It is an honour to serve under your chairmanship, Mr Turner. I offer my sincere appreciation to the hon. Member for Mitcham and Morden (Siobhain McDonagh) for securing this important debate. In welcoming the debate, I must also highlight the welcome that I received from the Ahmadi community; I felt truly humbled at their hospitable and genial reception. In stark contrast, the treatment of Ahmadi Muslims in some other countries is reprehensible.

In Pakistan, the Ahmadi population are not simply treated with disdain; they are systematically subjected to discrimination that is deeply ingrained in Pakistan's laws and culture. When a Pakistani Muslim applies for a passport or other identification, they are asked to sign an oath denouncing the Ahmadi faith. In 2010 Mohammed Hanif, a BBC journalist, reported on that injustice:

“Like millions of other Pakistanis, I have signed this oath several times without giving much thought to exactly what Mr Ahmad stands for...I want my passport, and if I have to sign up to a fatwa to get it, so be it.”

The policy also leads to the disfranchisement of the Ahmadi population. There is an entirely separate electoral register for Ahmadis, and if they wish to vote they must deny their beliefs. Our own history has taught us that the principle of universal adult suffrage is an ideal to be upheld. In Pakistan Ahmadis are subjugated and treated unequally, just as women were in the UK in the past century. We must take care not to impose our values on others, but we cannot stand idly by and watch others denied their right to vote, as set out in article 21 of the universal declaration of human rights.

Although Pakistan has made strides towards ensuring parity of esteem for other religions and denominations, the Ahmadis continue to be singled out and marginalised. They are also endangered by such policies. The separate electoral register not only stigmatises but identifies them. Many Ahmadis have been murdered for their beliefs, so government policies that jeopardise their security are tantamount to the authorities being complicit in those barbarous acts.

[Margaret Ferrier]

To put the situation into perspective, about 250 Ahmadis have been murdered since 1984, yet not a single perpetrator has been prosecuted. What are we doing to address that situation with the Pakistani authorities? What, too, are we doing to address the other persecutions to which Ahmadis are subjected? In Pakistan, Ahmadi Muslims can spend up to three years in prison simply for calling their place of worship a mosque. If their alleged offence is considered blasphemy, they can even face the death penalty.

The law is truly designed to suppress beliefs and to designate Ahmadis as non-Muslims. That flies in the face of Pakistan's obligations as a signatory state of the international covenant on civil and political rights. It committed to freedom of religion for all, but places incomprehensible restrictions on Ahmadis. An example of such repression is that of the publisher of the Ahmadiyya *Ansarullah* magazine, who was arrested on the false allegation of producing blasphemous material. Tahir was refused bail and has now been imprisoned without charge for the past 10 months.

The shock that we might feel about such cases could be attributed to cultural difference, but it is important to point out that such laws appear to contravene even the constitution of Pakistan, which includes an article that affords the "Freedom to profess religion and to manage religious institutions" to citizens. Yet that freedom continues to be denied. There have been reports of graves being desecrated and burial rights being denied. There have been horrendous massacres at two mosques in Lahore leaving 86 dead. There are reports of arson and other attacks by people riled up by extremist rallies. Ahmadis are denied the right to peaceful assembly, but such hate rallies unfortunately do not seem to be subject to the same restrictions.

We cannot stand by and allow that to go on. As the Minister knows, I am a fierce advocate of global human rights, and I wish to see a firm stance taken by the UK Government. The Ahmadi community in the UK makes an enormous contribution to our society. We owe it not only to them but to ourselves to make an effort to right those wrongs.

In summary, will the Minister inform us in his response whether the UK Government have raised the issue of the voting rights of Ahmadi Muslims with the Pakistani authorities? If not, will he undertake to do so and to promote the principles of universal suffrage against discriminatory policies? Will he call on Pakistan to uphold its obligations as a signatory state of the international covenant on civil and political rights, in particular that on freedom of religion for all?

Finally, what assessment have the Government made of the extent of the persecution in Pakistan? How have the UK Government pushed the Pakistani authorities on the matter of religious persecution? How will the Government use their influence to push the Pakistani authorities further? Will the Government call for an end to the destruction of Ahmadi minarets? Furthermore, will the UK Government push the Pakistani Government to provide protection once and for all to the Ahmadi community, whose banner reads:

"Love for all, hatred for none"?

2.14 pm

**Paul Scully** (Sutton and Cheam) (Con): It is a pleasure to serve under your chairmanship, Mr Turner.

I, too, congratulate the hon. Member for Mitcham and Morden (Siobhain McDonagh) on securing the debate. It is a pleasure to serve as vice-chair of the all-party group for the Ahmadiyya Muslim community under her chairmanship. It is good that we have been able to raise these issues in the Chamber today.

My constituency abuts Mitcham and Morden, and our shared border is close to the Baitul Futuh mosque, which it has been a pleasure and privilege to visit on a number of occasions. Some of the people I have met are in the Public Gallery today. Everyone there spoke with composure and in a measured way, despite the extreme circumstances of their fellow believers in Pakistan and, as we have heard, around the world. They have suffered and seen adversity closer to home as well. It was terrible to see the recent fire at the Baitul Futuh mosque, but the Ahmadis bounced back fantastically well as a community. They only look forward. My next visit to the mosque was shortly after the Paris atrocities, and it was wonderful and a real privilege to stand shoulder to shoulder with them to demonstrate exactly what they mean by "Love for all, hatred for none".

**Mr John Spellar** (Warley) (Lab): The hon. Gentleman is outlining the role of the Ahmadi community here in the UK. Will he join me in condemning those who have been trying to bring persecution of and discrimination against the Ahmadis to the UK? There have been boycotts of some of their shops and harassment of Ahmadis. Should we in this Parliament make it clear that such activity has no place in this country?

**Paul Scully:** I absolutely agree with the right hon. Gentleman. Hatred and persecution certainly have no place here in the UK. That is why we need to lead from the front and make that case to the Government and other organisations in Pakistan, as well as around the world. The point is well made.

**Mr Gareth Thomas:** In a spirit of north and south London solidarity, does the hon. Gentleman agree that another thing that the Foreign Office could do is to raise with Bulgaria the discrimination that takes place against Ahmadis there? Bulgaria is a key European Union ally and one with which we ought to have good contacts, so we could discuss the issue repeatedly until progress happens and the discrimination ends.

**Mr Andrew Turner (in the Chair):** We are getting rather long interventions, which we should not be.

**Paul Scully:** Bulgaria is an important issue, which has also been raised with me and, I am sure, with the hon. Member for Mitcham and Morden when we have visited the mosque in Morden. I am grateful to the hon. Member for Harrow West (Mr Thomas) for drawing it to our attention, because it is important to put on record our concern about persecution around the world, especially when it is somewhere quite so close to home.

In addition to visiting the mosque and meeting members of the Ahmadiyya community, I am looking forward to the Jalsa Salana in Alton, which is coming up, as is the peace symposium organised by the UK community.

I can join them and say, “Salaam alaikum”, to show respect and knowing that people will be able to respond in kind, freely, because what the UK does particularly well is religious tolerance. We always need to work at it and to ensure that we tackle intolerance wherever it arises in this country, but, on the whole, if we compare ourselves to many other countries, we lead the way. That is to be welcomed.

In Pakistan, as we have heard from hon. Members, the blasphemy laws are poorly designed, being very general and wide. That leads to a broad interpretation, which is used to persecute and oppress the Ahmadiyya community. How can it be that in the 21st century we hear examples of people who want to wipe out the Ahmadiyya community in Pakistan?

We have heard about how members of the Ahmadiyya community in Pakistan are unable to vote. They have to declare themselves as non-Muslims and the founder of their religion, Mirza Ghulam Ahmad, as an apostate and a liar. How can we stand by and let that happen? We have heard numerous terrible examples of violence and arrests as recently as November 2015, when a factory and several homes were burnt down, and January this year, when a man was killed in Rabwah. That is the centre of the Ahmadiyya community in Pakistan, so there is no hiding place when there is such wide acceptance of oppression and persecution.

As we have heard, Pakistan is a signatory to the international covenant on civil and political rights, which it ratified in 2010. Two weeks ago, with a number of colleagues, I spent a week in Strasbourg at the Council of Europe, where we talked about human rights closer to home. If discussions about agreements are ever to mean something and it is not to be just a talking shop, it is important that we take a lead and ensure that people who ratify documents adhere to them in everything they do.

We cannot stand by in the 21st century and allow a situation where a simplistic, oppressive set of laws, and the interpretation of those laws, is allowed to affect a community in such a way. I ask the Minister and the Government what the UK can do, alongside the signatories of the ICCPR, to push further on that. What can we do with UK aid to further transparency, and what can we do to use aid for education as leverage to ensure that religion is taught as widely as possible and that we do not have the current situation of textbooks skewed against the Ahmadiyya community, which was mentioned earlier? What can we do to urge Pakistan to restore the right to vote and to repeal blasphemy laws? Finally, can we urge Pakistan to prosecute incitement and hate speech against Ahmadis and religious minorities?

This evening I am travelling to Burma, where I will meet a couple of Rohingya activists. As with any aspect of religion, the Muslim world is complex. When different denominations, sects and groups disagree on fundamental matters such as who was the last prophet and who is the true leader of their faith, it will always be complicated, but that is not to say that we cannot demand and push for greater tolerance so that we can live alongside each other, wherever we are in the world.

2.23 pm

**Jim Shannon** (Strangford) (DUP): It is a pleasure to speak on this issue, and I thank the hon. Member for Mitcham and Morden (Siobhain McDonagh) for bringing

it to Westminster Hall. She has given us an opportunity to participate in a debate on a matter that is close to our hearts and that we wish to express our opinions on. I declare an interest as the chair of the all-party parliamentary group on international freedom of religion or belief, and of the APPG on Pakistan minorities. Both groups were started last year and, as an indication of the need for them, the APPG on international freedom of religion or belief has almost 70 members and the APPG on Pakistan minorities has about 20 to 25 members. That indicates the importance of the debate.

We have heard many representations recently. The APPG on international freedom of religion or belief held an inquiry on Pakistan, which illustrated clearly the discrimination against some of the people who are here in the Public Gallery and others whom we represent. The level of discrimination against religious organisations and individuals in Pakistan, such as Ahmadis, Christians, Shi'as, Buddhists, Hindus, Sikhs and Jews, is immense. That was clear to me and to everyone involved in the inquiry. We hope that the final statement on that inquiry will be made by the end of February or the beginning of March.

The state of religious freedom in Pakistan has clearly become completely inconsistent with Muhammad Ali Jinnah's founding vision to make Pakistan a home for all religions and all religious minorities. It is probably pertinent and helpful to hear a few words from his address to the Constituent Assembly in August 1947, when he said:

“You are free; you are free to go to your temples. You are free to go to your mosques or to any other places of worship in the state of Pakistan. You may belong to any religion, caste or creed”.

What a difference between his speech in August 1947 and the realities of February 2016. The wording of the motion tabled by the hon. Member for Mitcham and Morden asks us to consider the Ahmadiyyas, and other Members have illustrated the issues for them well.

The clear discrimination against the Ahmadiyyas and Pakistan's blasphemy laws have fostered a climate of religiously motivated violence and persecution focused on those people, who we know well and who the hon. Member for Rutherglen and Hamilton West (Margaret Ferrier) referred to as a gentle people, which they are. They reach out to all religions, as we from all religions should all be doing.

Attacks have taken place on the Ahmadiyyas in recent times. On 27 July 2014 a mob of more than 100 people attacked them, setting fire to their homes, and as a result a woman and her two granddaughters died of smoke inhalation and another woman suffered a miscarriage. Police said that they had the names of 420 people, as the hon. Member for Mitcham and Morden said, and that charges would be brought against them. Twenty were named, but since then nothing has happened. Therefore people can understand the frustration we feel on behalf of those in Pakistan. The Minister will know that I believe that sometimes we have to be the voice of the voiceless, who need us to speak on their behalf.

From my encounters of what Christians and other minorities experience in Pakistan, we know that the freedoms that Muhammad Ali Jinnah spoke of are not the reality today. There are many cases of church bombings, mob attacks on Christian communities and rape against women and girls, which the hon. Member for Congleton (Fiona Bruce) illustrated clearly. Can we begin to imagine

[*Jim Shannon*]

the horror for those people? There have even been attempts at forced conversion and marriage at ages as early as 12 to 14, when it is impossible to take it in.

I am privileged to be the Member for Strangford, where we have good relationships between those of all religious views. We always have had that, even through the worst times of the troubles. We have a mosque in Newtownards, and whenever there has been a focus on the people there in my constituency, I have made it my business to go and speak to them to reassure them. I met them on a Friday when they were having their service to ensure that they knew their Member of Parliament was going to speak for them, as he should do.

In Pakistan, regardless of which minority faith an individual belongs to, all are subject to similar practices of discrimination or persecution. That is a fact in Pakistan today. The much maligned blasphemy laws have been used as a vehicle for egregious violations of religious freedom against all minorities. The United States commission on international religious freedom says of those laws:

“They inappropriately position governments as arbiters of truth or religious rightness, empowering officials to enforce particular views”.

The Government in Pakistan clearly use that for their own ends. The laws also embolden extremists to commit violent acts against perceived blasphemers. We have seen illustrations in films of people in high positions in some religions violently and aggressively speaking out against other religions. That cannot be allowed to continue. False accusations of blasphemy have served as a pretext to incite violence and permit lynch mobs.

The Shi'a community has experienced a number of attacks as well, one of which left 20 people dead and dozens injured on 13 February 2015. Its mosques have been attacked by militant groups, with a disregard for human life that is of serious concern. More recently, the killing of some 40 Shi'a Muslims in Karachi in May 2015 marked a new low in sectarian violence that has left Pakistan's religious minorities fearing for their lives. There have been many other attacks on churches and mosques across Pakistan, one of which left 60 people dead. The Pakistani authorities must bring to justice the perpetrators of violence committed in the name of religion in those and many previous attacks through fair trials and without recourse to the death penalty—in other words, they must make the perpetrators accountable under the law, which they unfortunately have not been up to now.

The British Pakistani Christian Association estimates that about 50% of blasphemy charges are against religious minorities. Given the population size, that means minorities are 10 times more likely to be targeted with blasphemy charges. That is the reality. Pakistan's National Commission for Justice and Peace estimates that out of 1,060 blasphemy cases over the past 25 years, 450 have been against Muslims, 457 against Ahmadis, 132 against Christians and 21 against Hindus. That clearly illustrates the focus of persecution against religious minorities in Pakistan through blasphemy laws.

Although Pakistan is yet to execute anyone charged with blasphemy, mob violence often ensues against the accused. Their families, local communities and lawyers are also targeted. All too often, the blasphemy laws

have been used as an instrument for revenge in personal vendettas, property disputes, political rivalries, marital disputes and religious differences. Religion is often used in personal vendettas—“We'll get them because it suits our circumstances.” It is used for people's own ends; how can we ever let that happen?

As the Human Rights Commission of Pakistan highlights, other state bodies such as the police are fearful, prejudiced and often—I say this with real respect—incompetent in cases of blasphemy. The police fail to investigate cases properly or follow correct procedures. Incidents have occurred where those accused of blasphemy have been killed by the police or prison guards. Where can we be safe if we are not safe from our attackers in prison, and if we are not safe from the police? That is the reality of life in Pakistan today. That is why this Westminster Hall debate is so important, and why we are so grateful to the hon. Member for Mitcham and Morden for securing it and giving us the chance to speak on this issue.

I would like to make some comments about the persecution of Christians in Pakistan. The hon. Member for Congleton outlined some examples, and I would like to add to them. There was the case of the Christian road sweeper from Lahore who was sentenced to death by hanging after accusations of blasphemy following an argument among friends. He has not been hanged but has been fined 200,000 rupees. There was the case of the woman sentenced to death on 8 November 2010 under section 295C of Pakistan's penal code for allegedly insulting the Prophet Mohammed during an argument with a Muslim lady. A price was put on her head.

There was the case of attacks on churches in Lahore that left 14 people killed and another 70 injured. There was the attack on a church in Peshawar, where some 80 people were killed. All those things are added to our other concerns, such as the fact that young Christian and Hindu girls are forced into marriage at the earliest age. There was also the case of the late Punjab governor, Salmaan Taseer, who was killed by his own official police guard for criticising blasphemy laws. The killer was revered by thousands around Pakistan. What is wrong when that can happen?

With the rise of mobile communication technology, individuals' photographs can be easily obtained and shared with affiliate extremist groups where perceived blasphemers are suspected to have fled, so there is often no safe haven whatever within Pakistan. Pakistan's continuing refusal to reform or repeal the blasphemy laws creates an environment of persistent vulnerability for minority communities, placing all members of such communities in real risk.

One of the most brutal spates of violence, to which the hon. Member for Congleton referred, was against a Pakistani couple on 14 November 2014. Shama Bibi and Shahzad Masih were lynched and burned to death in a brick kiln by a crowd of some 1,200, who were incited to violence by a false rumour—and it was false—that they had committed blasphemy by burning pages of the Koran. Although there were some arrests, most of the mob got away, and there is a strong suspicion that those who were arrested and charged will be acquitted free of charge, as is usually the case. The couple's children were left orphans and watched the butchery and horror of what happened to their parents.



That is the reality for Christians and other minorities in Pakistan. Discrimination and persecution are at times facilitated by the inaction of police and are sometimes even instigated by them. There is discrimination in education, in employment, in health, in politics and at every level of society. As a Christian, I find it particularly worrying that Pakistan is currently ranked sixth on Open Doors' world watch list of the worst persecutors of Christians. Its score of 79 out of 100 gives it a classification of "extreme persecution". That is not a score we would want to have.

The USCIRF has consistently deemed Pakistan a country of particular concern, which again underlines this issue. According to Aid to the Church in Need, Christians in Pakistan find themselves at the centre of a "crisis", suffering

"some of the bloodiest persecution in the country's history"

and facing ever more calls to abandon their faith, discrimination at work and at home and attacks on their livelihood. In practice, without the right to freely express their religion in words or actions, some Christians feel the Government are failing to provide Christians with the right to be Pakistani.

I conclude by asking the Minister three questions. What support are the UK Government providing Pakistani authorities to ensure the protection of religious minorities across Pakistan? Will the UK Government put pressure on the Pakistani authorities to reform the blasphemy laws as a matter of urgency, to provide effective safeguards against their abuse, and to investigate and prosecute for attacks on religious minorities in a thorough and transparent manner?

We in this House are charged with being the voice for the voiceless. We must speak out for those who have no voice and cannot speak for themselves. Today, this House has done that, and we look forward to the Minister's response.

2.37 pm

**Steve McCabe** (Birmingham, Selly Oak) (Lab): As we have heard, Ahmadis are peace-loving Muslims and yet, like other peace-loving people in our own history of Christianity and even today, they are persecuted in many parts of the world—especially in Pakistan—for no other reason than their beliefs.

Almost 40 years ago, the constitution of Pakistan was amended to declare Ahmadis as non-Muslims—to denounce them, effectively, as heretics not allowed to refer to their places of worship as mosques or quote publicly from the Koran. In this country, we rightly celebrate the courage of a young woman from Pakistan, Malala Yousafzai, for standing up to gunmen determined to persecute her and other young women for seeking an education. However, in the town of Rabwah, to which the hon. Member for Sutton and Cheam (Paul Scully) referred, young Ahmadi women are forced to suffer in silence as they are often denied opportunities to pursue their studies and even prevented from living in local dormitories.

Unsurprisingly, as we have heard, in the face of that persecution many Ahmadis choose to flee to other countries. Many of them have settled in Thailand, where, as my hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh) said, a large number have found themselves subject to arbitrary arrest and

imprisonment. In Indonesia, a similar pattern of persecution is developing against a community that has lived there peacefully since 1925. As my hon. Friend the Member for Harrow West (Mr Thomas) pointed out, even in Bulgaria, which is a member of the EU and the Council of Europe, and is therefore required to respect religious freedom and human rights, we see Ahmadis being prevented from registering as a religious organisation.

If anyone wants to know more about the positive contribution of the Ahmadiyya faith, I recommend that they look at the international charitable trust, Humanity First, which works across the globe alongside bodies such as the Red Cross, Oxfam and Save the Children, offering disaster relief, emergency medical services, water for life projects in west Africa and orphan care in places such as Indonesia and Burkina Faso. While some Governments tolerate terrorists and persecute Ahmadis, the Ahmadiyya community offers love and help to people across the globe.

I have seen the effort and dedication of this community in this country. In Birmingham several years ago, my good friend, Dr Mubashar Saleem, took me to an old, derelict school building in Tilton road. The Ahmadis lovingly restored it and converted it into the Darul Barakaat mosque, a place where all faiths are welcome and members of the local community are regularly invited to events. From there they organise charity fundraising events such as Ride4Peace, joint faith seminars and sessions for people to donate blood, as well as pursuing their religious worship.

However, even in Birmingham, the standing advisory council on religious education permits Ahmadis to participate in the council, providing that they do not refer to themselves as Muslims lest they offend other Muslim groups, thus perpetuating the religious intolerance that forms the basis of the persecution that we have been hearing about in Pakistan. We need to do more to respect the rights of this religious minority and make it clear that both in this country and in our relations with countries abroad, and especially in Pakistan, we are going to stand up to those who persecute this group.

2.42 pm

**Nic Dakin** (Scunthorpe) (Lab): As always, it is a pleasure to serve under your chairmanship, Mr Turner. I congratulate my hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh) on securing this debate, the importance of which is demonstrated by the number of people here to take part on both sides of the Chamber.

As hon. Friends from across the House have said, the Ahmadis are a faith group that makes a huge contribution in this country and internationally. I am very blessed to have an Ahmadi community in Scunthorpe. Although it is relatively small, it has been involved in a lot of good work on various things in the community, to the benefit of everybody. I take the opportunity to thank them for that today. I also had the privilege and pleasure of joining the Jalsa Salana in 2014. Everybody could see and feel the way in which the Ahmadiyya people live, with the "Love for all, hatred for none" belief that is central to their way of life.

As my hon. Friend the Member for Birmingham, Selly Oak (Steve McCabe) just pointed out, the international work done through Humanity First is an example of

[*Nic Dakin*]

the way in which Ahmadis are not only working locally and nationally, but internationally on behalf of all of us. They should be commended for that, and the fact that they suffer in the way they do, in Pakistan in particular, is to be condemned.

Mr Muzaffar Ahmad, from the local Ahmadiyya community in my constituency, said to me recently that the

“persecution of any religious group should be taken seriously and dealt with. If this is not addressed at the source it can proliferate and reach our country as well.”

He went on to say that, sadly, there have been examples of discrimination closer to home. In a democratic, tolerant society such as the United Kingdom, we address those examples of discrimination and worse, and deal with them effectively in our own way. Sadly however, in Pakistan, the Ahmadi Muslim community is the only religious community to be targeted by the Pakistan state on grounds of faith. Ahmadis have been denied basic rights—the rights to life, to vote, to freedom of faith and to dignity after death.

On paper, the constitution of Pakistan does not permit discrimination for school admissions on the sole basis of religion, and as many colleagues have indicated, the Pakistani Government has signed the international covenant on civil and political rights, which—as hon. Members know—guarantees a variety of religious freedoms. However, I want to focus particularly on access to education.

To attend school in Pakistan, students must disclose their faith when applying to schools. That is a hindrance to the ability of Ahmadi Muslims to gain access to education. As I hope everyone in this Chamber and beyond knows, education can absolutely transform young people’s lives, and to be given a lesser education based on religion is nothing less than appalling.

As the hon. Member for Congleton (Fiona Bruce) pointed out, women and girls have been particularly discriminated against by the Pakistan state. They are particularly affected by discrimination because the style of their hijab is distinctive, which prevents them from participating fully in educational and professional settings, potentially furthering gender inequality in Pakistan.

Furthermore, Ahmadi children can be bullied in schools because of their faith. There is evidence that schools with a large number of Ahmadi students are generally assigned teachers who are less effective. All those things affect the quality of education received by Ahmadi students.

I will give a couple of examples to illustrate that discrimination in action. The case of the students in District Layyah serves as a worrisome reminder of how unfounded allegations can result in children being arrested and held in jail for months with no regard for their right to education or welfare. On 28 January 2009, in Kot Sultan, four children and one adult were accused of blasphemy and arrested under section 295-C of Pakistan’s penal code which carries the death penalty. The police arrested the accused without establishing a credible *prima facie* case, charging them without evidence and before conducting any investigation. The children were accused of graffiti which defiled the name of the Prophet Mohammed on the toilet walls of a local non-Ahmadi mosque.

The inspector of the case admitted that

“the police do not know of any substantial evidence that links the four students with the crime”

and there was no evidence that anything had even been written in the first place. The accused children were later moved to the DG Khan prison, which is located a long distance from their home town, making visiting difficult for relatives.

Despite the arrests, many speeches and protests were made to boycott the Ahmadis. Looting and threats of violence took place, to the extent that Ahmadi Muslims feared for their lives and were forced to move their families out of the area. All that took place despite the fact that the two men who were the prime movers in the accusation did not bring forward anything of any quality. The children remained unlawfully detained for six months before finally being granted bail. This is just one example of the sort of thing that has been and is going on, and that we should condemn.

The second example is the removal of Ahmadi Muslim public figures from educational syllabuses. Obviously, the people who are included in syllabuses become role models for achievement and so on. No educational syllabuses include major Ahmadi Muslim public figures who shaped the history of the country. Ahmadi Muslims contributed to the establishment of Pakistan in 1947 and, prior to the anti-Ahmadi laws, served the country with distinction in every sphere of life. A number of such leading figures are also known internationally for their distinctive service and contribution, including two prominent Pakistani Ahmadi Muslims. Sir Muhammad Zafarullah Khan was instrumental in deciding the Pakistani boundary before partition. He was also Pakistan’s first Foreign Minister, representative at the UN and President of the International Court of Justice at The Hague—a significant figure. Another prominent and yet easily erased figure in history is Professor Abdus Salam, a ground-breaking scientist, famous for his work in the field of physics, who was awarded the first Nobel prize in Pakistani history. People of all faiths in Pakistan can be proud of them and they should be included in the literature, syllabuses and curriculum followed in that country.

I could detail many more examples of discrimination and prevention of access to education, but I will not because I want to be brief. It is important to use our leadership role to encourage Pakistan and ensure that it allows fair access for people of all faiths to education in their country. To be denied that is to be denied a central human right.

Some hon. Members, including my hon. Friend the Member for Mitcham and Morden and the hon. Member for Sutton and Cheam (Paul Scully), have pointed out the importance of the Department for International Development’s budget and the significant amount that goes to Pakistan. We should ensure that it does not go without a commitment by that state to tackle these deep-seated issues, to allow all young people, wherever they are from, to have proper access to education and to ensure that the Ahmadis are no longer restricted in that access as they are currently.

Will the Minister indicate what steps the Government are taking to ensure that aid is not being misused by the Pakistani Government to promote religious intolerance and discrimination, and how the aid is being used as

encouragement and a lever to ensure that the sort of practices that have too often come to our attention cease and that proper access is given? Will he also say what steps the Government are taking to ensure universities in the United Kingdom do not become partners with universities in Pakistan that promote religious hatred and discrimination in their educational material and their recruitment and admissions procedures?

2.52 pm

**Naz Shah** (Bradford West) (Lab): It is a pleasure to serve under your chairmanship, Mr Turner. I reiterate what my colleagues have said in congratulating my hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh) on securing the debate.

[MR GRAHAM BRADY *in the Chair*]

Let me start with the words of Muhammed Ali Jinnah, the founding father of the nation, in his first presidential address to the Constituent Assembly of Pakistan on 11 August 1947:

“You are free; you are free to go to your temples. You are free to go to your mosques or to any other place of worship in this State of Pakistan. You may belong to any religion, caste or creed”.

He then spoke about the history of religious sectarianism, relating it to Catholicism and what had gone on in England. He said:

“Thank God, we are not starting in those days. We are starting in the days where there is no discrimination, no distinction between one community and another, no discrimination between one caste or creed and another. We are starting with this fundamental principle that we are all citizens and equal citizens of one State.”

I want to ask the people in this Chamber, the nation and the people of Pakistan a question: 68 years have passed since Pakistan’s independence and since Muhammad Ali Jinnah made that speech, but where have those freedoms for all the people of Pakistan gone? Where did we start, and where we have we gone? A nation consisting of 191 million people, according to the latest UN estimate, is seeing huge human rights violations and abhorrent discrimination targeting 4% of its minority community.

I have spoken in the House against the rise of Islamophobia in Europe and the United Kingdom. Nevertheless, I stand here today as someone from a minority community, as a proud Member of Parliament and as a Muslim. I can easily go to my mosque, and in fact to any mosque belonging to any sectarian denomination, with no threat to my life or religious freedom. I am deeply saddened that while I, a member of a minority community, have all these freedoms, minorities in Pakistan, such as Ahmadis, Christians, Sikhs, Hindus and others, do not have the religious freedom that Muhammad Ali Jinnah once advocated, but instead face religious persecution.

That religious persecution has led over the years to thousands of vile crimes being committed against minority communities. According to a report by the United States commission on international religious freedom, between January and June 2013—just six months—there were 108 attacks on minorities, leading to 82 deaths. Of those killed, 22 were Ahmadis, 11 were Christians, two were Hindus, one was a Sikh and 16 were from other minority groups. It must be made clear that the fight against the war on terror in Pakistan, the rise in extremism

and the questionable implications of outside actors funding that extremism through the teaching systems in some madrassahs have intensified the persecution against minority communities.

The Shi’a community is a Muslim minority community recognised by the Pakistan state, yet sectarianism and extremism have led to heinous crimes being committed against it. The south Asian terrorism portal found that between 2002 and 2013, 2,086 Shia’s were killed. What is more worrying is the fact that in 2002 and 2003, six and two Shia’s respectively were killed in sectarian hate crimes, whereas 399 Shia’s were killed in 2012 and 410 in 2013.

The rising level of hate is clear, but one of the biggest concerns is that the rising level of extremism is leading to further extremist groups declaring the Shi’a community as non-Muslim and heretics—they are recognised by the state as Muslims—thus validating them for “*wajibul katal*”: deserving to be killed. If that is the level of persecution of a community recognised by the state, one can only imagine the fear and terror that other minority communities in Pakistan are living in today.

This week, there have been many events throughout Parliament and across the country involving my Pakistani brothers and sisters, following an official holiday in Pakistan in solidarity with the Kashmiris. I have spoken at many of those events, and I reiterate that if we are to stand against persecution and for the freedom of the Kashmiris, we must also stand against the persecution of any minority. Everyone who is on the side of justice, whether they are religious or of no religion, and of whatever colour, gender, race, caste or creed, must speak against persecution.

The state of Pakistan has faced challenges, especially in tackling terrorism and extremism, which the armed forces and the people of Pakistan have sacrificed thousands of lives in fighting. Nevertheless, we must all stand together against all forms of hate and persecution. I would welcome and encourage Pakistan holding a religious minority conference with hundreds of world scholars, similar to the one that took place in Marrakech a few weeks ago.

Finally, as a member of a minority community who is benefiting from all the religious freedoms in my homeland, I cannot stand by and watch minorities have their freedoms discriminated against in my motherland. Pakistan is an Islamic state, so for the second time in this Chamber I will use my religion and quote verse or ayah 256 of Surat Al-Baqarah of the Koran:

“There is no compulsion in religion”.

2.59 pm

**Alison Thewliss** (Glasgow Central) (SNP): It is a pleasure to serve under your chairmanship, Mr Brady, and to welcome you to the Chair, with Mr Turner having departed.

It is a pleasure to be able to speak in this debate, and I am grateful to the hon. Member for Mitcham and Morden (Siobhain McDonagh) for securing it. It is also a pleasure to follow the hon. Member for Bradford West (Naz Shah), who spoke passionately and knowledgeably about this issue.

I am delighted to have an Ahmadiyya community in my constituency at the Baitur Rahman mosque in Yorkhill. The community there are a model in the work that they

[*Alison Thewliss*]

do in reaching out to the wider community. They do regular community clean-ups, and they hold events to raise funds for Yorkhill Children's Charity. Indeed, one of my first invitations as an MP was to start, and run in, the 5 km race that they held in Kelvingrove park. It was an absolute pleasure to run alongside them and to help at that event. They also hold dinners to celebrate and to invite in their neighbours, of all faiths and none, for discussions and to talk about peace. They even once provided pakora for my campaign team when we had set up our stall nearby, so they definitely have a place in my heart. They could not be more welcoming. I was also pleased and honoured to be asked to visit their Jalsa Salana event at Alton over the summer, at which I found out a good deal more about the Ahmadiyya community around the world and the humanitarian and education work in which they are involved. That very impressive event reflected the way they reach out to other faiths and bring other people in to find out more about what they do.

What I have also found out about, on that visit and in my continued dealings with the Ahmadiyya community, is the severe persecution that it faces. Despite adhering to many of the core tenets of the Islamic faith, including the five pillars of Islam and the six articles of belief, Ahmadiyya Muslims have been subject to persecution across the globe. I am particularly disturbed by the scale of that in Pakistan, a country with which the UK and Scotland have many close links. In Pakistan, as has been said, Ahmadiyya Muslims are not recognised as Muslims by the country's constitution and are therefore denied their fundamental rights, such as the right to vote and freedom of religion. They have been persecuted, but the state has also enabled that persecution by not protecting Ahmadi Muslims under the law, in clear violation of international human rights obligations.

I want to discuss access to justice in particular. In Pakistan, since 1974, Ahmadi Muslims have not been recognised by the constitution, and since 1984 the penal code has made it a crime for Ahmadis to self-identify as Muslims. That means in practice that should an Ahmadi Muslim face a religiously motivated attack, they would be incriminating themselves even by reporting it. Specifically, section 298-C of the Pakistan penal code states that any "person of the Qadiani group or the Lahori group (who call themselves 'Ahmadis' or by any other name), who directly or indirectly, poses...as a Muslim"

can face up to three years' imprisonment and a fine. For most such offences, bail is granted only at the discretion of the court, and they can be pursued by the police without the need for an arrest warrant.

In its November 2015 report, entitled "On Trial: The Implementation of Pakistan's Blasphemy Laws", the International Commission of Jurists challenged the vague and unfair nature of those laws, picking up on the impact that they have on various religious communities, including the Ahmadiyya community. I will quote directly from the report:

"The vague wording of section 295-C has particularly affected members of the Ahmadiyya community. In some cases, judges have interpreted the expression of religious beliefs by Ahmadis, as understood by the court, as a form of blasphemy."

The report mentions several cases, but most disturbingly of all it states:

"Justice (r) Mian Nazir Akhtar, who is reported to have made public statements calling for the killing of 'blasphemers', was a member of the Bench."

He was dispensing justice while having those beliefs, and having encouraged people to kill those found to be "blaspheming". Those views are absolutely appalling and should have no place in any justice system in the world.

According to a campaign website that the Ahmadiyya community have set up, [stopthepersecution.org](http://stopthepersecution.org), Ahmadi Muslims have been attacked and buildings and monuments have been desecrated and destroyed since the criminalisation of the faith in 1984. That includes several hundred people being killed or assaulted, 65 Ahmadi Muslims being denied burial in a Muslim cemetery, 83 mosques being destroyed, sealed or forcibly occupied, the banning of the construction of 52 mosques and, distressingly, 39 Ahmadi bodies being exhumed after burial. Such incidents go largely unpunished in Pakistan's legal system. It is clear that those who perpetrate such acts can do so with the tacit agreement of the state.

The hon. Member for Mitcham and Morden mentioned the family whose home was burnt down while they were inside it and the lady, Mubashara Jarra, who survived the attack but lost the baby she was carrying and her two nieces, and whose mother died of smoke inhalation. The incident that triggered that is claimed to have been a blasphemous Facebook post by an Ahmadi youth. It seems absolutely incredible that someone making a comment on social media could result in the burning down of people's homes and the attacking of a community, but that is just a picture of the discrimination that this community faces in Pakistan. It is said that during the attack the police did very little to intervene, and there has not been much justice since then, either. It is a desperately worrying situation.

Several hon. Members mentioned Mr Tahir Mehdi Imtiaz, who has been detained for almost a year without charge for allegedly publishing blasphemous material. Again, that is a violation of article 9 of the universal declaration of human rights, which sets out that there should not be arbitrary detention or arrest without charge. My understanding from what I have read is that he has not yet been bailed or a trial date set.

The anti-blasphemy laws in Pakistan allow for wide-ranging complaints against persons, and it is reported that they are often used against the Ahmadiyya community as well as other religious minorities in the country. The UK Government, I hope, would agree with me that that is unacceptable. I would like them to use the influence that we have from our long-standing relationship with Pakistan in many different ways to challenge the Government of Pakistan to change their position and scrap that unfair, unjust and discriminatory law. Pakistan ostensibly supports the universal declaration of human rights, so it must remove the anti-Ahmadi laws from its constitution.

3.6 pm

**Ms Tasmina Ahmed-Sheikh** (Ochil and South Perthshire) (SNP): It is a pleasure to serve under your chairmanship, Mr Brady. May I take this opportunity to welcome the members of the Ahmadiyya community who are here for the debate? You are most welcome. I thank the hon. Member for Mitcham and Morden (Siobhain McDonagh) for securing the debate. I declare an interest, along with

my friend the hon. Member for Strangford (Jim Shannon), as a member of the APPG on international freedom of religion or belief.

I was going to start with a quote from Muhammad Ali Jinnah, but as usual the hon. Member for Bradford West (Naz Shah) has stolen my thunder before I have even begun. I will make reference to her speech later in my remarks.

The hon. Member for Mitcham and Morden talked about a number of specific cases that are of great interest in relation to human rights issues in Pakistan—voting, the blasphemy laws and the right to religious freedom—and called on the UK Government to seek the immediate release of Mr Imtiaz and Mr Shakoor. We are hoping to hear from the Minister in that respect.

An excellent point was made in relation to the use of the DFID budget in Pakistan. I was in Pakistan just last year and attended a number of meetings with Ministers there. I can assure all those here today and beyond that issues to do with the persecution of people of minority faith and minority religions and communities were brought up at every single meeting. It is important—I look forward to hearing from the Minister about this—to ensure that the DFID budget can be used to greater effect in that respect. The hon. Lady mentioned Prime Minister Nawaz Sharif's remarks about being the Prime Minister for all of Pakistan. Again, I look forward to hearing from the Minister about how those words can be brought more to bear in a practical sense.

We then heard from the hon. Member for Congleton (Fiona Bruce), who spoke about the brother of the Minister for minorities in Pakistan, who was here recently and spoke about his brother and also quoted Muhammad Ali Jinnah—a much quoted person. The hon. Lady also spoke of the plight of minority women. As always, women are disproportionately affected by such issues.

We then heard from my hon. Friend the Member for Rutherglen and Hamilton West (Margaret Ferrier), who thanked the Ahmadi community, with which she has been engaging in her constituency. She, too, spoke about issues to do with the electoral register that are resulting in the disfranchisement of people, which we should be working hard to guard against.

The hon. Member for Sutton and Cheam (Paul Scully) made a number of excellent points. I pay tribute to his pronunciation of “As-salaam alaikum”, which was one of the best that I have heard. He spoke of the wide interpretation of blasphemy laws, which always contributes to persecution. He also referred to being a member of the UK delegation to the Council of Europe, which I enjoy with him. It is an important forum for raising issues of human rights. I speak on behalf of the whole delegation in assuring all those here and beyond that we will ensure that human rights are central to all that we do.

We heard from the hon. Member for Strangford, who chairs the all-party parliamentary group on international freedom of religion or belief. I have spoken in a number of the same debates as him. He is a passionate advocate of religious freedom and spoke of the importance of all of us reaching out to all religions. An important term he used was “the voice of the voiceless”.

The hon. Member for Birmingham, Selly Oak (Steve McCabe) spoke of the persecution of the Ahmadiyya community beyond Pakistan in Indonesia and Bulgaria,

about which we look forward to hearing from the Minister. The hon. Member for Scunthorpe (Nic Dakin) referred to women and young girls facing discrimination due to the style of hijab they wear, which distinguishes them and leaves them open to further opportunities for persecution.

The hon. Member for Bradford West quoted Muhammad Ali Jinnah. There is one more quote about women that is important as we speak of the father of the nation of Pakistan. He said that

“no nation can ever be worthy of its existence that cannot take its women along with the men. No struggle can ever succeed without women participating side by side with men. There are two powers in the world; one is the sword and the other is the pen. There is a great competition and rivalry between the two. There is a third power stronger than both, that of the women.”

I implore the Government of Pakistan to remember the words of the founding father of the nation and to put them into practice in relation to women and minority communities across Pakistan. The hon. Member for Bradford West said that if we believe in justice, we must speak for all who face injustice. That is an excellent point, to which I would add that no one equality is more important or more virtuous than another, and that should be at the forefront of our thinking.

Finally we heard from my hon. Friend the Member for Glasgow Central (Alison Thewliss), who is engaging very actively with members of the Ahmadiyya community by running races and the like, which is very impressive indeed. It is a demonstration that when we engage with our minority communities, we get back so much more than we give, and we must continue to do so.

A number of questions on the promotion of religious tolerance have been asked of the Department for International Development. An answer from the Minister of State, Department for International Development, the right hon. Member for New Forest West (Mr Swayne), is welcome because it states:

“DFID supports the rights of all groups to follow their religious faith and to live safe lives”,

and that wherever possible our programmes in Pakistan seek to ensure that that is the case.

I welcome the fact that the head of DFID Pakistan raised the issue in October as part of the bilateral assistance talks. I am keen that that type of engagement continues, because it is necessary. Will the Minister let us know what level and proportion of the UK's development funding in Pakistan is invested in such projects?

I asked a parliamentary question about the make-up of the community engagement forum, which was set up a little while ago in relation to community cohesion across these islands. The Home Office confirmed that members of the Ahmadiyya community—Fareed Ahmad, from the Ahmadiyya Muslim Association and Farooq Aftab, the general secretary of the Ahmadiyya Muslim Youth Association—were represented on the Prime Minister's community engagement forum. Those are welcome appointments.

The debate pack produced by the House of Commons Library is extensive and details a number of parliamentary questions and answers on similar topics to those raised in today's debate. However, none of those answers contain any evidence that the pressure brought to bear by the UK Government in Pakistan on issues relating to

[Ms Tasmina Ahmed-Sheikh]

the persecution of religious minorities has had any positive effect. I hope that the Minister will offer some words of encouragement to those of us who have participated in the debate and, indeed, to members of the Ahmadiyya community who are listening.

The Scottish National party is opposed to religious persecution. Religious freedoms are a fundamental human right, and we are disappointed that the Pakistan Government continue to condone and conduct religiously motivated attacks. We call upon the Foreign Secretary to press the Government of Pakistan to take action against all religious persecution. Pakistan should—this point was raised when we there with the British Council—reform its blasphemy laws, which are incompatible with the international covenant on civil and political rights, which it has signed. We also call on the Foreign Secretary to take further steps to stop the death penalty in Pakistan.

3.15 pm

**Fabian Hamilton** (Leeds North East) (Lab): It is a pleasure to serve under your chairmanship, Mr Brady. It does not seem very long ago that I was sitting on your side of the Table. It was also a pleasure to serve under the chairmanship of Mr Turner, who has now left. I am grateful to my hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh) for introducing this important debate. Religious intolerance and persecution should have no place anywhere in the world today, but unfortunately, as we have heard so clearly this afternoon, it does. It is a matter of huge regret that countries, especially Pakistan, continue to persecute minorities—not just the Ahmadiyya Muslims but other minorities as well.

As well as the powerful opening speech from my hon. Friend the Member for Mitcham and Morden, we heard from my hon. Friend the Member for Congleton (Fiona Bruce)—I hope I can call her my hon. Friend—with whom I served recently on the International Development Committee. She always stands up for the rights of Christians and minorities in other countries of the world, and draws our attention to the plight of women and girls, who so often suffer when minorities are persecuted.

The hon. Member for Rutherglen and Hamilton West (Margaret Ferrier) made a powerful and well-researched speech. The hon. Member for Sutton and Cheam (Paul Scully) is clearly an expert and has a great interest in matters of persecution and religious freedom. The hon. Member for Strangford (Jim Shannon) is a champion for the rights not only of Christians here and in other countries in which they are a minority but of other minority religious communities.

My hon. Friend the Member for Birmingham, Selly Oak (Steve McCabe) always speaks so well on any issue related to home affairs, especially discrimination. My hon. Friend the Member for Scunthorpe (Nic Dakin) and I have worked closely on many issues to do with the persecution of minorities—not only religious ones. Indeed, we have travelled to India together to see the plight of the Tibetan Buddhist community there.

My hon. Friend the Member for Bradford West (Naz Shah)—my near neighbour, as I am an MP for Leeds—spoke powerfully from personal knowledge and understanding about the persecution of Ahmadiyya

Muslims and the state of Pakistan today. The hon. Member for Glasgow Central (Alison Thewliss) spoke about the communities that she is proud to represent and which suffer the kind of persecution that we have heard so much about. Finally, the Scottish National party spokesperson, the hon. Member for Ochil and South Perthshire (Ms Ahmed-Sheikh) made a very good summing-up speech.

There were some relevant interventions from my right hon. Friend the Member for Warley (Mr Spellar), my hon. Friend the Member for Harrow West (Mr Thomas) and the hon. Member for Warwick and Leamington (Chris White), all of whom are no longer in their place.

In Pakistan, religious freedom is consistently trampled upon by state laws, and sectarian violence arises from that. There have been calls by United States Government agencies, such as the United States Commission on International Freedom, to designate Pakistan a country of concern, with the possibility of the USA removing its aid to Pakistan. In the UK, the Home Office and civil society groups such as Human Rights Watch and Amnesty International have documented persistent and increasing sectarian violence against religious minorities in Pakistan. The *Washington Post* in April 2013 stated:

“Pakistan tops worst list for religious freedom”.

Ahmadiyya Muslims are particularly targeted for persecution; laws restricting the practice of their religion are used often to threaten and harass them. My hon. Friend the Member for Mitcham and Morden stated that it is shocking that the persecution of the Ahmadiyya community is enshrined in law. It certainly is shocking to all of us who are democrats and believe in religious freedom.

Approximately 95% of the population of Pakistan are Muslim—70% Sunni and 25% Shi’a—with Christians making about 1.5%, Hindus about 2% and, according to some statistics, Ahmadis approximately 0.2%. However, the exact number of Ahmadiyya Muslims in Pakistan is disputed. It is estimated to be between 600,000 and 2 million. We have heard this afternoon that Pakistan has repressive blasphemy laws and has enshrined in law and the constitution amendments that specifically target the Ahmadis; but the Pakistani Government have failed to take up their Supreme Court’s recommendations in 2014 in relation to violence against religious minorities, and the proposal to form a special police force to monitor sectarian violence. The Pakistani Government have also failed to amend or repeal blasphemy law provisions that give the pretext for violence. Militant groups continue to attack religious minorities. Human Rights Watch stated in 2015 that

“the failure to prosecute or imprison suspects of religious violence is in part due to the sympathy for some groups within the security forces”.

We have heard that Hindu women are victims of forced conversions and forced marriages because Pakistani law does not recognize Hindu marriages. The main justification for state action against religious minorities and the vigilante justification for sectarian violence are those blasphemy laws enshrined in Pakistani law. Blasphemy is considered by the state, and by many Pakistanis, as the defiling of the Prophet Mohammed and, as my hon. Friend the Member for Scunthorpe said, section 295-C of the penal code of Pakistan states:

“Use of derogatory remarks etc. in respect of the Holy Prophet: Whether by words, either spoken or written by visible representations, or by imputation, innuendo or insinuation, directly or indirectly,

defiles the sacred name of the Holy Prophet (peace be upon him) shall be punishable with death, imprisonment for life, and shall be liable to fine”.

In 1986, the blasphemy laws were reformulated and capital punishment was prescribed as the maximum punishment. However, no one, thank goodness, has yet been executed for blasphemy.

Blasphemy allegations are often false, as we have heard, and are often used to promote violence against religious minorities. In 2015 the Home Office said:

“There is clear evidence that the legislation is used by non-state actors to threaten and harass Ahmadis”.

Victims of attacks by non-state actors are unable to seek effective state protection from authorities. The Pakistani Government have consistently failed to repeal the blasphemy laws that provide a pretext for violence against religious minorities. In 2014 there were a record 1,400 cases of people being arrested for blasphemy in Pakistan. In 2015 17 people were convicted of blasphemy, and they are now on death row; 19 others are serving life sentences.

Blasphemy laws have nothing to do with blasphemy and are often used to settle petty disputes and personal vendettas. Accusations of blasphemy are usually the only pretence needed for vigilante groups to attack religious minorities in Pakistan. Saima Baig, a Karachi-based environmentalist, wrote in the Huffington Post recently on a case that we have already heard about in the debate:

“A man named Abdus Salam, who was an Ahmadi, won the Nobel prize in Physics in 1979. The anti-Ahmadi sentiment is so inherent that Pakistan even refuses to acknowledge its only other Nobel Laureate”.

The other one is Malala Yusufsai, as my hon. Friend the Member for Birmingham, Selly Oak mentioned.

“His persecution led to him leaving the country. And we rewarded him by desecrating his grave”.

In a separate article on religious persecution in Pakistan Saima Baig said:

“The State of Pakistan must really think about whether it wants to join the rest of the world in the current century and promulgate and implement laws that provide security and safety to its citizens. This is the responsibility of the State and it must not be allowed to shirk it in the name of religion. Pakistan must do away with instituting 7th century laws that have no basis in today’s society. It is not hard to do so.”

*Deutsche Welle* reported on an attack in November last year:

“On Saturday, November 21, an angry mob in the eastern Punjab province set ablaze a factory owned by the Ahmadis, after one of its employees was accused of desecrating the Koran.

‘The incident took place after we arrested the head of security at the factory, Qamar Ahmed Tahir, for complaints that he ordered the burning of Korans,’ Adnan Malik, a senior police official in the Jhelum city, told the media.

‘We registered a blasphemy case against Tahir, who is Ahmadi by faith, and arrested him after confiscating the burnt material, which also included copies of the Koran,’ Malik said.

According to local media, after the arrests hundreds of people descended on the factory, setting it on fire.

A spokesman for the local Ahmadi community said three of their members were detained by the police on blasphemy charges.

A day later on Sunday, Muslim protesters attacked and occupied an Ahmadi mosque in a town near Jhelum, as an act of ‘revenge’ for the factory incident.

‘A mob attacked our mosque in Kala Gujran, an area in Jhelum, took out its furniture and set it on fire. Then, they

washed the mosque and later offered evening prayers in the mosque,’ Amir Mehmood, a member of the Ahmadi community, said.

Rights activists say that a cleric of a Muslim mosque in the area had urged the people to ‘punish’ the ‘blasphemers.’ They also accuse the local administration and the police of not preventing both attacks on the minority group.”

Labour believes, as I am sure do Members throughout the House, in freedom of religion, not just in the United Kingdom but throughout the world—the freedom to worship without fear or persecution. There is not a Member in this Chamber or the House who would oppose that.

I want in closing to pay tribute to Muhammad Nayyer, the secretary for external affairs of the Ahmadiyya Muslim Association of Leeds. He recently came to the Sinai Synagogue in Roundhay in my constituency to speak to the Leeds Jewish community about his and his community’s experience in Pakistan. After his speech I was privileged to be presented with a copy of the holy Koran by Mr Nayyer. It was the first time he had been to a synagogue, and he remarked how similar it was in many ways to his own mosque.

My final words are a quotation—

“but then eject them forever from this country. For, as we have heard, God’s anger with them is so intense that gentle mercy will only tend to make them worse and worse, while sharp mercy will reform them but little. Therefore, in any case, away with them!”

Martin Luther said that in 1543. He was writing about the Jews; but it could have been said about the Ahmadiyya Muslims in Pakistan.

3.27 pm

**The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr Tobias Ellwood):** It is a pleasure to work under your chairmanship today, Mr Brady. I confess I have a terrible cold, so my speech will, I think, read better than it will sound. I apologise and hope that hon. Members will bear with me.

I think that this has been a phenomenal debate, and a very important one. I pay tribute to the incredible contributions that have been made, with passion, expertise and the determination to raise an important issue. Many questions have been raised, and I will do my best to respond to a number of themes that have come up. However, as I have pledged and, I hope, done in the past, I will write to hon. Members with more details if I do not have the opportunity to cover everything to the extent they expect.

I will begin as other hon. Members have done, by congratulating the hon. Member for Mitcham and Morden (Siobhain McDonagh) on securing this worthwhile debate. The standard of that debate reflects what the Labour party spokesman, the hon. Member for Leeds North East (Fabian Hamilton) pointed out—the House’s close interest in human rights issues not just in this country but throughout the world. He is right; and this country has a proud reputation for defending the rights of minorities such as the Yazidis of Iraq and Syria; the Baha’i of Iran; and the Buddhists and Rohingya Muslims of Burma. We have stood up for individuals such as Meriam Ibrahim in Sudan. She was raised as a Muslim but chose to follow and marry into the Christian faith, and for that choice she was punished, charged with apostasy and adultery, and imprisoned with her young son while heavily pregnant.

[*Mr Tobias Ellwood*]

Today, with intolerance very much on the rise, we now see reports of anti-Semitic and anti-Christian attacks even here in Europe. It is especially important that we stand up for people's right freely to express their faith, or indeed to have no faith at all. I welcome this opportunity to debate the specific issues of religious minorities in Pakistan, which I do not recall the House discussing during my time as Minister for the middle east, north Africa and south-east Asia.

My hon. Friend the Member for Sutton and Cheam (Paul Scully) and others have mentioned the important contribution of the Pakistani diaspora to this country, which is important to recognise, and I am glad that it has been expressed today. Before going into the details, I say at the outset that we have a strong, powerful and important relationship with Pakistan. We have a historical relationship—Pakistan is a close ally in the Commonwealth—and we have a commercial relationship, too. Bilateral trade with Pakistan is moving towards £3 billion. We have shared security interests in the region and, as I have mentioned, we have a massive diaspora relationship, with thousands of people moving backwards and forwards between Pakistan and this country every single month.

As the hon. Member for Bradford West (Naz Shah) said in her powerful speech, Pakistan is an important country that has made progress over past decades and has gone through a difficult period as it moves from military governance to civilian governance. We should applaud and encourage the continuing path in that direction. It is important to recognise where Pakistan has come from, but our relationship means that we can have frank and important conversations about some of the details that we have discussed today. That is where we are with our relationship. I address some of the challenges that we face knowing that Pakistan is a friend, and friends should be able to say such things on the record as matters of concern.

The all-party parliamentary group on the Ahmadiyya Muslim community, which is chaired by the hon. Member for Mitcham and Morden, does a great deal of valuable work to support the beleaguered Ahmadiyya minority in many countries across the world. We are not only dealing with Pakistan; other countries have been mentioned, too. I pay tribute to the group's work. We met to discuss these issues on 20 January—my hon. Friend the Member for Congleton (Fiona Bruce) and the hon. Member for Strangford (Jim Shannon), who is a regular at debates on such matters, were also there. I admire and pay tribute to the group's leadership and chairman.

It is important that the all-party parliamentary groups on the Ahmadiyya Muslim community and on international freedom of religion or belief work together and continue to bring such matters to the fore and that we debate them in the House. Both groups discharge an invaluable service in reminding us of the importance of the freedom of religion or belief, which we in the UK are lucky enough to take for granted, but some people in other countries cannot, as we have heard today.

Religious minorities suffer more than most, and it is right that we should speak up for them on their behalf if we see evidence that their voices are not being heard and that their rights are being denied. Today's debate, unfortunately, is a sad reminder of the persecution suffered by Ahmadiyya Muslims in Pakistan. As has

been said, the Pakistani constitution discriminates against them. They struggle to exercise their right to vote because they have to state their religion from a list on the ballot paper, and because the religion is not recognised they are denied the ability to vote. The hon. Member for Scunthorpe (Nic Dakin) mentioned education, and Ahmadiyya Muslims are denied education for the same reasons. They face arbitrary detention, their literature is banned, their mosques are attacked and, as the hon. Member for Rutherglen and Hamilton West (Margaret Ferrier) and others have said, their minarets are also destroyed.

The hon. Member for Ochil and South Perthshire (Ms Ahmed-Sheikh), the spokesman for the Scottish National party, also talked about the lack of justice in Pakistan. Last year's Foreign and Commonwealth Office annual human rights report detailed cases of extremists specifically targeting Ahmadiyya Muslims. The report highlighted the case of an Ahmadiyya man who was shot and killed after a Muslim leader denounced the Ahmadiyya as "enemies of Pakistan" on a popular television show. I am sorry to say that it is not only the Ahmadiyya Muslim community that experiences persecution. Shi'a, Hazara, Christian and other religious communities also face intimidation and violence, forced conversion and marriage, attacks on places of worship and sectarian killings. All those appalling abuses continue to take place.

The misuse of blasphemy laws against Muslims and members of religious minorities, such as Christians, can lead to mob violence and the potential use of the death penalty against victims, which is a particular concern. A stark example is the case of Mrs Asia Bibi, a Christian lady who was accused of blasphemy after drinking water from the same bowl as a Muslim woman. She is facing execution after five years on death row. People in her own village, including religious leaders, have publicly stated that they would kill her if she is released. I continue to follow her appeal process very closely.

The Government deplore violations of the right to freedom of religion or belief, wherever they occur. We regularly urge the Government of Pakistan to honour their international commitments and guarantee fully the human rights of all Pakistani citizens. The scale of the challenge facing Pakistan is illustrated in the film "He Named Me Malala," which I saw a couple of months ago. I had the honour of meeting Malala Yousafzai when she spoke at the Syria conference last week, highlighting again the plight of minorities. It was an honour to have her at the conference.

**Paul Scully:** Does the Minister agree that, especially when we have an unstable world and an unstable region, it is important that we act as a critical friend to Pakistan and work with it to ensure that the country is stable so that it can progress?

**Mr Ellwood:** My hon. Friend makes an important point, and I will address the role of the Department for International Development. Pakistan is a country in which we invest an awful lot of money. There have been many questions about whether that funding should be conditional, and I will address those issues. He makes a valid point, and we are a friend of Pakistan. We want to work with the country, which allows us to highlight such areas to ensure that there is progress.



**Siobhain McDonagh:** I can see that the Minister is in trouble with his cold. I am unclear on whether the governor of Punjab has been to the UK or is about to come to the UK. If he has been, were the Government able to raise the issue of the Ahmadiyya in his region? If he is about to come, will the Minister include it in those discussions?

**Mr Ellwood:** I met the governor of Punjab—he happens to be the brother of the Prime Minister of Pakistan, so he has access to the powerbase—prior to meeting the APPG, so I did not specifically raise the plight of the Ahmadiyya community, but I did raise other matters. The plan is that I will visit the country in the near future. I, the Foreign Secretary and others have taken many opportunities to raise these issues and the plight of other minorities in Pakistan.

Our high commissioners are being changed over, and this morning I met Tom Drew, our next high commissioner, who is about to depart for Islamabad, and we discussed these very issues. He is aware of the concern and of the fact that this debate is happening today. We have also raised the issue with the Pakistani high commissioner in London, and I assure the hon. Lady that the next time I meet the Chief Minister of Punjab I will raise it with him, too.

**Jim Shannon:** I understand that the Minister's voice is under some pressure; we can appreciate that. I just gently say to him that there will be a report from the all-party group on international freedom of religion or belief, which will be the Pakistan inquiry. It might be helpful for him to receive a copy. If he is happy with that, when we get a chance we will ensure that he receives a copy of the report—the inquiry was chaired by Lord Alton of the other place—as it might be helpful when it comes to presenting the case on behalf of all those religious minorities in Pakistan.

**Mr Ellwood:** I will be very grateful to receive that; I thank the hon. Gentleman very much indeed for the offer.

In addition to the conversations that I have already mentioned, in August last year the Foreign Secretary expressed our concerns about religious freedom and the misuse of the blasphemy laws in Pakistan. The misuse of those laws is at the core of what we are discussing here. Our concern is that sometimes judges are not willing to enforce these blasphemy laws because of concerns about their own safety. We need to encourage and further advance greater maturity of the justice system in Pakistan.

I have also impressed on the Pakistani high commissioner to the UK, Syed Abbas, the importance not only of respecting the rights of religious minorities in Pakistan but the importance of the Ahmadiyya, Shi'a, Hazara and Christian communities, many of which we have referred to in debates here in Westminster Hall and in the main Chamber.

We also work through the European Union to promote human rights overseas. For example, the EU preferential market access scheme has helped to incentivise progress on human rights in Pakistan. This has led to the creation of a cell to help with the implementation of international human rights obligations. Also, Pakistan has submitted overdue UN treaty reports and re-established a Government

ministry specifically to lead on human rights. That is a very important and welcome development. This progress is encouraging, but we cannot be complacent. We recognise the need to maintain the pressure on the Government of Pakistan to honour their commitments to human rights, and we will continue to do that.

I turn now to some of the other matters that have been raised this afternoon. First, there is the issue of international aid. Aid is provided not on a national basis but on a federal basis, so we discuss these matters with the various chief ministers in Pakistan. As hon. Members know, the Foreign Office does not lead on aid, but I promise hon. Members that I will meet the relevant Minister in the Department for International Development to make sure that we can see that aid is being properly distributed in Pakistan.

Hon. Members will be aware that we have a proud legacy of making sure that aid goes to vulnerable people and is not somehow tied up in conditionality. The problem with placing conditions on the aid that we give is that we can end up denying it to the very vulnerable people whom we want to support. So we need to look at cognitive measures that will enhance and encourage change, but also recognise that the DFID contribution to Pakistan is immense. Indeed, I think that it is one of the highest aid contributions in the world.

**Fiona Bruce:** I fully accept what the Minister is saying about conditionality. The important issue that I ask him to raise with DFID Ministers is the fact that religious discrimination is a root cause of poverty, as we have demonstrated today in this Chamber. However, in my opinion, to date DFID Ministers have not sufficiently addressed this issue as a cause of poverty in the way that other issues have been addressed, for fear of appearing to discriminate. That is a hurdle in thinking that we need to overcome.

**Mr Ellwood:** My hon. Friend makes an important point about the criteria that must be met for aid to be advanced to a country. The development committee that focuses on these issues wrote the rules back in the 1950s, and the guidance on overseas development support was written in the aftermath of the second world war and designed to focus on poverty itself. We know today that instability is also directly linked to the cause of poverty, but the rules have not changed.

I have been encouraging change, and we are slowly moving in that direction. Those rules need to be updated and advanced, to recognise other ways of ensuring that poverty can be tackled, such as by providing stability and improved governance, so that people make better decisions to move their country forward and also alleviate the challenges of poverty.

A number of hon. Members spoke not only about Pakistan but about the wider issues. I think we spoke of those issues when we met the all-party group on the Ahmadiyya Muslim Community. Bulgaria was mentioned as well, which raises eyebrows. This is a country in Europe; it is part of the European Union. Why on earth are we seeing this sort of persecution in Bulgaria as well? I raised this issue with my right hon. Friend the Minister for Europe, and he is pursuing it from his angle. I will ask him to be in touch with the hon. Member for Mitcham and Morden to provide an update of what is going on. However, I am aware that the

[Mr Ellwood]

Grand Mufti of Bulgaria is very influential in these circumstances. We need to work harder, particularly as Bulgaria is essentially part of the European community, to ensure that persecution of the Ahmadiyya community does not happen so close to the UK.

A couple of other countries were also mentioned at that meeting. For example, on Thailand we continue to work with the United Nations High Commissioner for Refugees, not only on a wide range of refugee issues but on persecution as well. Again, I will write to hon. Members with more details of what is happening on that front. As I say, Thailand was raised at the all-party group meeting. So, finally, was Indonesia.

Our ambassador in Jakarta has discussed these issues, including the plight of the Ahmadiyya community, with the Minister of Religious Affairs, and has urged him and other community leaders to ensure that the right of individuals to practise freedom of religion and belief is respected, and indeed protected. I understand that a Bill is now going through that is based on the protection of religious and faith communities, and I hope that that will be a major advancement in Indonesia. However, we need to keep the pressure on and keep working on this issue.

To conclude, I once again thank the hon. Member for Mitcham and Morden—

**Siobhain McDonagh:** Will the Minister give way?

**Mr Ellwood:** Of course.

**Siobhain McDonagh:** I apologise for extending the Minister's time on his feet, but will he address the issue raised by my right hon. Friend the Member for East Ham (Stephen Timms) about the religious inter-faith forum? It was set up by the Foreign Office under the coalition Government, but at this time it does not seem to have been re-established.

**Mr Ellwood:** I had asked for a note on that, to see what had happened. If I may, I will write to the hon. Lady. I am not familiar with where things are at the moment, and it would be wrong for me to place something on the record without knowing the details. However, the importance of this issue has been raised; the hon. Lady's point is on the record, and I will write to her with more details as to what stage that forum is at.

To conclude, Mr Brady, thank you very much indeed for the opportunity to place these important points on the record and to put into context the work that the Government are doing to put pressure on Pakistan, one of our important allies, to advance its views on dealing with the persecution of the Ahmadiyya, and indeed of other religious groups, in Pakistan and in other countries.

I assure hon. Members that we will continue to take every opportunity to raise issues of concern with the government of Pakistan; indeed, when I next meet the Chief Minister of Punjab, I will raise this issue. Our aim is, of course, that one day everyone, everywhere, whatever their faith or belief, will enjoy the rights that we in this country take for granted

3.49 pm

**Siobhain McDonagh:** I thank you for your chairmanship, Mr Brady, and I warmly thank every Member who has contributed to the debate. I think in excess of 16 Members have spoken. When I discovered that we had the Thursday afternoon before recess slot, I thought, "Oh dear." I thought that I would be bringing the Lahore telephone book with me in an effort to fill some time. I am sure that everyone will agree that we have had tremendous and moving contributions from Members representing nearly all the parties in the House, and I thank them for that. I also thank the Ahmadiyya community for encouraging this amount of interest and support. It is a relatively small community in our country. It always punches above its weight—"punches" is probably the wrong word to use for a community that is not violent—and gets involved in its community and its issues at home. I thank all involved.

We have heard about the many dimensions of persecution of the Ahmadiyya community, but also about other religious minorities in Pakistan. I hope that our discussion will mark the beginning, not the end, of the UK Government's consideration of what they can do to end religious persecution in Pakistan. Like many other groups who have sought refuge in the UK, the Ahmadiyya community gives so much back to this country. It is a great champion of charitable causes and promotes peace, cohesion and understanding in our communities, but the Ahmadi are fearful for their families, loved ones, friends and fellow community members back in Pakistan, where their lives remain at risk if they openly practise their faith. As anti-Ahmadi sentiment becomes more pervasive across borders, we are increasingly seeing discrimination in other countries, too. As our debate has demonstrated, the extent to which Ahmadi cannot access justice, enfranchisement or equal treatment in Pakistan cannot be underestimated. The persecution that they face is simply intolerable in this day and age.

The UK is proud to have Pakistan as a close ally—we all commend and celebrate that, but the relationship also requires the UK to make it clear that the freedom for Ahmadi and all religious groups to practise their religion without fear is a fundamental right. The UK Government and this House have a strong moral responsibility to encourage freedom of religion and freedom of speech, not just within our own borders, but internationally. They are not just British values but universal human rights.

I look forward to the Minister and the UK Government taking a more proactive approach in promoting what should be absolutely universal: the Ahmadi message of "Love for all, hatred for none." That message still endures despite the persecution of Ahmadi, and it is a message we can all share.

*Question put and agreed to.*

*Resolved,*

That this House has considered the persecution of Ahmadiyya Muslims and other religious minorities in Pakistan.

3.52 pm

*Sitting adjourned.*

# Written Statement

*Monday 25 January 2016*

## TREASURY

### **Contingencies Fund Advance: Help to Buy ISA**

#### **The Economic Secretary to the Treasury (Harriett Baldwin):**

The Help to Buy: ISA was announced in the March 2015 Budget. Under the scheme first time buyers purchasing a property in the UK will be able to save up to £200 per month in a Help to Buy: ISA and receive a bonus of up to £3,000. The bonus amount is calculated as 25% of the balance in the buyer's Help to Buy: ISA, (with a minimum of £400 and capped at £3000). The bonus will be paid upon the completion of the purchase of an eligible property.

The Help to Buy: ISA has been available since 1 December 2015 and 200,000 accounts have so far been opened. The first homes to be acquired using the scheme are expected to be purchased in early February 2016.

The resources for the bonus payments will form part of HM Treasury's supplementary estimate 2015-16, which is expected to achieve Royal Assent in the associated Supply and Appropriation Bill in mid to late March. HM Treasury will therefore be utilising the Contingencies Fund to make the initial bonus payments that become payable prior to Royal Assent.

Parliamentary approval for additional resources of £20,000,000 for this new expenditure will be sought in a supplementary estimate for HM Treasury. Pending that approval, urgent expenditure estimated at £20,000,000 will be met by repayable cash advances from the Contingencies Fund.

[HCWS487]



# Written Statements

Tuesday 26 January 2016

## BUSINESS, INNOVATION AND SKILLS

### Small Companies Audit Exemption Thresholds

**The Minister for Small Business, Industry and Enterprise (Anna Soubry):** My noble Friend the Parliamentary Under-Secretary of State for Business, Innovation and Skills (Baroness Neville-Rolfe) has today made the following statement.

The Government have carefully considered responses to questions posed on the audit exemption threshold in the Government's discussion paper on the implementation of the Audit Directive (2014/56/EU) and the Audit Regulation (Regulation 537/2014). Some stakeholders argued that amending the audit exemption threshold increases the risk of poor financial reporting and that the thresholds should be maintained at the previous level or raised to some intermediate level lower than the thresholds now used to determine a "small company" for financial reporting purposes. Others argued for the thresholds rising to the maximum permitted, quoting the erosion of the value of the audit exemption thresholds due to inflationary effects and the need to avoid imposing avoidable regulation on small companies. Moreover removing the link between the thresholds for eligibility for the small company regime and those for the audit exemption would introduce unnecessary complexity into company law and cause confusion for users.

The Government have concluded that, as now, all companies should continue to be able to have an audit. Companies will not however be required to have an audit for the financial years commencing on or after 1 January 2016 if at their balance sheet date they satisfy at least two of the three following criteria, in general for two consecutive financial years:

- Turnover  $\leq$  £10.2 million
- Balance sheet total  $\leq$  £ 5.1 million
- Number of employees  $\leq$  50

and they are not otherwise excluded from accessing the audit exemption, for example due to the nature of their business.

Audit and auditors will continue to have an important role in supporting small businesses to achieve their ambitions and grow; and in providing assurance to owners and lenders about a company's performance. Although it is estimated that raising the audit exemption thresholds will bring a further 7,400 companies within scope of the exemption, on current practice the Government anticipate that 4,400 will choose to continue to have an external audit. Of the 3,000 companies expected additionally to take up the exemption, some will seek alternative routes to ensure that the company's systems are robust; for example, through assurance reviews or increased oversight of accounts preparation.

In view of the news expressed by stakeholders the Government will keep the changes in the audit exemption thresholds under review. We will respond quickly should evidence emerge that further action is required to ensure that the UK continues to have a world-class financial reporting and assurance framework which meets the needs of users and regulators.

[HCWS491]

## Control of UK Companies: Transparency

**The Minister for Universities and Science (Joseph Johnson):** My noble Friend the Parliamentary Under-Secretary of State for Business, Innovation and Skills has today made the following statement.

On Monday the 25 January, I laid before Parliament draft regulations in connection with Part 21A Companies Act 2006. These establish the public register of information about people with significant control (PSC) over UK companies and limited liability partnerships (LLPs). This is an important step in providing much greater transparency about who owns UK companies and LLPs. This will boost trust in UK businesses, and reduce the risk of UK companies and LLPs being used for corrupt purposes.

The Government appreciate that transparency is usually in the public interest, as it is useful to know with whom one is doing business and helps deter and identify where corporate entities are being used for criminal activities.

The Government recognise that in certain rare circumstances publication of PSC information could put individuals at serious risk of violence or intimidation.

The draft regulations therefore provide for applications to be made to withhold the personal information of PSCs from public disclosure. In such cases the information must still be provided, and the fact that the information exists but is protected, will be made public. This is set out in more detail in Section 790ZG and regulations 33-45 of the draft Companies (Register of People with Significant Control) Regulations 2016.

Section 790J also enables the Secretary of State to make general exemptions to the new requirements. The Secretary of State has not granted any such exemptions, and would only be prepared to grant exemptions in very limited circumstances. These circumstances would be that the exemption is in the interests of national security; the economic wellbeing of the UK, or in the support of the prevention or detection of serious crime.

An exemption would also only be granted if the Secretary of State received satisfactory assurances on other matters like the company or LLP was not being run for personal benefit of any individual and that the exemption was necessary for the person seeking it to achieve their lawful objectives. I do not propose to comment further on whether I have received any such requests or whether I have granted them.

[HCWS488]

## TREASURY

### Financial Services

**The Economic Secretary to the Treasury (Harriett Baldwin):** The Chancellor has this morning announced that Andrew Bailey has been appointed as the next chief executive of the Financial Conduct Authority.

Andrew will succeed Tracey McDermott, interim CEO, and bring his extensive skills and experience of regulation to ensure that the UK financial services sector is the best regulated in the world.

The Chancellor has also announced the appointments of Bradley Fried, Baroness Hogg, Ruth Kelly and Tom Wright as non-executive directors.

These appointments are being made by HM Treasury under, and in accordance with, the Financial Services and Markets Act 2000 as amended.

[HCWS490]

## COMMUNITIES AND LOCAL GOVERNMENT

### Fire and Rescue Authorities: Funding for Pension Redress Payments

**The Secretary of State for Communities and Local Government (Greg Clark):** In May 2015, the pensions ombudsman issued his final determination in a case brought by a retired Scottish firefighter against the Government Actuary's Department. This found that the Government Actuary's Department failed to review the factors used in the calculation of the firefighter's lump sum pension payment at the appropriate time, and that this amounted to maladministration. The Government determined that the principles of this ruling should be applied to other affected individuals across the UK, including around 6,000 retired firefighters in England.

Ministerial responsibility for fire and rescue policy transferred to the Home Office on 5 January 2016. The Permanent Secretary at the Department for Communities and Local Government remains the accounting officer for fire budgets until 31 March 2016, and budgets remain with the Department for Communities and Local Government until then. From 1 April 2016 remaining responsibilities for fire budgets and administrative responsibilities will transfer to the Home Office.

Parliamentary approval for additional capital of £94 million will be sought in a supplementary estimate for the Department for Communities and Local Government. Pending that approval, urgent expenditure estimated at £94 million will be met by repayable cash advances from the Contingencies Fund.

[HCWS493]

## HOME DEPARTMENT

### Emergency Services: Closer Working

**The Secretary of State for the Home Department (Mrs Theresa May):** Efficient and effective emergency services are essential to keeping our communities safe. Closer working between the police, fire and rescue and NHS ambulance services can improve the way they serve communities, protect the public and provide value for money for taxpayers.

The Government are committed to supporting collaborative and innovative blue light working, and have invested over £80 million in such projects. While there are good examples of joint working in some local areas, there is much more to be done before collaborative working becomes the norm. For example, there could be savings to be made from greater sharing of premises, back offices, IT and procurement systems, which can release valuable resources to the frontline.

I have worked closely with the Secretary of State for Communities and Local Government and the Secretary of State for Health to develop a range of proposals to enable closer working between the emergency services and to provide for stronger local accountability. On 11 September 2015, we published a joint consultation paper setting out our proposals and seeking views on

how best to implement them. The consultation ended on 23 October 2015. Over 300 responses were received from national, local and regional organisations, police forces, police and crime commissioners, fire and rescue authorities, local councils, ambulance trusts, front-line practitioners, associations and other interested groups and individuals. We would like to thank all those who gave their time to respond and contribute to the consultation process.

Today, we have published the Government's response to the consultation, which summarises the comments we received and sets out how we intend to proceed.

Having carefully considered all the consultation responses, we intend to legislate to:

- introduce a high-level duty to collaborate on all three emergency services, to improve efficiency or effectiveness;

- enable police and crime commissioners to take on the functions and duties of fire and rescue authorities, where a local case is made;

- further enable police and crime commissioners to create a single employer for police and fire staff where they take on the responsibilities of their local fire and rescue service, and where a local case is made;

- in areas where a police and crime commissioner has not become responsible for fire and rescue, enabling them to have representation on their local fire and rescue authority with voting rights, where the fire and rescue authority agrees; and

- abolish the London Fire and Emergency Planning Authority and give the Mayor of London direct responsibility for the fire and rescue service in London.

The intention is that these measures will ensure collaboration is widespread and ambitious across the country.

Bringing police and fire together locally under the leadership of a PCC will provide greater direct accountability for the public and will accelerate local collaboration. This does not mean a takeover of the fire service by the police. The important distinction between operational policing and firefighting will be maintained, with the current law that prevents a full-time police officer from being a firefighter remaining in place, and with no intention to give firefighters the power of arrest.

Alongside this, the Prime Minister's recent announcement that responsibility for fire policy has transferred from the Department for Communities and Local Government to the Home Office shows the Government's commitment to closer collaboration between police and fire and rescue services. Bringing together responsibility for fire and police in the same Department provides the same clear leadership in central Government that our proposals on emergency services collaboration seek to deliver locally. It provides an excellent opportunity for sharing good practice to drive reform and to deliver better outcomes for the public.

These measures will apply to England only. Further details on the measures and how the consultation has informed them, are set out within the Government's published response.

Copies of the Government's response to the consultation will be placed in the Library of the House.

[HCWS489]

## JUSTICE

### Youth Justice

**The Lord Chancellor and Secretary of State for Justice (Michael Gove):** As I assured the House on 11 January, *Official Report*, column 573, the safety and welfare of all those in custody is vital. We treat the allegations of abuse directed towards young people at the Medway Secure Training Centre, run by G4S, with the utmost seriousness. Kent police and Medway Council's child protection team have launched an investigation which will determine whether there is any evidence to justify criminal proceedings. The Ministry of Justice and Youth Justice Board will fully support and co-operate with their enquiries.

Following the allegations, our immediate priority has been to ensure that young people at the centre are safe. HMIP and Ofsted visited Medway STC on 11 January and their findings are published today. The Youth Justice Board, which is responsible for commissioning and oversight of the secure youth estate, has increased both its own monitoring at Medway STC and the presence of Barnardo's, who provide an independent advocacy service at the centre. The YJB immediately stopped all placements of young people into the centre and suspended the certification of staff named in the allegations.

I believe, however, that we need to do more in order to have confidence that the STC is being run safely and that the right lessons have been learned. Today's report by HMIP and Ofsted recommends the appointment of a commissioner to provide additional external oversight of the governance of the centre. I agree that additional external oversight is necessary and am also concerned that it draws on the broadest possible expertise.

I am therefore today appointing an independent improvement board, comprised of four members with substantial expertise in education, running secure establishments and looking after children with behavioural difficulties. This board will fulfil the same function, with the same remit, as HMIP and Ofsted's recommendation for a commissioner. We have tasked G4S with putting an improvement plan in place, which this board will oversee.

I have appointed Dr Gary Holden as the chair of the improvement board. Dr Holden is the chief executive officer and executive principal of The Williamson Trust,

a successful academy chain in Kent. This includes the outstanding Sir Joseph Williamson's Mathematical School, located less than a mile from Medway STC. He is also a national leader of education and chair of the Teaching Schools Council. His experience as a headteacher and leader of a high-performing organisation make him ideally suited to identify the steps that should be taken to raise standards at Medway STC.

Dr Holden will be joined by: Bernard Allen, an expert in behaviour management and the use of restraint; Emily Thomas, interim governor of HM Prison Holloway and former governor of HM young offender institution Cookham Wood; and Sharon Gray OBE, an education consultant and former headteacher with experience of working with children with behavioural difficulties, including in residential settings.

The board will provide increased oversight, scrutiny and challenge of managerial arrangements, in particular in relation to the safeguarding of young people. Board members will have authority to visit any part of the site at any time, access records at Medway and interview children during their investigations. The board will report any concerns about the provision of services at Medway to me. The board's work will assist me in determining the necessary improvements that G4S must make to restore confidence that young people are properly safeguarded at the STC.

The terms of reference for the independent improvement board are to:

- investigate the safeguarding arrangements at Medway in order to inform the development and approval of the improvement plan to be produced by G4S and any steps to be taken by the Youth Justice Board (YJB) and other organisations;

- oversee, challenge and support G4S in implementing their improvement plan;

- report to the Secretary of State on the Board's confidence in the capability of G4S, YJB and other organisations to meet appropriate safeguarding standards at Medway STC in the future, and the performance and monitoring arrangements required to provide assurance; and

- submit any recommendations on the safeguarding of young people in custody, including the role of the YJB and other organisations, to inform practice in the wider youth custodial estate and Charlie Taylor's review of the youth justice system.

The board will complete its work by the end of March 2016.

[HCWS492]





# Written Statements

Wednesday 27 January 2016

## BUSINESS, INNOVATION AND SKILLS

### Register of People with Significant Control

**The Minister for Universities and Science (Joseph Johnson):** My noble Friend the Parliamentary Under-Secretary of State for Business, Innovation and Skills (Baroness Neville-Rolfe) has today made the following statement.

I laid before Parliament on Monday 25 January draft regulations that implement the public register of information about people with significant control (PSCs) over UK incorporated companies and limited liability partnerships (LLPs). These regulations are derived from powers under Part 21A of the Companies Act 2006.

These regulations form the detailed requirements of the register of people with significant control, which will come into force on the 6 April 2016 subject to consideration. The register is the cornerstone of the UK's response to the problem of corporate opacity. It ensures the UK meets international standards which tackle the misuse of companies. The reforms provide greater transparency over company ownership and control for enforcement agencies, business, and citizens. By making this information public, without charge, we are setting a standard for open government that we aim to persuade international partners to follow.

On Monday 25 January I also laid, in draft, statutory guidance on the meaning of significant influence or control in the context of companies, for the register of people with significant influence or control. This is required by paragraph 24 to Schedule 1A of the Companies Act 2006, and is subject to the approval of the House. The term "significant influence or control" is included in the fourth and fifth specified conditions for being a person with significant control. The statutory guidance is required to explain how that term should be interpreted.

I have also published, in draft, the statutory guidance on the meaning of significant influence or control in the context of limited liability partnerships. I intend to lay this document in draft before the House, once The Limited Liability Partnerships (Register of People with Significant Control) Regulations 2016 have been commenced, following the approval of the House.

This month I will also publish the general guidance for companies and limited liability partnerships on how to comply with the register of people with significant control requirements. This has been developed with the help of business, civil society and legal experts, and will enable companies, limited liability partnerships and individuals to familiarise themselves with the framework before it comes into force.

[HCWS494]

## TREASURY

### Securitisation Framework: Justice and Home Affairs

**The Economic Secretary to the Treasury (Harriett Baldwin):** The Government have decided not to opt in to the justice and home affairs (JHA) provisions within the European Commission's proposal for laying down common rules on securitisation and creating a European framework for simple, and transparent and standardised securitisation.

Article 19(2) of the proposal requires that where member states have chosen to pursue a criminal sanctions regime for breaches of elements of the proposals, those member states must ensure that information can be shared between competent authorities across the EU. As the provision requires co-operation involving law enforcement bodies, the Government believe these are JHA obligations and therefore our JHA opt-in is triggered and we have informed Council of that fact.

The Government have decided not to opt in to these provisions as there are no significant benefits to be gained from doing so. The obligation to share information will fall on member states who have a relevant criminal sanctions regime, and UK competent authorities will be in a position to access this data irrespective of the decision to opt in. The Government have no intention to introduce a criminal sanctions regime in a way that would lead to this regulation imposing an obligation on the UK or on our competent authorities.

[HCWS496]

## FOREIGN AND COMMONWEALTH OFFICE

### Foreign Affairs Council and General Affairs Council

**The Minister for Europe (Mr David Lidington):** My right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs attended the Foreign Affairs Council and I attended the General Affairs Council on 18 January. The Foreign Affairs Council was chaired by the High Representative of the European Union for Foreign Affairs and Security Policy, Federica Mogherini, and the General Affairs Council was chaired by the Dutch presidency. The meetings were held in Brussels.

#### *Foreign Affairs Council*

A provisional report of the meeting and conclusions adopted can be found at:

<http://www.consilium.europa.eu/en/meetings/fac/2016/01/18/>.

In her introductory remarks Ms Mogherini welcomed the progress that had been made on implementation of the Iranian nuclear deal and updated Ministers on the political situation in Venezuela. During the morning sessions, Ministers discussed Syria—including the London conference—and Iraq. The Jordanian Foreign Minister joined Ministers for lunch. The afternoon concluded with discussions on Ukraine and the middle east peace process.

#### *Syria and recent developments in the region*

Ms Mogherini updated Ministers on the political process in Syria, highlighting recent tensions between Saudi Arabia and Iran. The Foreign Secretary welcomed the Riyadh conference of the Syrian opposition, and underlined the need for confidence-building measures in parallel with the UN-led talks. All member states welcomed the political progress made in the final months of 2015 but cautioned that the process was fragile. Ministers also discussed preparations for the Syria conference taking place in London on 4 February.

The conference has three main objectives: to increase available funding to the most affected countries, to address the long-term economic needs of refugees in the region, and increase the protection of civilians. The Foreign Secretary underlined the need to do more for the vulnerable and displaced inside Syria and the millions of Syrian refugees in neighbouring countries.

#### *Iraq*

Ministers exchanged views on Iraq following the adoption of conclusions at the December 2015 Foreign Affairs Council. Ms Mogherini focused on how the EU could support the domestic reform agenda and national reconciliation. The Foreign Secretary noted the recent military successes against Daesh in Sinjar and Ramadi, which had relieved some of the pressure on the Iraqi Government.

#### *Lunch with Jordanian Foreign Minister*

Over lunch, Ministers exchanged views with the Jordanian Foreign Minister, Mr Nasser Judeh, on foreign policy challenges in the region. They looked ahead to the London Syria conference. Ms Mogherini expressed support to Jordan in the fight against Daesh and counter radicalisation.

#### *Ukraine*

Ms. Mogherini opened the discussion by underlining progress made by the Government of Ukraine on their reform programme under very difficult circumstances. She stressed the need for the EU and member states to continue to support Ukraine. Ministers exchanged views on how this could best be achieved.

#### *Middle east peace process Council conclusions*

Following discussion, the Council approved conclusions on the middle east peace process. Ministers agreed without discussion a number of measures:

The Council adopted conclusions on Libya.

The Council adopted a regulation concerning restrictive measures in view of the situation in Libya.

The Council adopted the EU priorities for co-operation with the Council of Europe in 2016-2017.

The Council set a financial reference amount of EUR 14 850 000 to cover the expenditure related to the EU's CSDP mission in Mali (EUCAP) Sahel Mali between 15 January 2016 and 14 January 2017.

The Council adopted a decision supporting the biological and toxin weapons convention (BTWC).

The Council concluded that all the conditions have been met for EUNAVFOR MED Operation Sophia to implement on the High Seas UN Security Council Resolution 2240.

#### *General Affairs Council*

The General Affairs Council (GAC) on 18 January 2016 focused on the presidency work programme and preparation of the European Council on 18 and 19 February 2016.

A provisional report of the meeting and conclusions adopted can be found at:

<http://www.consilium.europa.eu/en/meetings/gac/2016/01/18/>.

#### *Presidency Work programme*

The Dutch presidency commenced on 1 January. The Dutch Foreign Minister, Bert Koenders, set out the presidency's programme and priorities for the current semester, and referred to his letter on improving the role of the GAC highlighting three priorities: open and inclusive dialogue at the multiannual financial framework high-level conference on 28 January; continued work on rule of law; and implementation of the inter-institutional agreement, transparency and better governance.

The Dutch programme is based on the presidency Trio programme, developed jointly with Slovakia and Malta, but focuses on four main themes: jobs and growth; labour mobility; the eurozone; and a union of freedom, justice and security.

I welcomed the presidency's priorities, particularly those based on supporting job creation and economic growth. I also highlighted the importance of continuity of Trio programmes and looked forward to working with Estonia and Bulgaria—the UK's Trio partners—and the current Trio to deliver real results on competitiveness, the internal market, investment, and entrenching the EU's position at the heart of global trade.

#### *Preparation of the February European Council*

The GAC prepared the agenda for the 18 and 19 February European Council, which the Prime Minister will attend. The draft February European Council agenda covers: the UK's EU renegotiation; migration, and economic issues.

On the UK's EU renegotiation, I reiterated the Prime Minister's message that what mattered more than the timing of a deal was getting the substance right.

On migration, I highlighted the UK's role in efforts to tackle the migration crisis through chairing the upcoming Syria conference in London; chairing the Khartoum process; supporting the action plans from the Valletta and Turkey summits; supporting the Turkey Refugee Fund; and providing technical assistance to EU agencies.

[HCWS495]

# Written Statements

Thursday 28 January 2016

## COMMUNITIES AND LOCAL GOVERNMENT

### City Deals

**The Secretary of State for Communities and Local Government (Greg Clark):** In March 2015, the Government announced the intention to negotiate a City Deal with Aberdeen. This followed the successful agreement of City Deals across England and the Glasgow and Clyde Valley City Deal in Scotland. I can today inform the House that the Government have reached agreement with the Scottish Government and civic and business leaders in Aberdeen and Aberdeenshire on a Heads of Terms City Deal.

This Heads of Terms City Deal agreement includes establishing a new investment fund for Aberdeen and Aberdeenshire of up to £250 million, with equal contributions of £125 million from the UK and Scottish Governments.

This fund will support a set of proposals from the region including investment in a new oil and gas technology centre. This will help the industry to exploit remaining reserves and increase investment in research and development to support future decommissioning. The deal will also support the diversification of the wider economy in Aberdeen and Aberdeenshire, and includes support for innovation in biopharmaceutical, food and drink, and digital sectors.

Further, the investment fund will support increased investment in digital infrastructure, which will address the connectivity challenges of the whole region, and the expansion of Aberdeen harbour and transport facilities.

Funding agreements are subject to final business cases which demonstrate value for money, and the Government will work with the Scottish Government and the civic and business leaders of Aberdeen and Aberdeenshire to ensure the successful implementation of the agreed deal.

[HCWS498]

## HOME DEPARTMENT

### Unaccompanied Refugee Children

**The Minister for Immigration (James Brokenshire):** The Government have carefully considered how best to provide assistance and protection to unaccompanied refugee children from Syria, other regions of conflict, and for those in transit in Europe.

The crisis in Syria and events in the Middle East, North Africa and beyond has separated a large number of refugee children from their families. Today I can announce that the UK Government will work with the UN High Commissioner for Refugees (UNHCR) to lead a new initiative to resettle unaccompanied children from conflict regions. We have asked the UNHCR to make an assessment of the numbers and needs of

unaccompanied children in conflict regions and advise on when it is in the best interests of the child to be resettled in the UK and how that process should be managed. The UNHCR has already been clear that these are likely to be exceptional cases.

This will complement the existing substantial UK aid and resettlement programmes which are already helping many thousands of children at risk in conflict zones, on transit routes within Europe and in the UK. The Home Office will host a roundtable to invite views from a range of NGOs and local authorities, including UNICEF and Save the Children, on how we can provide more support for children in the region, in transit and domestically to prevent children putting themselves at risk and making dangerous journeys on their own. The UK Government have been at the forefront of the international response to the humanitarian crisis in Syria, providing more than £1.1 billion in humanitarian aid to the Syria crisis. This new initiative builds on the Government's existing commitment to resettle 20,000 Syrian refugees during this Parliament. More than 1,000 vulnerable Syrians refugees—around half of them children—have already been resettled through the scheme.

The UK Government will also commit to providing further resources to the European Asylum Support Office to help in “hotspots” such as Greece and Italy to help identify and register children at risk on first arrival in the EU. And we will, of course, continue to meet our obligations under the Dublin regulations.

The Government are committed to combating child trafficking and understand that unaccompanied children, particularly those in transit, are vulnerable to people traffickers. The Home Secretary has asked the Anti-Slavery Commissioner, Kevin Hyland, to visit the hotspots in Italy and Greece to make an assessment and provide advice on what more can be done to ensure unaccompanied children and others are protected from traffickers.

The UK Government are already providing substantial funding to NGOs such as Unicef and UNHCR to provide shelter, warm clothes, hot food, and medical supplies to support vulnerable people, including children, on the move or stranded in Europe or in the Balkans. In addition, the Department for International Development is creating a new fund of up to £10 million to support the needs of vulnerable refugee and migrant children in Europe. The fund will include targeted support to meet the specific needs of unaccompanied and separated children who face additional risks. The support will include identifying children who are in need, providing safe places for at risk children to stay, data management to help trace children to their families, and services such as counselling and legal advice.

Alongside these significant efforts to assist children and the most vulnerable internationally, the Government recognise the need to provide support for children who are already in the UK and have been subject to or at risk of trafficking and exploitation. We also recognise the pressure that some local authorities who are supporting large numbers of unaccompanied asylum seeking children are facing. The Home Office will continue to encourage local authorities to support the dispersal of UASC from Kent and to work with NGOs, local authorities and the Department for Education to review current practice and consider how capacity could be strengthened, including through ensuring that there is sufficient safe accommodation and specialist support for foster placements.

[HCWS497]

## JUSTICE

### Criminal Justice

**The Lord Chancellor and Secretary of State for Justice (Michael Gove):** My Department is committed to upholding the rule of law, by defending the independence of the judiciary, guaranteeing access to justice and supporting the highest quality advocacy in our courts.

My Department has also had to play its part in the broader requirement to reduce our budget deficit and bring our national finances back into balance. Economies have had to be made in every area of expenditure, but steps have been taken to ensure our judiciary remain the best in the world, to provide a fair system of publicly funded legal support and to explore how we can strengthen the quality of advocacy in all our courts, but most particularly in criminal proceedings.

In the last Parliament spending on legal aid was reduced from £2.4 billion to £1.6 billion. That reduction was achieved by my predecessors following consultation with the profession and they were both determined to ensure those most in need were not denied public support. Indeed at the start of this Parliament expenditure on legal aid per capita was more generous than any other EU nation or comparable common law jurisdiction. I would like to place on the record my gratitude for the determined, yet sensitive, way in which my predecessors pursued these economies.

Further changes to the legal aid system, agreed in the last Parliament, were due to be implemented in this.

One of those changes, a further reduction in the advocacy fees paid to barristers and solicitor advocates was not implemented by my Department while we conducted work to ensure the quality of advocacy would not be adversely affected by any change. My Department is particularly committed to retaining a vibrant independent bar. The health of the independent criminal bar in England and Wales is an important guarantor of good advocacy, and Sir Bill Jeffrey's report, commissioned by my predecessor, described the independent criminal bar as a "substantial national asset". Without quality advocacy in the criminal courts the risk of injustice is greater. The liberty, and reputation, of any individual who finds themselves in court depends on a high-quality advocate making their case effectively, and testing the case against them rigorously. That is why my Department has been so grateful to the Bar Council, circuit leaders and others for their work to help inform our review of advocacy quality.

Another change, which has been pursued, is the move to reduce litigation fees and encourage greater efficiency in the provision of litigation services.

The first reduction to litigation fees of 8.75% occurred in March 2014. The second occurred in July 2015.

At the time the fee reduction was first proposed the market was made up of around 1,600 legal aid firms and it was proposed to drive greater efficiency and consolidation within the market by simple price competition for legal aid contracts.

The legal profession opposed this model and after careful negotiation my predecessor decided to adopt a system known as "dual contracting".

Under the dual contracting system, two types of contract were to be awarded to criminal legal aid firms.

An unlimited number of contracts for "own client" work based on basic financial and fitness to practise checks—in others words continued payment for representing existing and known clients.

And a total of 527 "duty" contracts awarded by competition, giving firms the right to be on the duty legal aid rota in 85 geographical procurement areas around the country, with between four and 17 contracts awarded in each. In other words, these contracts would allow a limited number of firms the chance to represent new entrants to the criminal justice system.

The dual contracting model was a carefully designed initiative from my Department that aimed to meet concerns expressed by the legal profession about price competition.

But over time, opposition to this model has been articulated with increasing force and passion by both solicitors and barristers.

Many solicitors firms feared that the award of a limited number of "dual" contracts—with a restriction therefore on who could participate in the duty legal aid rota—would lead to a less diverse and competitive market. Many barristers feared that the commercial model being designed by some solicitors' firms would lead to a diminution in choice and potentially quality.

And many also pointed out that a process of natural consolidation was taking place in the criminal legal aid market, as crime reduced and natural competition took place.

These arguments weighed heavily with me, but the need to deliver reductions in expenditure rapidly, and thus force the pace of consolidation, was stronger.

Since July 2015, however, two significant developments have occurred.

First, thanks to economies I have made elsewhere in my Department, HM Treasury have given me a settlement which allows me greater flexibility in the allocation of funds for legal aid.

Secondly, it has become clear, following legal challenges mounted against our procurement process, that there are real problems in pressing ahead as initially proposed.

My Department currently faces 99 separate legal challenges over the procurement process, which has required us, anyway, to stay the award of new contracts at least until April.

In addition, a judicial review challenging the entire process has raised additional implementation challenges.

Given how delicately balanced the arguments have always been, how important it is to ensure we maintain choice and quality in the provision of legal services, how supportive HMT have been of our broader reform agenda and how important it is to provide as much certainty as possible in the face of legal challenge, I have decided not to go ahead with the introduction of the dual contracting system. I have also decided to suspend, for a period of 12 months from 1 April 2016, the second fee cut which was introduced in July last year. As a consequence of these decisions the new fee structure linked to the new contracts will not be introduced.

My decision is driven in part by the recognition that the litigation will be time-consuming and costly for all parties, whatever the outcome. I do not want my

Department and the legal aid market to face months if not years of continuing uncertainty, and expensive litigation, while it is heard.

The Legal Aid Agency will extend current contracts so as to ensure continuing service until replacement contracts come into force later this year. I will review progress on joint work with the profession to improve efficiency and quality at the beginning of 2017, before returning to any decisions on the second fee reduction and market consolidation before April 2017.

By not pressing ahead with dual contracting, and suspending the fee cut, at this stage we will, I hope, make it easier in all circumstances for litigators to instruct the best advocates, enhancing the quality of representation in our courts.

I will also bring forward proposals to ensure the Legal Aid Agency can better support high-quality advocacy. Furthermore, I intend to appoint an advisory council of

solicitors and barristers to help me explore how we can reduce unnecessary bureaucratic costs, eliminate waste and end continuing abuses within the current legal aid system. More details will follow in due course.

We have an ambitious programme of reform to our courts planned for the rest of this Parliament. It is designed to make justice swifter and more certain. The reforms to our legal system, including taking more work out of courts, moving from a paper-based system to a digital platform, tackle unnecessary costs and reduce harmful delay. Criminal legal aid solicitors perform a vital role in our justice system and these reforms will need the support of all in the legal profession. But these reforms also provide an opportunity for the legal profession to offer better access to higher quality advice and representation to more individuals.

[HCWS499]



# Written Statement

*Friday 29 January 2016*

## **BUSINESS, INNOVATION AND SKILLS**

### **National Minimum Wage**

**The Minister for Skills (Nick Boles):** I am pleased to announce that the Government are publishing evidence to support the Low Pay Commission's

National Minimum Wage recommendations for 2016. This document contains economic analysis that the Low Pay Commission may want to consider when making its recommendations.

A copy of the evidence will be placed in the Libraries of the House and will be available from the BIS website at: [www.bis.gov.uk](http://www.bis.gov.uk).

[HCWS500]





# Written Statement

*Monday 1 February 2016*

## **ELECTORAL COMMISSION COMMITTEE**

### **EU Referendum: Officer's Indemnity**

**Mr Gary Streeter (*On Behalf of the Speaker's Committee on the Electoral Commission*):** The Electoral Commission intend to provide an indemnity for the Chief Counting Officer, Deputy Chief Counting Officer, Regional Counting Officers and Counting Officers at the forthcoming referendum on membership of the European Union.

The European Union Referendum Act 2015 requires a referendum to be held on whether the United Kingdom should remain a member of the European Union. Read

in conjunction with the Political Parties Elections and Referendums Act 2000, the responsibility for the conduct of the referendum will rest with the Chief Counting Officer (who is the Chair of the Electoral Commission), the Deputy Chief Counting Officer, Regional Counting Officers and Counting Officers (who are mainly local authority chief executives).

Under this indemnity the Electoral Commission will carry the uninsured risks related to these roles while delivering the functions required of them by the European Union Referendum Act 2015. This is consistent with arrangements for similar national polls and is in accordance with best practice published in *Managing Public Money*.

A minute will be presented to Parliament today regarding the contingent liability arising as a result of this indemnity. Based on their experience of other national polls for which similar provision has been made, the Commission judges the likelihood of the potential liability being called to be very low.

[HCWS501]



# Written Statements

Tuesday 2 February 2016

## TREASURY

### Public Service Pension Indexation and Revaluation

**The Chief Secretary to the Treasury (Greg Hands):** Public service pensions in payment and deferment are indexed annually, and the legislation requires them to be increased by the same percentage as additional pensions—state earnings related pension and state second pension. The Consumer prices index up to September 2015 was minus 0.1% and, in the same way that additional pensions will not be increased this year, public service pensions in payment and deferment will also not be increased this year.

Separately, in the new career average public service pension schemes, pensions in accrual are revalued annually in relation to either prices or earnings depending on the

terms specified in their scheme regulations. The Public Service Pensions Act 2013 requires HMT to specify a measure of prices and of earnings to be used for revaluation by these schemes.

The prices measure is the consumer prices index up to September 2015. Public service schemes which rely on a measure of prices, therefore, will use the figure of minus 0.1% for the prices element of revaluation.

The earnings measure is the whole economy average weekly earnings—non-seasonally adjusted and including bonuses and arrears—up to September 2015. Public service schemes which rely on a measure of earnings, therefore, will use the figure of 2.0% for the earnings element of revaluation.

Revaluation is one part of the amount of pension that members earn in a year and needs to be considered in conjunction with the amount of in year accrual. Typically, schemes with lower revaluation will have faster accrual and therefore members will earn more pension per year. The following list shows how the main public service schemes will be affected by revaluation:

<i>Scheme</i>	<i>Police</i>	<i>Fire</i>	<i>Civil Service</i>	<i>NHS</i>	<i>Teachers</i>	<i>LGPS</i>	<i>Armed Forces</i>	<i>Judicial</i>
Revaluation for Active Member	1.15%	2.0%	-0.1%	1.4%	1.5%	-0.1%	2.0%	-0.1%

[HCWS503]

## DEFENCE

### UK Military Flying Training System: Fixed Wing Contract

**The Minister for Defence Procurement (Mr Philip Dunne):** I am pleased to announce the award of a £1.1 billion contract with Ascent Flight Training, the UK Military Flying Training System (UKMFTS) partner, and its supply chain, for a designed and managed fixed wing flying training service until 2033.

Ascent is a joint venture (50:50) between Babcock and Lockheed Martin (UK). Ascent has placed a sub-contract worth some £500 million with Affinity Flying Training Services, a joint venture (50:50) between Elbit Systems (UK) and Kellogg Brown and Root Ltd, to provide three aircraft types as well as aircraft maintenance and support.

This contract secures the continued provision and modernisation of fixed wing elementary flying training from 2017, basic flying training from 2019, and multi-engine pilot training from 2018, to military aircrew from all three services. This will be supported by the procurement of three modern training aircraft types; the Grob 120 TP “Prefec”, Beechcraft “Texan” T-6C and Embraer “Phenom” 100, to replace a number of ageing aircraft types currently in service, as well as simulators and ground-based training environment equipment, incorporating modern digital training technology.

This is a significant milestone for the UKMFTS programme. Drawing on efficiencies identified in the current military flying training system, this contract will rationalise commercial processes, optimise the time

spent by military students in training and enable them to progress through their training programmes more quickly and cost effectively.

The 2015 strategic defence and security review reconfirmed our commitment to air power as an integral component of joint force 2025. This contract represents a significant investment in future military flying training and will ensure that our aircrew are provided with the world-class training they deserve, to enable them to undertake operational roles across a range of front line aircraft types and ensure their continued success on the front line.

[HCWS502]

## EDUCATION

### Childcare Bill: Early Implementation

**The Parliamentary Under-Secretary of State for Education (Mr Sam Gyimah):** Today I announced £13 million to allow councils across the country to deliver 30 hours of free childcare for hard-working parents of three and four-year-olds—a year ahead of schedule. As a result, some working parents in York, Wigan, Staffordshire, Swindon, Portsmouth, Northumberland, Newham and Hertfordshire will benefit from the offer from this September. The extra hours of childcare will make it easier for these parents to work and is another move designed to meet the Government’s commitment to make work pay. These councils will develop practical solutions to the barriers that parents face in accessing the childcare they need for work—for example, childcare

to support non-standard shift patterns, in rural areas, for homeless working parents, and for children with special educational needs and disabilities. Their experiences will be used to support full roll-out in 2017, with the aim of removing significant barriers to parents taking up their entitlement. In York, parents will test a new joint online application system being developed for 30 hours and tax-free childcare. The Department for Education ran an open competition to test how the 30 hours would work, and received 69 applications from local authorities working with childcare providers.

I have also announced £4 million to support an additional 25 “early innovator” local authorities to develop innovative, flexible childcare for working parents, and to make sure that the 30 hours works for children with special educational needs and disabilities, in homeless working families, and in rural communities ahead of full roll-out. The 33 local authorities will work together in regional clusters, enabling joint working and generating national learning. As part of this Government’s commitment to helping hard-working people, it will be investing more than £1 billion extra per year by 2019-20 to fund the extension of the free childcare entitlement.

[HCWS506]

## FOREIGN AND COMMONWEALTH OFFICE

### Jordanian Public Security Department: Gifting of Equipment

**The Secretary of State for Foreign and Commonwealth Affairs (Mr Philip Hammond):** It is the normal practice when a Government Department proposes to make a gift of a value exceeding £300,000, for the Department concerned to present to the House of Commons a minute giving particulars of the gift and explaining the circumstances; and to refrain from making the gift until 14 parliamentary sitting days after the issue of the minute, except in cases of special urgency.

Jordan faces growing internal and external threats to its immediate stability and security as well as longer-term risks of instability. Conflict in the region, particularly in Syria, has the potential to spill over into Jordan, which is an active partner in the fight against Daesh. As host to around 630,000 registered refugees from Syria, Jordan is at the forefront of the humanitarian response, but this has placed huge pressure on public services and increased tensions between refugees and host communities.

The UK remains firmly committed to Jordan’s stability and in supporting the Jordanian authorities to minimise contagion from the Syrian conflict. Building on work carried out over the past 18 months, we aim to contribute to increasing public and community safety and security by enhancing the delivery of effective policing in the refugee camps.

We intend to gift a package of £352,993.99 of radios and communication equipment to support the Syrian refugee affairs directorate of the Jordanian Public Security Department. The radio equipment provided will improve the radio coverage in Za’atari and Azraq refugee camps, allowing for effective police management of the camp. The proposed gift will be funded by the Government’s conflict, stability and security fund (CSSF) programme.

The proposed gift has been scrutinised to ensure that it is consistent with export controls under the consolidated EU and national arms export licensing criteria and complies with our international obligations. The proposed gift has also been scrutinised and approved by a senior, cross-Whitehall CSSF approval board, which has confirmed that it fits with the Government’s strategic and delivery objectives. Foreign and Commonwealth Office officials have assessed the project for human rights risks, using the overseas security and justice assistance guidelines established by the Foreign Secretary in 2011.

The Treasury has approved the proposal in principle. If, during the period of 14 parliamentary sitting days beginning on the date on which this minute was laid before the House of Commons, a Member signifies an objection by giving notice of a parliamentary question or a motion relating to the minute, or by otherwise raising the matter in the House, final approval of the gift will be withheld pending an examination of the objection.

[HCWS505]

## HOME DEPARTMENT

### Justice and Home Affairs Council

**The Secretary of State for the Home Department (Mrs Theresa May):** An informal meeting of the Justice and Home Affairs (JHA) Council was held on 25 and 26 January: 25 January was the interior day, and I attended on behalf of the UK; 26 January was the justice day, and the Minister for Immigration, my right hon. Friend the Member for Old Bexley and Sidcup (James Brokenshire), attended.

The interior day began with a presentation by the Dutch presidency on information sharing, and an updated threat assessment from the chairman of the counter-terrorism group of member states’ security services (CTG). I welcomed the work of the CTG, but indicated that EU information systems had an important complementary role to play, stressing that this was why the UK fully supported the EU PNR directive and had now opted in to the Prüm framework. I pushed for an information sharing framework that includes common, measureable deliverables and clarifies what would be shared via SIS II, Europol, Eurodac, ECRIS and Prüm. The Dutch presidency concluded that it would hold an expert meeting to follow up on the discussion and would report back at the March JHA Council.

The Council discussed local approaches to counter-terrorism. The Mayor of The Hague explained the work undertaken in The Hague to counter-radicalisation. I set out the objectives of the UK’s Prevent strategy and explained how it is accompanied by a wider counter-extremism strategy, which seeks to promote an alternative to extremist ideology and to build partnerships with non-government institutions opposed to extremism. The Commission confirmed that the EU Radicalisation Awareness Network (RAN), which the UK supports, was being turned into a centre of excellence. The presidency reported it would take the issue forward at a conference on counter-radicalisation in Amsterdam in February, and would report back at the March JHA Council.

During lunch, the Council discussed the migration crisis, with particular focus on Schengen and external border issues, and specifically whether member states could maintain internal border controls under article 26 of the Schengen border code during the current migration crisis. The next step will be for the Commission to produce an evaluation report on the performance of Greek controls at the external border.

The Commission's forthcoming proposal to reform the Dublin system was also discussed. Member states expressed a range of views, with some in favour of a new burden sharing regime based on relocation of asylum seekers, but many expressing support for retaining the existing principles of the Dublin regulation. The Government do not support relocation as it is the wrong response to the migratory pressures the EU faces. It undermines the important principle that asylum should be claimed in the first safe country and does not address the causes of illegal migration.

Finally, the Commission introduced its proposal for a European border and coast guard. The UK is not taking part in the border guard proposal. However, the UK supports our European partners in ensuring the full and proper management of the EU's external border. Member states were broadly supportive of the proposal, including the proposed obligation for participating member states to provide border guards to the new agency. Member states were more cautious about the proposed right for the Commission to decide that the border guard should intervene directly in member states. The presidency concluded that there was support for the "right to intervene" in limited circumstances, but that the decision should be for the Council rather than the Commission.

The justice day began with a presentation on the Commission proposal to extend the use of the ECRIS system to third-country nationals, including the mandatory obligation to collect fingerprints. There was broad support for the proposal from member states. The UK welcomed the Commission proposal, in particular the inclusion of mandatory fingerprints, and called for even more ambition, specifically the inclusion of a minimum retention period for fingerprints of 10 years. The presidency concluded that it would seek a general approach on the ECRIS proposal by the end of March.

On Cybercrime, the presidency set out the challenges relating to cybercrime. Many member states felt that further action was needed at global, EU and national level, and supported the need for a common approach to deal with this. The UK agreed, but injected a note of caution into taking further action at EU level, and suggested the focus should instead be on sharing best practice and bilateral agreements. The presidency concluded that many member states wanted to see an EU common approach to dealing with the jurisdictional challenges faced by prosecutors and service providers, but noted that the UK was more cautious. The issue will subsequently be considered by a high-level expert conference in March, which will be followed by a paper for consideration at the June JHA Council.

Over lunch, the Council had a high-level discussion on a European forensic science area for exchanging forensic knowledge and expertise. The UK supported the sharing of forensic science data, but urged caution about any move towards common standards, best practice manuals and common competence criteria in this area.

[HCWS504]



# Written Statement

*Wednesday 3 February 2016*

## CABINET OFFICE

### State of the Estate: 2014-15

**The Minister for the Cabinet Office and Paymaster General (Matthew Hancock):** I have today laid before Parliament, pursuant to section 86 of the Climate Change Act 2008, the “State of the Estate in 2014-15”. This report describes the efficiency and sustainability of the Government’s civil estate and records the progress that Government have made since the previous year and since 2010. The report is published on an annual basis.

In the past year, the Government have saved £842 million by selling empty buildings and exiting expensive rentals. Since 2010, we have raised £1.8 billion in capital receipts and reduced the size of the estate by nearly a quarter, exiting 2.4 million square metres of unneeded space—an area larger than the entire state of Monaco. All this has been achieved while cutting carbon emissions by 22%.

The amount of space used by an average staff member in our offices fell to 10.4 square metres in 2014-15, from 11.3 square metres in 2013-14, a reduction of 8% in one year. This is an enormous achievement, and makes the UK Government one of the most space-efficient major organisations in the world. But we can achieve even more. A new space target of 8 square metres per person was set on 1 January 2016, and we are confident of meeting this target by the end of March 2018.

We will also adopt the new international property measurement standard introduced in January 2016 by the Royal Institution of Chartered Surveyors, which will future-proof the way we measure Government buildings and ensure consistency across the UK and internationally.

Our drive for more modern, efficient and smarter workplaces for our workforce continues. The autumn statement confirmed and funded three key cross-departmental property programmes for this Parliament. The first is the Government hubs programme to reduce the Government estate from 800 buildings to fewer than 200 by 2023. Departments’ workforces within a locality will be accommodated in 18-22 multi-departmental hubs across the UK, allowing us to achieve economies of scale, enabling easier cross-departmental collaboration as well as having important benefits for recruitment and retention.

Within this programme is the Whitehall campus project. Government’s central London estate has already reduced from 181 separate properties in 2010 to 54 now, and we expect this number to fall to some 20 efficient, fit-for-purpose buildings by 2025, supported by smarter working. We will retain core buildings in Whitehall, relocating civil servants to well-connected hubs both in London and beyond, and accommodating those that remain in central London in the most cost-effective way possible, with many departments sharing buildings.

The report can be accessed online at:

[http://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/497449/2014-15\\_State\\_of\\_the\\_Estate\\_accessible.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/497449/2014-15_State_of_the_Estate_accessible.pdf)

[HCWS507]





# Written Statements

Thursday 4 February 2016

## CULTURE, MEDIA AND SPORT

### General Data Protection Regulation

**The Minister for Culture and the Digital Economy (Mr Edward Vaizey):** My hon. Friend the Parliamentary Under-Secretary of State at the Department for Business, Innovation and Skills (jointly with the Department of Culture, Media and Sport) and Minister for Intellectual Property has made the following written ministerial statement.

This Government have decided not to opt in to the Justice and Home Affairs provision within the EU general data protection regulation (GDPR). Negotiations on the regulation were concluded on 15 December 2015 and a proposed final compromise text was communicated to the European Council on 17 December. The final text for the GDPR is expected to be formally adopted in due course.

The compromise text contained wording in article 43a, which triggers the UK's opt-in under protocol 21. This article deals with the recognition and enforcement of judgments, and includes content that falls under article 81 (judicial co-operation in civil matters) and article 82 (judicial co-operation in criminal matters) Treaty on the Functioning of the European Union, thereby triggering the UK's JHA opt-in. The text restricts a member state from enforcing a judgment requiring the transfer or disclosure of personal data where there is no international agreement or treaty.

As a result of concerns relating to the integrity of the UK legal system, the UK will not exercise the opt-in to the parts of article 43a which trigger the protocol 21.

[HCWS511]

## DEFENCE

### Northern Ireland Executive: Gifting of Surplus Accommodation

**The Parliamentary Under-Secretary of State for Defence (Mark Lancaster):** I have today laid before Parliament a Ministry of Defence Departmental Minute to advise of the intent to gift up to 59 surplus service family accommodation to the Northern Ireland Executive. This gift forms part of coalition Government's financial settlement with the Executive and the commitments set out in Building a Prosperous and United Community: One Year On, in which the Government and the Executive set out plans to work together to build on political stability.

It is intended that legal transfer of title will be completed by late spring 2016, with the disposal value of the sites estimated at £3.5 million as at April 2014. Her Majesty's Treasury has approved the proposal in principle. If after 14 sitting days, no objections to the gift have been received, the transfer will proceed.

In addition to the gift, 605 surplus service family accommodation that cannot be gifted for operational (security and training) reasons inside our existing perimeters; 286 at Aldergrove, 199 at Ballykinler and 120 at Hollywood, costing a total of £3.6 million, will be demolished. Enabling works have begun and demolitions will start

in late 2016, with the land then being retained for training. The Ministry of Defence will continue to look for surplus properties to gift as part of the shared commitment of the Government and the Executive to take forward plans to build a shared future.

[HCWS509]

## EDUCATION

### Reformed GCSE and A-level Content

**The Minister for Schools (Mr Nick Gibb):** We are reforming GCSEs, AS and A-levels to make sure that they give students the best possible preparation for further and higher education, and for employment. We want new GCSEs to set expectations which match those of the best education systems in the world, with rigorous assessment that provides a reliable measure of students' achievement. The reforms are extensive and represent a new qualification gold standard.

Schools are now teaching some of the new reformed GCSEs and A-levels, and we have already published reformed subject content for those GCSEs and A-levels to be taught from September 2016. Content for reformed GCSE subjects and for AS and A-level subjects can be found on gov.uk.

The new GCSEs will be more academically demanding and reformed AS and A-levels will better prepare students for undergraduate study.

Today I am publishing revised subject content for some of the GCSEs and AS and A-levels that will be taught in schools from September 2017:

GCSEs in ancient history, classical civilisation, electronics, film studies, media studies and statistics; and

AS and A-levels in accounting, ancient history, archaeology, classical civilisation, electronics, film studies, law and media studies.

Accounting AS and A-level requires students to understand and to apply double entry accounting methods. A greater emphasis is placed on the use of accounting concepts and techniques in the analysis and evaluation of financial information. There is also a better balance between financial and management accounting.

The new ancient history GCSE, and AS and A-levels will require students to study events, individuals, societies, developments and issues drawn from the period 3000 BC to 500 AD. At GCSE students must study the history of at least two societies, at least one of which must be Roman or Greek. At A-level students must study the history of both ancient Rome and ancient Greece. At GCSE students will have to undertake one period study covering at least 50 years, one longer period study covering at least 150 years, and two depth studies focusing on shorter time spans. At A-level students will undertake two period studies of at least 75 years and two depth studies.

The new archaeology AS and A-levels will require students to study two archaeological contexts in depth (one at AS) and what the archaeological evidence can tell us about that society's social structure, belief system, art and technology. Through two breadth studies (one at AS) students will also study at least three different societies in relation to specific issues such as religion and ritual, or economics and material culture.

The new classical civilisation GCSE, AS and A-levels will require students to study both Roman and Greek civilisation (and their surrounding worlds). All students will now study literature (at least 30% of the GCSE and A-level) and visual/material culture (at least 20% of the GCSE and 15% of the A-level), and at A-level students will also study classical thought. Students will develop their understanding of the classical world through study of the social, historical, and cultural context of the literature and sources selected.

The new electronics GCSE increases the demand of the subject by increasing the breadth and depth of content students are required to study. The new electronics AS and A-levels have improved depth and breadth with new topics such as the principles of semiconductors added. The GCSE, AS and A-level content also includes strengthened mathematical requirements and a detailed list of equations that students will be required to know and understand.

The film studies GCSE, AS and A-levels will require students to study critically recognised, culturally and historically significant films. At GCSE and AS students will study at least six films including at least one British, one non-English language and one independent film and at least one historical film made before 1961. A-level students will study at least 12 films from at least three continents covering pre-1930 to present day, including documentary, experimental and silent film. Overall the content emphasises a more academic approach with greater emphasis on a critical and contextual understanding of film, and at A-level of film theory.

The new law AS and A-level content will ensure students study a greater number of areas of substantive law: at AS one area of public law and one area of private law; and at A-level at least three areas of law. Students also need to study the nature of law including links to moral concepts, how law interacts with society, and the English legal system.

The new media studies GCSE, AS and A-levels will ensure that students have an understanding of the main theoretical concepts underpinning the subject. Students will study media language, representation, media industries, and audiences, and will apply all four of these to at least one audio visual, one print and one online media form. Overall, students will study nine forms of media and all products studied must be culturally, socially and historically significant. The AS and A-level also require students to study a wide range of specified theories and theorists.

The new and more demanding statistics GCSE requires students to study the statistical enquiry cycle and to perform key statistical calculations such as interpercentile

range and standard deviation. Students will be required to know and use fundamental formulae, for example to determine Spearman's rank correlation coefficient. New content has been added, such as using collected data and calculated probabilities to determine and interpret risk, and interpreting the characteristics of a binomial distribution.

[HCWS508]

## HOME DEPARTMENT

### Police Grant Report England and Wales 2016-17

**The Minister for Policing, Crime and Criminal Justice (Mike Penning):** My right hon. Friend the Home Secretary has today laid before the House, "The Police Grant Report (England and Wales) 2016/17" (HC 753). The report sets out, my right hon. Friend the Home Secretary's determination for 2016-17 of the aggregate amount of grant that she proposes to pay under section 46(2) of the Police Act 1996, and the amount to be paid to the Greater London Authority for the Mayor's Office for Policing and Crime.

At the time the provisional police grant report 2016-17 was laid on 17 December 2015 I said that I was also considering whether a limited amount of police capital grant would be reallocated. After careful consideration I have decided that £10.4 million will be reallocated to support police national technology services. This will assist in providing necessary investment in these critical police services.

To assist police and crime commissioners and chief constables with their medium-term financial planning, I have also decided to provide further information on the police funding settlement over the spending review period. Please note that these figures are indicative only. Home Office Ministers will decide on the level of reallocations for each year on an annual basis, but PCCs should assume that these will be broadly in line with those in 2016-17. PCCs should plan on the basis that their direct resource funding—consisting of formula funding, legacy council tax grants, national and international city grants and precept—will remain at broadly flat cash levels when compared with 2015-16, throughout the spending review period.

This statement also includes details of other funding streams that the Home Office, the Department of Communities and Local Government and the Welsh Government intend to provide to the police in 2016-17.

Table 1: The 2015 spending review settlement for the police

	15-16* (£m)	16-17 (£m)	17-18 (£m)	18-19 (£m)	19-20 (£m)	Change (£m)	Cash change (%)	Real change (%)
Government funding (excl CT)	8,271	8,378	8,497	8,631	8,785	514	6.2%	-1.4%
o/w Home Office	8,099	8,204	8,321	8,453	8,604	506	6.2%	-1.4%
o/w DCLG	37	37	37	37	37	0	0.0%	-7.2%
o/w Welsh Government	135	137	139	141	143	8	6.2%	-1.4%
Precept	3,105	3,194	3,286	3,379	3,474	369	11.9%	3.8%
Total	11,376	11,572	11,783	12,010	12,259	883	7.8%	0.0%

\*Central Government funding includes Airwave which has been brought into the police settlement and council tax freeze grant amounts which were not known at the time of the 2015-16 annual police settlement.

Table 2: Indicative breakdown of the 2015 spending review settlement

£m	2016-17	2017-18	2018-19	2019-20
Total central Government funding*	8,355	8,461	8,583	8,725
o/w ESMCP	80	175	160	55
o/w Police transformation fund and other reallocations (including Airwave and PFI)	491	545	725	1,017
o/w Direct funding	7,784	7,741	7,698	7,653
Precept**	3,194	3,286	3,379	3,474
Overall resource funding***	10,978	11,026	11,076	11,127

\*These figures include baseline adjustments for HMIC and NCA.

\*\*Assumes a tax base increase of 0.5%. These figures are based on conservative tax base growth assumptions used at the time of the spending review announcement. These will be updated over time in line with the latest projections from the Office for Budget Responsibility. Figures assume that all PCCs maximise their precept up to the 2%/£5 referendum limit in each year and PCCs in Wales increase precept by 2% each year. These figures assume the 10 PCCs in the lower quartile receiving this additional flexibility remain the same as in 2016-17.

\*\*\*Direct resource funding consists of formula funding, NICC grants, legacy council tax grants and precept.

Note: figures may not sum due to rounding.

Table 3: Police revenue funding 2016-17

Police funding	16-17 £m
Central Government funding*	8,995
o/w CT Police Grant**	640
o/w Airwave	204
o/w Police Private Finance Initiatives	73
o/w Legacy Council Tax Grants	545
Overall core Government settlement funding	7,534
Reallocations	218
o/w Direct Entry	4.6
o/w Emergency Services Network	80
o/w Independent Police Complaints Commission (for the transfer of integrity functions)	32
o/w Innovation Fund	55
o/w Major Programmes (HOB and NPDP)	21.8
o/w Special Grant	25
Transformation Fund	76
Total direct Government funding	7,239
Government formula funding	7,061
cash change	-41
cash change percentage from 15-16	-0.6%
real change percentage	-2.3%
National and international Capital City Grants	178
o/w City of London Police	4.5
o/w Metropolitan Police	173.6

Table 3: Police revenue funding 2016-17

Police funding	16-17 £m
Precept	3,194
Overall resource funding***	10,978
cash change	51
cash change percentage	0.5%
real cut	-1.2%

\* includes £14 million baseline adjustment for NCA in 2016-17. A separate baseline transfer has been applied for HMIC.

\*\* Additional capital of £30 million will be provided for CT policing.

\*\*\*Comprises formula funding, NICC grants, legacy council tax grants and precept.

Detail of Police Transformation Funds (totals indicative)

Transformation fund	76.4
o/w new transformation funding	37.8
o/w Firearms	34
o/w Digital justice (CJS)/digital investigations (DII)	4.6

Table 4: Police Capital 2016-17

2015-16 Police Capital	£m
Police Capital Grant	54.1
Special Grant Capital	1
National Police Air Service	16.5
Police Live Services	10.4
Total	82

Table 5: Revenue allocations for England and Wales 2016-17

Local Policing Body	2016-17					Legacy Council Tax Grants (total from HO)
	HO core (including Rule 1) £m	Welsh Top-up	WG	Ex-DCLG Formula Funding		
Avon and Somerset	105.0	-	-	56.5	14.7	
Bedfordshire	40.3	-	-	23.3	4.6	
Cambridgeshire	48.5	-	-	24.4	6.5	
Cheshire	61.5	-	-	44.8	8.3	
City of London	18.4	-	-	33.6	0.1	
Cleveland	46.2	-	-	38.5	7.7	
Cumbria	28.7	-	-	30.8	4.8	
Derbyshire	62.1	-	-	37.7	8.7	
Devon and Cornwall	102.7	-	-	63.1	15.5	
Dorset	41.2	-	-	17.3	7.9	
Durham	42.7	-	-	37.0	6.1	
Dyfed-Powys	32.1	5.1	12.9	-	-	
Essex	102.8	-	-	55.9	13.1	

Table 5: Revenue allocations for England and Wales 2016-17  
2016-17

Local Policing Body	HO core (including Rule 1) £m	Welsh Top-up	WG	Ex-DCLG Formula Funding	Legacy Council Tax Grants (total from HO)
Gloucestershire	34.4	-	-	19.5	6.1
Greater London Authority	861.5	-	-	749.8	119.7
Greater Manchester	226.6	-	-	181.4	25.7
Gwent	42.4	-	30.1	-	-
Hampshire	120.0	-	-	63.1	12.9
Hertfordshire	71.4	-	-	36.4	10.2
Humberside	67.2	-	-	46.6	10.0
Kent	106.3	-	-	66.6	13.3
Lancashire	100.6	-	-	79.2	12.8
Leicestershire	65.3	-	-	39.6	8.9
Lincolnshire	38.4	-	-	20.3	6.8
Merseyside	122.5	-	-	112.8	15.6
Norfolk	50.2	-	-	28.8	9.3
North Wales	46.3	4.9	21.6	-	-
North Yorkshire	41.7	-	-	27.0	7.9
Northamptonshire	43.2	-	-	24.2	6.6
Northumbria	110.1	-	-	107.4	8.2
Nottinghamshire	77.9	-	-	48.1	9.7
South Wales	87.5	-	72.2	-	-
South Yorkshire	100.6	-	-	77.5	10.9
Staffordshire	66.5	-	-	39.9	12.0
Suffolk	40.7	-	-	22.9	6.8
Surrey	62.2	-	-	29.2	9.2
Sussex	97.8	-	-	53.9	13.2
Thames Valley	141.2	-	-	73.9	15.3
Warwickshire	31.0	-	-	17.4	5.2
West Mercia	66.3	-	-	43.4	12.0
West Midlands	250.8	-	-	180.3	19.0
West Yorkshire	171.5	-	-	129.3	16.7
Wiltshire	37.5	-	-	20.7	5.2
<i>Total England and Wales</i>	<i>4,112.0</i>	<i>9.9</i>	<i>136.8</i>	<i>2,802.2</i>	<i>507.4</i>

Table 6: Change in total direct resource funding\*

Force Area	2015-16 £m	2016-17 £m	£m	Cash change %
Avon and Somerset	269.3	270.7	1.4	0.5%
Bedfordshire	99.6	100.0	0.4	0.4%
Cambridgeshire	128.1	128.9	0.8	0.6%
Cheshire	169.5	170.9	1.4	0.8%
City of London	55.4	56.8	1.4	2.5%
Cleveland	122.3	122.5	0.3	0.2%
Cumbria	99.2	99.7	0.5	0.5%
Derbyshire	160.7	161.4	0.7	0.4%
Devon and Cornwall	278.0	279.5	1.5	0.5%
Dorset	118.4	119.3	1.0	0.8%
Durham	112.5	112.7	0.2	0.2%
Dyfed-Powys	93.3	94.1	0.8	0.8%
Essex	260.8	263.4	2.5	1.0%
Gloucestershire	104.3	105.1	0.8	0.8%
Greater London Authority	2,517.4	2,522.4	5.0	0.2%
Greater Manchester	541.2	542.9	1.7%	0.3%
Gwent	117.8	118.5	0.7	0.6%
Hampshire	299.1	300.6	1.5	0.5%
Hertfordshire	181.1	182.9	1.8	1.0%
Humberside	169.4	169.8	0.5	0.3%
Kent	273.1	275.5	2.4	0.9%
Lancashire	258.9	259.5	0.6	0.2%
Leicestershire	167.7	168.5	0.7	0.4%

Table 6: Change in total direct resource funding\*

Force Area	2015-16	2016-17	£m	Cash change %
	£m	£m		
Lincolnshire	108.4	109.1	0.7	0.7%
Merseyside	307.0	307.0	0.0	0.0%
Norfolk	145.5	146.5	1.0	0.7%
North Wales	139.8	141.1	1.3	0.9%
North Yorkshire	137.1	138.2	1.1	0.8%
Northamptonshire	119.2	119.9	0.7	0.6%
Northumbria	259.5	260.3	0.8	0.3%
Nottinghamshire	188.9	189.5	0.6	0.3%
South Wales	255.1	256.5	1.5	0.6%
South Yorkshire	239.1	240.0	0.9	0.4%
Staffordshire	176.7	177.6	0.8	0.5%
Suffolk	110.9	111.6	0.6	0.6%
Surrey	205.0	207.1	2.1	1.0%
Sussex	249.7	252.1	2.5	1.0%
Thames Valley	369.7	371.9	2.2	0.6%
Warwickshire	89.5	90.1	0.6	0.7%
West Mercia	198.5	199.8	1.3	0.6%
West Midlands	522.8	524.0	1.2	0.2%
West Yorkshire	404.6	406.3	1.7	0.4%
Wiltshire	102.8	103.5	0.6	0.6%
<i>Total</i>	<i>10,927.0</i>	<i>10,977.8</i>	<i>50.8</i>	<i>0.5%</i>

\*This includes all formula grant, NICC grants and legacy council tax grants and police precept. This assumes that PCCs in England increase their precept to the maximum referendum limit in 2016-17, PCCs in Wales raise council tax by 2% and tax base growth of 0.5% across England and Wales.

Table 7: Capital allowances for England and Wales 2016-17

Local Policing Body	2016-17 £m
Avon and Somerset	1.2
Bedfordshire	0.5
Cambridgeshire	0.6
Cheshire	0.8
City of London	0.4
Cleveland	0.6
Cumbria	0.4
Derbyshire	0.7
Devon and Cornwall	1.3
Dorset	0.5
Durham	0.6
Dyfed-Powys	0.4
Essex	1.1
Gloucestershire	0.4
Greater Manchester	2.7
Gwent	0.5
Hampshire	1.4
Hertfordshire	0.7
Humberside	0.8
Kent	1.3
Lancashire	1.3
Leicestershire	0.8
Lincolnshire	0.5

Table 7: Capital allowances for England and Wales 2016-17

Local Policing Body	2016-17 £m
Merseyside	1.6
Metropolitan	14.3
Norfolk	0.6
North Wales	0.5
North Yorkshire	0.5
Northamptonshire	0.5
Northumbria	1.5
Nottinghamshire	0.9
South Wales	1.1
South Yorkshire	1.3
Staffordshire	0.8
Suffolk	0.5
Surrey	0.7
Sussex	1.1
Thames Valley	1.7
Warwickshire	0.5
West Mercia	0.9
West Midlands	2.9
West Yorkshire	2.1
Wiltshire	0.5
<i>Total</i>	<i>54.1</i>

[HCWS510]



# Written Statements

Friday 5 February 2016

## TREASURY

### Public Sector Exit Payments

**The Chief Secretary to the Treasury (Greg Hands):** On 25 November 2015 the Government announced in the spending review that it would consult on cross-public sector action on exit payment terms, to reduce the costs of redundancy pay-outs and ensure greater consistency between workforces.

Today I have launched this consultation. The consultation document invites views on the range of options the Government are looking at, including:

- Setting a maximum tariff to calculate exit payments at three weeks' pay per year of service

- Capping the maximum number of months' salary that can be used to calculate redundancy payments to 15 months

- Reducing the cost of employer-funded pension top-ups to early retirement as part of redundancy packages

- Introducing a tapering element the closer individuals get to their retirement age

- Introducing a salary cap on which exit calculations can be based

The consultation is available at: <https://www.gov.uk/government/consultations/further-consultation-on-limiting-public-sector-exit-payments>

[HCWS514]

## HEALTH

### Government Response to Lord Carter of Coles' Report

**The Secretary of State for Health (Mr Jeremy Hunt):** I should like to make a statement on the final report of operational productivity in English NHS acute hospitals carried out by Lord Carter of Coles. His detailed analysis of acute hospitals across the NHS has revealed unwarranted variations across a whole number of areas from workforce productivity, medicines choice, procurement, through to the costs of running the estate. His report identifies far-reaching opportunities for improving productivity and efficiency across the NHS. Lord Carter's report makes 15 recommendations for tackling unwarranted variation in the productivity and performance of trusts which could release around £5 billion in efficiency savings. They cover how to improve efficiencies in areas across:

- Clinical staff and clinical resources

- Non-clinical resources

- Leadership and people management

- IT

- Hospital collaboration

- Regulation and support management

The House will be fully aware that the Government have committed to a further £10 billion investment in the NHS over this Parliament, but as the NHS's plan for the future has made clear, significant savings must continue to be made. So I was keen to know what could be done to make existing budgets go further which is why I asked Lord Carter to undertake this review. His

findings are revealing in that there is inexplicable and unwarranted variation across our hospitals in the way they manage their resources. This must be tackled and I welcome his proposals for addressing this.

Lord Carter proposes and has already developed the first iterations of a model hospital with metrics and benchmarks for measuring productivity and efficiency across a whole range of costs. He also proposes a single integrated performance framework for hospitals—one version of the truth—that will help trusts set baselines for improvement and provide them with the tools to manage their resources daily, weekly, monthly, yearly. He recommends NHS Improvement should become the organisation to host performance management and to provide the skills and expertise to help trusts improve. I welcome Lord Carter's non-executive director role at NHS Improvement and look forward to his ongoing input into the implementation of his review.

In the light of Lord Carter's report, I can now announce that we will act upon all his recommendations and have asked Lord Carter to report back on progress with implementation by spring 2017.

I attach a copy of the final report and it is available on gov.uk. I asked Lord Carter in June 2014 to undertake his review and I am extremely grateful to him and his team for all their time, expertise and professionalism.

Attachments can be viewed online at: <http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2016-02-05/HCWS515/>

[HCWS515]

### Zika Virus

**The Parliamentary Under-Secretary of State for Health (Jane Ellison):** I would like to update the House following the declaration earlier this week of a public health emergency of international concern by the World Health Organisation (WHO) in relation to the Zika virus and its possible link with microcephaly.

The Government are determined to support the international community in responding to the Zika virus and to ensure that UK citizens travelling to Zika affected areas are properly protected.

On Monday 1 February, the Director General of the World Health Organisation, Dr Margaret Chan, declared that recent clusters of microcephaly cases and other neurological disorders in Brazil and in French Polynesia in 2014 are strongly suspected to be linked to the Zika virus. The Government fully supports Dr Chan's call for international action and will continue to work with the WHO to ensure it has the resources required to respond effectively.

The UK is the second largest donor to the WHO, contributing £29.5 million in 2015 and a further £6.2 million to the WHO's contingencies fund for emergencies. The UK is also among the first countries in the world to contribute significant funding to support research into the Zika virus and will play a crucial role in helping to develop vaccines, diagnostics and treatments. Already £1 million has been provided from the UK's medical research council to fund Zika related research. Finance has also been provided through the UK's Newton fund to a joint research project between the University of

Glasgow and Fiocruz, a leading biomedical centre in Brazil. The UK vaccine network will launch a funding call at the end of February 2016 to support the development of vaccines for some of the world's most prevalent diseases, including Zika. The network is a part of the wider £1 billion Ross fund, announced in December 2015, which includes over £188 million for development of vaccines and diagnostic tests for diseases with epidemic potential.

Domestically, Public Health England (PHE) has advised that the risk to the UK population from Zika remains extremely low. *Aedes aegypti* is the primary type of mosquito which transmits the virus, and is extremely unlikely to be able to establish itself in the UK as the temperature is not consistently high enough for these mosquitos to breed. PHE have issued updated travel advice with guidance on minimising the risk of catching Zika by taking scrupulous measures to avoid insect bites. Specific advice has also been published for women who are pregnant (or planning to be) to seek advice from a health professional before travel, to consider avoiding travel to areas where Zika outbreaks are ongoing, or if travel is unavoidable, to take stringent insect bite avoidance measures. PHE has further provided updated guidance for healthcare professionals on the management of any symptomatic patients returning from affected countries. The guidance is accessible online and has been cascaded directly from PHE to healthcare professionals as well as via professional bodies, including the Royal College of Obstetrics and Gynaecology and the Royal College of General Practitioners.

The Government are currently in discussion with airlines to ensure that they follow WHO Europe advice that disinfection should take place on all flights that travel to the UK from countries with confirmed active transmission of Zika virus by mosquitoes. This is a highly precautionary measure to protect passengers in transit, and will be reviewed as further evidence about the virus emerges. Disinfection involves spraying an aerosol insecticide inside aircraft either before or during the flight and already occurs on the great majority of flights from the region as a precaution against malaria.

This will offer additional highly precautionary protection to those on the flight as well as helping to mitigate the extremely low risk of a mosquito surviving in the UK for a short period of time and transmitting the disease.

I can also confirm that NHS Blood and Transplant have introduced a precautionary deferral period for those returning from countries where the Zika virus is endemic. All returning travellers are being deferred from donating for 28 days.

The chief medical officer, Professor Dame Sally Davies, requested a scientific advisory group to consider the risk Zika poses to the UK and what action can be taken to ensure the UK is as protected as possible. This was co-chaired by the Government's chief scientific adviser, Sir Mark Walport, and the Department of Health's new chief scientific adviser, Professor Chris Whitty. Experts will continue to review new evidence as it emerges.

[HCWS512]

## HOME DEPARTMENT

### Police Funding (Redress Payments)

**The Minister for Policing, Crime and Criminal Justice (Mike Penning):** In May 2015, the pensions ombudsman issued his final determination in a case brought by a retired Scottish firefighter against the Government Actuary's Department (GAD). This found that GAD was guilty of maladministration in failing to update the factors used in the calculation of the firefighter's lump sum pension payment. The Government determined that the principles of this ruling should be applied to other affected individuals across the UK, including around 21,000 retired police officers in England and Wales.

Parliamentary approval for additional capital of £360 million will be sought in a supplementary estimate for the Home Office. Pending that approval, urgent expenditure estimated at £360 million will be met by repayable cash advances from the Contingencies Fund.

[HCWS513]



# Written Statements

Monday 8 February 2016

## BUSINESS, INNOVATION AND SKILLS

### Informal Competitiveness Council

**The Minister for Universities and Science (Joseph Johnson):** My noble Friend the Parliamentary Under-Secretary of State for Business, Innovation and Skills (Baroness Neville-Rolfe) has today made the following statement.

The Informal Competitiveness Council took place in Amsterdam on 27 and 28 January. The UK was represented by Minister of State for Universities and Science (Joseph Johnson) on day one (Research) and myself on day two (Internal Market and Industry)

The research day began with Bill Gates giving a keynote speech on the importance of public research and development in overcoming global societal challenges. He gave examples of work by the Gates Foundation, including the recently announced work with the UK to expand research into malaria that will see £3 billion committed over the next five years. Mr Gates highlighted that clear policies on open access to research could help stimulate innovation.

This was followed by a discussion on the current environment for innovation; there was a debate about the need for a visible return for taxpayers and a focus on funding excellence in research.

The discussion turned to how the current research funding programme (Horizon 2020) could be improved. A number of suggestions were put forward, including: simplification of the programme process, leading to faster decisions; simplification of state aid rules; encouragement of open innovation; better communication; and better skills support for businesses (for example in marketing) to allow successful innovation.

In the afternoon, the debate focused on how legislation can facilitate research and innovation. The digital revolution and ageing populations were noted paradigm shifts that will create both opportunities and threats. To allow opportunities to be grasped the EU must both reduce the amount of regulation and improve the quality of the regulation that remains. Ultimately, EU rules need to be as flexible as, or more flexible than, those of our global competitors.

The Commission confirmed that the number of initiatives in the EU research programme has reduced from 130 in 2014, to 23 this year and that state aid rules have been updated and are more flexible than before. It agreed that efficiency and innovation are the means to create jobs, and that the real challenge for the EU is to develop legislation that can create new opportunities from disruptive technology and innovation.

The Internal Market and Industry Council meeting started with an evening event that brought together Ministers and entrepreneurs who had been invited to the Council by each member state (the UK invited Mr Riccardo Zacconi, the CEO of King, the computer games developer behind games such as Candy Crush Saga). Gunther Oettinger, Commissioner for the Digital Economy and Society opened the discussion with a speech on the digitising of industry and noted that he would shortly be bringing forward a strategy on this issue in April. During the discussion a number of themes were explored including the wide range of different business models that were being disrupted or created by digitisation. A number of entrepreneurs emphasised the need to make it easier for start-ups to access markets in other member states. Many of the entrepreneurs also discussed the importance of a skilled workforce, noting that the diversity of talent within Europe was a significant advantage.

The plenary programme started with short speeches by two business leaders: Herna Verhagen (CEO, PostNL) and Corinne Vigreux (co-founder of TomTom). They highlighted the importance of digitisation in driving innovation and expansion into new business models, which in turn led to new jobs.

Ministers then held two breakout sessions in small groups focused on upcoming Commission proposals related to the single market. In the first, on geoblocking (discrimination based on grounds of country of residence), Ministers agreed that it was important to make clear that discrimination has no place but there should not be extra burdens on businesses, and there was broad agreement that the Commission's proposals should cover business-to-business transactions. Vice-President Andrus Ansip, responsible for the Digital Single Market, made clear that the proposal was not intended to lead to uniform pricing nor to an obligation for businesses to deliver goods throughout the EU.

The second breakout session focused on the proposed services passport. The chairs noted that there was consensus that the passport could be useful in reducing barriers to businesses wanting to trade across borders but that it should not lead to additional burdens. There needed to be analysis of the existing barriers and a suggestion that the passport could then be introduced in stages. While it was appropriate to have national rules in some areas, there was a need to increase transparency about different national requirements and potentially to undertake some further harmonisation in certain areas. The UK noted the importance of tackling regulatory barriers as well as administrative ones via the passport initiative. Others noted the relationship between the passport and the proposed analytical framework for assessing the proportionality of regulations on professionals. Commissioner Elzbieta Bienkowska responsible for Internal Market and Industry noted that she expected to be able to share more detail of the Commission's thinking on the passport soon.

The final agenda item was a plenary discussion on the collaborative economy. The Chair of OuiShare Fest, Francesca Pick, in an invited speech, highlighted the prevalence of cross-border business models in the collaborative economy, but noted that there were challenges of regulatory uncertainty in respect to consumer rights, liability, labour rules, and tax. Many member states noted the consumer benefits from the new and innovative services being offered. The UK agreed that the collaborative economy could deliver significant benefits to consumers and workers, and could play an important role in opening the labour market to those who might otherwise be excluded. It noted that there was still a need to regulate these businesses, but that regulations may need to be updated so as to enable these new business models. It highlighted the best practice work done by the UK body, sharing economy UK and their Trustmark initiative, which Vice-President Katainen asked to explore further.

[HCWS516]

## CABINET OFFICE

### Government Grant Agreements: Guidance

**The Minister for the Cabinet Office and Paymaster General (Matthew Hancock):** Today I have announced a new policy to restrict inappropriate use of taxpayers' money for lobbying purposes. From 1 May, or before where feasible, the following standard clause will now be applied to new and renewed grants.

"The following costs are not Eligible Expenditure:- Payments that support activity intended to influence or attempt to influence Parliament, Government or political parties, or attempting to influence the awarding or renewal of contracts and grants, or attempting to influence legislative or regulatory action".

This clause will not prevent organisations from using their own privately-raised funds to campaign as they see fit. This will ensure that freedom of speech is protected, while stopping taxpayers' money being diverted away from good causes.

Departments will engage with organisations most likely to be affected by the clause. Implementation guidelines are available at: [www.gov.uk](http://www.gov.uk).

[HCWS517]

# Written Statements

*Tuesday 9 February 2016*

## BUSINESS, INNOVATION AND SKILLS

### Devolution England and Wales

#### **The Secretary of State for Business, Innovation and Skills and President of the Board of Trade (Sajid Javid):**

I am today announcing the outcome of the joint consultation on devolving powers to extend Sunday trading hours to local areas.

The current Sunday trading rules limiting the Sunday opening hours of large shops in England and Wales were established over 20 years ago and have not kept pace with changes in the consumer environment. Most significantly, the rise of the internet enables consumers to shop online 24 hours a day and we need to support our high street stores so that they can compete effectively.

The Government launched the public consultation on 5 August and it closed on 16 September. The majority of respondents from local authorities, business representative organisations and large and medium businesses were in favour of our proposal to devolve decision making on Sunday trading rules to local authorities.

Following this consultation, I propose devolving the power to extend Sunday trading hours to shire district and unitary councils across England and county councils and county borough councils in Wales as well as the Mayor of London, the Mayor of Greater Manchester—when elected—as well as Mayors established through future devolution deals.

The Government consider it right that local leaders take decisions on whether they want to extend Sunday trading. Providing local authorities with the flexibility to target specific areas to be allowed to open for extended hours will let local decision makers take a tailored approach. This is crucial to enabling them to capitalise on or manage their specific circumstances and could support wider Government priorities, for example, allowing a local authority to extend Sunday trading hours on a specific high street in order to increase shopper footfall.

These measures will help our local high street retailers not just to survive but to thrive. Online sales did not even exist when the current legislation was first brought in, but they now account for a significant share of the retail market and continue to grow strongly—15% in 2015.

This change could lead to a significant boost in jobs. It has been estimated that a two-hour extension to Sunday trading in the West End and Knightsbridge alone would lead to the creation of between 1,070 and 2,160 jobs.

I recognise the need to continue to protect those shop workers across England, Scotland and Wales who do not wish to work on Sundays. Therefore, we will strengthen opt-out rights for shop workers in England, Scotland and Wales by introducing a number of key measures.

First, we will reduce the notice period for shop workers at large shops to opt out of Sunday working altogether, from the current three months to one month. Secondly, we will introduce a new right enabling shop workers to opt out of working more than their normal Sunday hours, subject to a one month notice period at large shops, and three months at small shops.

We will update the requirement on employers to inform their workers of their rights to opt out, clarifying the wording and including information on where they can find support and advice about their rights. Where an employer does not comply with the requirement, the notice period for the opt-out rights will automatically reduce. Also, where a claim is brought at an employment tribunal and it is found that the employer failed to notify the shop worker of their opt-out rights as required above, the tribunal will be able to award the shop worker a minimum award of two weeks' pay.

These measures will give shop workers who want to work longer on a Sunday an opportunity to do so, and those that do not will have increased protections.

We know that cities, towns and high streets are changing and the best are adapting to the needs of the 21st-century consumer. Local people want places where they can not only shop but also spend their leisure time, access services and enjoy a vibrant and exciting evening economy. For a growing number of people, that includes Sunday too.

Sunday trading rules are devolved to Scotland and transferred to Northern Ireland. So the measures in relation to Sunday trading hours I propose here will apply in England and Wales only. However, since employment law is reserved in regard to Scotland, existing shop workers' opt-out rights contained in the Employment Rights Act 1996 extend to England, Wales and Scotland. Therefore, the proposed enhanced shop workers' rights will apply in England, Wales and Scotland.

I intend to take these measures forward by tabling amendments to the Enterprise Bill.

A copy of the Government response on Sunday trading will be available on gov.uk and will be placed in the Libraries of both Houses.

[HCWS518]

## PRIME MINISTER

### Council of Europe: UK Delegation

**The Prime Minister (Mr David Cameron):** This written statement confirms that the hon. Member for Brent Central (Dawn Butler) and the hon. Member for Dewsbury (Paula Sherriff) have been appointed as full members of the United Kingdom delegation to the Parliamentary Assembly of the Council of Europe in place of the hon. Member for Edmonton (Kate Osamor) and the hon. Member for Neath (Christina Rees). The hon. Member for Newport West (Paul Flynn) has also been appointed as a substitute member.

[HCWS519]



# Written Statements

Wednesday 10 February 2016

## COMMUNITIES AND LOCAL GOVERNMENT

### Homes and Communities Agency

**The Minister for Housing and Planning (Brandon Lewis):** I am today announcing the launch of a review of the Homes and Communities Agency in line with the requirement on all Government Departments to regularly review non-departmental public bodies. Established in 2008, the agency is the national housing, land and regeneration agency and the regulator of registered social housing providers in England.

The spending review underlined the priority this Government attach to our ambition to build a million homes this Parliament and to double the number of new homeowners. Building on the successful contribution the Homes and Communities Agency made in the last Parliament, this review will ensure that we are well-placed to deliver the Government's objectives and will:

- i) Examine the continuing need for a non-departmental public body, covering:
  - how each of the agency's functions contributes to Government objectives;
  - whether each function and the body is still required; and
  - the best future delivery options.
- ii) Examine the capacity of the Homes and Communities Agency to deliver more efficiently and effectively.
- iii) Examine whether corporate governance and management arrangements are sufficiently robust and transparent and ensure that agency is operating in line with recognised principles of good corporate governance.

We will be seeking evidence from a wide range of sources, including the agency itself, and there will be an opportunity for interested stakeholders to feed in views. I will inform the House once the review is complete and copies of its report will be placed in the Library of the House.

[HCWS520]

## DEFENCE

### Defence Votes A: Annual Estimate

**The Secretary of State for Defence (Michael Fallon):** The Ministry of Defence Votes A estimate 2016-17, has been laid before the House today as HC 715. This outlines

the maximum numbers of personnel to be maintained for each service in the armed forces during financial year 2016-17.

[HCWS522]

### Defence Votes A: Supplementary Estimates

**The Secretary of State for Defence (Michael Fallon):** The Ministry of Defence Votes A supplementary Votes 2015-16, has been laid before the House today as HC 716. This outlines the increased maximum numbers of personnel to be maintained for service in the reserve marines force during financial year 2015-16.

[HCWS523]

## HOME DEPARTMENT

### Joint Fraud Taskforce

**The Secretary of State for the Home Department (Mrs Theresa May):** Today I announced the launch of the Joint Fraud Taskforce.

Fraud is a serious crime which shames our financial system. Fraudsters not only prey on vulnerable members of our society, but use the proceeds of their crime to fund terrorism, and other heinous acts. Fraud damages the lives of individuals, the bottom line of businesses and negatively impacts on the UK's economy.

The Home Office has worked with the financial sector and law enforcement to develop a Joint Fraud Taskforce to strengthen our collective response on fraud. The taskforce will make it much more difficult for fraudsters to operate by improving intelligence sharing and close the loopholes which they exploit. It will help protect individuals and businesses from becoming victims of fraud by increasing public awareness and put in place interventions to support those who have been a victim. It will develop a much richer understanding of how fraud happens, and what can be done to stop it.

The only way we can effectively tackle fraud is for much closer and effective collaboration between industry, Government and law enforcement. Senior representatives from the financial sector and law enforcement have given their commitment to fully support the objectives and the work of the taskforce.

The taskforce will report progress under Home Office governance. Public updates will also be provided.

[HCWS521]



# Written Statements

## Steel Industry Action

Thursday 11 February 2016

### BUSINESS, INNOVATION AND SKILLS

#### Student Loan Repayment Strategy

**The Minister for Universities and Science (Joseph Johnson):** Today we are publishing a new strategy for the collection of student loan repayments. This joint repayment strategy sets out how the Department for Business, Innovation and Skills, the Student Loans Company, Her Majesty's Revenue and Customs and the devolved Administrations of Wales, Scotland and Northern Ireland will work together to ensure the operation of a fair, robust and efficient student loan repayment system.

The Government are committed to maintaining the UK's world-class education system while living within its means. By lifting the cap on student numbers, we are enabling more people to benefit from higher education than ever before. As more loans are issued to new students each year, it is vital that the repayment process is robust, convenient for borrowers and working efficiently to ensure the sustainability of the student finance system and value for money for the taxpayer. Reviews of the student loan repayments system by the National Audit Office, the Public Accounts Committee and the Business, Innovation and Skills Committee during 2013 and 2014 recommended that the Government take further action to improve the repayment process. This new strategy sets out what the Government have done to date to improve the collections process and our approach to improving the student loan repayment system yet further.

The three objectives underpinning the strategy are:

- Strengthened capability to trace borrowers and pursue and recover outstanding student loan debt;

- Enhanced performance management through forecasting of future repayment rates, monitoring and target setting;

- Improved efficiency to drive operational costs down and repayment collection up, while providing a high-quality customer service to borrowers.

The vast majority of borrowers meet their repayment obligations. We will do more to support borrowers who seek to meet their loan repayment obligations, and, in the interests of fairness to both the taxpayer and to borrowers who meet their obligations, we will be tougher on those who do not. We will take stronger action to trace borrowers including those overseas, act to recover loan repayments where it is clear that borrowers are seeking to avoid repayment, consider the use of sanctions against borrowers who breach loan repayment terms and, if necessary, prosecute.

This approach is fair for borrowers and good for the effective management of public money, providing value for the taxpayer and helping to ensure that the student finance system remains on a sustainable footing.

We will keep the strategy under review to ensure that the repayment system continues to meet these objectives, and we will report annually on progress.

A copy of the strategy document will be placed in the Libraries of both Houses.

[HCWS524]

**The Minister for Small Business, Industry and Enterprise (Anna Soubry):** Ahead of Monday's high-level stakeholder conference on energy intensive industries, which follows on from November's EU extraordinary Competitiveness Council on steel, I wanted to update Parliament on the UK's contribution to EU-level action on steel.

The main area in which the EU can make meaningful change is with regard to unfair trade practices. Given the global scale of the challenge facing the steel industry, the Government, working with UK Steel and other stakeholders, have made every effort to ensure a speedy and effective EU-level response.

The Government have pressed hard for EU action to tackle unfair trade practices, wherever they have seen them. For example, the Government in July and November last year voted in favour of antidumping measures on wire rod and separately on steel pipes. It was also the UK last year that lobbied successfully in support of calls from industry, for an EU investigation into cheap imports of reinforcing steel bar ("rebar").

It was the UK that called for and secured an emergency meeting of the EU Competitiveness Council in November which agreed on the need for swifter action on steel dumping. And, in recognition of the immediate risks posed to EU and UK industry by a surge in imports, the Commission this year has acted swiftly to announce registration of imports on both rebar and cold-rolled steel. To assist industry in bringing forward complaints, we have also intensified our discussions with the steel industry, including at the international comparisons working group chaired by me, to provide help with ongoing and forthcoming individual unfair trade cases.

On 5 February, the UK also sent a joint letter with France, Germany, Italy, Poland, Belgium, and Luxembourg to the European Commission to call for further support for the UK and EU steel industry. This letter has subsequently been endorsed by Spain and Slovakia. It called for:

- making full and timely use of all trade defence instruments to tackle unfair trade;

- ensuring that the upcoming negotiations on the European emissions trading system focus on preventing carbon leakage and the relocation of production and jobs outside the EU; and

- exploring other ways to avoid the downturn of the European steel industry and guarantee its long-term and sustainable development.

The Government are strongly in favour of effective trade defences to tackle unfair trade practices. We have asked the Commission to improve the speed by which anti-dumping and anti-subsidy investigations are conducted, and we have written to DG Trade suggesting areas where investigation timeframes might be shortened. This would enable quicker action where the evidence points to unfair trade practices by international competitors.

The UK has long been a proponent of modernising the EU's trade defence instruments—the rules covering protection for the EU against dumping and subsidised imports and other unfair trade practices—to make them more efficient, effective and transparent. But modernisation must also balance user and producer interests. Certain

proposals brought forward by the Commission in 2012, including the proposal to abolish the lesser duty rule, did not strike this balance.

The lesser duty rule sets the import tariff in anti-dumping cases to the lower of either the level of dumping or the level of actual injury caused. This rule means that the EU imposes duties that are sufficient to protect EU industry from injury or, where the dumping level is lower, to eliminate the dumping. This ensures duties are proportionate to the harm caused, and effectively redress the injury to the producing industry, without inflicting disproportionate costs on importers and consumers.

That said, the Government strongly believe that the tariffs set in individual trade investigations must reflect an accurate estimate of the harm caused. In January the Commission announced provisional anti-dumping duties—ranging from 9.2% to 13%—on reinforcing steel bar (“rebar”). Though welcoming the duties, we shared the concerns of UK industry that these duties were lower than needed to protect them fully from the harm caused by unfair trade, and the Secretary of State raised his concerns with EU Trade Commissioner Malmström. We will continue to work with industry to press its case over the next six months while the Commission carries out its investigation, before confirming the final level of duties by July.

Many of the problems facing the UK and EU steel industries are global ones which, to be addressed, require engagement with the world’s steel producing nations, in particular China. On 29 January, the EU Trade Commissioner wrote to the Chinese Minister of Commerce to urge China to curb overcapacity in its steel industry. While welcoming current plans to cut steel production, EU Commissioner Malmström said that these would need to be translated into concrete action. The UK welcomes this dialogue between the Commissioner and the Chinese and is keen to see it continue. We will also continue to raise these issues bilaterally with the Chinese.

In order to ensure a level playing field across the EU, the Government have asked the Commission to be extremely vigilant and respond quickly wherever there are suspicions of wrong-doing. On 20 January the European Commission opened a formal investigation into Italian Government support for steel producer Ilva, Europe’s largest steel plant. That same day, the European Commission also ordered Belgium to recover €211 million from several steel companies within the Duferco groups, after finding that this distorted competition in breach of state aid rules.

Finally, the Government look forward to Monday’s EU high-level stakeholders’ conference on energy intensive industries. This builds on the outcomes of the November 2015 extraordinary Competitiveness Council meeting on steel. The conference will bring together stakeholders from the steel industry, other energy intensive industries, trade unions, representatives from member state Governments and the EU Commission. The UK has worked closely with stakeholders and the Commission to ensure that discussions will focus on addressing the serious issues facing the steel industry. The UK Government, represented by me, will be speaking alongside European Ministers. We will use this opportunity to maintain the pressure on the Commission to make progress in the areas covered in our joint letter of 5 February.

[HCWS528]

## CABINET OFFICE

### Political and Constitutional Reform Committee Eighth Report: Government Response

**The Chancellor of the Duchy of Lancaster (Mr Oliver Letwin):** I am today presenting to Parliament the Government’s response to the Political and Constitutional Reform Committee’s Eighth Report of Session 2014-15: “What next on the redrawing of parliamentary constituency boundaries?”

The Government are grateful to the former Political and Constitutional Reform Committee for its work on this issue. It is essential that the Boundary Commissions have certainty about the rules that will apply for the redistribution of UK parliamentary constituencies for the next boundary review. The Government have no plans at this time to introduce legislation to make major changes to the boundary review framework which was set up in the last Parliament. This has necessarily informed the Government’s consideration of, and response to, the Committee’s recommendations.

[HCWS526]

## TREASURY

### ECOFIN

**The First Secretary of State and Chancellor of the Exchequer (Mr George Osborne):** A meeting of the Economic and Financial Affairs Council will be held in Brussels on 12 February 2016. Ministers are due to discuss the following items:

#### *Anti-tax avoidance package*

The Commission will present proposals for tackling corporate tax avoidance, including implementing the UK Government’s country by country reporting template for multinationals. This will be followed by an exchange of views. The UK has led the way in the OECD and EU in negotiating and implementing tougher international tax rules and transparency measures.

#### *Current legislative proposals*

The presidency will update the Council on the state of play of financial services dossiers.

#### *Implementation of the banking union*

The Commission will provide a brief update on several dossiers linked to the banking union: the single resolution fund, the bank recovery and resolution directive and the deposit guarantee scheme directive.

#### *Fight against the financing of terrorism*

The Commission will present its action plan to reinforce the European framework in the fight against the financing of terrorism. Following an exchange of views, the Council will adopt conclusions on the new measures.

#### *Preparation of the G20 meeting in Shanghai on 25-27 February 2016*

The Council will adopt the EU’s terms of reference ahead of the G20 meeting of Finance Ministers and Central Bank Governors in Shanghai.



*Discharge to be given to the Commission in respect of the implementation of the budget for 2014*

On the basis of a report from the Court of Auditors, the Council will vote on the discharge to be given to the Commission in respect of the implementation of the EU's general budget for the financial year 2014.

*Budget guidelines for 2017*

Council conclusions will be adopted on the EU budget guidelines for 2017. These will inform the Commission of high-level priorities in preparation of the draft budget.

*High-level group on own resources*

Mario Monti, the chair of the high-level group on own resources, will provide a state of play update on the EU's financing system.

[HCWS533]

## Financial Services

**The Economic Secretary to the Treasury (Harriett Baldwin):** I can today confirm that I have laid a Treasury minute informing the House of a reduction in HM Treasury's contingent liabilities to NRAM plc (formerly Northern Rock (Asset Management) plc).

The Treasury minute concerns the guarantee arrangements announced on 8 December 2009 that put in place arrangements in relation to certain borrowings and derivative transactions of, and certain wholesale deposits held in accounts with, NRAM plc. At March 2015 the maximum contingent liability to HM Treasury on this guarantee arrangement was £6.5 billion.

The reduction is a result of the sale announcement on 13 November that UK Asset Resolution (UKAR), the holding company of NRAM (formerly Northern Rock Asset Management) had sold £13 billion of mortgages, consequently HM Treasury's contingent liabilities have reduced as securities associated with the Granite securitisation vehicle have been extinguished. As a result of this the HM Treasury exposure under this guarantee arrangement has fallen to around £270 million.

I will update the House of any further changes to UKAR associated guarantee arrangements as necessary.

If the remaining liability is called, provision for any payment will be sought through the normal supply procedure.

[HCWS538]

## COMMUNITIES AND LOCAL GOVERNMENT

### Rotherham Metropolitan Borough Council

**The Secretary of State for Communities and Local Government (Greg Clark):** On 21 January 2016, I announced my intention, after careful consideration of the recommendation of the commissioner team to return certain functions to Rotherham Metropolitan Borough Council. The original directions were issued on 26 February 2015, following the Casey report and advice note from Sir Michael Wilshaw, HM chief inspector of education, children's services and skills. Although a number of challenges remain, there has been significant areas of progress nearly a year on, and I believe it is now appropriate to return some functions to the authority.

However it is important to stress that the returned functions do not include functions such as licensing;

children's social care—including all services relating to child sexual exploitation; adult social care; audit; and other functions which still remain high risk.

On 21 January 2016, I invited representations from the authority regarding my intention to return certain functions to them to exercise. I have now considered representations received from the authority, including from the leader and the chief executive, and I am satisfied that the council is now able to exercise the functions identified by the lead commissioner in compliance with the best value duty, and that the people of Rotherham can have confidence that this will be the case. Therefore, today I am exercising my powers under section 15 of the Local Government Act 1999 to return certain service areas, including all associated executive and non-executive functions, to the council to exercise. Handing back these functions will allow some democratic control to be returned and for the authority to take an important first step on the road to recovery.

The functions to be returned are:

Education and schools; education for 14-19 years in all settings; school admissions and appeal system; youth services

Public health

Leisure services; events in parks and green spaces

Customer and cultural services, libraries, arts, customer services and welfare programmes

Housing

Planning and transportation policy; highways maintenance

The council's area assembly system and neighbourhood working; responsibilities under the Equalities Act

Building regulation, drainage, car parking; environmental health; business regulation and enforcement—not including taxi licensing; emergency planning

• ICT; legal and democratic services; corporate communications; corporate policy; procurement; financial services, including benefits and revenues, but not including audit

Budget control in these areas and budget planning

Policy arising from Sheffield city region.

Today, the Secretary of State for Education, my right hon. Friend the Member for Loughborough (Nicky Morgan) and I have issued new directions that return the above identified service areas to the authority. With effect from 11 February, councillors will be responsible for decision making in these areas. The commissioners will provide oversight of the returned functions to ensure that they are exercised in accordance with the statutory best value duty and also retain powers in the remaining areas and other functions which still remain high risk. The directions and explanatory memorandum that accompany this statement can be viewed online at: <http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2016-02-11/HCWS539/>.

[HCWS539]

## EDUCATION

### School Estate

**The Parliamentary Under-Secretary of State for Education (Mr Sam Gyimah):** The Parliamentary Under-Secretary of State for Schools (Lord Nash) has made the following written statement.

Today, I am announcing £1.4 billion of funding allocations to maintain and improve the condition of the education estate. Investing in our school buildings is a key part of the

Government's long-term economic plan to secure Britain's future. It will help to ensure children across the country can learn in schools that are safe and in good condition.

For the financial year 2016-17, the Department for Education is allocating £200 million of devolved formula capital to schools and £1.2 billion to local authorities, voluntary aided partnerships, multi-academy trusts and academy sponsors, to invest in their own condition priorities. This includes funding for the repair and refurbishment of academies and sixth-form colleges through the condition improvement fund, the outcome of which we will announce later this year.

Good investment decisions require some certainty and stability of funding, which is why in February 2015 we announced three-year indicative allocations covering 2015-16 to 2017-18. The allocations we are announcing today, for 2016-17, update those allocations to reflect how the school system has changed, with schools opening and closing and more schools becoming academies. We have implemented these changes with minimal variation to the approach we set out last year. These updated allocations are also indicative of funding for 2017-18.

Details of today's announcement will be published on the gov.uk website. Copies will be placed in the Library of the House.

[HCWS529]

## ENVIRONMENT, FOOD AND RURAL AFFAIRS

### Agriculture and Fisheries Council

**The Secretary of State for Environment, Food and Rural Affairs (Elizabeth Truss):** The Agriculture and Fisheries Council will take place on 15 February in Brussels. My hon. friend, the Minister of State for farming, food and marine environment (George Eustice), will represent the UK.

As the provisional agenda stands, the following items will be discussed:

The primary focus will be a first reading proposal on the sustainable management of external fishing fleets.

There will be a presentation by the presidency on the work programme for the Dutch presidency, as well as a presentation by the Commission on international agricultural trade issues.

An exchange of views on animal welfare, as well as a long-term strategy for agricultural research will also take place.

There are currently four confirmed any other business items:

Conference on antimicrobial resistance (tabled by the presidency)

African swine fever (tabled by the Polish delegation)

Difficult situation in milk and pig sectors (tabled by the Polish delegation)

Market situation (tabled by the Spanish delegation).

[HCWS530]

## FOREIGN AND COMMONWEALTH OFFICE

### Foreign Affairs and General Affairs Councils

**The Minister for Europe (Mr David Lidington):** My right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs will attend the Foreign Affairs Council on 15 February and I will attend the General

Affairs Council on 16 February. The Foreign Affairs Council will be chaired by the High Representative of the European Union for Foreign Affairs and Security Policy, Federica Mogherini, and the General Affairs Council will be chaired by the Dutch presidency. The meetings will be held in Brussels.

### FOREIGN AFFAIRS COUNCIL

The expected agenda for the Foreign Affairs Council (FAC) will include Bosnia, South Africa, Moldova, Belarus, Libya and climate diplomacy. The Lebanon Foreign Minister will attend lunch where there will be an opportunity to follow up on commitments made at the London Conference on Supporting Syria and the Region 2016 and look at wider regional issues.

#### *Bosnia*

HRVP Mogherini will include Bosnia and Herzegovina (BiH) in her introductory remarks, signalling BiH's intention to submit its EU membership application in the margins of the meeting. While the UK Government will wish to welcome BiH's progress on its EU path, we will want to make clear what more needs to be done for the application to proceed—namely more meaningful implementation of the reform agenda, stabilisation and association agreement (SAA) adaptation to take into account Croatia's accession to the EU; and agreement on a co-ordination mechanism to allow BiH to speak with one voice to the EU.

#### *South Africa*

Ministers are expected to exchange views on HRVP Mogherini's forthcoming visit to South Africa and the future direction of the EU's strategic partnership with the country. The UK will seek to encourage increased engagement and note the importance of the EU's broad and significant partnership with South Africa.

#### *Moldova*

Ministers are expected to exchange views on recent developments in the Republic of Moldova.

#### *Belarus*

The FAC will have a discussion on relations between the EU and Belarus. Improving the human rights situation in the country remains a key priority for the EU.

#### *Lebanon*

Ministers will be joined for lunch by Lebanese Foreign Minister Gebran Bassil. As host to over 1.1 million refugees from Syria, Lebanon is on the front line of the humanitarian response to the crisis. At the Supporting Syria and the Region 2016 Conference held in London on 4 February the UK and co-hosts signed an agreement with Lebanon that will see the international community providing long-term support to strengthen the Lebanese economy and create job opportunities for host communities and refugees. Ministers will discuss the implementation of this agreement, the urgent need for Lebanon to elect a President, and security in the region.

#### *Libya*

The FAC will focus on the latest developments in the UN-led political process. The UK, along with the UN and international partners continues to urge all parties to resolve the remaining issues quickly. The EU will play an important role in providing immediate support to a Government of National Accord, and we will encourage the EU to develop its options for support in co-ordination with the UN.

*Climate diplomacy*

Ministers are expected to discuss the outcomes of the Paris climate change agreement and how best to support its implementation. They will exchange views on how the EU and member states should co-ordinate their efforts, including a draft climate diplomacy plan drawn up by the European External Action Service. As my right hon. Friend the Secretary of State for Energy and Climate Change said in her statement to the House on 14 December, this historic new global climate change agreement takes a significant step towards reducing, on a global scale, the emissions that cause climate change. The UK Government welcome the way the EU institutions and member states worked together to deliver the Paris agreement. The Government will continue to engage actively with EU partners and the institutions to support implementation of the agreement.

## GENERAL AFFAIRS COUNCIL

The General Affairs Council (GAC) on 16 February is expected to focus on European Council follow up, preparation of the February and March European Councils and the inter-institutional agreement on better regulation.

*European Council follow up*

The GAC will discuss the implementation of conclusions adopted at the December European Council, with a particular focus on the migration issue.

*Preparation of the February European Council*

The GAC will prepare the draft conclusions for the 18-19 February European Council, which the Prime Minister will attend. The February European Council agenda covers the UK's EU renegotiation migration and economic issues.

*Preparation of the March European Council*

The GAC will prepare the agenda for the 17-18 March European Council, which the Prime Minister will attend. The March European Council agenda has not yet been released but we expect it to include migration.

*Inter-institutional agreement on better regulation (IIA)*

The GAC will receive a further update on the IIA negotiations from the presidency. The Council may also discuss implementation, depending on the progress made ahead of the Council.

[HCWS532]

**EU Foreign Ministers (Informal Meeting)**

**The Minister for Europe (Mr David Lidington):** My right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs attended the informal Foreign Ministers meeting on 5 and 6 February in Amsterdam, the Netherlands.

The informal format of the Gymnich allows EU Foreign Ministers to engage in a free-ranging discussion on a number of issues. In contrast to the formal Foreign Affairs Council (FAC), Ministers do not agree written conclusions. The next FAC will be held on 15 February. The Gymnich was chaired by the High Representative of the European Union for Foreign Affairs and Security Policy, Federica Mogherini. Discussion centred on the European global strategy, Iran, and migration. The Gymnich also featured a scenario-based exercise.

Elmar Brok MEP, Chairman of the European Parliament's Committee on Foreign Affairs and Foreign Ministers from EU candidate countries joined EU Ministers for the session on migration. The Parliamentary Under-Secretary of State for Defence and Minister for Reserves (Julian Brazier) represented the UK in the session on the European global strategy.

## GYMNICH DISCUSSION

*European global strategy*

EU Defence and Foreign Ministers met at a joint working lunch to discuss progress in the drafting of the strategy. Ms Mogherini stated her intention to produce a strategy that was broader than just security issues and covered the range of priorities for the EU. The Parliamentary Under-Secretary of State and Minister for Reserves highlighted the UK's strategic defence and security review (SDSR) and commitment to spend 2% on defence and 0.7% on development. He said it was important that Europe should look first to NATO for its defence.

*Iran*

The next issue on the agenda was the EU's relationship with Iran. Ms Mogherini said the joint comprehensive plan of action (JCPoA) should be implemented and respected. The Secretary of State for Foreign and Commonwealth Affairs added that the EU needed to take a cautious approach due to Iran's ballistic missile programme and poor human rights.

*Scenario-based exercise*

At the joint initiative of Ms Mogherini and the Dutch Foreign Minister, Mr Bert Koenders, Ministers took part in a crisis simulation exercise, which involved a fictitious scenario followed by discussion of possible responses to an external threat.

*Migration issues*

The second day of the informal Gymnich meeting addressed migration with an extended session. EU Foreign Ministers were joined by Ministers from candidate countries and discussed the routes taken by migrants through the western Balkans and Turkey, the challenges ahead and possible solutions. Ms Mogherini intended to focus on implementing measures already in place, such as the Turkey action plan (AP) and work on contingency planning for the western Balkans routes.

The Foreign Secretary highlighted how the stream of legitimate refugees from Syria could worsen and stressed the need for a long-term strategy beyond the current crisis. This included addressing upstream push factors and supporting UN efforts and Syria's neighbours.

[HCWS531]

**Ballistic Missiles: North Korea**

**The Minister of State, Foreign and Commonwealth Office (Mr Hugo Swire):** I would like to update the House on the most recent developments on the Korean peninsula and the action the Government are taking in response.

North Korea announced on 7 February that it had launched a satellite that morning. The launch took place at Dongchang-Ri on North Korea's west coast. It was carried out by a satellite launch vehicle which used

ballistic missile technology. As the Secretary of State for Foreign and Commonwealth Affairs, my right hon. Friend the Member for Runnymede and Weybridge (Mr Hammond), made clear in his public statement on 7 February, this latest provocation by North Korea is a clear and deliberate violation of United Nations Security Council resolutions 1718, 1874, 2087 and 2094.

This provocation took place almost exactly a month after North Korea announced to the media that it had conducted its first hydrogen bomb test on 6 January. The Foreign Secretary updated the House on this issue on 13 January, *Official Report*, columns 21-22WS, and our assessment remains that the size of the seismic event caused by the nuclear test, while indicative of a nuclear explosion, was not indicative of the successful test of a thermonuclear weapon—also known as a hydrogen bomb.

We support the position outlined by the UN Security Council, as expressed in their press statement of 7 February, that this launch, as well as any other launch that uses ballistic missile technology, even if characterised as a satellite or space launch, contributes to North Korea's development of nuclear weapon delivery systems and is a serious violation of Security Council resolutions. We are working with other UN Security Council members to adopt expeditiously a new Security Council resolution in response to these dangerous and serious violations.

I summoned the North Korean ambassador to the Foreign and Commonwealth Office on 8 February in order to make clear, in the strongest terms, the UK's firm condemnation of this latest action. Our ambassador in Pyongyang has reiterated our condemnation of the nuclear test.

In addition to the Foreign Secretary speaking to the Japanese Foreign Minister on 8 February, we remain in close touch with the US, France, South Korea, China and other partners on our respective approaches towards North Korea.

We remain deeply concerned by North Korea's continued development of nuclear weapons and missile technology in defiance of UN resolutions and international condemnation. Amid reports of widespread hardship and human rights violations, the priority must be the health and welfare of North Korean people.

Our message to North Korea is that this behaviour is unacceptable. Due to the regime's continued flagrant violation of UN Security Council resolutions, it now faces an increasingly robust international response.

[HCWS537]

## HEALTH

### Ring-fenced Public Health Grants

**The Parliamentary Under-Secretary of State for Health (Jane Ellison):** I am today publishing the public health allocations to local authorities in England for 2016-17 along with indicative allocations for 2017-18.

Through the public health grant, we are investing £3.39 billion for public health in 2016-17 and £3.30 billion in 2017-18. I believe this is a fair settlement, which will ensure the long-term sustainability of public health

services. We will be investing over £16 billion over the next five years for public health, in addition to what the NHS spends on preventive interventions such as immunisation and screening.

The indicative allocation for 2017-18 will help local authorities to develop and extend their planning, including initiatives better delivered across more than one year. During 2016 the Government plan to consult on options to fund local authorities' public health spending from retained business rates receipts.

We are asking local authorities to adjust the way they report their spending from the grant on a number of subjects in 2016-17, and for the first time are including public mental health as a separate heading in spending returns.

Full details of the public health grants to local authorities can be found on gov.uk. This information will be communicated to local authorities in a local authority circular.

Attachments can be found online at: <http://www.parliament.uk/writtenstatements>

[HCWS527]

## HOME DEPARTMENT

### Policing

**The Secretary of State for the Home Department (Mrs Theresa May):** I am pleased to inform Parliament that Her Majesty the Queen has approved a one-year extension to the appointment of Sir Bernard Hogan-Howe QPM, Commissioner of Police of the Metropolis.

I recommended this extension to Her Majesty having had regard to a recommendation from the Mayor of London as occupant of the Mayor's Office for Policing and Crime. My recommendation recognises the vital work the Commissioner has done in fighting crime and in reforming the Metropolitan Police Service. He has been at the forefront of the vital and important challenge of policing London at a time of heightened security.

This extension to 25 September 2017 provides continuity for the Metropolitan Police Service during a change of political leadership in London, and will give the new Mayor of London the opportunity to take an informed view about any recommendation they may wish to make about the longer-term leadership of the organisation, after they take office in May 2016.

The extension enables Sir Bernard to continue his programme of reform of the Metropolitan Police Service and the vital task of cutting crime and keeping London safe.

[HCWS534]

## JUSTICE

### Contingencies Fund Advance

**The Lord Chancellor and Secretary of State for Justice (Michael Gove):** The Ministry of Justice requires an advance to discharge its commitments, some of which are set out in its supplementary estimate 2015-16, to be published in February 2016. This is a temporary cash advance due to the timing of Royal Assent for the

Supply and Appropriation (Anticipation and Adjustments) Bill 2015-16, which will not receive Royal Assent until late in March 2016.

Parliamentary approval for additional resources of £192,000,000 and additional cash of £268,000,000 will be sought in a supplementary estimate for the Ministry of Justice. Pending that approval, urgent expenditure estimated at £460,000,000 will be met by repayable cash advances from the Contingencies Fund.

The advance will be repaid upon Royal Assent of the Supply and Appropriation (Anticipation and Adjustments) Bill.

[HCWS535]

### Her Majesty's Courts and Tribunals Service

**The Parliamentary Under-Secretary of State for Justice (Mr Shailesh Vara):** The Government are committed to modernising the way in which justice is accessed and delivered. We are investing over £700 million over the next four years to update the court and tribunal estate, installing modern IT systems and making the justice system more efficient and effective for modern users.

Working closely with the judiciary, we have begun installing wi-fi and digital systems in our criminal courts but much more needs to be done. We want to make the entire justice system more accessible to everyone—witnesses, victims, claimants, police and lawyers—by using modern technology including online plea, claims and evidence systems and video conferencing, reducing the need for people to travel to court.

As part of this modernisation, the court and tribunal estate has to be updated. Many of the current 460 court buildings are underused: last year 48% of all courts and tribunals were empty for at least half their available hearing time. These buildings are expensive to maintain yet unsuitable for modern technology.

Court closures are difficult decisions; local communities have strong allegiances to their local courts and I understand their concerns. But changes to the estate are vital if we are to modernise a system which everybody accepts is unwieldy, inefficient, slow, expensive to maintain and unduly bureaucratic.

On 16 July 2015 I therefore announced a consultation on proposals to close 91 courts and tribunals in England and Wales. Over 2,100 separate responses were received, along with 13 petitions containing over 10,000 signatures. I am grateful to all who took the time to provide their views. It is clear from the responses that the service our courts and tribunals provide continues to be highly valued.

Having considered carefully all responses to the consultation, we have decided to close 86 of the 91 courts and tribunals. A total of 64 sites will close as proposed in the consultation. A further 22 closures will take place but with changes to the original proposals. These changes, many suggested by respondents, include the identification of suitable alternative venues, such as local civic buildings; or different venues in the HMCTS estate to those originally proposed. I am very grateful to all those who engaged with the consultation to help us to reach the best solutions.

On average, the 86 courts we are closing are used for just over a third of their available hearing time. That is equivalent to less than two days a week. It will still be the case that after these closures, over 97% of citizens will be able to reach their required court within an hour by car. This represents a change of just 1 percentage points for both criminal and county courts. The proportion able to reach a tribunal within an hour by car will remain unchanged at 83%.

For each proposal in the consultation, we have considered access to justice; value for money; and efficiency. The consultation response, which is being published today, contains details of all the decisions and changes including an indicative timetable for closures, and will be placed in the Libraries of both Houses.

[HCWS536]

### WORK AND PENSIONS

#### Universal Credit

**The Secretary of State for Work and Pensions (Mr Iain Duncan Smith):** The full universal credit service for new claims remains on track to be delivered nationally for all types of claimants from May 2016, completing in summer 2018.

Today, I can announce the jobcentres which will be go live with the full service from May through to the end of 2016. Details of the sites can be found in the table below and on the gov.uk website.

<i>May 2016</i>	<i>June 2016</i>	<i>July 2016</i>
<i>October 2016</i>	<i>November 2016</i>	<i>December 2016</i>
Rugby	Harrogate	Frome
Lowestoft	Richmond	Wells
Bath	Ryedale	Lancaster
Bridgwater	Hammersmith	Morecombe
Newcastle Cathedral Square	Inverness	Widnes
		Runcorn
Peckham	Whitehaven	Hartlepool
Kennington Park	Workington	Fulham
Taunton	Melton Mowbray	Shepherds Bush
Northallerton	Daventry	Stratford-Upon-Avon
Skipton	Market Harborough	Swindon
Minehead	Dingwall	Hastings
	Fort William	
	Invergordon	
	Portree	
	Wick	

This roll-out plan continues the successful delivery approach we have used to date, expanding steadily, safely and securely to ensure the system is resilient and we have the opportunity to learn as we go.

In agreeing this plan my Department has engaged with the local authorities. We will continue to work closely together to finalise and announce the plans for 2017 by July. Details for 2018 and the completion of the roll-out of the full service will be announced by September.

As each jobcentre rolls out all new claims will be on universal credit and it will no longer be possible, in that location, to make a new claim to income-based jobseekers allowance and employment and support allowance, income support, housing benefit or tax credits. By the middle of 2018 this transition will be complete and it will no longer be possible to make a claim for these legacy benefits or tax credits anywhere in Great Britain.

My Department will bring forward the relevant legislation for these sites in due course.

Attachments can be viewed online at: <http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2016-02-11/HCWS525>

[HCWS525]

# Petition

Monday 25 January 2016

## OBSERVATIONS

### HEALTH

#### Merger of NHS Trusts in Nottinghamshire

*The petition of residents of Sherwood,*

Declares that the petitioners support a full merger of their NHS Trust with a high-performing neighbouring Trust in order to secure the future of high quality healthcare provision in Newark; further that the petitioners support and will work constructively with the new Trust; and further that they support the hard working doctors, nurses and staff of Sherwood Forest Hospitals NHS Trust including at Newark Hospital.

The petitioners therefore request that the House of Commons urges the Government to encourage the full merger of Sherwood Forest Hospitals NHS Trust with a neighbouring high-performing Trust.

And the petitioners remain, etc.—[Presented by Mark Spencer, *Official Report*, 16 December 2015; Vol. 603, c. 1652.]

[P001664]

*Observations from the Parliamentary Under-Secretary of State for Health (Ben Gummer):* Monitor, the independent regulator of NHS foundation trusts (FTs), advises that Sherwood Forest Hospitals NHS FT is, with the regulator's support, exploring options for creating

a long-term partnership with another trust. It is yet to be decided which organisation will become Sherwood's long-term partner. In the interim, the trust is working hard to improve the quality of care for patients, in response to the Care Quality Commission's report that was published last year.

*The petition of residents of Newark,*

Declares that the petitioners support a full merger of their NHS Trust with a high-performing neighbouring Trust in order to secure the future of high quality healthcare provision in Newark; further that the petitioners support and will work constructively with the new Trust; and further that they support the hard working doctors, nurses and staff of Sherwood Forest Hospitals NHS Trust including at Newark Hospital.

The petitioners therefore request that the House of Commons urges the Government to encourage the full merger of Sherwood Forest Hospitals NHS Trust with a neighbouring high-performing Trust.

And the petitioners remain, etc.—[Presented by Robert Jenrick, *Official Report*, 16 December 2015; Vol. 603, c. 1652.]

[P001665]

*Observations from the Parliamentary Under-Secretary of State for Health (Ben Gummer):* Monitor, the independent regulator of NHS foundation trusts (FTs), advises that Sherwood Forest Hospitals NHS FT is, with the regulator's support, exploring options for creating a long-term partnership with another trust. It is yet to be decided which organisation will become Sherwood's long-term partner. In the interim, the trust is working hard to improve the quality of care for patients, in response to the Care Quality Commission's report that was published last year.





# Petitions

Tuesday 26 January 2016

## OBSERVATIONS

### HEALTH

#### Bishop Auckland hospitals

*The petition of residents of Bishop Auckland, Shildon and surrounding areas,*

Declares that Bishop Auckland General Hospital should have a midwife led maternity unit, breast screening services and an urgent care centre.

The petitioners therefore request that the House of Commons urges the County Durham & Darlington Foundation Trust to guarantee a midwife-led maternity unit, breast screening services and an urgent care centre for the next 10 years.

And the petitioners remain, etc.—[Presented by Helen Goodman, *Official Report*, 25 November 2015; Vol. 602, c. 1457.]

[P001570]

*Observations from the Parliamentary Under-Secretary of State for Health (Ben Gummer):*

The commissioning and provision of local health services is a matter for the local NHS. This Government are committed to devolving decision-making about local NHS services to local clinicians and communities. GPs, clinicians, patients and local authorities are best placed to determine the nature of their NHS services.

The NHS must however be able to respond flexibly to changes in clinical care and patient populations by providing services that meet current needs. The safety of services must always be a priority.

#### Richardson hospital

*The petition of the people of Teesdale and surrounding areas,*

Declares that Richardson hospital is a vital and much used resource for the people of Teesdale, an area with very limited public transport, and it should not have its services reduced either by the closure of wards, the removal of equipment or the reduction of its staff team.

The petitioners therefore urge the House of Commons to ask County Durham & Darlington Foundation Trust to guarantee these services for the next 10 years.

And the petitioners remain, etc.—[Presented by Helen Goodman, *Official Report*, 25 November 2015; Vol. 602, c. 1457.]

[P001571]

*Observations from the Parliamentary Under-Secretary of State for Health (Ben Gummer):*

The commissioning and provision of local health services is a matter for the local NHS. This Government are committed to devolving decision-making about local NHS services to local clinicians and communities. GPs, clinicians, patients and local authorities are best placed to determine the nature of their NHS services.

The NHS must however be able to respond flexibly to changes in clinical care and patient populations by providing services that meet current needs. The safety of services must always be a priority.



# Petitions

Wednesday 27 January 2016

## OBSERVATIONS

### HOME DEPARTMENT

#### Funding formula for Leicestershire Constabulary

*The petition of residents of Leicester East,*

Declares that current proposals to change Leicestershire's policing budget through the revision of the funding formula as well as other cuts could jeopardise the safety of thousands of residents; further that this will result in an unacceptable loss of £700,000 from the force's budget; and further that the proposals will lead to fewer officers keeping Leicester safe and give a green light to criminals.

The petitioners therefore request that the House of Commons urges the Government to immediately review the proposed funding formula for Leicestershire Constabulary.

And the petitioners remain, etc.—[Presented by Keith Vaz, *Official Report*, 10 November 2015; Vol. 602, c. 350.]

[P001553]

*Observations from the Minister for Policing, Crime and Criminal Justice (Mike Penning):*

As I set out to the House of Commons on 9 November, the Government have listened to the views of policing partners and are delaying implementation of the new funding formula.

The Government have secured a good settlement for the police. Police spending will be protected in real terms over the Spending Review period, when the locally funded police precept element of council tax is taken into account. This is an increase of up to £900 million in cash terms by 2019-20.

Proposed allocations of central Government funding for individual police force areas are set out in the Provisional Police Grant Report, published on 17 December.

Overall, the public should be in no doubt that the police will have the resources they need to respond to new threats rapidly and effectively to help keep people safe.

#### Police Cuts in Merseyside

*The petition of Residents of Merseyside,*

Declares that Merseyside Police has already lost 1600 people since 2010; further that if cuts don't stop now, Merseyside Police will lose all PCSOs, the entire mounted section and 1000 more police officers and staff; further than additional cuts will affect the teams which fight serious and organised crime, investigate rape and sexual

violence and tackle hate crime; further that the cuts will also affect the Force's ability to provide neighbourhood policing, as it is depleted from a strength of more than 7300 officers in 2010 to fewer than 4500 officers in 2019; further that this situation could get even worse if the Chancellor decides to cut the police budget even further on November 25th; further that more cuts may put the safety of Merseyside residents at risk; and further that with crime already starting to rise, the petitioners believe that these damaging cuts should be stopped before they seriously weaken the Force's ability to keep residents safe.

The petitioners therefore request that the House of Commons urges the Government to end the cuts to Merseyside Police.

And the Petitioners remain, etc.—[*Official Report*, 23 November 2015; Vol. 602, c. 7p.]

[P001562]

*Observations from the Minister for Policing, Crime and Criminal Justice (Mike Penning):*

The Government are committed to protecting the public. That has been true over the last five years and remains the case for the current Parliament.

The Government have secured a good settlement for the police in the Spending Review. Overall police spending will be protected in real terms over the Spending Review period, when local income is taken into account. This is an increase of up to £900 million in cash terms by 2019-20.

As set out in the written ministerial statement that accompanied the 2016-17 Provisional Police Grant Report, in 2016-17 no Police and Crime Commissioner (PCC) will face a reduction in cash funding if precept income is maximised. On top of this, transformation funding will be available to develop specialist capabilities to tackle emerging crimes and to enable a major uplift in firearms capability and capacity.

This does not change our view, which is shared by police leaders, that further efficiencies can be delivered by forces. As HM Inspectorate of Constabulary has reinforced, there remain further efficiencies to be made from improved and better use of IT, from greater collaboration between forces and with other public services, and from improving workforce productivity.

Decisions on the size and composition of a police force's workforce are for individual Chief Constables and PCCs. What matters is how officers are deployed, not how many of them there are. All forces need to look at the way frontline services are delivered to ensure that the quality of service provided is maintained or improved.

We trust that PCCs and Chief Constables will do everything in their power to continue to drive efficiencies, safeguard the quality of policing and continue to reduce crime. Overall, the public should be in no doubt that the police will have the resources they need to respond to new threats rapidly and effectively to keep people safe.



# Petitions

Monday 1 February 2016

## OBSERVATIONS

### EDUCATION

#### Mandatory reporting of child abuse

*The petition of residents of the UK,*

Declares that child protection in Regulated Activities is dependent upon a reporting procedure external to the institution(s) in which the concern arises; further that Regulated Activity is defined in the Safeguarding Vulnerable Groups (SVG) Act 2006 as amended as any paid or unpaid work with children; further that child protection is placed in jeopardy by the absence of any direct statutory legal obligation to report the concern to the local authority or police; and further that online petitions on this matter were signed by 202,731 individuals.

The petitioners therefore request that the House of Commons urges the Government to introduce legislation which requires persons in a position of trust who work with children in Regulated Activities and who know, suspect, or have reasonable grounds for knowing or suspecting child abuse, to inform the Local Authority Designated Officer or in appropriate circumstances Children's Services and make failure to inform a criminal offence.

And the Petitioners remain, etc.—[Presented by Mrs Cheryl Gillan, *Official Report*, 2 December 2015; Vol. 603, c. 500.]

[P001652]

*Observations from The Minister for Children and Families (Edward Timpson):*

In England, we have a voluntary system of reporting concerns about abuse and neglect. We are clear that we need the right children being referred at the right time, and that when they are referred, they have access to services and support which meet their individual needs and protect them from harm. Every child deserves to be protected from abuse and neglect. We are clear that having a strong and robust system in place to safeguard children and promote their welfare is a key priority.

Our “Working together to safeguard children” statutory guidance focuses on the core legal requirements which all professionals, including teachers, health visitors, and the police must follow to keep children safe. The guidance clearly states that an immediate referral to local authority children's social care should be made if practitioners have concerns about a child's welfare.

Nevertheless, we are always looking at how to strengthen the system of child protection so that it better protects vulnerable children. We have given the matter of mandatory reporting careful consideration. Mandatory reporting is a very complex issue and it is right that we consider the full range of evidence available before coming to a conclusion. That is why the previous administration committed to launching a full, 12 week public consultation on this issue. We are committed to fulfilling this commitment and expect to launch the consultation exercise shortly and petitioners are invited to respond.

The Government will lay a report on the outcome of this consultation before Parliament by the end of September 2016. Ministers will consider all responses received to the consultation exercise carefully before reaching a decision on next steps.

## HOME DEPARTMENT

### Treatment of asylum seekers

*The petition of residents of the UK,*

Declares that the petitioners are gravely concerned about the manner in which asylum seekers are currently treated in the UK; further that the 2015/16 Immigration Bill threatens to make those seeking sanctuary even more vulnerable; further that the Bill will leave more families homeless and further isolate an already marginalised group; further that recommendations made by the All-Party Parliamentary inquiry into the use of immigration detention have been excluded from the Bill; further that the petitioners have a moral responsibility as Christians to be a voice for those who have no voice; further that Pope Francis has said that refugees and asylum seekers are our brothers and sisters; and further that a local petition on this matter was signed by 3,000 people.

The petitioners therefore request that the House of Commons urges the Government to reconsider the findings of the All-Party Parliamentary inquiry into the use of immigration detention to adopt the inquiry's recommendations in order to improve the treatment of asylum seekers in the UK.

And the petitioners remain, etc.—[Presented by Robert Ffello, *Official Report*, 9 December 2015; Vol. 603, c. 1108.]

[P001659]

*Observations from The Minister for Immigration (James Brokenshire):*

The Immigration Bill does not affect the support provided to asylum seekers and their families, who will continue to be provided with free furnished accommodation and a weekly cash allowance to cover their other essential living needs.

The Bill restricts the support available to those whose applications for asylum have been rejected, and who are therefore illegal economic migrants. Support will still be available where there is a genuine obstacle that prevents the person from leaving the United Kingdom at the point their asylum claim or any appeal is finally determined.

Detention plays a vital role in maintaining effective immigration control and the protection of our borders. Recommendations made in the all-party parliamentary group report of their inquiry into the use of immigration detention were brought to the attention of Stephen Shaw CBE, the former Prisons and Probation Ombudsman for England and Wales, who was commissioned by the Home Secretary in February 2015 to undertake an independent review of policies and operating procedures that have an impact on detainee welfare. Mr Shaw's report was published on 14 January by means of a written statement, which also set out the Government's initial response to his report.



# Petition

*Tuesday 2 February 2016*

## OBSERVATIONS

### ENERGY AND CLIMATE CHANGE

#### Impact of Hinkley Connection project on the Wells constituency

*The petition of residents of Badgworth, Compton Bishop and Mark Parishes,*

Declares that the electricity transmission line to be built between Hinkley C Power Station and Avonmouth will have a significant and adverse impact on the visual amenity of this area; further that it will cause significant disruption during construction; further that it will damage the local tourist industry; and further that it fails to employ the most recent technologies for transmitting electricity underground or under the sea.

The petitioners therefore request that the House of Commons urges the Government to use the delay in construction of Hinkley C as an opportunity to re-evaluate

the strategic options available for the Hinkley Connection project and to direct that an undersea solution in the Bristol Channel be used instead.

And the petitioners remain, etc.—[Presented by James Heappey, *Official Report*, 9 December 2015; Vol. 603, c. 1109.]

[P001661]

*Observations from the Secretary of State for Energy and Climate Change (Amber Rudd):*

The Secretary of State for Energy and Climate Change announced on 19 January 2016 her decision to grant development consent for Hinkley Point C Connection project. The decision to grant consent was made on the merits of the scheme based on a report and recommendation from the Planning Inspectorate following a six month examination of the proposal. All representations provided to the Secretary of State following the close of examination, including this petition, were fully considered ahead of the decision being made. A copy of the Planning Inspectorate's report to the Secretary of State and the Secretary of State's decision can be found at the following link:

<http://infrastructure.planninginspectorate.gov.uk/projects/south-west/hinkley-point-c-connection/>





# Petition

Thursday 11 February 2016

## OBSERVATIONS

### TRANSPORT

#### Park and ride scheme on Bathampton Meadows

*The petition of residents of the UK,*

Declares that Bathampton Meadows are an area of cultural and historical importance; further that the proposed park and ride scheme on Bathampton Meadows will negatively affect the local landscape; further that the plans will negatively impact local tourism; and further than an online petition on this matter was signed by over 6,000 petitioners.

The petitioners therefore request that the House of Commons urges Bath and North East Somerset Council to withdraw plans to build a park and ride scheme on Bathampton Meadows.

And the petitioners remain, etc.—[Presented by Mr Jacob Rees-Mogg, *Official Report*, 6 January 2016; Vol. 604, c. 403.]

[P001667]

*Observations from the Parliamentary Under-Secretary of State, Department for Transport (Andrew Jones):*

Planning for local transport, including new park and ride facilities, is the responsibility of the Local Transport Authority. When considering new facilities the relevant

local authority must follow planning procedures, seek relevant permissions and carry out public consultation. In this case, the Local Transport Authority is Bath and North East Somerset Council.

The council is currently carrying out a public consultation on a preferred site for a park and ride east of Bath. This is a local process instigated by Bath and North East Somerset Council and is in advance of formal planning procedures. It is not for Government to intervene in these local issues. However, members of the public may make representations to the local authority about their planning proposals, as set out in published guidance.

Bath and North East Somerset Council has identified three potential park and ride sites. In September/October 2015 the council carried out a public consultation process to identify the most appropriate location. The three sites under consideration are land east of the A4/A46 junction, land to the west of Mill Lane and land to the east of Mill Lane. A summary report of this consultation has now been produced and published by Bath and North East Somerset Council. Currently, a preferred option for the park and ride site has not been decided.

Bath and North East Somerset Council's Communities, Transport and Environment Policy Development and Scrutiny Panel will be undertaking an open public scrutiny day on 22 March 2016. It will take place in the Banqueting Room, The Guildhall, Bath from 10:00 am to 4:30 pm. The day will review a park and ride to the East of Bath and also wider integrated transport solutions for the area. Further details about this event may be obtained from Bath and North East Somerset Council.



# Ministerial Correction

*Wednesday 27 January 2016*

## **BUSINESS, INNOVATION AND SKILLS**

### **Trade, Exports, Innovation and Productivity**

*The following is an extract from the closing speech by the Minister for Universities and Sciences in the Opposition day debate on Trade, Exports, Innovation and Productivity on 13 January.*

**Joseph Johnson:** The number of United Kingdom companies that are exporting is growing strongly—it has increased by 18% since 2010—and Scottish companies

are also exporting more. In 2011 there were 9,300 Scottish exporters; now there are 11,100. Our trade deficit is responding, and narrowed in the three months to November.

*[Official Report, 13 January 2016, Vol. 604, c. 959.]*

*Letter of correction from the Minister for Universities and Science.*

An error has been identified in the closing speech to the debate. The correct statistics should have been:

**Joseph Johnson:** The number of **companies in Great Britain** that are exporting is growing strongly—it has increased by 18% since 2010—and Scottish companies are also exporting more. In 2011 there were 9,300 Scottish exporters; now there are 11,100. Our trade deficit is responding, and narrowed in the three months to November.



## Ministerial Correction

Friday 29 January 2016

### TRANSPORT

#### Rail Lines: Flooding

*The following is an extract from Questions to the Secretary of State for Transport on 28 January 2016.*

**Jim McMahon:** I share the Minister's appreciation for the staff and for the patience of passengers, but I think the point is being missed. Because money has been taken away from routine maintenance and flood defences, there has been a massive effect on our local economy. If an assessment has been carried out, surely it should be made public.

**Claire Perry:** I am afraid that I have to disagree with the hon. Gentleman's facts, although I hate to do so at his first Transport questions. The Government have announced that overall flood spending in the next period will be £1.7 billion higher than it was in the previous period. Within the transport budget, about £900 million is dedicated to things like making sure that the banks

and cuttings are safe—those things that are often the first to go when there is heavy flooding. Improving the resilience of the rail network and making sure that it is fit for a 21st century climate are at the heart of the record level of investment that this Government are putting into the railways.

*[Official Report, 28 January 2016, Vol. 605, c. 402.]*

*Letter of correction from Claire Perry:*

An error has been identified in the response I gave to the hon. Member for Oldham West and Royton (Jim McMahon) during questions to the Secretary of State for Transport.

The correct response should have been:

**Claire Perry:** I am afraid that I have to disagree with the hon. Gentleman's facts, although I hate to do so at his first Transport questions. The Government have announced that overall flood spending in the next period will be **higher than the £1.7 billion it was in the previous period**. Within the transport budget, about £900 million is dedicated to things like making sure that the banks and cuttings are safe—those things that are often the first to go when there is heavy flooding. Improving the resilience of the rail network and making sure that it is fit for a 21st century climate are at the heart of the record level of investment that this Government are putting into the railways.



# Ministerial Correction

*Monday 1 February 2016*

## EDUCATION

### School Places: Thirsk and Malton

*The following is an extract from Questions to the Secretary of State for Education on 25 January 2016.*

**Kevin Hollinrake:** Across North Yorkshire we are seeing a 10% increase in the demand for primary school places, and many of my constituents are concerned that we provide the infrastructure to meet rising populations and the increased numbers of houses being built. Will the Minister confirm that the capital funding will be provided to meet that ongoing demand for new places?

**Mr Gibb:** As I said, the Department has allocated £40 million to North Yorkshire for places required by 2015. This is based on the local authority's own forecast of how many places it will need. We encourage local

authorities to negotiate significant developer contributions for new places where they result from developments. I would be delighted to meet my hon. Friend to discuss this matter in more detail. Perhaps, through him, I can persuade North Yorkshire County Council to encourage more free school applications.

*[Official Report, 25 January 2016, Vol. 605, c. 13.]*

*Letter of correction from Mr Gibb:*

An error has been identified in the response I gave to the hon. Member for Thirsk and Malton (Kevin Hollinrake) during questions to the Secretary of State for Education.

The correct response should have been:

**Mr Gibb:** As I said, the Department has allocated £40 million to North Yorkshire for places required by 2018. This is based on the local authority's own forecast of how many places it will need. We encourage local authorities to negotiate significant developer contributions for new places where they result from developments. I would be delighted to meet my hon. Friend to discuss this matter in more detail. Perhaps, through him, I can persuade North Yorkshire County Council to encourage more free school applications.





# Ministerial Corrections

*Thursday 4 February 2016*

## TREASURY

### Bank of England and Financial Services Bill [*Lords*]

*The following is an extract from the Second Reading debate of the Bank of England and Financial Services Bill [*Lords*] on 1 February 2016.*

**Harriett Baldwin:** My right hon. Friend the Member for Cities of London and Westminster spoke up for his constituency. He mentioned a problem with interest rate swap claims running out of time, which I would like to take up with him on a separate occasion, if I may. I want to clarify that the power to appoint deputy governors is not the Governor's alone; it is actually an appointment of the Queen, with the consent of the Chancellor.

*[Official Report, 1 February 2016, Vol. 605, c. 699.]*

*Letter of Correction from Harriet Baldwin:*

An error has been identified in my winding-up speech on the Second Reading of the Bank of England and Financial Services Bill [*Lords*] on 1 February 2016.

The correct response should have been:

**Harriett Baldwin:** My right hon. Friend the Member for Cities of London and Westminster spoke up for his constituency. He mentioned a problem with interest

rate swap claims running out of time, which I would like to take up with him on a separate occasion, if I may. I want to clarify that the power to appoint deputy governors is not the Governor's alone; it is actually an appointment of the Queen, **on the advice** of the Chancellor.

### Financial Conduct Authority

*The following is an extract from the debate on the Financial Conduct Authority on 1 February 2016:*

**Harriett Baldwin:** The FCA has established a redress scheme for small businesses that were mis-sold interest rate hedging products to ensure that eligible businesses are compensated. So far the scheme has paid out on 18,000 cases, and more than £2 billion has been paid in redress, including £464 million to deal with consequential losses.

*[Official Report, 1 February 2016, Vol. 605, c. 747.]*

*Letter of correction from Harriett Baldwin:*

An error has been identified in my response to the debate on the Financial Conduct Authority.

The correct response should have been:

**Harriett Baldwin:** The FCA has established a redress scheme for small businesses that were mis-sold interest rate hedging products to ensure that eligible businesses are compensated. So far **banks have sent more than 18,000 determination letters**, and more than £2 billion has been paid in redress, including £464 million to deal with consequential losses.





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OFFICIAL REPORT  
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